

SECRETARY OF TRANSPORTATION ANDREW H. CARD, JR.  
NEW ENGLAND COUNCIL  
WASHINGTON, D.C.  
MARCH 19, 1992

EVENT: 100 KEY business leaders from New England states, 20 min. remarks.

I am delighted to meet with so many people who don't have an accent. Down here in Washington I say "park the car on the Harvard yard" and people think I have an accent. But you know better.

Your theme this year -- "Revitalizing the New England Economy"-- is exactly what the President and the DOT are doing on a national level. So that's what I want to talk about today. And I'm going to challenge each of you to take an important message back to your state.

You probably know I've been Secretary of Transportation for only a couple of weeks. I'm heading the best agency in all of government. Among many other things, DOT creates jobs in the private sector. In fact, there are probably more jobs created in the private sector thanks to DOT than by any other agency. When it comes to improving our economy, DOT is the "Jobs Department."

The President has directed all cabinet departments and federal agencies to speed up pro-growth expenditures and you in New England are full partners in this 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.

And there are other signs the President's strategy is working. According to recent figures, housing starts soared 9.6 percent in February -- the biggest one month gain in a year. Also, industrial production rose 0.6 percent in February -- the best rise in the index since September. And sales of North American-made vehicles, in fact, also rose some 14 percent in early March.

We at the Department of Transportation are among the President's front line troops in his efforts to improve our economy -- thanks to a revolutionary new surface transportation bill.

The President signed on December 18 a historic bill, called the Intermodal Surface Transportation Efficiency Act -- ISTEA. ISTEA restructures federal programs to improve and maintain our transportation infrastructure over the next six years. People who are planning transportation networks have the tools to plan with certainty and know how much money will be available. It also forces people to think differently than they



thought in the past -- in terms of finding the best solution to transportation needs without a bias toward one mode over the other.

The federal government has put money into this pipeline to help fund surface transportation programs and to create jobs. Eleven billion dollars became available shortly after President Bush signed the act. The President said when he signed the bill that he wanted the states to quickly take advantage of that money, that he wanted to create jobs.

He ordered us to work with the states to accelerate the flow of money authorized by the new surface act. I'm pleased to report that our efforts are bearing fruit. As of March 10th, states had obligated more than \$5.5 billion under the federal-aid highway program. Twenty-four percent more funds have been obligated by the states -- more than \$1 billion -- since President Bush signed the bill, than was obligated in the same period a year ago. And as the Spring construction seasons begin, especially in New England, we expect to see that increase even more.

What does this mean in jobs? Well, \$5.5 billion, along with state and local matching funds, translates into some 330,000 jobs supported nationally. That's the good news. Less than \$400 million has been obligated

by New England so far, representing only 30 percent of the money you have available. That translates into about 24,000 jobs supported thus far, with the potential for many, many more.

In all fairness, many states, like New Hampshire, have small staffs, and can spend the money only so fast. The construction season is also shorter and starts later. But please take this message back home with you: Andy Card and the Department of Transportation are eager to help New England put its dollars to work as soon as possible, creating jobs to improve our infrastructure. I've already been in touch with several of the governors. This week I am mailing all of the governors information about our efforts to speed up construction funding.

New England does extremely well under ISTEA. That's especially important, since you have aging infrastructure and, in most cases, difficult economic situations. The big challenge is to get the money through the pipeline and working for New England.

Here are some specifics on where New England stands with ISTEA, both in what each state gets and how quickly they are obligating dollars.



**(DOLLARS IN MILLIONS)**

**Net Obligation**

<b>State</b>	<b>FY 92</b>	<b>Available</b>	<b>Percent</b>
Conn.	\$ 28.3	\$316.9	8.93%
Maine	\$ 28.9	\$ 79.0	36.58%
Mass.	\$318.7	\$687.3	46.37%
N.H.	\$ 14.7	\$ 76.8	19.14%
R.I.	\$ 12.8	\$ 95.2	13.45%
Vermont	\$ 9.2	\$ 72.0	12.78%

Our effort to accelerate infrastructure investment isn't limited to highways -- transit and aviation are important parts of our program as well.

