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REMARKS PREPARED FOR DELIVERY BY SECRETARY OF TRANSPORTATION BROCK ADAMS, TO THE TRANSPORTATION RESEARCH BOARD, NATIONAL ACADEMY OF SCIENCES, WASHINGTON, D.C., JANUARY 4, 1978.

I AM GRATEFUL TO THE TRANSPORTATION RESEARCH BOARD FOR AGREEING TO HOST THIS DAY-LONG MEETING ON SHORT NOTICE. I ALSO APPRECIATE EACH OF YOU ARRANGING YOUR SCHEDULES TO BE HERE TODAY.

THERE HAVE BEEN NUMEROUS NORTHEAST CORRIDOR PROJECT PLANNING AND COORDINATION MEETINGS IN THE PAST, AND STAFF PEOPLE HAVE BEEN OUT IN THE FIELD TO FACILITATE THE INTERCHANGE OF INFORMATION. BUT I HAVE NOT HAD AN OPPORTUNITY AS YET TO DISCUSS THE PROJECT WITH YOU PERSONALLY AND TO GET YOUR COMMENTS. I HAVE CALLED THIS MEETING, THEREFORE, TO SHARE WITH YOU PRESIDENT CARTER'S AND MY VIEWS ON THE NORTHEAST CORRIDOR PROJECT AND TO HEAR FROM YOU YOUR CONCERNS AND EXPECTATIONS.

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WE HAVE EXAMINED THE NORTHEAST CORRIDOR PROJECT ITSELF IN METICULOUS DETAIL. BUT I BELIEVE WE MUST GIVE CLOSER ATTENTION TO INTEGRATED PLANNING FOR AMTRAK, CONRAIL, AND COMMUTER OPERATIONS ON THE NORTHEAST CORRIDOR. THE FEDERAL INVESTMENT IN RAIL PASSENGER FACILITIES IN THE NORTHEAST IS STAGGERING. IT INCLUDES BOTH A LARGE INVESTMENT IN CAPITAL FACILITIES OWNED BY AMTRAK, AND A SUBSTANTIAL COMMITMENT TO FEDERALLY-FINANCED COMMUTER RAIL FACILITIES OWNED BY LOCAL TRANSIT AUTHORITIES FROM BOSTON TO WASHINGTON.

IN ADDITION TO THIS HUGE CAPITAL INVESTMENT, THE FEDERAL GOVERNMENT PROVIDES MILLIONS OF DOLLARS ANNUALLY IN OPERATING SUBSIDIES TO AMTRAK FOR INTERCITY RAIL OPERATIONS AND IN U.M.T.A. SUBSIDIES FOR COMMUTER OPERATIONS ALONG THE CORRIDOR. AND, AS YOU KNOW, CONRAIL HAS BEEN CAPITALIZED WITH \$2.1 BILLION IN FEDERALLY-GUARANTEED LOANS.

THIS MASSIVE FEDERAL INVESTMENT IS JUSTIFIED NOT ONLY BY THE HIGH POPULATION DENSITY AND RIDERSHIP LEVELS - BOTH PRESENT AND PROJECTED - ALONG THE CORRIDOR, BUT BY THE RAIL NETWORK'S IMPORTANT ECONOMIC BENEFITS TO THE NORTHEASTERN REGION OF THE COUNTRY. BUT IF WE ARE TO PROTECT THE FEDERAL INVESTMENT IN RAIL PASSENGER TRANSPORTATION -- AND GUARANTEE THE SYSTEM'S FUTURE ECONOMIC IMPORTANCE -- WE MUST MOVE NOW TO MAKE SURE THAT ALL OF THESE FACILITIES ARE OPERATED IN A COORDINATED FASHION. THERE MUST BE DUE REGARD FOR THE SPECIALIZED GOALS AND SERVICES OF EACH SEPARATE SERVICE, BUT THERE MUST ALSO BE A RECOGNITION OF THE INTERDEPENDENCE CREATED BY THE FACILITIES THEMSELVES.

I BELIEVE THAT IF FUTURE TRANSPORT IN THE NORTHEAST CORRIDOR IS TO REACH ITS FULL POTENTIAL, INTERCITY AND INTRACITY TRANSPORTATION IMPROVEMENTS SHOULD BE COORDINATED TO REINFORCE EACH OTHER. WE WANT TO INSURE THAT THE INVESTMENTS BEING MADE IN THE N.E.C. BRING MAXIMUM BENEFITS TO BOTH THE INTRA AND INTERCITY TRAVELER.

I THINK WE SHOULD ALL UNDERSTAND THAT THIS REPRESENTS A CONSIDERABLE CHANGE IN THE CONCEPT OF THE NORTHEAST CORRIDOR IMPROVEMENT PROJECT. MOST OF THE CONSTITUENT ELEMENTS, SUCH AS TRACK WORK, ELECTRIFICATION AND MAINTENANCE FACILITIES, ARE CERTAIN TO BE A PART OF THE FINAL IMPROVEMENTS; BUT I HAVE SET IN MOTION SOME CHANGES IN CORRIDOR PLANNING THAT WILL PLACE A GREATER EMPHASIS ON SERVICE TO USERS AND OVERCOMING POTENTIAL

CONFLICTS BETWEEN INTERCITY, COMMUTER AND FREIGHT OPERATIONS. I HAVE ASKED YOU HERE TODAY BECAUSE YOU MUST BE PART OF THAT CHANGE IN EMPHASIS.

