

REMARKS PREPARED FOR DELIVERY BY SECRETARY OF TRANSPORTATION BROCK ADAMS,
TO THE CENTRAL ATLANTA PROGRESS ANNUAL MEETING, ATLANTA, GEORGIA,
FEBRUARY 16, 1978.

I see by the Wall Street Journal and the New York Times that the Omni has been having its troubles. Some people are interpreting that as a setback for Atlanta, but as the people in this room know, progress is never a solid, upward line on a bar chart. There are setbacks, and you keep on pushing.

An emperor once said he found Rome a city of brick and left it a city of marble. You have taken Atlanta and transformed it into a center of commerce and culture. And as you are seeing this week, what happens in Atlanta is news in the rest of the country.

I spoke last week to members of Congress and the press about the Administration's policy on transportation. I want to touch on portions of that today, because so much of what you are doing here in the greater Atlanta area correlates with national policy objectives.

If I had to simplify my policy statement - and the complete document runs to 23 pages - I would say that we are shifting from an agency that builds systems to one that is concerned about how those systems serve people. We are turning from transportation as an end in itself, to a greater concern for the ways transportation can help us meet broader national goals and needs.

Energy is a case in point. Call it what you will, or dispute it as some do, the energy crisis is real. It's not going to go away, or get better, anytime soon.

The hard truth is, we are at the mercy of foreign oil suppliers. Those supplies could be turned off, perhaps at a moment's notice, for a week or a month or a year.

Even as the oil continues to flow, we are paying a steep economic price. Last year we suffered a \$27 billion trade deficit - largely because of the \$44 billion we spent for imported oil.

As available supplies grow shorter in response to global demand, the world oil price can be expected to rise. Some experts think we will be paying \$25 a barrel for oil - nearly double the current price - by 1985.

We've taken some first steps. The tough new fuel economy standards set for new cars, and the standards for light trucks now being developed, the 55 mile per hour national speed limit and a greater emphasis on transit and ride-sharing programs will help us achieve the President's goal of a 12 billion gallons a year reduction in gasoline consumption by 1985.

But we must do more - much more.

We can save vast quantities of fuel by making available some alternatives to the automobile -- whether it's a bus or jitney, carpool or vanpool, light rail or heavy rail. These alternatives can persuade the commuter to get out of his car for at least part of the trip and they can serve people who don't have access to cars.

In so doing we can serve another purpose - the revival of the central city and the renewal of urban values.

Transportation's role in stimulating urban redevelopment, promoting efficient new development and unifying a region is well known and understood here in Atlanta. You have made transportation a major consideration in downtown planning since completion of the Central Area Study in 1971. The regional transportation plan, adopted last August by the Atlanta Regional Commission, is comprehensive. It includes all modes and covers the entire seven-county area through the year 2000.

Planning revolves around the 'city center' because the inner city is making a comeback. The 'back to the city' movement is catching on in metropolitan areas across the country. The city, urban observers say, is becoming the 'in' place to live. And better transit is one of the reasons.

I believe transit can change the complexion of an urban community as much as highways once did. A good transit system can bring back the people the highways lured away.

Consider what has happened in the metropolitan Washington area. With only 23 miles of the Metro rail system in operation, travel and shopping patterns are changing noticeably. Merchants on or close to the line report dramatic increases in customers and sales. Apartments, businesses and new industrial facilities are being built near Metro stations. Ridership is growing daily.

All of these gains do not come easily. There are some problems. Your new system, like ours in Washington, will have to be de-bugged. Costs and construction times must be controlled.

Now, I have been accused of being 'anti-rail.' It's not true. What does concern me is the bottom line; not only the construction costs but the long-term debt service and the operating costs.

What rail transit most needs is a success story. I think you have the best potential for that here in Atlanta. You have a region-wide tax. The system has broad community support. Your bus system has been highly successful, with an increase of 22 million riders in six years. I therefore am supporting this system -- the new one in the United States that is:

- (1) On budget
- (2) On schedule
- (3) Being built in usable segments
- (4) Starting from the center and working its way out
- (5) Has a locally based revenue source supporting a financial plan.

Atlanta and UMTA through our 80/20 partnership have committed \$1 billion to construct and operate 13.7 miles in your 'Phase A' system. Last October I approved the final part -- \$108 million -- of UMTA's \$800 million commitment and I plan to be here on opening day next December.

