

STATEMENT OF ALAN BUTCHMAN, DEPUTY SECRETARY OF TRANSPORTATION, BEFORE  
THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION, APRIL 5, 1979

Mr. Chairman and members of the subcommittee, I and my associates are pleased to appear before this committee again to discuss with you the fiscal year 1980 budget estimates for the Office of the Secretary (OST).

Let me first take just a moment to express to you, Mr. Chairman and members of the committee, my appreciation, and that of the Secretary, for the thorough manner in which the Department's hearings have been conducted again this year. Based on the reports I have received from our administrations who have already appeared before the committee, it is evident that our continuing helpful working relationship will remain in effect under the new leadership and composition of the committee.

Also, before going on further, Mr. Chairman, I think it might be worthwhile to take just a moment to introduce to the new members my colleagues who are here with me today to discuss the Office of the Secretary budget (introductions follow).

As has been noted in the past, it is in the Office of the Secretary that the departmental efforts are pulled together into a cohesive whole. It is here that overall policy, direction and coordination are provided to assure the proper and effective management of all of the Department's programs, which total approximately \$19 billion. When the Department was formed in 1967, it was with the intent of bringing about more unified transportation policies and programs than existed under the separate isolated programs then in existence. It is here in OST that the Secretary and I direct our efforts towards the achievement of these objectives.

During the hearings over the last two months, our administrators have told you of the fiscal restraints we have applied to the Department's fiscal year 1980 budget. These same restraints are also manifested in the budget for the Office of the Secretary. The total OST budget request for FY 1980 is \$47.1 million, which is a decrease from the FY 1979 level, taking into consideration Transportation Planning, Research and Development (TPR&D) supplemental of \$5 million for the statutorily mandated waterway user charge study.

In the same vein, we are not requesting any increase in positions in FY 1980. This is a continuation of the staffing policy announced by the Secretary when he first took office; namely, that it was his intention to streamline the Office of the Secretary and improve its efficiency. I believe we have been very successful in doing that--since Secretary Adams came on board, there has been no increase in positions in the Office of the Secretary.

During the past year, we have continued to sharpen the operation of OST through a series of significant organizational shifts to better match functions with responsibilities and priorities. For example, the Office of Public and Consumer Affairs has been transferred from the immediate Office of the Secretary and placed under the Assistant Secretary for Governmental and Public Affairs to provide a common point of coordination for the communication of national transportation policy. Additionally, the International Secretariat, which was located under the Assistant Secretary for Administration, was transferred to the Office of Policy and International Affairs to further improve the coordination of international transportation activities.

Lastly, the Department has announced plans to upgrade marine transportation policy efforts, by the establishment of an Assistant Secretary for Marine Transportation. The Secretary has chosen to do this to assure that water transportation has a stronger and more effective voice within the councils of the Department. The new assistant secretary, which will include elements for international marine transportation, domestic marine transportation and ports, will provide a focal point to which the many constituencies concerned with water transportation may address their interests and concerns. The staffing and funding will come from existing resources in the Office of the Secretary.

Although these changes are not as comprehensive as those made last year, they are reflective of the continuing efforts of the Secretary to carry out his responsibilities in the most efficient and cost-effective manner possible.

I would like now to highlight for you the appropriations which are funded under the Office of the Secretary.

#### SALARIES AND EXPENSES

This account funds the overall management costs of the central staff engaged in directing and coordinating the Department's activities. For FY 1980, the Salaries and Expenses request is \$35.5 million. No increase in staffing is proposed, despite the fact that the Department's responsibilities continue to grow in both scope and complexity. We intend to meet these increasing demands by improving the efficiency of our operations. The 1980 amount covers the built-in mandatory costs of continuing the FY 1979 program and the costs of efficiency improvements.

## TRANSPORTATION PLANNING, RESEARCH AND DEVELOPMENT

For this appropriation, we are requesting \$11.5 million, essentially the level of appropriation for 1979, excluding the one-time \$5 million FY 1979 supplemental which we are requesting for the statutory waterway user charge study. TPR&D funds provide research resources needed to shape policy alternatives and initiatives as well as to strengthen program evaluation efforts and improve technology sharing.

The appropriation consists of two activities. The first is "transportation policy and planning" for which we are requesting \$10.2 million to address overall economic conditions in the transportation field, the planning and improving of transportation service as a whole, so as to best serve the public and the economy, and the transportation policies and programs needed to achieve our national energy goals.

The second activity called "special programs" consists of \$1.3 million for sharing of technological and planning information with states and local governments, the improving of consumer services, and support for the continuing program evaluation and analysis functions.

## INSPECTOR GENERAL

Public Law 95-452 enacted October 12, 1978, provides for the establishment of an Office of Inspector General in several departments and agencies, including the Department of Transportation. Section 9(a)(1)(F) of the Act specifies the various organizational units of the Department to be transferred to that office. On February 25 the Inspector General office was established, with the associated resources to be transferred to it by a determination order. We would be pleased to furnish for the record the funding and staffing amounts involved.

## WORKING CAPITAL FUND LIMITATION

For the Working Capital Fund, we are requesting that the language which limits operating costs and capital outlays of the fund be removed. As you know, this fund was established by the DOT Act--without fiscal year limitation--for expenses necessary for the maintenance and operation of common administrative services in the Department. This approach to common services is used extensively throughout the Executive Branch because it produces savings due to its inherent economy and efficiency characteristics.

The financing for the fund comes from appropriations made to various parts of the Department. That is to say, the users determine how much service they require, and are prepared to finance. Then, of course, as a part of the normal budget review function performed each year in the Office of the Secretary, final decisions are made as to the services to be provided and the appropriation levels to be requested of the President. If during the year these estimates prove to be too low, the obligation limitation may not allow the Working Capital Fund to react to the changing needs of the administrations. This work, therefore, must then be performed elsewhere at higher cost. Thus, the basic benefits and economies that are achieved from centrally procured services are lost. We believe that the operation of the fund will be more efficient without the limitation, and would like the opportunity to demonstrate it. Therefore, we request that this restriction be discontinued.

## FY 1979 SUPPLEMENTAL

Mr. Chairman, in addition to the FY 1980 budget, we are also requesting supplemental budget authority of \$5 million of FY 1979 TPR&D funding. This will allow us to proceed with a waterway user charge study mandated under

Section 205 of the Inland Waterways Revenue Act of 1978. I have a brief prepared statement on this item which I am prepared to present for the record.

In conclusion, Mr. Chairman, let me reiterate that we have submitted a fiscally responsible budget--one which is the minimum necessary to fulfill adequately the responsibilities of the Office of the Secretary. If the Department is to exercise the strong leadership in the field of transportation called for at this time, it needs a strong Secretarial Office which can only be in place if adequate resources are provided.

We strongly urge favorable consideration of our request of funding for FY 1980. If the committee members have any questions, I, or my colleagues, will be happy to answer them.