



U.S. Department of
Transportation

News:

Office of the Assistant Secretary for Public Affairs
Washington, D.C. 20590

Contact: Jennifer Hillings
Tel.: (202) 426-4570

REMARKS PREPARED FOR DELIVERY BY
SECRETARY OF TRANSPORTATION ELIZABETH HANFORD DOLE
AMERICAN FEDERATION OF LABOR - CONGRESS OF INDUSTRIAL ORGANIZATIONS
BUILDING AND CONSTRUCTION TRADES DEPARTMENT
WASHINGTON, D.C.
APRIL 16, 1985

It is indeed an honor and a pleasure to be welcomed back here for the third year. I always look forward to this dialogue each spring. To some people in Washington spring might mean cherry blossoms, softball and tulips. To me it means talking about building and construction with you. The President called Bill Brock to take the job as Secretary of Labor on the first day of spring. I trust you will make this as memorable an occasion for Bill next spring as it always is for me. For I am convinced that Bill offers a breath of fresh hope and optimism for working people everywhere. He set as his first priority to, in his words, "create as many jobs as I can." I know Bill is thoughtful and resourceful, and I'm sure he can do a great amount of good.

Since my early days at the White House as Assistant to the President for Public Liaison I've enjoyed a good working relationship with Lane (Kirkland) and Bob (Georgine) and many others in the labor movement. I value your counsel. I appreciate your friendship. And I solicit your continued support as we continue the job of rebuilding our nation's infrastructure. In asking your support, I would remind you of some words spoken over a century ago by a great wartime president who confronted the greatest divisions in American history and who asked us to bind them up in the name of justice and decency and the potential that lay in an economy waiting to soar.

"Labor is prior to, and independent of, capital." So wrote Abraham Lincoln in his first annual message to Congress. "Capital is only the fruit of labor," he went on, "and could never have existed if labor had not first existed."

Those were blunt words, even then. Today, for all the changes in our economy and our politics, they have not lost their validity. This is an Administration that talks a lot

about capital, about savings and investment and productivity and cutting waste out of government. But none of the talk, nor the action that follows it, should be read in a philosophical vacuum. Today, labor and capital are inseparable partners in the equation of prosperity.

The common thread running through our society today is change. The wonderful constancy about working men and women is that you have always welcomed the challenges of change. There have been times when you have encountered obstacles and experienced disappointments. But you have always come back strong and more determined -- with new confidence and greater competence. Today is no exception.

I have been thinking how things have changed since I first addressed the AFL-CIO executive council in Miami in February 1982. Then inflation was cooling down from the double digit levels of the previous years. But today inflation is only 3.5 percent, giving Americans more buying power, more spendable income. Then civilian unemployment stood at nearly nine percent. Now unemployment is 7.3 percent. That is still too high, but jobs are being generated at a rate of more than 400,000 a month.

Since 1982, new housing starts have almost doubled. On an annual rate, housing starts have increased from 866,000 in 1982 to 1,638,000 today. But these are more than numbers on a scoreboard. They represent jobs, human beings with hope for the future. Members of the construction trades are working again, helping to build America and a strong economy. We are experiencing the best sustained growth in 30 years -- in fact since the founding of the AFL-CIO in 1955.

But we still have a long way to go, and that's what I want to discuss with you today. I want to focus my discussion of change on transportation. Transportation is an \$800 billion dollar industry. As a slice of our GNP it totals nearly 20 percent. It serves the needs of people everywhere. It assures the flow of food from farm to market, raw materials from mine to factory, products from assembly line to construction sites.

Some of you may be surprised to hear that the Department of Transportation is the largest non-military builder. Our 1986 budget projects an expenditure of \$18 billion for construction of highways, transit systems and airports. That kind of construction outlay is more than the Department of Housing and Urban Development, which is scheduled to spend \$11 billion on housing construction in 1986. All the other civilian agencies will spend about \$20 billion in the same period. I've given a lot of thought to civilian infrastructure needs. I want to share my conclusions with you because I need your expertise to help us complete the Interstate highway system, repair our nation's roads and rebuild our bridges.

Since the nickel-a-gallon federal gasoline tax increase went into effect in the spring of 1983, more than \$53 billion in federal, state and local funds have been spent to repair and rehabilitate thousands of miles of highways. We have provided \$28.6 billion in federal highway funds to the states for highway construction and rehabilitation. Prior to these funding increases, authorized by the Surface Transportation Assistance Act of 1982, America's highways were deteriorating at a rate twice as fast as they were being repaired. Today, however, the growth in the deterioration of our highways has been stopped, and we are beginning to see massive improvements taking place on thousands of bridges and on tens of thousands of miles of highways across the country.

These obligation figures are important to the highway construction community because they are one of the best tools available to measure the level of actual

construction activities undertaken as a result of the increases in funding. They speak loudly and clearly: not only are highways being built and reconstructed, but your members are working.