We are prepared to support additions to the Phase A system, North to Lenox and South to Lakewood -- if these are Atlanta's preferred next segments and if Congress gives us a new bill this year with adequate long-term funding.

To signify our support and maintain MARTA's momentum, I am prepared to issue a letter authorizing MARTA to spend up to \$27 million it has requested, subject to Federal reimbursement later.

Our pending legislation is of crucial important for any major additional commitment to Atlanta, butr also to the future of our public transit and highway programs.

The legislation calls for \$50 billion for highway and transit programs over the next five years. It asks roughly \$35 billion for highway needs, including \$14 billion to complete the Interstate; and \$15 billion for transit.

States and cities will have more flexibility to shift funds. Matching shares for all non-Interstate programs - transit as well as highways - will be set at 80/20, and Interstate transfers will get 90 percent Federal funding. We will also retain a discretionary funding program for assistance to major projects like MARTA.

In other words, it is and will continue to be the policy of this Administration to encourage transit development and use - to save gasoline, reduce urban congestion and revitalize our cities.

-It is also our purpose to make better use of what we have. The all-out road-building, airport-building, rail-building days in this country are over; the re-building days are at hand. And what that means is that we're not going to duplicate systems, or over-build capacity, or throw facilities away just because we're tired of them or something better has come along.

We're going to finish the Interstate system. We're revamping the apportionment formula so that states can concentrate on closing the gaps in the system. We favor a 'go' or 'no-go' decision on all the Interstate segments by October 1982. States that are short of funds will be able to borrow on the next year's apportionment, but a state's funds will be reallocated if not used after two years. That's our 'use it or lose it' provision and what we're saying to the states is, 'look, let's get the essential Interstate segments built and where highways aren't needed or wanted let's put the money to use elsewhere.'

We also want to do more to help the states maintain the Interstate highways and rebuild or replace the bridges that are falling down. Our legislation provides 80 percent Federal financing for 'R and R work' (resurfacing and rehabilitation) on any Interstate routes in use more than five years, and we're beefing up the bridge program.

Now, we're probably going to see few if any new hub airports built in this country over the next ten years. We can improve and upgrade those we have. Your new Hartsfield Midfield Terminal, for example, represents a \$400 million investment by the airlines and \$32 million in Federal funds for support facilities. The terminal will provide gate positions for a hundred of the wide-bodies and significantly expand the capacity of your airport in keeping with Atlanta's new status as an international gateway.

The emphasis we're putting on the better, more efficient use of our existing transportation systems and structures doesn't mean we're turned off to new facilities.

We will continue to support programs that make sense economically, that save energy and that are clearly needed by the people. A few weeks ago we approved the development of the Northeast corridor highway project here because the additional capacity is needed to reduce congestion and make travel safer. A key factor in our decision, however, was the city's plan to make optimum use of the bus and carpool lanes in the corridor. For financial as well as energy reasons, we can no longer afford to build urban highways exclusively for the use of driver-only vehicles.

There is one other aspect of national transportation policy I want to mention this morning, and that's the matter of economic regulation.

Basically, I believe the public carriers - rail, air and truck - should operate more like the private businesses they are and less like the wards of the government they seem to have become.

Historically, the government has always regulated the transportation market, beginning with the first rules on imports and the prohibition against interstate tariffs. Regulation has its place - to protect the consumer - but over the long years that the regulatory statutes have been on the books the economy has changed, the industries have changed - everything has changed but the fine print of regulation itself.

I supported regulatory relief for the railroads when I was in Congress, and I support regulatory reform of the airlines now because I believe we can do a lot to simplify government regulation, increase competition and make air travel a better bargain for more people.

The airlines had a good year in 1977, with record profits, not because of regulation but because they began to compete more aggressively, with the CAB's blessings. I think it's significant that the airlines promoting the discount fares were among those with the biggest gains in earnings. The fare cuts generated so much new traffic that more money is coming in from new passengers than is being lost by the discounts. 'The airlines,' as the headline in a West Coast newspaper put it recently, 'relax and find they enjoy things they once resisted.'

Your 'own' airline, Delta, has always been a good performer. The new Atlanta-London route should be highly successful. I have no doubt that Delta will be an effective competitor in providing service to Europe for the people of greater Atlanta and the Southeast.

I appreciate the time you have given me. I conclude as I began - commending you for your interest in the transportation needs of this city, and assuring you of our continuing concern for the success of your efforts.

I am confident that if we do our jobs well, we will never lack the mobility we need and can afford.

#####