



U.S. Department of
Transportation

News:

Office of the Assistant Secretary for Public Affairs
Washington, D.C. 20590

Contact: Marion C. Blakey
Tele.: (202) 366-4570

SECRETARY OF TRANSPORTATION ANDREW H. CARD, JR.
NATIONAL ASSOCIATION OF COUNTIES
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As some of you may know, my first experience in public life was at the local level. So it's no coincidence that my first major speech outside the DOT should be to the National Association of Counties -- which I have worked with for many years.

People who work at the county level I've learned, have a good, common sense approach to transportation issues -- be it building roads or naming streets.

Let me give you a recent example. Last September the Avon Colorado town council ran a contest to name a new bridge over the Eagle River -- linking I-70 with U.S. Highway 6. Sifting through some 84 suggestions the council opted for the most reasonable choice. What was it? No, not Eagle Crossing. By a 4 to 2 vote, the council voted to give the bridge the official name of "Bob." If that's not simplicity and practicality at its best, I don't know what is!

In any case, let me assure you that you not only have a friend at DOT, but also in the Oval Office. The President is doing absolutely everything he can to get county governments into a position where they can accomplish many of the things that they've set out to do. He has directed cabinet departments and federal agencies to speed up pro-growth expenditures as quickly as possible. And we want you as a full partner in the process.

The President has touched on many issues of critical importance to the future of this country. In his State of the Union Address he spoke at length about our economy -- from economic competitiveness to health care initiatives. As we saw in the papers this morning, we are seeing more indications that our economy is coming back. Construction spending and consumer spending are higher. Furthermore, a survey by the National Association of Purchasing Management showed business activity jumped to 52.4 percent in January -- one of the the strongest indications of

an advance in the overall economy since October. As we know, this will mean more jobs -- jobs which the President has stressed are his top priority.

Surface Transportation Act

As I told the Senate during my confirmation hearing, one of my first priorities will be to implement the new Surface Transportation Act which the President signed just before Christmas. It's called ISTEA - the Surface Transportation Efficiency Act. An Act which authorizes \$151 billion over the next six years.

It's an investment in our future that means jobs today, jobs that will ensure the long term growth of our economy, and jobs that will enhance our nation's competitiveness in the world marketplace. Specifically, the Act immediately released nearly \$11 billion in federal aid highway obligations to the states -- supporting more than 600,000 jobs in FY 1992.

There are four key economic elements to the Act that will directly impact on counties and the national economy.

- The first is focused investment in a National Highway System. It will designate a 155,000 mile highway system consisting primarily of already existing roads -- roads that will comprise only four percent of our total public road mileage, but will carry 75 percent of our inter-city truck traffic and 40 percent of all highway travel.
- The second is the unprecedented flexibility that will be allowed state and county governments in the use of federal funds.

Now, you -- within overall general federal guidelines -- will have the opportunity with the states to determine and manage for yourselves, those surface transportation programs targeted at meeting local transportation needs.

Flexibility has always been a key watchword of the President's domestic agenda. Talking to leaders of the transportation industry back in June 1991, President Bush said he believed that "our nation is best served by providing greater flexibility -- greater accountability -- at the state and local level."

As never before, state and county governments have the "right" to use a large portion of federal funds as **they** see fit for local transportation needs -- be they for highway or transit projects. This includes the ability -- for the first time ever -- to transfer up to 68 percent of highway dollars to transit projects. Likewise, a major portion of transit program monies is now available for the funding of highway projects -- if state and county decision makers decide that is where the needs are greatest.

Of course, this unprecedented flexibility is not a blank check to fund one mode's projects to the detriment of another. For example, flexibility to use federal transit funds for highway projects would be available as long as there is a "balanced local approach" to transit funding -- that is, as long as states have dedicated sufficient funds to meet transit needs.

- The third key element of the Act is the creation of new opportunities for private sector involvement in meeting surface transportation needs.

