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REMARKS PREPARED FOR DELIVERY BY SECRETARY OF TRANSPORTATION
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HOUSTON CHAMBER OF COMMERCE
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When Bill Harvin was kind enough to invite me to address the members of this Chamber, I assured him I would be sensitive to the civic pride of the Houston community and not make any references to a recent basketball game between a team from my home state and a team from this city. I had the good fortune to be in Albuquerque for that championship game, and I must say that neither team deserved to lose and either could have won.

I shall also resist the temptation to gloat over another kind of victory -- the economic recovery whose roots are going deeper with every new report of leading indicators and monthly statistics. Less inflation, dramatically lower interest rates, reduced regulation and a strengthening recovery promise much to the people of Houston. But that kind of promise isn't what motivates me to accept your gracious invitation.

I wanted to come to Houston during National Transportation Week for other reasons.

For one, Transportation Week originated here -- through the vision of the late Charlotte Woods, a charter member of the Women's Transportation Club of Houston and a leader in transportation developments throughout this state. What began here as a local, then statewide observance became a national event by Presidential proclamation in 1962. Since then, it has become an annual opportunity to focus on the importance of transportation and transportation people in our society.

In a fitting tribute to Charlotte Woods, a scholarship fund has been established in her name under the leadership of Traffic Clubs International. Her contributions to the industry and to the progress of transportation in America are therefore assured a lasting place in our memories and our profession. And this evening seems a fitting occasion to publicly acknowledge both our debt and our gratitude to this founding mother of what has become our annual salute to transportation.

I also wanted to come here because Houston, one of the fastest growing cities in America, is making strides in transportation developments to match the physical transformation of her skyline. Your city exemplifies both the growth and prosperity that good transportation systems support. It also suggest the demands that such growth can impose on existing transportation structures and facilities. The late Branch Richey used to say that "problems are the price you pay for progress." The people of Houston are hardly strangers to either one.

The third busiest in the nation, your port continues to expand with plans for a new cargo berth and a companion 1,000-foot container berth.

Traffic growth at Houston Intercontinental Airport, one of the busiest in the country, has created the need for further developments. I am pleased to announce today that we are awarding a \$9 million grant for taxiway construction. We are glad to be able to assist your plans for airport expansion.

I also wanted to be here because, like most metropolitan areas experiencing explosive growth, you have your transportation problems. This visit affords me an opportunity to see, first hand, your legendary peak-hour traffic. It also gives me a chance to learn more about your plans for the future.

John Gardner, that student of urban America, has defined the typical U.S. city as being in fragments -- "a variety of worlds wholly out of touch with each other." Yet transportation brought this city together, and keeps it functioning today. Chemists may assure us that oil and water don't mix, but here in the Southwest the discovery of Spindletop and the building of the Houston ship channel, in the early years of this century, combined to speed the economic development of this great city. There has been no stopping her growth ever since. Over the last 10 years alone, more than 200 major companies have located here, and Houston has enriched its reputation for leadership in such diverse areas as energy, aerospace and medical technology.

I wanted to come here, thirdly, because you are proposing to launch a new rail transit system and I welcome this opportunity to report to you where we stand in terms of being able to provide assistance.

The Surface Transportation Assistance Act, passed last December, provided -- for the first time -- a reliable source of Federal funding for public transit. As you know, the Act funnels one cent of the nickel increase in the gasoline tax into a Mass Transit Account of the Highway Trust Fund exclusively for transit purposes. We expect this to yield revenues of \$1.1 billion in fiscal 1984, meaning that we can increase our fiscal 1984 funding request for transit capital assistance by 44 percent over 1982 levels.

There was some misunderstanding as to what commitments were made when the tax increase was being debated, and therefore some question over how much-if-any-money would be available for new starts. I met with White House Counselor Ed Meese and Budget Director Dave Stockman to discuss that situation and we agreed that part of the \$1.1 billion will be available to help fund new-start programs in FY 84.

There are, of course, a few ground rules. What government program was ever devised to function completely free of strings? Here, however, they are relatively modest in their entanglements. For instance, we must first meet our obligation to cities already engaged in rail modernization and bus-related improvement projects. These will be funded in amounts that will at least keep them at acceptable safety, efficiency and reliability levels.

