



U.S. Department of  
Transportation

# News:

Office of Public Affairs  
Washington, D.C. 20590

Contact: Tom Blank  
Tel: (202) 426-4570

REMARKS PREPARED FOR DELIVERY BY SECRETARY ELIZABETH HANFORD DOLE  
ASSOCIATION FOR A BETTER NEW YORK  
NEW YORK, N.Y.  
JUNE 14, 1983

I can think of no more appropriate place to celebrate Flag Day than in this city, which is a melting pot of people of many cultures and nationalities who have sought and found comfort and opportunity under the American flag.

I am delighted to be here and to have this opportunity to witness first hand the tremendous change that has taken place in the world's most vibrant city. Most of all, I appreciate this opportunity to talk with some of you who made it happen. In 1971, when New York was approaching the brink of financial disaster you saw the need and you formed this organization. You generated many of the ideas and innovative strategies that saved the city and set it on a pathway to newfound strength. Early on, the Association for a Better New York recognized that here, as in so many other communities, economic climate depends on the interrelationship of business, labor, and government. And so you created opportunities for dialogue; you fostered new solutions to old headaches. Later, you enlarged your focus to include more than economic issues -- because, after all, a city is a very human tapestry. I admire your current involvement in "Meals on Wheels" for the elderly, in educational programs and in a unique crime prevention program. The idea of people working together to help their neighbors and help their community is the very bedrock foundation of this nation. It has been that way in urban neighborhoods as well as on rural farms, an American tradition that conveys much of our character as a people. And you have proved right here in New York that it is still the bonding element which will hold a city together and make it work.

Nowhere is the spirit of caring and mutual assistance more apparent than it is in this room. To me your work is truly resplendent. And you deserve much of the credit for the transformation of New York over the last decade into a city of the future.

And certainly across all of urban America transformation and change are the order of the day.

We are in the beginning phases of a nationwide program to rehabilitate and



preserve our highways, bridges and public transit systems. No patchwork project, this extensive rebuilding program will assure that the high quality surface transportation system we enjoy today will endure for future generations.

As you are intimately aware, Westway is very much a part of that program. This 4.2 mile segment of the Interstate system carries with it a pricetag of \$1.8 billion, and has generated much debate. The debate is occurring where it should -- at the state and local level. Suffice for me to say that DOT is prepared to follow through with the process, consistent with the wishes of the people of this great city and state.

The greater resources needed for today's projects, such as Westway and our nation's massive highway rejuvenation, come primarily from the recent nickel a gallon increase in the Federal gasoline tax, revenues that are already being put to work. We have awarded \$5.2 billion to the states since the Act became law on January 6th of this year, and will fund more than \$12 billion for bridges and highway over the full year -- the highest levels in the history of our highway program.

New York state already has received \$372 million so far this year, compared with \$426 million for all of 1982. Your state is scheduled to receive \$591 million this year. With this kind of increase it is easy to visualize the improvements that can be made to your highways.

The same legislation which will provide funds for Westway and the rehabilitation of the Interstate -- the Surface Transportation Assistance Act -- earmarked 1 cent for mass transit.

And, to bring that historic development down to local reality, it is my pleasure to announce today a grant of \$108,231,000 from the Department's Urban Mass Transportation Administration to New York for rehabilitation of its transit facilities. This grant is just one example of the Administration's commitment to capital improvement for mass transit. It will provide funds for rehabilitation and modernization of facilities on the Flushing IRT, the barns at Coney Island, the Westchester Avenue Rapid Transit Storage Yard in the Bronx and the 207th Street Storage Yard in Manhattan.

Of course, the importance of mass transit to New Yorkers has long been established. The mind boggles at the enormity of the services provided by the MTA. Your rails move over 3 million people a day. The MTA system, including buses, moves more than 5 million. That's 45 percent of all rapid rail transit riders in the United States and 25 percent of all mass transit riders.

Despite the critics -- and New Yorkers are their own best critics -- the facts are that the MTA performs an invaluable function to New Yorkers. It is an undeniable asset to this city, one which must be protected, preserved and improved.

I know you realize this truth and even now are responding to it. The MTA's five-year capital improvement plan is one of the most thorough transportation documents ever assembled. The construction supported by the grant today is a part of that five-year plan. Equally innovative is your community-wide, indeed, state-wide search for local funding. You aren't depending on the Federal government to carry you all the way. In fact, you are traveling more than half the distance on your own local resources. The plan calls for \$8.5 billion in capital improvements, of which \$4.5 billion will come from state and local contributions. This is a remarkable achievement on your part and one that I congratulate and support.



The Administration's policy on operating subsidies attempts to spark in other cities what you are demonstrating in New York -- and that is that local people can take control of their own destiny and provide to services that most efficiently meet your needs. The Administration continues to believe that the Federal role should focus on capital programs and that operating subsidies should be phased out. The Federal share of New York's operating budget is only about 6 percent, a miniscule amount when compared with the massive needs in capital improvement -- needs which will receive Federal support.

