

SECRETARY OF TRANSPORTATION ANDREW H. CARD, JR.
PRESS CONFERENCE ON TRUCKING DEREGULATION
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It's good to be here with my good friend Barry Williamson. And to have this opportunity to say how important trucking deregulation is to the economy.

Trucking deregulation will stop the flow of jobs from Texas and bring in new jobs.

About 40 states still regulate trucking to some degree, so I'm not picking on our host state when I use Texas as an example. But Texas does have some of the most strict regulations of motor carriers, and I want to show you what it's costing the Texas economy.

The Texas Railroad Commission spends \$2 million annually regulating truckers, so deregulation is a budget issue.

The cost of these regulations on Texas shippers and therefore, on consumers is at least \$760 million per year, so deregulation is a consumer issue.

Texas is losing shippers, and not attracting others, because of the high cost of transportation, so deregulation is a jobs issue.

Shippers are basing their distribution centers in places like Arkansas and Oklahoma rather than Dallas, creating enormous energy waste because of extra truck mileage involved in serving Texans from another state, so deregulation is an energy issue. It's also an efficiency issue.

If you have any doubts about the value of economic deregulation to this state, listen to this.

- The cost of shipping a truckload of fire hydrants from Beaumont to Texarkana, Texas is \$609.40. The same truckload can be delivered to Texarkana, Arkansas for \$296.70. That's more than double!
- When Holly Sugar ships a truckload of its product 710 miles from Hereford to Corpus Christi the cost is \$1,306.40. The same shipment to St. Louis, which is 86 miles farther away can be made for \$692.52. Again, shipping costs almost double inside the Texas borders.
- James River Paper Company ships 2,000 pound containers of printer's ink for printing on packages from Fort Worth to Lubbock for \$109. The same ink can be shipped to Blackwell, Oklahoma -- about the same distance as from Fort Worth to Lubbock -- for \$89.

- Transportation costs for the James River company were so excessive that it shut down its Dallas/ Fort Worth distribution center in 1988 and moved to Fort Smith, Arkansas, where it serves the Texas markets from another state.

These absurdities might be funny if they weren't so tragic to the Texas economy.

The regulatory policies of the Texas Railroad Commission are so strict that at times it's hard to tell whether commission members are representing the state of Texas or representing the Arkansas Chamber of Commerce.

If consumers in Texas and the other regulated states bore these burdens by themselves, we could wish them well and tell them it's their problem. But that isn't the case: firms today are regional, national and multi-national in scope, and we all pay a price for these inefficiencies.

Remaining economic regulation of the trucking industry is costing our national economy between \$3 and \$8 billion a year. This drain on resources can no longer be tolerated. That's why I've made one of my highest priorities the removal of all remaining federal and state economic regulation on trucking.

The Bush Administration has a bill in Congress which would remove all remaining economic regulations on trucking. Congress has an opportunity to act on this important issue this year. The nation's trucking industry can't wait. Our economy can't wait. Consumers can't wait.

The sooner you get started on dealing with this problem in Texas, the better your state economy will be.

Thank you very much, and I would be happy to take any questions.

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