Second, we must honor our commitments to new projects in cities where letters of intent have been issued.

Once our responsibilities in these two areas have been satisfied, the funds that remain can be awarded for new construction projects.

I have met with Senator John Tower, Congressmen Archer and Fields, as well as Mayor Whitmire and Dan Arnold, chairman of your Transit Authority. The whole question of funding for new starts has been further explored during recent Congressional hearings on the subject. And you have, I am sure, kept the Texas delegation apprised of your proposal. I believe it is well understood that funding decisions will be guided by two primary factors:

- One: Cost-effectiveness. We will not support any new-start project that is not cost-effective, based on the results of alternative analyses.
- Two: the degree of local financial commitment, including evidence of stable and dependable sources of non-Federal funding to operate the system.

There are other factors to be considered, including the extent of private sector support and participation by minority businesses. By and large, we take the view that the limited funds available should be placed where they will stretch the farthest and do the most for the community.

As you know, Houston is not the only candidate for such funds. A number of other cities are in contention as well. However, I can assure you that on the basis of local commitment, Houston -- with your proposal to finance 56 percent of all costs locally -- is sure to get careful consideration.

Whatever our final decision is on funding new starts in fiscal year 1984, I would urge you to keep in mind that we have, at last, an established source of Federal funding for transit. We have authorizing legislation through 1986, and I am reasonably confident that it can and will be extended beyond that date, just as the Highway Trust Fund has been renewed over the years.

Thus the Federal commitment to the capital and technical assistance needs of public transportation in America has been well defined by this Administration. The future for new and improved transit systems now depends in large part on the development of dedicated funding sources by the state and localities. The very heart of what we call the New Federalism is the return of both dollars and decisions to local officials. Along with those new found rights go significant responsibilities, including hard choices that will chart Houston's future course for decades to come.

In the meantime, Washington is doing its best to provide incentives as well as financial assistance to transportation planners. The legislation that authorizes new Federal funding for capital transit projects is also the source of increased funding for our highway and bridge programs. Just the nickel increase in the gasoline tax that went into effect last April 1st will generate \$2.2 billion more in highway funds over the remainder of this fiscal year. Total funding for highways and bridges will exceed \$12 billion for the full year, the highest level in the history of our highway program. The tax increase also has enabled us to obligate more money more rapidly -- a total of \$2.9 billion in the first quarter of this year. For Texas, that means approximately 72 percent more Federal-aid highway money in 1983 than in 1982.

We are able to spend more to meet our transportation needs while costing the taxpayer less, because under the Reagan Administration the user fee philosophy is being

expanded. Those who benefit from government-supplied services pay more of their fair share of the costs. This is commonsensual to us. It is also an expression of the traditional American preference for simple justice, whether legal or economic.

To illustrate how far we have come in our user fee philosophy, fully 69 percent of our Department's 1984 budget request will be financed by such fees rather than general revenues. Compare that to 45 percent in 1981, when this Administration took office. Specifically, the new aviation user fees recently enacted will finance the modernization of our air traffic control while covering part of the FAA's daily operational costs. The air traffic control modernization program alone is a monumental step forward. It will do for the airways what the Interstate system has done for our highways. It will, at the very least, double our present capacity, greatly reduce operational costs, virtually "weather proof" the system and improve overall air safety by providing pilots more information and further reducing the risk of human error. Like the Interstate program, the increased automation of the nation's air traffic control system will take years and cost billions. And also like our highway network, the user fee-financed national airspace system will prove to be a good investment. The plan already has won the praise of the Congressional Budget Office which keeps an eagle eye on how we spend your money. I'm sure that future air travelers will be equally appreciative of its benefits.

Along with an increased reliance on user fees, we are also continuing to carry out the President's commitment to economic deregulation. We are sensitive to the fact that relaxing or eliminating regulatory constraints may cause some dislocations in the industries affected. But these we believe are temporary. And in the long run, increased competition will benefit the industry and the public alike.

