



U.S. Department of
Transportation

News:

Office of the Assistant Secretary for Public Affairs
Washington, D.C. 20590

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**STATEMENT OF SECRETARY OF TRANSPORTATION JIM BURNLEY
ANNOUNCEMENT OF TEXAS AIR CORPORATION
PRELIMINARY INVESTIGATION
APRIL 13, 1988
WASHINGTON, D.C.**

Today I am announcing that the Department of Transportation is launching a preliminary investigation of Texas Air Corporation and its management.

It is to be completed in thirty days and will be led by Rosalind Knapp, the Department's Deputy General Counsel. Information gathered by the FAA during its simultaneous inspections and review of Eastern Airline safety practices will also be considered.

Section 401(r) of the Federal Aviation Act requires that the Department determine an air carrier is "fit, willing and able" to perform properly. The statute says explicitly that this is a "continuing requirement."

To be deemed "fit", an airline must satisfy three criteria:

- 1.) It must comply with all legal and regulatory requirements;
- 2.) It must have a financial plan that allows the carrier to operate without undue risk of harm to the public; and
- 3.) It must have competent management.

Under Section 407 we are authorized to require both periodic and special reports from any air carrier and to get specific answers to any questions deemed necessary. Section 415 of the Act empowers the Department to "inquire into the management of the business of any air carrier."

Among the factors underlying my decision are the following:

In February 1987, Eastern Airlines' new owners agreed to settle \$9.5 million in penalties which had been assessed by the FAA against Eastern prior to Texas Air Corporation's assumption of control. Pursuant to this settlement Texas Air Corporation and Eastern Airlines agreed to establish the basic internal recordkeeping and monitoring system necessary to ensure compliance with the Federal Aviation Administration's safety standards.

Today the FAA Administrator has announced the assessment of \$823,000 in new penalties and his decision that Eastern Airlines needs additional, continuing scrutiny. This sequence of events raises the question of whether the management of these two companies is disposed to comply with the safety rules applicable to air carriers.

After the application was filed on February 29 seeking our approval to create a separate company for the Eastern Shuttle, I directed my staff to undertake an in-depth review of Texas Air Corporation and Eastern's financial circumstances in the context of that proceeding. I took this action because of my concern that this transaction, together with a series of earlier transfers of Eastern Airline assets, might have an adverse impact on the airline's viability. Since a federal district court has ordered the withdrawal of that application, such a review must now be conducted through another process.

Additionally, the Department's Policy office recently submitted to me an assessment of Texas Air Corporation and its subsidiaries which concluded they are under substantial, increasing financial pressure, having suffered record losses since the beginning of 1987. A filing by Texas Air Corporation a few days ago with the Securities and Exchange Commission further revealed the details of these financial problems.

I want to emphasize today that this investigation is preliminary and we will withhold judgment until it is completed. However, I want to make equally clear that the FAA Administrator and I will not hesitate to take whatever action is warranted to assure those who fly on airlines controlled by Texas Air Corporation that all federal requirements are being fully met.

Thank you.



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REMARKS PREPARED FOR DELIVERY BY
SECRETARY OF TRANSPORTATION JIM BURNLEY
COAST GUARD DEDICATION OF HU-25 INTERCEPTOR
APRIL 25, 1988
WASHINGTON, D.C.

This nation is under siege by the suppliers and pushers of drugs that are invading our shores, reaching into our schoolyards, devastating our families, killing thousands each year, and hurting our productivity. When you are under attack by a formidable enemy, you must use every resource at your command to fight back. You must have committed forces, state of the art weaponry and strong leadership. Drugs and the people who profit from them are the enemy. In Admiral Paul Yost and the Coast Guard he leads, we already have a force dedicated to fulfill their drug interdiction responsibilities and to help win the war against drugs. Today we take a significant step in the right direction in giving the Coast Guard the state of the art technology it must have to be effective.

I would like to thank everyone here who came out to be a part of this event today, especially the members of Congress and for their support for Coast Guard. There aren't many occasions in this town when Democrats and Republicans are on the same side of an issue to the extent we are in our mutual desire to rid America of illegal drugs. Sometimes it is easy to lose hope when on a daily basis we hear horrible accounts of drug-related deaths and injuries. Yet, today is a day for hope. This ceremony marks our acquisition of the first HU-25 Falcon aircraft equipped for air interdiction purposes, culminating a year-long effort to equip these airplanes with tracking and interception technology. The Coast Guard, working with the U.S. Air Force and several contractors, made the vision a reality.

