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GOVERNOR'S CLUB ADDRESS
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Thank you, Governor Thompson. We all know of the fine work you have done as chairman of the National Governors Association Transportation Committee. I have long admired your leadership in Wisconsin and look forward to working with you.

Governor Thompson invited me here to talk about transportation and politics. Let me start with the policy issues and then we'll move on to politics. When you talk about transportation, you talk about the economy. The economy, of course, is on everyone's mind -- especially the President's. Economic recovery -- getting our economy back into the passing lane -- is his number one priority.

A key part of President Bush's economic recovery plan includes empowering local and state governments to accomplish many of the things that they've set out to do -- like your "Mobility 2000" six-year strategy to revitalize Wisconsin's transportation network.

He has also directed cabinet departments and federal agencies to speed up pro-growth expenditures as quickly as possible -- and you in Wisconsin are full partners in the process.

This injection of federal dollars into the economy is having a positive effect throughout the nation. People are going back to work and new and good jobs are being created -- payrolls increased last month alone by 164,000 jobs.

All the signs show that we truly are on the road to recovery. According to recent figures, Americans spent more in February -- retail sales were up in many outlets. And in January, they bought more homes -- as sales jumped nearly 13 percent. Even durable good orders were up in January by 1.5 percent, led in part, I'm proud to say, by transportation related purchases.

Any one of the President's recent pro-growth initiatives will add momentum to this upswing. The creation of a 15 percent investment tax allowance ... providing first time home buyers a five thousand dollar tax credit ... cutting the capital gains tax rate ... are all sound common sense solutions to get Wisconsin and all America moving again.

Just look at the State of Wisconsin. With Governor Thompson's help, not only is the unemployment rate well below the national average, but cities like Milwaukee are leaders in the nation in job creation.

We at DOT are among the President's front line troops in his effort to improve our economy -- thanks to

a revolutionary new surface transportation bill he signed last December. It's called the Intermodal Surface Transportation Efficiency Act -- ISTEA, for short.

When the President signed the bill, he opened the door for \$11 billion in federal highway and transit obligations -- monies to be used by state and local governments solely to rebuild and maintain our transportation system. He also ordered us at DOT to expedite the release of these dollars as quickly as possible -- in order to support some 600,000 jobs this fiscal year.

Here's what ISTEA means for Wisconsin. For the first time in 35 years, Wisconsin will get a fair return on its federal highway tax dollars. Wisconsin, as a result of the efforts of the Governor, is in fact the only state to receive its own special line appropriation in the Act to the tune of \$279 million over six years.

Moreover, in Fiscal Year 1992 alone Wisconsin gets over \$316 million in Federal-aid highway funds -- an increase of 48 percent compared to FY 1991. That translates into support for some 20,000 jobs.

And I'm especially proud -- and not surprised -- that Wisconsin is one of eight states which has already obligated almost 60 percent of Federal Aid Highway Funds. Governor Thompson, thank you for responding

so effectively to the President's call to put those dollars to work quickly.

The new surface act does more than create jobs, of course. It focuses investment on a 155,000 mile National Highway System of primarily existing roads that we will be designating over the next two years -- in consultation with state and local officials.

In fact, Wisconsin's "Corridors 2020" plan for improvement of some 3,400 miles of interstate, rural arterial and major urban routes, can be viewed as a prototype of the National Highway System we are building. A well maintained network of nationally-significant highways will help us get Wisconsin's goods to market faster -- whether across the street or across the international time zone.

ISTEA does something else that I think is long overdue and which Governor Thompson strongly agrees with -- putting more power in the hands of state and local governments to decide how transportation dollars are to be invested. Be they for highways or mass transit. That's because the President knows that the best decisions about how the public's money is spent don't come from Washington, but are made at the local level here in Wisconsin.

Another unique aspect of this Act are the greater opportunities afforded the private sector in transportation -- including building and operating toll roads funded in part by the federal government.

The President believes, as I do, that the private sector, the free enterprise system, has a significant role to play in our transportation system. Up until now, they've been kept at arms length. Today, with all of this changing, I hope that many of Wisconsin's businessmen and women will become active participants in the revitalization of the states' roads and bridges.

Like the President, I'm also a believer in high tech solutions to many of our problems. And ISTEA increases our investment in dynamic new technological developments such as "smart cars" and "smart highways" -- all of which should help us cut down on the billions of hours we waste in traffic congestion each year.

I know Wisconsin under Governor Thompson's leadership has been active in seeking high-tech solutions to this and other local problems. And DOT is especially aware of your planned use of special and unique paving materials to extend road life ... your Freeway Traffic Management System initiative to design a computerized network of signs and signals to monitor

traffic ... and your upcoming conferences and meetings to discuss alternative fuel and "bullet train" technologies.

Finally, ISTEA gives uncompromising attention to safety -- a top priority of the President, his Transportation Secretary, and the Governor of this state. The President called for -- and got -- increased funding for safety programs on our highways, including authority for states to get tougher than ever on drunk and drugged drivers. In fact, because of the Administration's initiatives in this area, we now have the lowest highway fatality rate since records were kept. And I know the same is true here in Wisconsin -- with the latest 1990 figures being the best ever recorded in the state for highway safety. I have made safety a top priority of mine as Secretary.

So ISTEA then, is one of the President's major initiatives to revitalize the national economy. It's a highway bill, mass transit bill, safety bill and jobs bill -- all rolled into one neat package.

But jobs aren't being created just on the ground and through ISTEA. They're being created in aviation and through other Administration transportation initiatives as well.

Another product of the President's vision is the authority we are now granting many local airports to collect passenger facility charges, or PFC's to expand airport capacity. No community, no country, can grow economically without good airports, and the President knows that. These monies will improve the nation's airport system and create up to 40,000 jobs. In Wisconsin, Green Bay is consulting with its carriers prior to filing for a PFC authority and Madison and Mosinee have expressed an interest.

The President's growth agenda moreover isn't just limited to the wise investment of tax dollars. He wants to make sure government isn't hindering economic growth through excessive or unwise regulation. That's why the President has ordered a 90-day moratorium on new regulations -- while we review the ones we have to ensure jobs aren't lost to excessive or unneeded regulation.

And I'm proud to say that DOT was the first federal agency to solicit comments from the public on regulations that could be revised or eliminated. We are reviewing a two foot stack of comments we've received thus far.

Overall, our transportation system is the envy of the world. And the President has, as you've just heard,

mapped a plan that ensures we stay that way. A plan that increases investment in our nation's infrastructure ... gives state and local governments more responsibility for their own transportation needs ... empowers and creates opportunities for private sector investment and involvement in transportation ... and encourages technological advances to revolutionize our surface transportation.

I'm sure you know and understand that not everything the Administration wants to do will be done quickly -- it will take some time. But I hope you will agree that the President is heading in the right direction in getting this country ready for the challenges of the 21th century.

That's my policy speech. Now let me talk politics.

Needless to say, all across the country, voters are making one of the most important decisions of our time. And the results are in. The American people have overwhelmingly chosen the older Elvis Presley -- of his later Las Vegas days -- to appear on the new federal postal stamp bearing his image.

More seriously

Thank you again for the opportunity to be here today. Now I'd be happy to take questions you may have.

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