In the two years since the passage of the STAA, the level of highway construction activities increased dramatically when compared with the two years prior to the Act's passage. Nearly 40,000 miles of federal-aid highways are undergoing extensive reconstruction, repair and similar improvements -- nearly double the miles of improvements reported under way in 1981 and 1982.

Gains were made in the four major areas of highway construction: restoration and rehabilitation; reconstruction; resurfacing; and, new construction starts. One of the most significant advances occurred in restoration and rehabilitation projects. More than 5,300 miles of major road improvements were initiated in 1983 and '84, a 200 percent increase over the previous two years. Major reconstruction projects were up nearly 28 percent. Resurfacing projects also increased by more than 55 percent during 1983-84. Nearly 21,000 miles of highways have undergone blacktopping and other improvements. New construction of federal-aid highways was also up by nearly eight percent as 1,370 new miles of roadway were initiated.

These statistics underscore the positive impact the STAA is having on America's highway rebuilding program. That means jobs, economic growth and progress. The nation has made an excellent start in the revitalization of its highway infrastructure, a start made possible by the multi-year funding increases authorized by the STAA.

But not long ago all our good intentions were nearly sidetracked. The Congressional impasse over approval of the Interstate Cost Estimate was beginning to threaten progress. You will recall we discussed this problem last year. Every two years, Congress approves the ICE, which sets out each state's proportional share of the remaining cost to finish the Interstate system. The Federal Highway Administration then allocates the money available each year accordingly. However, last year Congress delayed approval of the ICE and then acted to release only six months worth of the funds. With a number of states beginning to run out of federal funds in January, I saw the 1985 highway construction season in jeopardy. And I proposed emergency legislation to get the funds freed. Congress acted responsibly in approving emergency legislation similar to that which I had proposed. Congress passed a clean ICE bill devoid of the add-on "demonstration" projects which would have cost billions.

Without this legislation, the entire 1985 highway construction season could have been lost. Tens of thousands of jobs were at stake. At least forty-five states were out of Interstate construction money when we released the funds. Fortunately, I was able to release more than \$7 billion after the President signed the bill on March 13. The construction continued. The jobs were saved.

You deserve a lot of the credit for making this all happen. Member unions of the Building and Construction Trades Department were very active and worked hard for passage of the ICE legislation. I'm very grateful for your support and assistance.

The ICE will need to be approved again in September. I urge you to continue your work on this vitally important piece of legislation.

But what of the future in highway repair and rehabilitation? Our studies show that by the end of the century, America's highways must accommodate almost 60

percent more travel than in 1984. Even if there were a significant reduction in travel because of rapid fuel price increases or curtailment of fuel availability, the highways would still have to accommodate over a 40 percent increase.

The cost of maintaining 1983 highway conditions through the year 2000 varies from \$296 billion to \$324 billion depending on the level of future travel assumed.

Between 1984 and the year 2000, approximately 41,000 miles of Interstate, 334,000 miles of arterials, and 636,000 miles of collector roads will require capital improvements to maintain serviceability. Those are just a few of the projections that tell us: we still have our work cut out for us. And the Building and Construction Trades Department's members will be working to keep our nation's highways in shape to meet future demand.

Let me add that our commitment to building a strong transportation infrastructure is not just limited to highways. As Secretary of Transportation I am dedicated to providing the safest, most efficient transportation network possible. Today we are in the midst of a 10-year, \$10-billion dollar plan that will double our air travel capacity and make our airspace even safer, while essentially weatherproofing our airways. We continue to be proponents for deregulation, believing that it means less expensive, better transportation for people and products.

In addition, our Airport Grants Program will fund a billion dollars' worth of work on airports in 1986 -- building runways and terminals to take care of the capacity needs of today and the future.

All of this construction is paid for by users of the service. This policy of financing the growing needs of our transportation infrastructure through user fees -- whether it pertains to our highways, transit, airports, the air traffic control system or ports -- not only provides the necessary resources for the repair of roads and bridges, but it makes good sense. We firmly believe those who benefit from using a particular service should help bear the costs. Seventy percent of our transportation budget is supported by user fees, and we hope that will increase to 85 percent in 1986.

In the years ahead, we will rebuild America's transportation systems. In a larger sense, we will rebuild America herself. With your help, we will transform the old dream and the new vision into lasting prosperity and permanent opportunity. It is a goal worth working for. And there's plenty of work that needs to be done.

Organized labor has many beautiful ballads telling the history of the working men and women of this country. Some are sad. But one is very upbeat. It was written to celebrate the merger of the AFL and the CIO in 1955, and it expresses the hope and dreams of my generation: "Together we'll build and together we'll stand. Together we'll make this a happier land." That, I think, is the spirit of America today.

America's great strength has always been her people -- her richest resource. We're not afraid of free enterprise or free trade unions or freedom of thought. We depend on them, because only when individuals are free to compete, create, and build, only when they're given a personal stake in deciding their destiny and benefiting from their own risks -- only then do societies become dynamic, prosperous, progressive, and free. That is the America we have known. With your help -- your concern and your contribution -- it is the America we will always know and love.

Thank you very much.