

TESTIMONY OF
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BEFORE THE
SENATE SUBCOMMITTEE ON TRANSPORTATION
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
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Good morning Mr. Chairman, it is a pleasure to be here today to discuss the Administration's proposed Auto-Use Management legislation. Accompanying me this morning are John Hassell, Administrator of the Federal Highway Administration and Angus Duncan, Director of Energy Policy.

The objects of this legislation are: to make possible more efficient, more sensible use of the private automobile; to assure that Americans get the maximum mobility from the minimum amount of oil consumed, consistent with the President's goal of halving our imports of foreign oil by 1990; to stretch the productivity of highway and transit dollars and of Federal, State, and local governments; and to protect our huge national investment in our existing transportation system. The object is further to accomplish this without either massive amounts of new Federal funds or a dependence on untested new technologies. The focus of the proposal is on sharing a ride with fellow-workers and getting a parking space if you do; complying with the 55 mph national speed limit; properly inflating your tires and tuning your engine; bicycling to work or to the store; riding the bus; or walking.

It is the companion to our national efforts to improve the fuel efficiency of new cars. The two programs can give us immediate and enduring energy savings, and the breathing space we need until new fuels and technologies become available. In terms of national and economic security--and in terms of the average citizen's economic security--that breathing space is critical.

The auto-use legislation proposed by the Administration is simple and straightforward. Most of the money appropriated would be used to increase the Federal share for eligible auto-use projects from the present 75 percent to 90 percent. States could use their local dollars and apportioned Federal-aid highway funds to leverage more Federal funds into their auto-use management programs than is now possible. From the Federal perspective, the national goal of reducing oil consumption is served by providing a positive incentive for transportation efficiency improvements.

Other important national goals such as urban revitalization and air quality improvements are also served by this program.

DOT would propose to administer up to 80 percent of the auto-use funding as leverage for apportioned Federal-aid highway funds in this first category, with the remainder reserved as discretionary money for innovative projects, by States, localities or private entities, which could not otherwise be funded by leveraged Federal-aid highway funds. The discretionary grants for the projects in this second category would cover a full 90 percent Federal share.

All discretionary awards would be made on the basis of a project's contribution toward a number of goals, the first of which is the greatest possible energy savings. Selection of discretionary auto-use management projects will also consider goals such as environmental quality, urban enhancement, fiscal restraint, safety, and economic development. Maximum flexibility would be assured to State and local governments in the design of programs that fit their local needs and circumstances, consistent with national transportation policies.

I believe the approach of the Administration's legislative proposal has considerable merit. It builds on the experience of the Federal Highway Administration and the established base of the Federal-aid highway program. It provides an important incentive for States and localities to shift their emphasis away from increasing the physical capacity and toward increasing the efficiency of use of the Federal-aid highway system. At the same time it should assure that innovative project opportunities can be explored by the Department.

In this last respect it would be helpful for the Committee to consider one legislative change; to authorize the Department to contract directly with local governments and the private sector for projects funded from the second category discretionary program only. The purpose of this change is to assure Federal, State and local officials the maximum flexibility to get projects funded without unnecessary delays. It is an authority appropriate to a demonstration-type program. Administration of funds through the State would still usually be the quickest, and therefore the preferred mechanism.

The range of activities we hope to encourage with this program include most of those collected under the umbrella of Transportation System Management. Ridesharing and related projects such as designating high-occupancy lanes and parking preference would be a major use, extending the accomplishments of the present ridesharing program. Enforcement of the 55 mph speed limit saves energy and at the same time saves lives. Other parking strategies, traffic control system improvements, bicycle and pedestrian facilities, fringe parking facilities to support transit and ridesharing, driver education and training--especially of new drivers--and other applications could be part of the locally-developed strategy.

The Department would encourage State and local plans which are not capital intensive improvements and increase the efficient use of existing facilities. The plans should be consistent with accepted State and local energy conservation planning, and encourage local and private sector participation.

As you know, the House Committee on Public Works and Transportation has reported a bill, H.R. 6417, which includes a Transportation Systems Management provision modeled in part on the concepts we have been discussing today. However, that provision as it now stands would not meet the criteria we have established for program success. First, in the House bill, the purposes of Transportation System Management grants are fairly limited and emphasize those projects which would maximize traffic flow. Second, all funds would be apportioned for 90 to 95 per cent grants, thus eliminating the incentive for leveraging the use of regular program funds. Third, there is no discretionary fund for innovative projects. Finally, the amounts proposed for authorization, totalling \$3.75 billion over the next five years are far in excess of the Administration proposal and far beyond the amounts we could reasonably expect to be available in appropriations over this period.

Thus, we would have to see substantial change in the House provision for it to be an acceptable representation of the ideas and concepts we have put forth in this testimony. We think these ideas have substantial merit and hope that you will work with us to assure that suitable changes will be made.

Before I close, I would like to emphasize for the Committee that this proposal is part of a larger Department strategy, supported by other efforts in and out of the Department. It is consistent with the President's oil import and energy conservation goals. It is also a companion to accomplished or pending Congressional goals. The Conservation and Solar Banks, and the Community Energy Management Act now under consideration, provide tools to local communities for energy conservation planning, and for saving energy in homes and businesses. Auto-use offers comparable tools for local transportation conservation strategies. It is critical that communities have both, as I recall from our work in developing a City Energy Policy for Portland.

The Department proposal would also assist States and localities in complying with new government-wide rules being developed pursuant to the Power Plant and Industrial Fuel Use Act of 1978. Under this Act, all federal agencies must require recipients of Federal financial assistance to take energy conservation actions as a condition of receiving that assistance. We have been consulting at length with local officials. One of the messages we hear is: give us the tools. Auto-use management is one of these, along with stepped-up programs of Transportation System Management training and driver efficiency programs.

The Department of Energy's contingency planning relies heavily on transportation energy savings, mostly achievable through Transportation System Management actions. The Environmental Protection Agency's Clean Air requirements for non-attainable areas frequently depend on the same Transportation System Management actions. These strategies are important ingredients of urban revitalization and economic development efforts.

It is important to emphasize that the average citizen will be deeply affected by the fate of this legislation. We all depend upon the transportation system to get to work or to go shopping, to run errands and to get to doctors' appointments and go on vacations. Some of us can afford newer, smaller cars, many of us cannot. Some of us are fearful of being stranded and isolated by fuel shortages, and all of us realize that our wages are being eroded by the costs of necessary travel. We are all entitled to an efficient, dependable, affordable transportation system for travel. The Federal Government shares the obligation to provide that system. The legislation you are considering today fulfills a part of that obligation, a part that speaks directly and understandably to daily needs. This legislation can help us maintain personal mobility and at the same time meet our nation's goal of conserving energy.