



U.S. Department of  
Transportation

# News:

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

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REMARKS PREPARED FOR DELIVERY BY  
SECRETARY OF TRANSPORTATION JIM BURNLEY  
FY1990 BUDGET PRESS CONFERENCE  
JANUARY 9, 1989  
WASHINGTON, D.C.

I am pleased to announce the Administration's proposed Department of Transportation budget for Fiscal Year 1990. This is the second -- and last -- budget request for which I have responsibility as Secretary. It continues my efforts to allocate a larger share of federal transportation resources to FAA and Coast Guard programs, while also continuing to improve this country's surface transportation infrastructure.

Overall, we are requesting \$24.6 billion in appropriations. There are a number of areas where I am proposing significant increases, including aviation, drug law enforcement and safety programs.

We are proposing a budget of \$7.4 billion for the FAA. This is a 29 percent, \$1.7 billion increase over the level enacted in FY1988. It is absolutely critical that Congress fully fund this request. Last year, Congress approved additional funds for modernizing the air traffic control system, but it gave the FAA less than we requested. This was consistent with the pattern of the last 8 years, during which Congress has cut the Administration's budget requests for the National Airspace System Plan by nearly \$1.4 billion.

The country cannot afford the shortchanging of modernization of our air traffic control system; thus, it is particularly important that Congress appropriate the full \$1.96 billion that I am requesting for the FAA's Facilities and Equipment Account. It includes a \$571 million increase over last year's appropriation for modernizing the air traffic control system. NAS Plan projects planned for FY1990 include equipment to increase airport capacity, the purchase of doppler weather radars to protect against windshear, and continued work on the \$3.6 billion Advanced Automation System contract awarded to IBM last year. I am also requesting funds for an additional 695 air traffic controllers, on top of the 900 additional controllers being

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hired this year. This will mean a total of 17,495 controllers, the most in history. We are asking for the money to hire 300 more aviation inspectors, which will mean a total of 2,798 inspectors, the highest ever. The 120 additional aviation security specialists will mean a 33 percent increase over the end of FY1988, also the highest ever.

We are proposing a \$3.45 billion budget for the Coast Guard, a 28 percent increase over the appropriation two years ago. This includes increased funds for the Coast Guard's more traditional missions, such as search and rescue, as well as for drug law enforcement. The Coast Guard plays a vital role in combatting the drug problem, and we must continue to provide the resources necessary to support the men and women of the Coast Guard, who put their lives on the line on a regular basis in this effort. While continuing its traditional missions, an increasing portion of Coast Guard resources are being devoted to drug interdiction; approximately \$681 million of our proposed Coast Guard budget is earmarked for drug law enforcement, a 32 percent increase over FY1988. Our budget proposal also includes funds for a new polar icebreaker.

I am proposing a total of \$12.5 billion for Federal Highway Administration programs. We continue to support a deficit-neutral highway funding program, proposing that spending from the Highway Trust Fund equal the level of user fee receipts -- also known as gasoline taxes -- deposited in the fund during the 1987-91 authorization period. This would ensure that highway user fee receipts are fully utilized, contrary to the nonsense being peddled by some special interest groups that the Highway Trust Fund is being bottled up to reduce the deficit. In fact, over the eight years of the Reagan Administration, we have actually paid out \$7.3 billion more in Highway Funds than we have received in tax revenues.

In a similar vein, we are proposing that the penny of the fuel tax allocated to transit be utilized under a new program for Formula Transit Grants. The \$1.5 billion trust fund program would include \$1.4 billion to be distributed by legislative formula and would permit cities of under 200,000 population to utilize their grants for operating costs. Also proposed is \$42 million for the Washington Metro system. We believe that mass transit is a need where local resources must be used to a much greater degree.

We are also proposing elimination of Amtrak subsidies, a \$584 million savings. Amtrak is used for less than 1 percent of all intercity travel. In some cases, it would be cheaper for the government to buy an airline ticket than to subsidize a long-distance Amtrak trip. I believe that Amtrak has made outstanding progress over the last eight years in reducing costs and increasing revenues, thus also reducing the need for federal subsidies. But as both Congress and the executive branch continue to struggle to cope with the deficit, some hard choices must be made. Amtrak should be required to stand on its own.