As Admiral Yost said in his remarks, the HU-25 gives us a big edge in the continuous struggle to stop the flow of drugs entering this country by way of air and sea. Its new sensor system gives the aircraft day and night vision in all types of weather, which greatly enhances the Coast Guard's ability to intercept, classify and track suspect maritime and airborne targets.

This Administration was the first to make the "war against drug abuse" a national priority, and the Coast Guard has played a key role. Last year alone, the Coast Guard seized shipments of cocaine and marijuana that had a street value in excess of \$3 billion. And earlier this year, in the second largest seizure of marijuana in West Coast history, the Coast Guard seized 22 tons of marijuana bound for San Francisco, with a wholesale value of \$56 million.

Although our recent successes are impressive, the battle is far from won. Cocaine use in the U.S. is still on the rise, and it is mostly smuggled into this country by air. The men and women of the Coast Guard who are out on the front lines actually intercepting the drugs are literally putting their lives on the line; they deserve the best equipment available to do their jobs.

I hope Congress will work with the Administration to ensure that this vital drug interdiction mission of the Coast Guard, along with its search and rescue and other duties, are not adversely affected by a budget shortfall. Right now, cuts by Congress have reduced routine Coast Guard duty patrols by more than 50 percent. President Reagan has asked Congress to immediately reprogram the funds needed so the Coast Guard can resume normal operations. His fiscal year 1989 budget request would increase the Coast Guard's operations budget by another 11 percent, which would mean that next year the Coast Guard would be able to capture an estimated 240,000 more pounds of marijuana and 2,400 more pounds of cocaine. Each seizure, no matter how small in size, is significant.

At the Department of Transportation, we are also moving aggressively to attack the "demand" side of the program by randomly testing our employees and by issuing regulations to require testing for key safety and security-related staff throughout all modes of transportation. Once again, the Coast Guard has led the way through random drug testing of its military personnel since January of 1983. The percentage of those testing positive has dropped from 10.3 percent in 1983 to 2.9 percent last year.

The newly equipped HU-25 Interceptor is a major boost to the Coast Guard's interdiction capabilities and should be taken as further evidence of our commitment in the war against drugs. Drugs are a fundamental threat to our free society. As important as these planes will be, they are just one facet of what must be a sustained, all-out attack on both the supply and demand sides of the drug menace.

Thank you.



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REMARKS PREPARED FOR DELIVERY BY
SECRETARY OF TRANSPORTATION JIM BURNLEY
AMERICAN AUTOMOBILE ASSOCIATION ANNUAL MEETING
ORLANDO, FLORIDA
APRIL 26, 1988

Thank you for inviting me here this afternoon. It's great to be in Florida after the unseasonably cool weather we've had in Washington lately. I understand you will be moving your headquarters from Virginia to Orlando next year. While it is a great loss for the Washington area, I can see why you chose Orlando as your new home.

I have a great deal of respect for AAA and your work on a number of issues that are crucial to safe, efficient transportation. The Department of Transportation and AAA have worked together many times in the past, particularly on safety issues. I would like to update you on the status of some of the major highway safety issues we are working on at the Department.

I believe that no aspect of my job as Secretary of Transportation is more important than the protection of lives and the prevention of injury. As Americans we have used our talent for technology, our self-discipline and a careful attention to safeguards to develop one of the safest vehicle fleets and road systems in the world. But there is more to be done.

I'd like to start out by giving you some good news. The Department's National Highway Traffic Safety Administration (NHTSA) recently reported the traffic fatality numbers for 1987. Last year there were 2.4 deaths per 100 million miles traveled, which means the 1987 U.S. traffic fatality rate was the lowest in history. That figure dropped from 2.5 in 1986 and was down an impressive 25 percent from the 1980 rate of 3.3.