In mass transit, over \$47 million has been obligated in the six New England states so far this year. But the big story in mass transit is that the authorities are not coming forward as fast as we would like, to request discretionary grant money. We want to get that money out of the pipeline and into jobs. In just a few days, the Federal Transit Administration will be turning loose of over \$60 million in entitlement funds to New England public transportation.

In aviation, the six New England states have received \$450,000 this fiscal year, and I'm pleased to announce the approval of 15 new Airport Improvement Program grants totaling over \$17 million to New England

airports. Eleven of these grants are entitlements. Four are from A.I.P. discretionary funds. In addition, the Worcester Municipal Airport has filed a request for passenger facility charge (PFC) authority to be able to levy a small charge on passengers and use the money for expanded capacity and safety which will lead to economic development. Frankly, I expect more airports in New England to ask the FAA for authority to use the PFC. It's one pro-growth initiative that's catching on like wildfire.

Of course, the Central Artery-Third Harbor Tunnel project comes into any discussion of transportation in New England. That's because the state has 13 areas unable to meet air quality standards and this artery-tunnel project will help the Boston area comply. It's also because this \$5 billion project means jobs. And the project will relieve congestion and therefore increase productivity.

Thus, it's good news that the Commonwealth of Massachusetts and the Conservation Law Foundation reached settlement in the lawsuits pending over construction of this vital artery in Boston. Now the project can move ahead.

Like you in New England, we in Washington know very well that transportation is a vital element in



moving this economy forward. As the President said, "mobility is the lifeblood of the modern economy."

We are working to get state and local governments into a position where they can accomplish many of the things they've set out to do.

For the first time, ISTEA gives governors the flexibility they need to develop intermodal transportation. New England's unique transportation needs and concerns should be addressed at the state and local levels -- not in Washington -- and ISTEA provides for that. It provides the governors with the flexibility they need to develop intermodal transportation.

I am excited that ISTEA permits this nation to shift from a "roads only" option to intermodalism. We must have a seamless transportation system. We must have a balanced transportation package. I pledge to work together with groups such as yours and with the Congress to achieve that balance.

The Military Airport Program is another way DOT is working as a partner with states and communities to rebuild our economy. The program places special emphasis on the conversion of former military bases to civilian or joint use facilities. The Manchester Municipal Airport in New Hampshire was one of eight selected for conversion, in whole or in part, to civilian uses.

Manchester Municipal received \$2.7 million in A.I.P. funds last year.

Another thing we are doing at the federal level is to insist on budget discipline in Washington. It's now universally accepted in Washington that we have got to stop spending money we don't have. We have a budget agreement with Capitol Hill, and we're committed to enforcing it.

You might ask: What does that mean in terms of New England? As many of you know, major capital projects require most companies and governments to borrow money. These projects are funded by long term corporate or municipal bonds. If our efforts to reduce the deficit bear fruit, long-term interest rates in the bond market will drop. And that means more money on infrastructure and less on interest. And more money for infrastructure means we can better maintain our competitive advantage in the world marketplace. Make no mistake -- our transportation system is the world's best.

Finally, let me add a word of praise for this Council. The New England Council has been a terrific success story in New England since 1925. Yours is the nation's oldest regional business association and the most successful example of regional cooperation in the



United States. Thank you for being partners in the process of improving the region's economy.

The Administration is strongly committed to improving New England's economy. Obviously, the best way we can do this is through increased infrastructure investment, within the guidelines of the budget agreement and the discipline it must enforce. I urge you to communicate with your states and help speed the flow of ISTEA funds into projects that improve our infrastructure and create jobs. I solicit your continued support and I promise you my own.

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