In short, we have asked for reduction or elimination of budget authority where we believe federal funding serves only parochial or local interests. Those who use specialized government services for commercial or recreational purposes ought to pay for them; therefore, approximately 76 percent of this proposed budget would be funded by user fees. On the other hand, we recognize the necessity of a federal role in many areas of transportation, such as safety and drug law enforcement -- two top priorities during my tenure -- and have asked for substantial funding increases where appropriate.

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STATEMENT BY  
SECRETARY OF TRANSPORTATION JIM BURNLEY

January 11, 1989

I have today spoken with the leadership of Eastern Airlines, the Airline Pilots Association, and the International Association of Machinists. The Department has also talked to the Flight Attendants. All the parties have agreed to continue their participation in the safety committee process. I wish to express my gratitude to Jack Bavis, Charles Bryan, Mary Jane Barry and Phil Bakes for their willingness to ensure the continued safe performance of Eastern Airlines.



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REMARKS PREPARED FOR DELIVERY BY  
SECRETARY OF TRANSPORTATION JIM BURNLEY  
NATIONAL PRESS CLUB HEADLINER BREAKFAST  
JANUARY 11, 1989  
WASHINGTON, D.C.

I want to thank all of you for coming this morning. I also want to convey my great respect for all of you who cover the Department of Transportation on a regular basis. Yours is not an easy task, particularly given the wide variety of technical issues frequently involved with the Department's policies. Jim Bishop, the late columnist and author, once wrote, "A reporter is the daily prisoner of clocked facts... On all working days, he is expected to do his best in one swift swipe at each story." Given the constraints within which you work, it is remarkable how accurate most of your coverage of the Department is.

I want to impose on a few more minutes of your time to review the last year and to discuss a couple of the major challenges awaiting the new Secretary.

Certainly one of the most significant events of 1988 at the Department was the issuance of drug testing rules for some 4 million workers in all modes of transportation. I have said this many times, but the message bears repeating: Drugs and transportation are a deadly combination. The use of so-called recreational drugs is not a victimless crime, as we have all too painfully learned from the Conrail-Amtrak crash and other unnecessary disasters, such as a tour bus crash last July in which 44 people were injured.

The rules, which I announced in their final form on November 14, were -- as I predicted the day of the announcement -- immediately challenged in the courts. At year's end, a federal court in San Francisco issued a preliminary injunction against random and post-accident testing of truck drivers. I have not yet seen the court's written decision, so it would be inappropriate to comment on the particulars of that

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ruling. However, the injunction has no practical impact, since testing under our rules is not to begin for almost a year.

But there are some general principles involved. First, I find it puzzling that anyone would even challenge post-accident drug testing. Surely those affected by any crash or serious incident have a strong interest in finding its cause. Post-accident testing preserves evidence from the scene, and can either rule out or point toward a possible cause. It is only because we have post-accident testing in the railroad industry that we know that in 68 accidents over the last two years, one or more of the people involved in train operations showed evidence of illegal narcotics use.

With regard to random testing, I can think of no better way to ferret out drug use, or to deter it. Random tests do not carry with them any implication of guilt; one person's number is as likely to come up as another's. Yet random testing discourages those who might be so inclined from experimenting with or indulging in "casual" use of illegal drugs. We long ago anticipated that certain aspects of the testing rules would be challenged, and the rules were therefore very tightly written. I believe they will ultimately withstand judicial scrutiny.

Our drug testing rules are but one part of an overall supply and demand-side strategy to combat illegal drug use. As you all know, since last spring the Coast Guard has been instrumental in enforcing a Zero Tolerance approach to illegal drug use, with some success. During 1988, the Coast Guard seized 75 vessels and aircraft for zero tolerance violations and 65 others for more serious drug crimes. Ever-greater Coast Guard resources are being devoted to the drug interdiction effort. However, for three-quarters of FY1988, its anti-drug efforts as well as its more traditional duties were severely handicapped by extremely ill-advised cuts by Congress in Coast Guard funding. If the Coast Guard is to fulfill our expectations and demands on it, we must give it adequate resources. That is why I successfully fought for a total 28 percent increase in Coast Guard funding in the FY1989 and FY1990 budgets over FY1988.