As you know, the fatality rate is one of the most widely accepted measures of the trend in traffic safety. An increase or decrease in the rate can mean a difference of thousands of lives. There were just over 46,000 Americans killed on our highways last year, which is tragic by any standard. But if fatalities were still occurring at the 1980 rate, the death toll would have been 17,000 higher. Both numbers are mind-boggling.

Another mind-boggling figure is just how much we Americans drive our cars, trucks and motorcycles -- over 1.9 trillion vehicle miles in 1987, up 25 percent from 1980. But despite that enormous growth, the 1987 highway fatality count was about 5,000 less than in 1980. So, even though we're driving more, we've become much more safety-conscious. Clearly, the continued national push for safety belt use and the national resolve to stop drunk driving have made a tremendous difference in traffic safety.

Between 1982 and 1986, the role of alcohol in fatal crashes declined substantially. During that time there was a 14 percent drop in the number of drunk drivers involved in fatal auto accidents; and even more encouraging, there was a 26 percent drop in teenage drunk driving fatalities. All fifty states have adopted laws raising the minimum drinking age to 21. I know AAA played a major role in pushing legislation in every state. Although we should congratulate ourselves on these successes, we must be mindful that only steady progress will rid our roads of the drunk and drugged driving menace. So, we're not likely to see further progress, and we may even lose some of our hard-fought gains, unless we redouble our efforts.

It is said that Americans have a short attention span, that today's headlines are tomorrow's forgotten news. Well, when it concerns traffic safety, we cannot afford to allow the American people to become complacent. Complacency often arises out of a false sense of security. This mindset can quickly translate into deaths on our roads. I'm sure all of us here know someone whose life has been destroyed or irreparably damaged by a serious traffic accident. This deep sense of pain and needless loss has devastated families in every community in the nation. We cannot slacken our dedication to the cause of highway safety.

Despite an extensive public education campaign and more stringent drunk and drugged driving enforcement laws, there are many in this country who still think that one can drink and drive safely. A Justice Department study shows that between 1970 and 1986, the number of arrests for driving under the influence of alcohol or drugs jumped by 223 percent. The most drunk driving arrests occurred in 1983: there were an estimated 1.9 million, or one for every 80 drivers. In 1986, that figure fell slightly to 1.8 million arrests.

Last month the Insurance Institute for Highway Safety and Mothers Against Drunk Driving released a study that said about 1,600 lives were saved from fatal crashes in 1985 because of new anti-drunk driving laws. The groups also said another 2,600 probably would not have died if all fifty states had strict laws for the swift and certain punishment of drunk drivers. Currently, in 23 states, a police officer can revoke a drunk driver's license on the spot if he fails a chemical test or refuses to take it. This is one of the enforcement methods that has proven very effective, and I hope its use will continue to spread.

One shocking statistic that grabbed a lot of press attention a few weeks ago was the fact that one-quarter of those jailed for drunken driving in 1983 had consumed

at least 20 beers or 13 mixed drinks before they were pulled over. These people shouldn't have been walking, let alone behind the wheel of an automobile.

Driving sober is good, but driving sober and wearing a safety belt is even better. Today, 32 states have enacted safety belt laws, and there are similar bills pending in nine other states. We at the Department of Transportation believe that the enforcement of safety belt laws, coupled with safety belt education programs, are vital if we are to maintain the momentum to make belt and child safety seat use universal in this country. Your continued support of safety belt legislation is crucial to the efforts.

National usage of safety belts has increased from 11 percent in 1982 to 42 percent last December. NHTSA estimates that 8,000 lives have been saved since 1983 because more people are buckling up. Last year alone, NHTSA estimates that safety belts saved about 2,450 lives, with more than half of those due to safety belt laws.

We also have issued a number of safety rules affecting trucks. As you know, some truck drivers have obtained licenses from several states so they can spread their traffic tickets around. As a result, we are aggressively implementing our newly-mandated Commercial Driver's License program, which requires all 5 million commercial truck and bus drivers to have only one license. In the nine months since the single licensing requirement became effective, over 32,000 duplicate driver's licenses have been turned in. Also, a central clearinghouse is being established that will contain the complete driving records of all commercial drivers. I again want to thank you for your strong support of the Commercial Vehicle Safety Act of 1986.

