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REMARKS PREPARED FOR DELIVERY BY SECRETARY OF TRANSPORTATION BROCK ADAMS TO THE CONFERENCE OF TRADE UNION EDITORS, WASHINGTON, D.C., MAY 4, 1978

A few weeks ago I had the privilege of speaking at the Laborers' Union leadership conference, and when Secretary Marshall asked me to come here today I said 'sure, that's the audience we want to reach.'

In the next 10 years we're going to be spending \$150 to \$200 billion in Federal transportation assistance funds, mostly for construction projects. The name of the game is jobs. We're never going to create enough jobs in the public sector alone, but we can stimulate employment in the private sector -- and God knows there's enough work needing to be done to keep the nation's transportation work force busy.

Our new surface transportation bill, for example, is labor-intensive. It calls for completion of the gaps in the Interstate-system. The longer those unfinished portions sit there the more expensive they get. Nearly 92 percent of the proposed system is now open to traffic. So we have about eight percent unfinished, and I say let's meet the dates set in the new legislation and get on with the job.

The bill also calls for rehabilitating the Interstate sections that are crumbling. Some of that highway is 20 or 25 years old and it's beyond the point where the states can just fill the potholes again. So we need a more aggressive road repair program and our proposal provides for that.

Our bill also requests more money for bridge repair. We have thousands of bridges in need of repair or replacement. The DOT budget for FY '79 asks for \$450 million for the bridge program -- well above last year's \$180 million and just about what Federal Highway Administration surveys show is needed right now for bridge projects ready for contract.

The Administration bill before Congress also provides for easier transfer of funds to transit projects, so that communities committed to new public transportation systems or improvements can get on with the planning, hire the people and get the work done.

The bill does something else -- it does away with the plumber's nightmare of conflicting and overlapping categories and reduces the complexities of the grant administration process.

Over the years the surface transportation assistance program has been altered and amended and restructured to the point where the present system is almost chaotic. So many categories have been added, in attempts to regulate what the states do, that we have a situation now where there is about \$3 billion authorized that states can't match -- because it's in categories they don't need or can't use.

Georgia's Governor Busbee told me he has plenty of money in the Federal account for striping the highways in his state but the bridges are falling down and he hasn't figured out how to paint a center stripe on a river.

We have about \$800 million allocated for Pennsylvania they haven't spent yet. And so it goes. And it doesn't help to vote gobs of new money unless and until we take the necessary actions to free up the money already there so the states will have more say in how and where it is used. That's what our bill seeks to do.

Will Rogers once said we should be glad we're not getting all the government we're paying for. Over the years we have put too much government between the transportation needs of our states and communities and the people who can perform the work needed to meet those needs.

When money is blocked, jobs are blocked. So we're reducing the number of categories, we're asking for equal matching shares for highway and bridge and transit projects -- so there's no bias for the project that brings the most Federal dollars -- and we're making it easier to shift funds to projects that are ready to go.

We've even cut back on the paperwork in the Federal Highway Administration. Over the past year or so nearly 700 Federal highway forms have been abolished, consolidated or simplified, and we've eliminated about 40 percent of the paperwork involved in processing a Federal grant.

Now, a second thing we're working very hard at is to provide better opportunities for disadvantaged workers. 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. Recently 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.

The number of minority employees in the highway construction work force is high, 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.

Now what are we talking about in terms of actual jobs? We can get a pretty good idea by looking at our fiscal '79 budget. As a rule of thumb \$40,000 in Federal appropriations generates one job. On that basis, the \$3.5 billion we are requesting for the Interstate system will produce approximately 87,000 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.

There is also work to be done on 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 4,300 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 railroad's 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 still a great deal 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 Conrail in the Northeast -- not at any cost because all concerned in the future of that system must share in the responsibility for its economic viability -- but Conrail represents our best chance for restoring service-oriented, self-sustaining, private sector rail freight service in that section of our country.

I testified in support of an additional \$1.3 billion in Federal aid for Conrail over the next five years, but I also cautioned that if even more funds are needed, then we will have to re-evaluate the whole concept.

But, nationally, there's no getting away from the fact that 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 our 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 must admit that I am not pleased with the pace of the Northeast Corridor Project. Although I went out with a pick and shovel myself -- with the unions' blessing -- to try to get work started over a year ago, it has only been in the past few weeks that reconstruction of roadbed got underway.

Even so, 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 the traditional railroad brotherhood work force and also hire other union employees working with contractors. This is a matter that the leaders of the companies and the unions involved -- the railroad brotherhoods and the building trades -- must resolve to see that each has his fair share. I have discussed this with the union officials concerned and we must reach an understanding so that people can get off the waiting lists and onto the working lists.

Finally, let me say a word about the oil problem. We're not used to constraints in this country, and we don't take kindly to them. At the same time, no national dilemma has ever defeated us and no technical challenge has ever licked us. But, to be successful, you can't go on pretending such problems don't exist.

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. Even new "finds" equal to the Alaska North Slope strike every five years wouldn't solve the problem, at the rate we're presently using oil.

The long coal strike demonstrated what a fuel shortage could do to our economy. An oil shut-off would be far worse. The ripple effect quickly reverberates through the economy, halting growth and costing jobs.

We must have an energy bill. Congress has now had President Carter's energy conservation legislation for more than a year. Time is fleeting. 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. We're using more than we did five years ago, when the embargo demonstrated our vulnerability.

(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.

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.

We have a large, able and willing work force in this country. Our 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.

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