There is no higher priority at the Department than protecting and preserving public safety. We have not hesitated to take action wherever there has been any question of public safety, as with drug testing.

For example, last spring, when serious questions were raised about Texas Air's fitness to operate as a commercial air carrier, a team of thirty technical, legal, and financial experts thoroughly examined Texas Air and its subsidiaries, Eastern and Continental. The investigators found, as we believe to be true of other airlines, a strong commitment to passenger safety, and no pattern of cutting corners on safety. However, it also concluded that Eastern was experiencing unprecedented labor-management acrimony.

As you know, I did ask former Secretary of Labor Brock to intervene in the labor-management dispute at Eastern to assure that safety did not become a weapon for use by either side in this intense economic dispute. The safety committees created as a result of his efforts are an important new level of protection. You and I understood several weeks ago that ALPA and the IAM had withdrawn from the safety committees. But ALPA notified me a few days ago that it did not withdraw, which was welcome news.

We have continued to raise public awareness on the drunk driving problem and to use our regulatory authority to ensure tougher action against those who drink and drive. In 1988 we issued the regulation lowering to .04 percent the blood alcohol level at which a truck driver is disqualified. A first offense results in a one-year license disqualification, while on the second offense commercial driving privileges are revoked for life. I also ordered a review of all Department regulations concerning alcohol abuse. It will be available to the new Secretary for his use.

1988 included a number of other milestones:

- We issued new regulations under the 1988 Rail Safety Improvement Act -- which is one of our major legislative victories in recent years -- to make stiffer company fines possible and to subject railroad employees for the first time to penalties for safety violations.
- Airport security has been tightened as a result of two separate disasters. Airline employees are no longer allowed to bypass airport security checkpoints, and we just completed action on a regulation mandating tighter control over who has access to restricted areas in airports. These rules stemmed from a December 1987 Pacific Southwest Airlines crash caused by a disgruntled former airline employee that killed 43 people. In the wake of Pan Am Flight 103, we recently announced tougher security requirements for U.S. flag carriers operating at 103 overseas airports, and we are accelerating development and acquisition of new-generation explosives detection technology.
- We awarded a contract for installation of windshear-detecting doppler weather radar at 47 airports. In addition, we have issued final rules requiring windshear warning equipment on large airliners. Windshear has contributed to at least five major airline accidents that claimed more than 500 lives in the past 15 years. Just last week, we issued a final rule requiring installation of Traffic Alert and Collision Avoidance equipment on airliners. This technology holds the promise of preventing another tragedy like the Cerritos crash.
- Perhaps the most important event of the year in our ongoing effort to ensure aviation safety and enhance capacity was the award last summer of the Advanced Automation System contract. This \$3.6 billion project, the largest in DOT's history, is the crown jewel of the NAS Plan.
- As with the Coast Guard, our FY1989 and FY1990 budgets included major increases in FAA funding. That translates into a \$1.7 billion, 29 percent increase for aviation programs compared to FY1988.
- As a panoply of safety regulations issued by former Secretary Dole became fully effective, we saw improvements in the safety record for every category of aviation during 1988. Furthermore, the first 11 months of last year yielded a 34 percent decline in near midair collision reports; a 13 percent drop in operational errors by controllers; a 23 percent reduction in pilot deviations; and a dramatic 63 percent drop in runway incursions. While our work on aviation safety is without end, the trends are reassuring. We have seen equally impressive improvements in airline service, with seven straight months in 1988 of industry-wide on-time performance above 80 percent, and nearly a 50 percent drop in complaints by passengers.