That Act also requires the Department to issue minimum testing standards for commercial drivers. Currently, 18 states and the District of Columbia do not have classified license systems, permitting anyone to obtain a passenger car driver's license and legally operate a large tractor-trailer. Federal minimum standards would require that states test to ensure that individuals have skills for the type of vehicle they intend to operate. We are reviewing comments on our Notice of Proposed Rulemaking on this issue, and will issue a final rule by July.

Further, I strongly support the repeal of the commercial zone exemption. The Department issued a Notice of Proposed Rulemaking to eliminate the commercial zone exemption last July, and we will issue the final rule very soon. The proposed rule would ensure that interstate truck traffic operating in and around our major cities will comply with the same comprehensive federal safety regulations as do long-haul, interstate carriers.

Now I know many of you are very interested in the effect the 65 mph speed limit has had on traffic accidents and fatalities. Congress' amendment of the speed limit law that allowed for the increase on rural Interstates was the most widely reported highway safety story in 1987. Within a matter of days, a number of states raised their speed limits on these roads. Currently 40 states have the 65 mph speed limit posted. Between January and September of 1987, fatalities were up on rural Interstates in states that raised the speed limit and up in states that maintained 55 mph. As early as January of last year -- three months before states were allowed to raise their speed limits -- fatalities were on the rise in many states. We believe that it's still too early and the data too rough to draw any concrete conclusions. We're still missing some very important pieces of information such as: actual travel speeds

of motorists; total crash statistics from all roads and all states; alcohol involvement; and numbers of vehicles and miles traveled on rural interstates in 1987 versus 1986.

We will continue to monitor the rural interstate data very carefully and will do a complete analysis of all the critical factors that play a role in traffic fatalities. This is essential if we are to know the full effect of raising posted speed limits. In the meantime, however, we will do all we can to assist state and law enforcement officials in the development of better ways to enforce all posted speed limits.

I know that AAA has a great interest in identifying future highway needs. We in the Reagan Administration firmly believe that groups such as yours should play an important part in deciding where that future leads. President Reagan has recognized, perhaps more than any other president in recent memory, that state and local officials and ordinary citizens can do more to solve problems in their own areas than a slew of bureaucrats and technicians in Washington, D.C. Therefore, the President has made the principle of federalism a primary theme of his second term. He rightly believes that over the years this principle has been abused and eroded by an increasingly centralized Washington bureaucracy. Federalism is not an abstract idea. Rather, it is a highly practical arrangement based on the common sense idea that solutions are best developed at the level of government closest to the problem. Until recently, federalism was the principle that was the foundation of this nation's highway system.

The good sense of this arrangement is obvious. State and local officials are using the local transportation network every day, so they know first-hand where the problems are and how to respond most effectively. Their greater familiarity with state needs and conditions has meant more accountability and responsiveness to the people who pay for and use these vital assets. Rising to this important public trust, the states have developed strong, competent highway organizations with the technical and administrative ability to manage their own programs and to work closely with municipal governments.

Historically, Congress recognized that the states were well-equipped to decide their own priorities, and traditionally authorized the spending of federal highway funds years in advance under a fixed formula -- so the states knew in advance what federal aid they could expect. States then planned their projects accordingly.

This self-discipline in Washington has broken down. Until last year, we'd only seen thirty of these demonstration projects in the entire history of the highway program. But in the 1987 highway bill, Congress mandated that over \$1.4 billion be spent on a total of 152 "demonstration" projects. That \$1.4 billion will not completely fund construction of all these projects: the rest will have to come from the states and the federal government. The ultimate price tag for all "special" and "demonstration" projects will be significantly higher. Furthermore, the Continuing Resolution passed just before Christmas contained \$100 million worth of demonstration projects in addition to those in the 1987 highway bill.

Of course, not all demonstration projects are wasteful. There are those that can be economic growth stimulators. However, money for these projects does not grow on trees -- it comes out of funds needed for rehabilitating the country's highways and bridges, many of which are in a serious state of disrepair. With the proliferation of demonstration projects, political muscle has ever more to do with what projects are funded, and the relative merits of competing projects ever less.