AS YOU KNOW, I HAVE GIVEN A GOOD DEAL OF TIME AND ATTENTION TO THIS SUBJECT DURING MY FIRST YEAR IN OFFICE, AND I AM FIRMLY CONVINCED THAT THIS IS THE ROAD WE MUST TAKE TO ENSURE SUCCESS OF THE PROJECT.

I ALSO WANT TO RE-EMPHASIZE THAT FUNDS FOR IMPROVING RAIL PASSENGER SERVICE IN THE NORTHEAST CORRIDOR ARE LIMITED. PRESIDENT CARTER HAS SET A GOAL OF A BALANCED BUDGET BY 1981. THEREFORE THERE IS NO ASSURANCE AT THIS TIME THAT THERE WILL BE ANY INCREASE IN THE N.E.C. BUDGET BEYOND THE \$1.75 BILLION ALREADY AUTHORIZED. I WAS INVOLVED IN DRAFTING BOTH THE 3-R ACT AND THE 4-R ACT, AND I FEEL NOW AS I FELT THEN THAT WE CAN MAKE MAJOR, SIGNIFICANT IMPROVEMENTS IN THE NORTHEAST CORRIDOR WITH OUR PRESENT PROGRAM.

IF THE PROJECT IS SUCCESSFUL IN DELIVERING IMPROVED SERVICE, AND I HAVE EVERY REASON TO BELIEVE IT WILL BE, WE CAN THEN DECIDE WHAT FURTHER IMPROVEMENTS SHOULD BE MADE. OUR CURRENT PLANNING IS BEING CARRIED OUT IN A WAY TO INSURE THAT WE ARE NOT CLOSING THE DOOR ON FUTURE OPTIONS, BUT CLEARLY THE TIME FOR MAKING THOSE FINAL DECISIONS IS STILL SEVERAL YEARS AWAY.

WE HAVE REVIEWED THE CONSTRUCTION PROGRESS TO DATE ALONG WITH PLANS FOR THE NEXT SEVERAL YEARS. WE HAVE REACHED THE CONCLUSION THAT IT WILL BE VERY DIFFICULT TO MEET THE FEBRUARY 1981 COMPLETION DATE MANDATED BY THE 4-R ACT.

NOW I AM WELL AWARE THAT THE BUDGETARY CONSEQUENCES OF A REQUEST TO EXTEND THE TIMETABLE FOR COMPLETION OF THE PROJECT WOULD MEAN HIGHER COSTS DUE TO INFLATION, BUT AT THE SAME TIME WE SHOULD INVESTIGATE ANY COST-SAVINGS THAT COULD BE REALIZED BY EASING THE PRESENT "PEAK-LOAD" CONSTRUCTION PROJECTION. WE WILL BE REVIEWING THIS MATTER OVER THE COMING MONTHS.

WITH THIS AS BACKGROUND, LET'S TURN NOW TO THE IMMEDIATE BUSINESS BEFORE US.

THE T.R.B. GRACIOUSLY CONSENTED TO ARRANGE THIS MEETING AS AN AD HOC SESSION TO EXPLORE WHETHER AND UNDER WHAT CIRCUMSTANCES WE SHOULD HOLD CONTINUING SERIES OF CONFERENCES ON THE N.E.C. PROBLEMS AND PRIORITIES. TODAY WE CAN EXPLORE THE TOPIC GENERALLY, DO SOME REASSESSING OF WHERE WE ARE, AND THINK ABOUT HOW WE MIGHT STRUCTURE FUTURE RELATIONSHIPS. I AM AWARE FROM MY MEETINGS AND CORRESPONDENCE WITH MANY OF YOU, FROM MORT DOWNEY'S MEETING WITH LOU GAMBACCINI'S GROUP LAST SEPTEMBER, FROM THE PRELIMINARY ENVIRONMENTAL IMPACT STATEMENT PROCESS AND VISITS BY N-E-C-P STAFF, THAT YOU HAVE MANY FUNDING CONCERNS, TECHNICAL AND OPERATING QUESTIONS, AND HAVE EXPRESSED SOME DISAGREEMENTS OVER PRIORITIES. HERE IN THIS ROOM WE HAVE THE INSTITUTIONS AND INDIVIDUALS BEST QUALIFIED TO BEGIN THE RESOLUTION OF THESE MATTERS.