On the international front, I am particularly pleased that we reached an agreement with the People's Republic of China to improve access for each country's vessels to the other and insuring for our flag ships an equitable portion of trade with what is still a highly controlled Chinese economy. We have also made great strides in promoting the development of a U.S. commercial space launch industry, with passage of legislation removing liability barriers to private commercial launches, and the agreement just reached with the Chinese to insure fair competition in the commercial space launch business.

Other important issues lie ahead for Secretary-designate Sam Skinner. First, for the foreseeable future, anyone who sits in my chair will be bombarded by challenges to economic deregulation. During my tenure, the most significant such battle was fought over revisions to the Staggers Act. Staggers has brought significant benefits to the railroad industry and, as a result of lower shipping rates, to consumers; it is no exaggeration to say that Staggers alone brought the railroad industry back from an economic precipice. Yet, an attempt to effectively repeal railroad deregulation was defeated by only one vote in the Senate Commerce Committee last year, and its backers have vowed to come back for another try.

Similar belly-aching has been heard about airline deregulation. There are 535 frequent flyers on Capitol Hill who, like most anyone else, do not particularly enjoy waiting in crowded airports, sitting on sometimes crowded airplanes, or occasionally being delayed. In a sense, we are victims of our own success. Air travel has become affordable for millions of Americans. When the final tally is counted for 1988, airlines will have carried an estimated 480 million passengers, compared to 275 million in the last year prior to deregulation. Aviation safety has improved dramatically at the same time.

Of course, the new Secretary will inherit the continuing debates on the proper housing of the FAA and the Coast Guard. Independent agency proposals are not new -- they have been with us since the Department's creation in 1966. As I reflect over the six years that I've been at DOT, I find it remarkable that, for most of that time, organizational issues were less controversial than had been true throughout the Department's history.

The real issue is whether there should be a Department of Transportation at all. Having been at the Department, as General Counsel, Deputy Secretary, and now as Secretary, I strongly believe that there is a need for the oversight and policy formulation provided by a Departmental organization. Not only does the existence of a Department enable equitable resolution of competing and sometimes conflicting interests among the various transportation modes, it provides the kind of guidance necessary to coherent national transportation policy-making. For example, we were able to avoid duplication and coordinate efforts in formulating the drug testing rules.

Having a Department and Secretarial leadership prevents the operating administrations from becoming little more than special interest fiefdoms. Having a Department allows us to rise above the fray and consider how policy for any mode fits into the broader picture.

In speaking of the coordination of national transportation policy-making made possible by the very existence of a Department, I am not by any stretch of the imagination endorsing the idea of a centralized "national transportation policy."

such a "national policy" would look nice when printed up in four-color glossy booklets. However, by definition, it would simply be our version of a national industrial policy. Over the last decade, the American people have benefitted enormously from the substantial elimination of the "national transportation policy" of heavy-handed economic regulation. We have a set of policies on the national level concerning transportation, as we should. But disaster lurks in any attempt to construct a grandiose, "one-size-fits-all" national policy. State and local governments, and a vigorous, dynamic private sector should not be forced into such a straightjacket.

The Department should emphasize those areas where national policies are clearly necessary, such as safety enforcement, and where the resources of the federal government can be brought to bear to pursue cutting-edge research and development. I do not believe, for example, that the federal Department of Transportation need engage in any further studies of concrete, something that private industry is quite capable of undertaking. On the other hand, we can and should lead research efforts in safety and such problems as resolving urban gridlock.

As you may recall, I launched a reorganization study last fall. As I said then, I want my successor, Congress, and the country to have a constructive alternative to dismemberment of the Department. After more than two decades with no major changes in its structure, any Cabinet Department would benefit from serious thought and debate on how to improve its plan of organization. It will be entirely up to Sam Skinner and the Bush Administration whether the results of our study are adopted as official policy. There are other ways to strengthen the Department so that it can better carry out its responsibilities to the American people, and I'm sure some of them will also be considered. This study, which I delivered to the Secretary-designate a few days ago, is a working document.

Briefly, we would streamline policy-making authority by establishing Under Secretaries of Transportation for aviation, maritime, and surface transportation, replacing the separate modal administrators. The Coast Guard would continue to report directly to the Secretary. We could also consolidate several OST offices, and thus further improve the internal efficiency of the Department.