As completion of the Interstate system draws closer, I believe we need to engage in a vigorous debate and discussion on the future role on the federal government in the highway program. Clearly, the federal government will continue to have a role in assuring that the Interstate system is properly maintained. However, when the Interstate system is completed in the next few years, most of the future highway needs of the United States will be local in nature and will not require federal involvement. I want to work with Congress, the states and all interested parties to develop possible approaches that would permanently return to the states most or all responsibility for their roads.

Increased state authority and flexibility would mean greater fairness among states. Each state could use its funds to build the projects that have the most merit and the highest priority. Costly and extraneous federal requirements now imposed on the use of funds could be virtually eliminated, ensuring a greater transportation return on every dollar spent. It would also help states improve their road systems in ways that boost state economic growth as well as simply meet current travel needs. So we are looking at ways to encourage and promote innovative financing mechanisms. One example is to allow the use of tolls on highways that were built with federal funds.

None of this means that we want a dramatic, sweeping rollback in federal involvement in safety programs. We just want to make sure that state and local initiatives are in no way hampered or eclipsed by those of us in Washington.

I'd like to briefly talk about one other area where I believe the federal government is impeding progress, this time not of state or local governments, but of our own automobile industry. The continued existence of the 1974 Corporate Average Fuel Economy rules has resulted in a major stumbling block to this country's competitiveness. Whether you believe these requirements ever had merit, they have clearly outlived their usefulness. They work to the great disadvantage of U.S. auto manufacturers and will force them over the next few years to export jobs by importing cars to be sold under U.S. brand names. The fuel economy rules are also handicapping our companies in facing the new competition from foreign manufacturers in larger, more luxurious models. It is time for Congress to repeal these outmoded requirements.

As Secretary of Transportation, I will continue to support the many efforts necessary, both in and out of government, for an effective highway safety program -- for improving the safety of drivers, vehicles and roadways. I pledge my continued willingness to work with you to find ways to make our national highway system ever safer and more efficient for all Americans.

Thank you very much.



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REMARKS PREPARED FOR SECRETARY OF TRANSPORTATION
JIM BURNLEY
AVIATION TASK FORCE NEWS CONFERENCE
WASHINGTON, D.C.
APRIL 28, 1988

Good afternoon. Last month I created a task force to recommend internal reforms of the Federal Aviation Administration. I asked the task force, co-chaired by FAA Administrator Allan McArtor and DOT Assistant Secretary of Administration Jon Seymour, to look for ways to strengthen the FAA's personnel practices, procurement procedures, budget process and regional structure. Today I am announcing that the task force has made its recommendations, and that I fully endorse their proposals. Administrator McArtor, Assistant Secretary Seymour and task force members:

- Bob Whittington, FAA Executive Director;
- Michael Goldfarb, FAA Chief of Staff;
- Carolina Mederos, Deputy Assistant Secretary for Safety;
- Bob Collins, Deputy Assistant Secretary for Administration;

and their staff, led by

- Theron Gray, Special Assistant to the Administrator; and
- Glenda Tate, Director of Management Planning;

all did outstanding work in a short time. I want to congratulate them for a superior effort.

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Before discussing some of the proposals of the task force, I want to emphasize that although they signal progress, they are in no way designed to take the place of fundamental reform of the FAA. The suggestion in two newspaper stories this week that today's announcement is intended to "fend off" reform legislation and protect turf are false, just as are numerous other assertions in these "advocacy" pieces.

As I have made clear on numerous occasions beginning with my confirmation hearings last November, incremental changes can make marginal improvements in FAA's effectiveness and responsiveness, but they do not resolve the underlying problem. Meeting the needs of this nation's booming aviation industry requires more far-reaching efforts. Specifically, I believe the air traffic control system and the approximately 30,000 people who operate and maintain it should be freed from governmental red tape that impedes the purchase of new equipment, inhibits the development of modern personnel policies and creates chronic budget uncertainties. To do this effectively requires moving the air traffic control system out of the FAA and this Department. I have expressed reservations about "privatizing" or giving "independence" to the safety regulatory side of the FAA, but the latter is a relatively small percentage of its budget and personnel. Without basic changes in how the federal government carries out its responsibilities in aviation, the very able people who staff and maintain our air traffic control system cannot be expected to keep up with a dynamic aviation industry.

