DEPARTMENT OF TRANSPORTATION

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REMARKS PREPARED FOR DELIVERY BY SECRETARY WILLIAM T. COLEMAN, JR.
AT THE WHITE HOUSE CONFERENCE ON DOMESTIC AND ECONOMIC AFFAIRS
IN SEATTLE, WASHINGTON, SEPTEMBER 4, 1975.

Before I went down to Washington from Philadelphia last March, my youngest child suggested that I revisit Independence Hall where the Second Continental Congress met and the Declaration of Independence was signed. He was afraid that when I got to Washington I would be swallowed up in the bureaucracy and forget what representative government was meant to be.

That hasn't happened. Instead, I'm finding a renewal of direct citizen participation in the democratic process. President Ford is dead serious about making big government smaller, running an open Administration, and listening to the people. These regional meetings are a case in point; I was with the President last week in Milwaukee, and I'm delighted to be here today. At every meeting we have heard new ideas, constructive suggestions, and useful criticism.

I believe transportation belongs on the agenda of these town meetings, because -- as individuals or communities -- we are all "transportation dependents."

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We depend on transportation for our personal mobility, for the delivery of goods and products, and for jobs. We not only consume a lot of transportation in this country, we build a lot of it. Fifty percent of the jet airliners in use throughout the world today are assembled here in Seattle and vicinity. Our transportation industry is also remarkably resilient and flexible. Boeing recently went into the urban mass transportation equipment business.

Our economy is closely linked to transportation. When markets falter, or things go wrong with our transportation systems and services, the economy skips a beat. Our society, too, and our lifestyles are affected, for good or bad, by the transportation decisions we make.

It's clear today that some changes are in order. The events of the past few years -- the energy crisis, the mounting concern for environmental quality, and the need to free our cities from traffic congestion -- serve clear and certain notice that some of our transportation priorities and practices must change.

Let me take about 10 minutes to touch on a few of the things we're doing to improve transportation in America. I'll be brief. I want to allow time for your questions, and I certainly don't want to keep Secretary Hills waiting.

First; with respect to highways, the Federal-Aid Highway Act President Ford proposed to Congress July 7th focuses resources on highways that can and should be built, without forcing highways on states or communities that would be better served by other solutions to their transportation needs.

The highway bill we're proposing would extend the Highway Trust Fund beyond its October 1977 expiration date. The bill would designate trust fund revenues exclusively for the Interstate system, not just for construction but for repairs and maintenance. We believe it is wise now to take the necessary steps to protect our investment in the Interstate system, to prevent it from falling into disrepair -- as has happened to many of our railroads.

The Federal-Aid Highway Act now before Congress also proposes that priority be given to the completion of nationally significant sections of the Interstate system. At the same time, this bill affords state and municipal governments greater flexibility in determining how local needs should be met.

We, know, for example, that there are several billion dollars worth of urban Interstate segments "on the books" that probably never will be built. The '75 Highway Act extends and expands the "transfer" principle contained in the 1973 Act, permitting unwanted or unneeded urban highway money to be used for other local transportation purposes.

Second; let me stress public transportation, because in many urban areas public transit can and should take the place of highways; or planning should be coordinated so that highways are used more efficiently.

That takes some adjustments, both in our thinking and in our travel habits. Over the years, the sweeping popularity of the automobile left public transit for dead in many American cities, and weakened it to the point of economic disability in others. Recovery began with the Urban Mass Transportation Act of 1964, continued with the capital grant program begun in 1970, and was further aided by the transfer provisions of the 1973 Federal Highway Act.

The key legislation and, in my opinion, one of the most significant transportation actions in recent years, came with the National Transportation Assistance Act of 1974 which authorized nearly $12 billion over a six-year period for transit purposes; permitted the use of Federal funds for operating as well as capital investment purposes; and through a formula process told cities how much money they could plan on each year.

Seattle, to date, has received nearly $57 million in UMTA capital grants. The people of this city have taken many of the essential steps necessary to the revival of public transportation. First, the voters approved the modest tax increase required to acquire the transit system. Second, they adopted a comprehensive community plan, Third, they put into effect an incentive -- the downtown free fare -- to encourage ridership. As a result, ridership is up, and here in Seattle - as elsewhere throughout America - public transit is again a "growth industry." In view of the energy crunch, I see no other rational course of action for urban transportation.

Third; let me say just a word about the state of the nation's railroads.

Essentially we have been dealing with two situations: the immediate problem of rail bankruptcies, in the Northeast and the Midwest, including the Penn Central, the nation's largest railroad: and the somewhat less urgent but deeper problem relating to the rail industry in general and the results of a 90-year lag in regulatory reform.

The President's Rail Revitalization Act now before Congress will help relax some of the overly-strict and largely archaic regulatory restraints. The President's overall goal is to reduce Federal interference in business, and in people's lives, and the railroads are the place to start.

A second step being taken to bring our railroads up to speed is the U.S. Railway Association's Final System Plan, submitted to the Congress three weeks ago. This Plan sets forth the means to restructure rail service in the Northeast and Midwest, rebuild crumbling road beds, and extend a helping financial hand to the railroad industry for the purchase of rail cars and other needed equipment.

The fourth transporation subject I want to mention pertains to aviation. Here, too, President Ford believes changes are needed to eliminate what he describes as "the impractical, the unnecessary, and the obsolete" in government regulations.

We are currently putting the finishing touches to an airline regulatory reform bill. This bill alters long-standing regulations which prevent carriers from competing on the basis of fares. It serves also to eliminate inefficiencies, by bringing market forces to bear on air carrier performance.

We are also sensitive to the impact increased fuel prices are having on the airlines - where fuel costs already have risen by 130 percent from pre-embargo days. Along with the Federal Energy Administration and the Council on Wage and Price Stability, we have asked the Civil Aeronautics Board to permit the airlines some latitude in fares to compensate for changes in the price of jet fuel.

In concluding these opening comments, I want to re-emphasize the seriousness of the worldwide energy situation as it affects transportation.

About 52 percent of the annual U.S. consumption of petroleum products is for transportation purposes. The motor vehicle is the big user. Our 105 million automobiles, 25 million trucks and half a million buses use nearly seven million barrels of gasoline and diesel fuel every day. Domestic oil production, as you know, has been declining and is now about 8.4 million barrels a day. So cutting down on gasoline consumption would significantly lessen our dependence on imports. That's the primary reason for the 55 mile-per-hour national speed limit, although we are seeing a very important additional benefit in the number of lives being saved on the highways.

We also need to strive for a better distribution in passenger travel, to take greater advantage of the more fuel-efficient modes. Over 85 percent of intercity passenger travel is by automobile, compared to about two percent by bus and less than one percent by rail. We simply are not using our rail, bus and plane capacities in the most cost-effective, fuel-efficient manner; and we hope to do more to make those systems increasingly attractive to travelers.

In summary, we are at the threshold of many key decisions in transportation, in energy and in environmental quality in this nation; and in each of these areas, we cannot afford to linger too long at the doorstep.

Past attitudes, past policies and past programs must find new common ground with the demands and needs of the future. It is not enough that we make our transportation systems work -- we must also make them work for us, in support of national goals that transcend differences and overrule traditions.

But I am confident we can do the job. I believe that under President Ford's leadership, the American transportation lifestyle on the horizon will serve us even better than our transportation systems of the past.

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