For the first time ever, federal funds will now be available to help entrepreneurs who are willing to build or improve roads that motorists want and are willing to pay to use. This would generate more investment in infrastructure, and in the process, create more employment opportunities.

- The fourth is a new emphasis on technology development -- one which fosters revolutionary advances in such promising areas as Intelligent Vehicle and Highway Systems, magnetically-levitated and other high speed ground transportation systems.

Accelerated Funding

This Act will, beyond doubt, launch the post-Interstate era of America's surface transportation system. And its effects are now being felt nationwide as we accelerate payments to the states as the President directed to get America moving again. We saw evidence of this last week when the Commerce Department announced that durable goods were up 1.5 percent in January, led in part by transportation related orders.

Overall, since the Act, the states have obligated nearly \$3.7 billion -- which exceeds by 20 percent the level of obligations incurred last year for the same period.

Let me give you a few examples of how quickly the states are spending their highway funds.

- In my home state of Massachusetts, over 44 percent of the \$687 million in 1992 highway aid has already been obligated and is at work -- creating jobs, improving roads.
- However, not all the news is good as seven states have obligated less than 10 percent of available funds.

This is one of my top priorities. I want to make this federal money available quickly. I want to make this money available efficiently. We are eager to work with you to accelerate this process.

Why are the states not spending? There is plenty of money in the pipeline -- it's that the spigot is not working.

Safety, Environment, Congestion Relief

These examples mean jobs, of course, but there's much, much more to the Act. The Act includes several new safety provisions to keep drunk and drugged drivers off the roads. It also encourages motorcycle helmet and safety belt usage and increases funds for enforcement of truck and bus safety rules.

The Act also recognizes your need to protect and improve the environment. It builds on the Clean Air Act. It provides new tools to create wetland banks and mitigate damage to wildlife habitats.

And last, but not least, there's congestion relief. This Act, by providing record funding levels for bridge replacement and rehabilitation, new highways,

encouragement of high occupancy vehicles (HOVs) and investment in IVHS -- will help reduce the eight billion worker hours wasted on our congested roads each year.

The President and Congress have now done their part in enacting this landmark legislation. And the President ordered the Department of Transportation to speed up the release of funds to the states and to you as soon as possible -- which the Department did.

We now need your help in working with the states to put these dollars to good use -- in meeting your specific needs and wants. It's time for you to pull up a seat at the table and meet with your state DOT and other officials -- whatever their title. We stand ready, of course, to offer guidance in the interpretation and implementation of this Act. As partners, we'll get this economy and this nation moving again.

Aviation Initiatives

Surface transportation isn't the only issue on our plate -- so is aviation, airports and in particular the passenger facility charge (PFC) which provides a funding source for local airport authorities.

We have authorized three airports -- Savannah, Georgia; Muscle Shoals, Alabama; and Las Vegas, Nevada -- to begin collecting PFCs in order to finance a variety of projects: ones that will increase capacity, improve safety or deal with noise problems. In fact, more than 200 airports are expected to file for PFCs this year alone.

We recognize that local airports act as a tremendous force for economic growth in the community. That's why Airport Improvement Program (AIP) funding was increased 36 percent in the first quarter of FY 1992, compared to the same period in FY 1991.

Moreover, we realize that if the United States is to remain competitive in the global marketplace, we must maintain our outstanding aviation system -- that's why the reauthorization of federal aviation programs will be one of our highest priorities this year.

Conclusion

Before concluding, let me tell you where my energies will be in transportation:

- safety
- accessibility
- efficiency
- competitiveness
- creating a seamless transportation network.

I'm sure by now you've got the message -- this President, this Secretary and this Department, stand ready to revitalize our transportation system, beginning in your localities and communities.

As I mentioned earlier, you are practical people. You know and understand that not everything we want to do will be done quickly -- it will take time. But I'm sure you would agree that we are headed in the right direction in getting this country ready for the challenges of the 21st century.

Thank you again for the opportunity to talk to you -- good afternoon.