We indeed are sensitive to the fact that mass transit serves the poor, the elderly and the urban dweller. However, practice has shown that Federal operating subsidies retard flexibility, impede efficiency and interfere with the prerogative of local decision-making -- all a disservice to urban transit riders.

One provision of the Act I believe New Yorkers will find most inviting is the annual block grants to cities. This feature provides the kind of flexibility I just mentioned, flexibility that serves your much-admired local independent spirit. Next year, we will begin providing for annual block grants to cities. You won't have to come to Washington everytime you need \$100,000 for a subway project. You won't have us making value judgments on each project you deem worthy. Instead, you will get a one-time block grant which will redefine your relationship with the Federal government. It will give you control over your own projects. The new method will get the money out of Washington and back to the cities with far less red tape.

The same legislation which allowed for rehabilitation of the highways, bridges and mass transit also provides for more equitable distribution of cost among users of those facilities. The Surface Transportation Assistance Act increased user fees on the heaviest trucks travelling our nation's highways. The extensive cost allocation study completed last year showed that heavy trucks have not been paying anywhere near their fair share of highway costs. The higher fee schedule set by the new law is being phased-in over a five-year period so that truckers and the small independent operators in particular are not hit by a sudden increase.

The law also permits the use of tandem trailers in all states, on the Interstate system and on primary roads designated by the states. That has caused concern in some states and -- as you may be aware -- in several of our larger cities, including New York.

The problem is, that while the so-called "double bottoms" have been in use for years in 36 states -- and have become common in many states in the West -- they are new to some of the Eastern states. We have been working with states which have expressed concern over the presence of tandem trailers on designated Primary highways, and we will continue to do so as we evolve the final system plan due in October. Let me assure you that the Department is vitally interested in ensuring safe highway system operations. Our discussions with the states have been going very well and I am sure we can reach mutually acceptable agreements.

We are, of course, aware of the problems in New York. In response to concerns expressed by Mayor Koch and others, we have agreed to restrictions on large truck operations on certain Interstate routes where beltways and by-passes exist. From the beginning, we have recognized the merit of peak-hour restrictions on congested urban Interstates, and the need to continue all currently posted truck restrictions such as on I-278 in New York City.

The change in the face of transportation stretches far beyond highways and mass



transit. It encompasses railroads, too. We have developed a new attitude about railroads; we think they have a future. But that future is as a part of the private sector.

The turnaround of Conrail justifies our conviction. When President Reagan came to office, Conrail had consumed nearly \$6 billion in Federal funds. To be sure, the investment had made it a better railroad. But its costs continued to outrun its revenues. And so this Administration began with the premise that Conrail should be returned to the private sector -- that the government should no longer run, nor the American taxpayers finance, a rail system that could and should be self-sustaining.

Today, with the marketing and management innovations that have come about as a result of deregulation and the Northeast Rail Service Act of 1981, Conrail is a railroad transformed. The company that lost \$244 million in 1980 earned \$39 million in '81 and \$174 million in '82.

Best of all, Conrail is providing better service to its customers. It is a vastly improved railroad that represents a good value, and we remain hopeful of selling it as a single entity. I'm not here today to advertise, but if you know of anyone who wants to buy a railroad, please let me know.

Conrail, of course, is not the only railroad success story here in the Northeast. On the passenger side of our rail transportation developments, Amtrak in the last few years has shown real improvements in productivity and service quality -- at a declining cost to the taxpayers. This, too, is something of a turnaround. Back in 1980, Federal subsidies for Amtrak seemed to be heading like a runaway switch engine toward the billion-dollar-a-year mark. While we haven't made Amtrak self-sufficient -- and no one I know of thinks that is financially possible -- we have reversed the highballing trend toward bigger and bigger subsidies. Federal funding for Amtrak went down from \$896 million in 1981, to \$735 million in 1982 and \$700 million in the current fiscal year. At the same time, new equipment has come on line, on-time performance has improved, costs have been trimmed, and the subsidy per passenger has dropped from \$42 just two years ago to \$33 today.

Still another rail development of interest to the people of this city, the Northeast Corridor Improvement Project, is proceeding on schedule. Virtually all of the construction contracts have been awarded and the program will be 75 percent complete by the end of this year. To date more than 500 miles of continuously welded track have been laid, and 634 track miles reconditioned for high-speed operations.

Of the \$2.19 billion involved, about \$140 million is being spent on a 30-mile segment of the railroad in the immediate New York city area. This includes improvements at Penn Station where over 60 percent of intercity rail passengers on the Northeast Corridor either begin or end their trips. Those improvements are: 1) passenger processing and platform improvements; 2) electrical improvements, and 3) commuter platform improvements.

Recent regulatory reforms have enabled the railroads to compete more effectively, operate more efficiently -- and generate the best profits the industry has seen in years. In trucking as well, rate reductions today are widely available along with a variety of new types of price and service options. Indeed, economic studies indicate that there is little justification for continuing many of the remaining transportation regulatory functions carried out by the Interstate Commerce Commission. We have therefore prepared legislation which would eliminate ICC regulatory authority over



trucking, domestic water carriers and freight forwarders --deregulating entry, pricing and anti-trust immunity. Our research shows that these industries would operate more to the benefit of shippers and consumers alike if they were not regulated.