However, as I said on March 9 in announcing the creation of the task force, while the national debate continues on much-needed basic reforms that will require Congressional action, we must do everything possible to assure the American people that the FAA is as effective as possible.

One of the recommendations that I think makes especially good sense is to change the reporting relationships for the FAA's regions. The approach suggested combines the best elements of a decentralized regional structure: improved accountability to headquarters and a system of checks and balances for quality assurance. The FAA's Regional Directors would become the Administrator's representatives in each of the nine operating regions. In addition, the regional division managers would report directly to their respective Associate Administrators. This would provide accountability from the field official responsible for carrying out the program, for instance, air traffic, to the senior FAA official responsible for a program.

Such improved reporting procedures for the program managers in the field will assist the FAA to respond quickly and consistently to meet the rapid changes in the aviation industry while bolstering our oversight of safety regulation. I believe the regional changes, in addition to organizational changes in FAA headquarters, will increase the FAA's effectiveness until such time as more sweeping reforms are enacted by Congress.

Although the recommendations do not overcome the fundamental problems inherent in a government organization or mitigate the need for basic change in the FAA, they are clearly a step in the right direction.

As I requested, the task force also recommended improvements in personnel practices, procurement procedures, budgeting and rulemaking processes. A number of these recommendations build upon Administrator McArtor's Impact '88 program. These changes will begin to address the basic reforms which I am

convinced are needed if we are to keep pace with the growing demands of aviation, but it will take legislation if we are to end three decades of frustration for the American people, FAA employees and the aviation community.

I have instructed the task force to begin formulating a transition plan to implement these changes within the next thirty days. While we continue our work, we welcome advice from our own employees and from anyone else who has an interest in aviation. Allan McArtor and I believe the task force recommendations are sound, but if we have missed anything or can improve upon them, we want to know about it. The American people deserve and expect our best efforts to strengthen management of federal responsibilities in aviation, and we intend to fulfill those expectations.



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REMARKS PREPARED FOR DELIVERY BY
SECRETARY OF TRANSPORTATION JIM BURNLEY
AMERICAN TRUCKING ASSOCIATION FOUNDATION
KEY LARGO, FLORIDA
APRIL 30, 1988

I am delighted to have this opportunity to address and meet with so many members of the ATA Foundation. Back in October of 1985 when I was Deputy Secretary I spoke at an ATA meeting in beautiful Honolulu. Today we're gathered here in exotic Key Largo. I hear Tom's already planning the next meeting in Rio de Janeiro.

But seriously, since I last spoke to some of you, this organization has continued to grow in membership and influence. Under Tom Donohue's leadership, ATA has proved that it is a force for progress in America's trucking industry. I am particularly pleased to see that safety continues to be of paramount concern to all of you. Your America's Road Team program, which is now over three years old, is just one example of how you are getting your safety message out to the people of this country. Public education campaigns such as this are important to reassure the driving public about your industry's commitment to safe roadways and safe trucks and to remind them that truckers, as a group, are the safest drivers in the world. Public education materials that portray the opposite image are unfair to the thousands of professional drivers who safely drive their rigs over millions of road miles each year.

This decade has been a period of extremely rapid change, posing new and often unforeseen challenges to each mode of transportation, particularly trucking. Reduced levels of federally-imposed economic regulation and an increasingly competitive world economy make it more important than ever for the Department of Transportation and groups such as ATA to work together to see that the safety of the traveling public is never compromised as the industry adjusts to changes in the economic or political environment.

Clearly, the trucking industry has undergone major changes that require modifications in the way it does business. Keeping this in mind, I share ATA's view that it's vital that we expedite the implementation of the Motor Carrier Safety Acts of 1984 and 1986 and ensure that the Motor Carrier Safety Assistance Program (MCSAP) receives stable funding. As you know, MCSAP is one of the most successful, visible traffic safety programs we have in place today. Forty-eight states and four territories participated last year and it is continuing to grow. Thanks to MCSAP and the Commercial Motor Vehicle Safety Act, during 1987 about one million driver and vehicle inspections were completed. The Federal Highway Administration used to inspect only about 36,000 trucks annually. Now that the states have assumed the important task of roadside inspections, FHWA has been able to concentrate on safety and compliance reviews of motor carriers. Last year, MCSAP implementation also helped us take more than 300,000 vehicles out of service and pull more than 50,000 drivers off the road for violations of the Federal Motor Carrier Safety Regulations. We're now better able to identify and punish the small number of reckless and/or unqualified truck drivers out there on the roads who endanger the lives of others and give the entire industry public relations problems. ATA's lobbying in support of this crucial legislation was instrumental in getting it passed.