OUR FIRST TASK IS TO SET AN AGENDA OF ISSUES. IT SEEMS TO ME THAT THE ISSUES FALL INTO TWO BROAD CATEGORIES; CAPITAL AND OPERATING, AS FOLLOWS:

I. CAPITAL ISSUES:

THESE ARE THE ISSUES RELATED TO PRIORITIES AND BUDGET LIMITATIONS, SOME OF WHICH I REFERRED TO EARLIER, BUT WHICH NEED TO BE FURTHER ELABORATED. THERE ARE PERHAPS A HALF DOZEN TOPICS WORTHY OF DETAILED DISCUSSION:

1. MAJOR ELEMENTS WITHIN THE \$1.75 BILLION PROGRAM.
2. PRIORITIES FOR POSSIBLE CAPITAL ADDITIONS TO THE PROGRAM.
3. INTERCITY EQUIPMENT DEVELOPMENT STRATEGY FOR THE LONG-TERM (THE NEXT GENERATION OF AMTRAK EQUIPMENT, FOR EXAMPLE).
4. ULTIMATE RESOLUTION OF FREIGHT-PASSENGER "INTERFERENCE" ISSUES AND THE QUESTION OF BY-PASS FOR THROUGH-FREIGHT SERVICE.
5. ULTIMATE RESOLUTION OF THE ISSUE OF PROPERTY OWNERSHIP SEGMENTATION, IF THIS IS INDEED A PROBLEM.
6. EFFECT OF CONVERSION TO 25 KILOVOLT, 60 HERTZ POWER ON COMMUTER EQUIPMENT MODIFICATIONS AND REPLACEMENTS.

II. OPERATING ISSUES:

THE INEVITABILITY OF CONFLICTS AMONG INTERCITY, COMMUTER AND FREIGHT USERS OF THE CORRIDOR WAS RECOGNIZED IN THE 4-R ACT. AS YOU KNOW, SECTION 702 OF THE ACT AUTHORIZED AN "OPERATIONS REVIEW PANEL" COMPOSED OF FIVE MEMBERS.

THE ACT CREATES CIRCUMSTANCES IN WHICH I BELIEVE THE PANEL COULD BE QUITE EFFECTIVE. FOR EXAMPLE, ALL DECISIONS OF THE PANEL ARE FINAL AND BINDING ON THE PARTIES AND HAVE THE EFFECT OF LAW. TO DATE, IT HAS BEEN CALLED UP TO MEDIATE ONLY ONE ISSUE; AMTRAK'S PROPOSED REDUCTION IN TRAIN SERVICE BETWEEN PHILADELPHIA AND NEW YORK. CONGRESS' \$18 MILLION SUPPLEMENTAL APPROPRIATION RESOLVED THAT ISSUE.

IT APPEARS TO ME THAT THE PANEL WILL BE UNABLE TO FULFILL ITS INTENDED ROLE UNLESS THOSE OF US IN THIS ROOM GET BEHIND IT AND REALLY DECIDE HOW TO MAKE IT WORK. THE PANEL PROBABLY NEEDS MORE FLEXIBILITY IN CARRYING OUT ITS FUNCTIONS. THAT LEADS TO MY FIRST SUGGESTED AGENDA ITEM IN THE OPERATIONS AREA: CONSIDERATION OF THE USEFULNESS OF AND PROPOSALS FOR STRENGTHENING THE "OPERATIONS REVIEW PANEL." OTHER AGENDA ITEMS IN THIS AREA ARE:

1. RESOLUTION OF NUMEROUS SCHEDULING AND DISPATCHING ISSUES -- FOR EXAMPLE, THE CONFLICT OVER COMMUTER VERSUS AMTRAK USE OF M.B.T.A. PROPERTIES IN MASSACHUSETTS TO BE IMPROVED BY THE CORRIDOR PROJECT, WHICH HAS COME TO MY ATTENTION.
2. STATION ISSUES WHERE COMMUTER AND AMTRAK JOINTLY USE A FACILITY; PARKING POLICY; AND DEFINITIONS OF "OPERATIONAL" IMPROVEMENTS TO STATIONS.
3. OPERATIONAL AND MARKETING ISSUES RELATED TO SERVICES, SUCH AS HANDLING PATRONS WHO USE BOTH COMMUTER AND INTERCITY FACILITIES IN A SINGLE TRIP.
4. PRICING AND COMPETITION ISSUES, INCLUDING POSSIBLE REDEFINITION OF "COMMUTER" AND "INTERCITY" PASSENGERS.
5. MAINTENANCE POLICY.
6. QUESTIONS RELATED TO USE OF N.E.C. FACILITIES FOR CONRAIL FREIGHT OPERATIONS.

THIS LIST IS A BEGINNING. I'M SURE THERE ARE MANY OTHER ISSUES THAT WILL COME TO MIND.

IN CLOSING, LET ME ASSURE YOU THAT BOTH PRESIDENT CARTER AND I ARE FIRMLY COMMITTED TO RAIL SERVICE IMPROVEMENTS IN THE NORTH-EAST CORRIDOR, WE STRONGLY BELIEVE THESE IMPROVEMENTS AND THE JOBS ASSOCIATED WITH THEM ARE VITAL TO THE ECONOMY OF THE EASTERN SEABOARD.

THANK YOU FOR YOUR CONSIDERATION. I LOOK FORWARD TO WORKING WITH YOU TODAY AND IN THE DAYS TO COME.

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