Deregulation spells the difference between non-competitive pricing and competitive pricing; between controlled market entry and free entry; between routes that carriers must follow, even if it adds miles to the trip, and routes they can choose that will provide more efficient service.

So, as I have indicated, you can see that change is the dominant mood in the transportation field as far as the eye can see. But one thing must remain constant. That is our continuing quest for safety. As Secretary of Transportation I have no higher mandate than to promote safety in all modes of transportation.

One of the most gratifying transportation developments of recent times has been the decline in highway fatalities. Deaths were down by more than 10 percent last year -- due in large part, we believe, to stronger laws and the tougher penalties being devised by legislators as well as magistrates to deal with the problem of drunk driving.

For too many years we seemed to regard death on the highways as a tragic truism, the inevitable price of a nation on wheels. For years, lax laws and lenient judges let irresponsible motorists get away with murder on our highways. Today that is changing -- dramatically -- because aroused citizens have generated a protest against drunk drivers that has led to an increasing number of new state laws and a growing safety consciousness all across America.

Recently, a young boy, waiting for the ice cream truck, was killed by a drunk driver with six prior convictions for driving while intoxicated.

Another young boy was killed and his twin seriously injured by a motorist who had been arrested seven times in four years for drunk driving -- but had never spent a day in jail.

And a man who killed a 23-year-old college student, riding her bicycle in a bike lane, was on probation from a prior drunk driving conviction.

With those and many other tragedies in mind, aroused citizens groups have lobbied forcefully and turned a host of state legislatures around. The public attitude is changing as well, because President Reagan has taken the initiative at the Federal level, through the very active and effective work of the Presidential Commission on Drunk Driving. Congress has followed up by voting incentive grants for states that take a tougher stand against drunk driving.

We are presently engaged in a nationwide program, with extensive private sector participation and support, to encourage greater use of safety belts. For without a doubt the safety belt is the best insurance against the drunk driver. This is a high pay-off area. Every one percent increase in safety belt usage will save nearly 200 lives and prevent 3,000 injuries nationwide.

New York is in the vanguard of this safety campaign. In 1981, your state legislature passed a child restraint bill requiring all children under age 5 to be secured in approved restraint systems.

Your state's Highway Safety Task Force was instrumental in getting through the



General Assembly a comprehensive alcohol legislative package which includes a mechanism for returning the revenues from fines to local governments for use in comprehensive programs for persons arrested for driving while intoxicated. Almost \$7 million in the first year alone was available for local use, versus approximately \$1 million in Federal funds expended on development of the program. That's a pretty good return on the Federal dollar.

Right here, New York City is using \$80,000 in Federal funds for the enforcement of motor vehicle, pedestrian and bicycle violators at midtown high accident locations.

Our concern over safety extends to the skies as well. The new technologically advanced air traffic control system now under development will greatly reduce the risk of human error while permitting the expected growth in air travel.

This project has been described as the biggest national undertaking since Apollo landed on the moon. When completed, it will greatly increase capacity, substantially reduce operational costs and improve the overall safety of air travel. It will give airway users and airport operators a virtually "weather-proof" system. And while it will cost an estimated \$9 billion to put into place, it will save \$25 billion in reduced operational costs alone.

In addition to greater safety, we want transportation of the future to be more efficient, more economical and more responsive to our needs as shippers, travelers and commuters. Such objectives cannot be achieved through federal money or Federal authority alone. Our success depends on a working partnership with the states and communities, and a common commitment on the part of the public and private sectors to share responsibility along with the benefits that flow from our efforts.

"The typical American city," John Gardner has written, "is in fragments -- a variety of worlds wholly out of touch with each other."

The political community exists to give unity to those disparate worlds. But officeholders alone cannot accomplish the feat. A unified economy, based in turn on a reliable transportation network, is the real bonding element in this age of fragmented cities and varying special interests. No city knows that better than New York, whose original growth and subsequent renaissance owe much to the quality of her rail, highway, aviation and port facilities.

I have no doubt that New York will meet the challenges posed by change. As Secretary of Transportation, I am committed to seeing it happen. And I hope that a decade from now, when much of what we are beginning today has become commonplace, that we will be able to point proudly to a system that serves both commerce and consumer, safety, conveniently, with reliability and with maximum value.

New York is truly the Grand Central Station of modern urban transport. Much as I appreciate your hospitality, I appreciate even more your determination and your will. We will need both in the days ahead -- and I look forward to tapping such invaluable human resources.

Here, where mass transit began with a single, horse-drawn carriage operating on Lower Broadway and catapulted to the most extensive network of rails, airways, and highways in existence, transportation is both a movement and a voyage. And innovation is the only safe harbor we will ever know. I look forward to sharing the ride, and to



smoothing the journey that leads to the finest transportation network in American history. And I'm proud to commence both here in New York, where the future promises to be more spectacular than even New York tradition would have it.

# # # #