We have also made great progress in eliminating the misuse of truck driver licenses. The Commercial Driver's License Program of FHWA prohibits any commercial motor vehicle operator from having more than one license and will soon require that he pass both a written and a driving test for the type of vehicle he will be driving. Since our single license rule went into effect last July, more than 35,000 duplicate licenses have been turned in by truck drivers.

Late last year the Department completed a study of heavy truck safety. The study examined the role of brakes and other handling and stability features and concluded that brake system performance could be a factor in as many as one-third of all truck accidents. As a result of that finding, we began a research project to address specific brake problems such as: insufficient braking capacity, poor front-to-rear brake force distribution, brake locking, and poor brake maintenance. Later this year we will begin a full-scale test of an entire fleet of trucks equipped with anti-lock brakes. Over a two-year period, we will be evaluating these systems on two hundred tractor-trailers under conditions of normal commercial use.

Another issue we are examining closely is the use of on-board recorders in lieu of the truck drivers' written log. We have already granted waivers to ten fleets to test these devices and use them in place of logbooks. In 1985, the Federal Highway Administration granted such an exemption to Frito-Lay, Inc., and the results so far have been favorable. The on-board computers successfully record, store and communicate key information regarding the condition of the vehicle such as oil temperature, shifting sequence, fuel use and engine rpm in addition to the hours of service and driver's record of duty status. Frito-Lay has been able to use the computer to better manage its fleet and control costs. The drivers have been able to earn premium pay for good performance and, of course, no longer have to fill out the logs.

Last month FHWA issued a proposed rulemaking to permit -- not require -- all carriers to use on-board computers. As more companies move toward the use of on-board computers, I expect we will see a substantial reduction in the burdensome paperwork that has been a hallmark of truckers' log-keeping in the past.

In another effort to ensure safety on our roads, FHWA is in the final stages of issuing a rule to eliminate the commercial zone exemption. We're not waiting for Congress to act. This will ensure that intrastate truck traffic operating in and around our major metropolitan areas will be subject to the same federal safety regulations as are long-haul, interstate carriers. Once again, ATA have aggressively supported our work on this issue.

Invariably, these days, in any discussion regarding safety in transportation, the question of drug testing of key employees arises. As you know, I am strongly in favor of drug testing as a means to identify and curb the use of drugs by employees in transportation jobs who literally have life and death power over others. The Department is in the process of writing rules to establish comprehensive drug testing programs for all modes of transportation. At the Department, we began random testing of key safety and security employees last September. About 30,000 employees are covered, including myself.

Commercial truck drivers are not immune to the drug plague that has spread throughout our society. Available data shows that truck drivers use less alcohol, but more stimulants than the general public. Last June the Insurance Institute for Highway Safety obtained blood and/or urine samples from 317 of 359 randomly selected tractor-trailer drivers at a weigh station on I-40 in Tennessee. Altogether, 29 percent of the drivers tested positive for alcohol, marijuana, cocaine, and/or prescription or nonprescription stimulants. As Transport Topics reported a few weeks ago, an undercover operation by the California Highway Patrol resulted in arrest warrants for 41 truck drivers on drug dealing charges. We owe it to the American public to do all we possibly can to eliminate the drug menace from our roads, and I appreciate deeply all this organization has done to publicize the potentially devastating consequences when someone behind the wheel uses alcohol or drugs. Our proposed rule for your industry will be published shortly.

Now I'd like to spend a few minutes discussing an issue about which I know all of you feel very strongly -- reasonable access. The Surface Transportation Assistance Act of 1982 guaranteed the right of wider and longer trucks to operate on a "National Network" of roads. "Reasonable access" to and from the National Network was also guaranteed.

