

SECRETARY OF TRANSPORTATION ANDREW H. CARD, JR.
BUSINESS TRANSPORTATION COUNCIL
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WASHINGTON, D.C.

ACKNOWLEDGEMENTS

Richard Bradley (President, Int'l Downtown Association)
-- driving force behind the creation of this Council.

Paul Ehrhardt (V.P. Aetna Life; Board, Hartford Chamber of Commerce) -- Acting Chair of Council.

- We know you have an enormous stake in efficient transportation: major cost of doing business ... employees/ customers depend on seamless network ... essential for your competitiveness/ economic growth.
- Your cooperation is essential because you ... have valuable information ... provide the engine of growth ... assist in the financing of infrastructure ... provide leadership in problem solving.

TRANSPORTATION IN THE NEWS

- Two recent articles in newspapers worthy of note to you:
 - Infrastructure long neglected in cities. "Chicago Flood Was Tip of the Iceberg" reports today's *USA Today*. As writer summed up the situation, rebuilding

of roads, bridges, mass transit, etc. "is a case of pay me now or pay me later."

-- ISTEA has not yet fulfilled expectations. Headline of *Wall Street Journal* front page column declares; "Transportation Funds Are Rising, but Effect Won't be Felt Soon." According to writer, new federal law is hobbled by states' financial woes and its own complexity.

GETTING MONEY OUT OF THE PIPELINE

- ISTEA is creating revolution in transportation industry. Unprecedented ... flexibility ... opportunities for privatization ... sensitivity to environment.
- Highest priority is getting this ISTEA money spent.
- About \$7.8 billion (47 percent) of the FY 1992 highway funding has been obligated. Anticipate actual spending this FY to be \$15.8 billion -- 15 percent higher than historic 5-year average.
- Individual state obligations levels vary greatly -- from less than 15 percent of available funds (Hawaii) to over 74 percent (Arkansas).
- Even if fiscal health of states is weak, there are still ways to get monies to the states: *Wavers*: 4 approved

--MD, VT, AK, ND. *Public/Private Investment*: Example of the Dulles Toll Road Extension, Virginia.

ISTEA EXAMPLES

--*Massachusetts "Big Dig"* -- Central Artery-Third Harbor Tunnel. \$1.8 billion obligated/ \$33 million since ISTEA enactment.

--*Florida* speeding up a \$100 million project to add four lanes to badly congested Buckman Bridge in Jacksonville.

--*Illinois* is rebuilding 7.5 miles of dilapidated JFK Expressway.

--*Maryland* planning to increase state's commuter rail service through congested Washington suburbs.

OPPORTUNITIES FOR PARTNERSHIP

- Goal of Administration to increase partnerships. We must rely more on private investment than in the past -- tap energy of free market system.

- *Infrastructure Financing*. Orange County Freeway Project -- plans to build three freeway segments with combination of public/private funding. (Included is new

toll-collection technology which makes it unnecessary for vehicles to stop and pay toll.)

- *Cooperation to Reduce Peak-Hour Congestion.* ISTEA requires metro areas of over 200,000 people to prepare congestion management plans. The Nuclear Regulatory Commission in Montgomery County, MD to reduce traffic gridlock, developed a comprehensive plan which included flexible work hours, parking restrictions, car pools, transit fare discounts, and a transit shuttle.
- Beyond ISTEA, we are also looking to greater partnerships in advancing transit use with *change in tax code* -- increasing the amount of employer-provided public pass expense that may be excluded from employee's income.

PRESIDENT CHANGING AMERICA: REGULATORY REFORM

- Just as we have revolution with ISTEA, the President is proposing other significant changes:
- The *Labor Department* has given contractors/builders greater flexibility to hire semi-skilled "helpers" for federally funded construction projects.

- *Trucking Deregulation* designed to reduce regulatory burdens, improve efficiency, establish more flexible pricing, permit carriers to serve larger areas and carry more commodities. (Fred Smith of *Federal Express* says his company sends packages going from Denton, Texas to Dallas -- a 45 minute drive -- by air via Memphis in order to escape burdensome state regulations.)

EMBRACING SYSTEMATIC CHANGE

- President's initiatives also bringing about revolutionary change throughout educational, health and legal system. We are not unaware of *frivolous lawsuits*. (Recent examples include: Legal question as to whether a coach class passenger who uses first class toilet could be considered a trespasser. And whether a pregnant woman --driving alone -- could qualify as a "car pool.")
- President also committed to expanding America's business presence abroad. Pushing for GATT agreement and *North America Free Trade Agreement* to unlock potential markets in Canada and Mexico.

CONCLUSION

- The government can do only so much -- we need your partnership. Partnership in building and operating our transportation system ... in expanding world trade ... in making sure we have schools, health and legal system worthy of great nation.

- I know I can count on your support.

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