



U.S. Department of
Transportation

News:

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OPENING STATEMENT
BUDGET NEWS CONFERENCE
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The important theme of our budget is the need to reduce the federal deficit, while at the same time ensuring a safe and efficient national transportation system.

This budget defines the proper federal role in transportation, focusing attention and resources on a national transportation system that is safe and efficient, well maintained and effectively designed to meet the needs of the American people. State and local authorities must assure more responsibility for matters that are truly local in nature. This budget anticipates returning to the private sector those transportation functions best managed in the free market. In short, federal funds should be devoted to those needs that are truly national in scope, such as defense and facilitation of interstate commerce and those that cannot be met by state and local authorities. This approach will move the nation closer to a balanced budget and produce a transportation system more responsive to the people who use it.

Briefly, the 1987 Department of Transportation budget provides a vision for the future and an integrated approach to national transportation policy. The Department of Transportation budget is a model of how federal responsibilities can be maintained while the deficit is reduced. By focusing on federal responsibilities, the Department will be able to function in fiscal year 1987 with a budget request of \$21.7 billion. That's \$5 billion less than last year -- an almost 20 percent reduction.

- There is no diminution of our commitment to safety;
- The budget request emphasizes the importance of transportation users paying the full cost of the benefits they receive. It proposes that 84

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percent of requested budget authority be covered by user fees, including fees for many services currently provided free of charge by the Coast Guard to commercial and recreational boaters;

- It encourages an expanded role for the private sector in providing transportation services, by proposing the termination of both federal government restrictions and programs, such as Amtrak, that compete with private transportation providers;
- It seeks to increase the flexibility of states and local governments to use federal trust fund resources, by proposing a block grant program for urban and secondary highway systems, bridges and transit projects, and a more flexible combined interstate and primary highway program; and
- Within the limits of trust fund recipients from the public, it is committed to maintaining the quality of the federal-aid highway system and improving the National Airspace System.

The budget protects safety across all transportation modes. In fact, there have been significant increases in particular programs. The budget provides for additional air traffic controllers, more aviation inspectors and an increase in the number of truck safety specialists. It provides an almost 200 percent increase in the motor carrier safety program and for continued support for railroad safety enforcement. We have also made certain that adequate funding is available to support our ongoing hazardous materials and pipeline safety programs and the Coast Guard marine safety inspection and drug interdiction programs. Finally, in the area of highway safety, \$194 million is included for the National Highway Traffic Safety Administration programs ranging from occupant protection to intensified efforts to combat drunk and drugged driving. My safety task force has examined safety programs in all transportation modes and recommended a number of initiatives which have been implemented. In addition, our alcohol-drug rule for the railroads ended 12 years of debate and will prohibit on-the-job drug and alcohol abuse. Rule 208 has spawned safety belt use laws in 17 states and the District of Columbia. For the first time in the 15-year history of Rule 208, lives are being saved. And I am institutionalizing our extensive air safety monitoring program initiated in 1984.

As I mentioned earlier, the proportion of the budget authority for DOT financed by user fees will be 84 percent under the fiscal year '87 budget. This Department has been steadily increasing the proportion of budget authority financed by user fees. Starting at 49 percent in fiscal year 1982, this coverage has risen to 68 percent in fiscal year 1986 and is proposed to increase to 84 percent in fiscal year 1987. Conversely, the amount of budget authority financed by the general taxpayers is reduced between 1982 and 1987 by \$7 billion from 51 percent of the total DOT budget to 16 percent.

Virtually all of the Federal Highway Administration's funding will come from the Highway Trust Fund, financed by the Federal gasoline tax and other highway user fees. Total obligations of \$12.8 billion are anticipated under the Federal-aid Highways program, which will provide for continuing construction and rehabilitation of highways and bridges, and which will also include \$2.2 billion for the Highway share of a combined Highway-Transit block grant.

Likewise, approximately 85 percent of the Federal Aviation Administration's \$4.8 billion budget authority request will be financed from the Airport and Airway Trust Fund. We are, as you know, continuing to place emphasis on the multi-year program for updating the National Airspace System. Funding of nearly \$1 billion is requested for modernization of outmoded facilities and equipment and associated research.

It is only fair that all of those who benefit directly from government services should share in their costs. Therefore, we are proposing legislation authorizing us to collect user fees for certain Coast Guard services now financed almost entirely by the general taxpayer.

The budget reflects the theme of privatization. It assumes the sale of the government-owned freight railroad Conrail. We have already transferred the Alaska Railroad to the state and we favor transferring Dulles and Washington National Airports to a regional authority. We also anticipate complete deregulation of the trucking industry and transfer of residual rail and bus functions assumed through sunset of the Interstate Commerce Commission.

Let me just say one thing in closing: There is no question that DOT's budget -- and the President's budget as a whole -- is a bold initiative. It makes tough choices, and we believe the right choices, to reduce the federal deficit and maintain the proper federal role in transportation.

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