FHWA tells me that restrictive access provisions represent a significant problem to the trucking industry in six to eight states. So, although we have a federal problem, we do not have a national problem. The FHWA has worked hard with the states to informally resolve the disputes and has also been party to ten lawsuits regarding reasonable access. The Department published an Advance Notice of Proposed Rulemaking in January of 1987, soliciting comments to help us determine whether revisions to reasonable access provisions were necessary. Since then, there have been several bills introduced in Congress to statutorily define "reasonable access."

I applaud ATA's efforts to negotiate access solutions with some states, especially Pennsylvania. Congress has legislatively forbidden us to issue a final rule on the subject until we review the Transportation Research Board's study report on reasonable access, which will be completed by July 1989. But we will publish a proposed rule soon.

Another issue that has a profound impact on the trucking industry is the continued lack of uniformity in state taxation and registration requirements. It costs your industry close to \$1 billion each year simply for the paperwork involved in following the state-by-state regulations. The National Governors' Association has recommended a series of steps called the Consensus Agenda to simplify state taxation and registration requirements for trucks. There have been some positive responses from states in establishing greater uniformity in mileage-based taxes, one-stop operations that eliminate retaliatory taxes, and uniform fuel tax reporting. FHWA funding promoting the Consensus Agenda officially ends in September; but continued cooperation and input from the states will be crucial if we are to find the best way to eliminate these debilitating constraints on the trucking industry.

On the other hand, voluntary progress among the states has been very slow, indeed, even with a considerable push from the governors themselves. Maybe now is the time for a different approach. If you will recall, our current trucking deregulation bill (S.1710/H.R. 2591) has a provision calling for a report by the Department after two years concerning progress by the states in achieving the uniformity endorsed by the NGA. The report would also contain "recommendations" but does not call for outright preemption. If the trucking industry really wants uniformity, it should use the governors' findings as the foundation for future efforts for progress on this important issue.

As the research-oriented arm of ATA, you have all spent a great deal of time examining the impact that economic deregulation has had on the trucking industry. I realize that we continue to differ on this issue, but we must also continue to talk to each other about it. Yet as you know, more than forty states still regulate trucking within their borders. Regulation in many of these states results in more inefficient carriers and higher transportation costs for everyone. There are numerous instances in regulated states where shippers have avoided the use of high-cost intrastate carriers by locating their distribution centers across state lines from their populous destination markets. For instance, companies have set up distribution centers for their Texas markets in Louisiana, Arkansas, and Oklahoma. They can take advantage of lower interstate rates even though they must use longer and less efficient routes.

Elimination of state regulation of intrastate carriers would permit small and large carriers to enter many state markets currently served by only a limited number of carriers. In Texas, six large carriers control about 93 percent of the freight moved within the state. The result is that Texas Intrastate freight rates paid by large and small shippers are perhaps as much as 30 to 40 percent higher than interstate rate levels.

I think the facts speak for themselves. Any remaining economic regulation of the trucking industry is unneeded and undesirable. Economic regulation suppresses managerial initiative and creativity and wastes valuable resources that the trucking industry could employ more usefully in improving its productivity. Further trucking deregulation would result in lower transportation and inventory carrying costs for U.S. shippers.

These additional savings would improve the productivity and ability of American industries to compete in both domestic and international markets. Because of continued regulation, it is cheaper in some trades to ship goods from overseas than

it is to ship the same goods within the U.S. One study estimated that domestically-produced items are transported within the U.S. an average of 11 times, from raw material to final consumer, whereas imported products may be transported only once or twice from the port of entry. So higher costs resulting from continuing regulations put U.S.-made goods at a competitive disadvantage. Complete deregulation clearly would further strengthen the ability of U.S. companies to compete in both foreign and domestic markets.

I realize I have covered a lot of territory today, and in some cases, I understand that we disagree on how to best meet some of the challenges facing the trucking industry. Yet there is a common ground on which we all stand. We all want what's best for America. We want what makes her the most productive, the most competitive, the most economically sound.

For most of this century, the trucking industry has been among the nation's most valuable assets. If the trucks do not move, life as we know it would change radically. As this Administration nears an end, I hope we all can clearly remember the state of the trucking industry eight years ago, and then evaluate how far we've come since then. With your continued leadership on the key issues, I think the rest of this century will be the most productive period ever for trucking in this nation.

Thank you.