Consistent with this philosophy, we expect to soon introduce legislation to end regulation of the trucking industry, the domestic water carrier and the freight forwarder industry, and we are pursuing regulatory reforms in the maritime industry. We are also keenly interested in legislation that will provide user fees to improve our harbors, so vital to our nation's export trade, a trade directly responsible for up to a fifth of all American jobs -- yet one which until recently was largely ignored or else taken for granted. We can no longer afford such misplaced confidence.

Neither can we overlook our number one priority, one that never changes no matter what the pace of change in the transportation field itself. For all that we are doing, and plan to do -- to make our transportation systems and services better and more efficient -- our first and overwhelming commitment must be to safety. I make no secret of the fact that safety -- the saving of lives and the preventing of many needless injuries -- will be a top priority across all modes of transportation during my "watch."

I am particularly concerned about highway safety and the drunk driver who -- unfortunately -- is found in every state and every community in America. As you probably know, drunk drivers are responsible for some 26,000 deaths a year on our street and highways. With that kind of record, it's easy to see why I want to get every last drunk driver off the highways of this country. I am sure that as business leaders who are proud of your city -- a city that regretfully ranks high in traffic fatalities and injuries -- you share that concern.

It has become clear in recent months that the era of permissiveness toward the drunk driver has come to an end. Drunk driving is no longer an acceptable form of manslaughter. For my own part, I am urging all states to adopt the tough recommendations of the President's Commission on Drunk Driving. Many are doing just

that. The Surface Transportation Assistance Act provides new money for highway safety programs, while other legislation recently enacted established incentive grants for states that adopt effective drunk-driving enforcement programs. Texas will get \$5.6 million in highway safety funds this year -- Houston alone \$1.7 million for drunk driving enforcement --and your state could receive \$3 million more in alcohol incentive grants if Texas met the Federal criteria.

Not all the news is bad. On the contrary, traffic fatalities across America dropped by more than 10 percent. Part of this may be attributable to a recession that discouraged some travel, although total vehicle miles traveled were still up slightly last year. But part is unquestionably due to efforts to eliminate drunk driving and part stems from increased safety belt usage and child safety seats. After all, the best defense against a drunk driver is at our fingertips -- the simple use of a car safety belt. For every one percent we raise belt usage above the current 13 percent, we can save about 200 lives and prevent 3,000 serious injuries -- no small accomplishment. And in an effort to get the Federal house in order, I recently launched an incentive program for the Department of Transportation so that we could get our employees really moving on this initiative. In just one month we raised our compliance rate from 23 to 50 percent. Now, after several months of incentives and education, we have an overall employee compliance rate of 62 percent.

But we will not be content merely to set a good example. We want to start a safety epidemic. As private organizations and as individual citizens you can achieve the same result by casting your votes for safety and by lending your voices to the support of highway and other safety initiatives. You can do it here in Texas by supporting the recommendations of the Governor's Alcohol Task Force to raise the legal drinking age from 19 to 21, and by backing the Senate-passed child safety seat law.

You can make this National Transportation Week 1983 a genuine crossroads in the evolution of a mobility that is both our pride and our challenge. If we are successful in our plans and our programs -- if we bring reality to our dreams and aspirations --we will deliver in the years ahead a transportation system that is more convenient for passengers, more productive for carriers, more cost-effective for shippers and eminently safer for all who travel. If we succeed in any or all of that, it will be due largely to a partnership between we who oversee and you who rely on transportation in America. Here, in Houston where National Transportation Week began, and where change is a constant theme of urban life, this is the appropriate place -- and today the appropriate time -- to equate the quality of transportation with the growth and development of our economy. Tonight we commit ourselves anew to serve the progress of both. We remind ourselves of the words of the historian Arnold Toynbee, who wrote that "civilization is a movement and not a condition, a voyage and not a harbor."

The truth of that formula applies nowhere with greater force than here, in this youthful, ambitious, dynamic capital of the New South. Here, where Conestoga wagons have given way to 747's and sophisticated moving sidewalks, transportation is both a movement and 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 Houston, where the future promises to be bigger and better than even Texas tradition would have it.