I realize that we have covered a lot of ground this morning, but this is my last shot at you, and vice versa. Before we open the floor to questions, let me say again that I have a great deal of respect for all of you, and that I have been impressed by the knowledge and high degree of professionalism among those who report on the Department. I am often surprised by the morning clippings, once in a blue moon a little teed off at a mysterious leak, but always impressed by the fairness and accuracy of the coverage.

Now, would anyone like to toss a going-away softball?



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REMARKS PREPARED FOR DELIVERY BY  
SECRETARY OF TRANSPORTATION JIM BURNLEY  
SENIOR EXECUTIVE SERVICE DINNER  
WASHINGTON, D.C.  
JANUARY 12, 1989

It is a genuine pleasure to be here this evening with the senior management team of the Department. You are the men and women who have made my six years at the Department truly enjoyable and productive. I have long subscribed to an axiom that has become popular of late, that people are policy. Our Department is exceptional among executive branch agencies in the outstanding caliber of its people, and consequently in its policy performance. In serving as the Department's General Counsel, Deputy Secretary and Secretary, it has been a privilege to work with professionals of such commitment, competence and character.

Your professionalism is manifest in your record of achievement in working to fulfill the goals of the Reagan Administration. In general, that has meant a two-pronged approach pursuing economic deregulation while vigorously strengthening our safety regulations, and, as in the case of drug testing, devising new safety measures where appropriate.

I say this to you tonight, just as I have said it for six years to people all over America. I have also said it to Secretary-designate Skinner. I also want to say to you that Sam Skinner's record in the public and private sectors, his hands-on experience in transportation, and the impression he has made on me in our conversations since his nomination lead me to be highly confident he will provide the strong leadership you want and deserve.

It is worth taking a few moments to review some of our successes, and not just for the personal satisfaction this brings. Our record provides a clear indicator of

what is right with the Department of Transportation, of what it does well as a federal executive agency.

The promulgation of our drug testing rules is an excellent example of the Department's strengths, demonstrating the efficiencies and effectiveness that in certain circumstances can result from nationwide policy making. The American people have demanded from government a vigorous response to the drug plague afflicting our country. They rightfully expect a drug-free transportation system, and we as a Department have responded. Rules against illegal drug use, affecting nearly four million employees from the various transportation industries, were best formulated at the federal level. Requirements of the relevant modes were collectively and objectively considered. As a result, our rules are tough, they are just, and they were drafted with sensitivity to the dignity and privacy rights of those to whom they will apply. I am confident they will be upheld in the courts. Ahead are the challenges of enforcement and monitoring, enormous tasks also suited to the coordination and oversight capabilities of our Department. In this case, the principles of good government and our Departmental mandate dictated that we should do no less.

In addition, we also have implemented a "zero tolerance" policy toward illegal drug activity on U.S. waters, using our full authority to attack the supply and demand sides of the narcotics problem. Boat owners now know that pushing off shore does not mean pushing away from the law.

In seeking to maintain and improve air safety, this past Spring the Department undertook a review of the continuing fitness of Texas Air and its subsidiaries, Eastern and Continental Airlines. This was a major effort that needed to be accomplished both thoroughly and quickly. The investigation was unprecedented in its scope, and raised numerous delicate issues for which there were no textbook answers. It called for extraordinary efforts by people from the Federal Aviation Administration and the Office of the Secretary, and their devoted performance led to the timely, successful completion of the investigation.

The sustained efforts of many of you in FRA resulted in passage of the 1988 Rail Safety Act, strengthening our enforcement authority over the railroads and permitting us to take action when employees are guilty of misconduct that threatens safety. You knew that the moment President Reagan signed this legislation, you would have to work long hours writing the regulations to implement it. But it was the right thing to do, so you pushed ahead. Our railroads will be much safer in the years to come because of your dedication.

The impending completion of the Interstate Highway System -- the construction of which began under President Eisenhower a decade before the Department was created -- is another example of Departmental success. This has been an engineering and administrative accomplishment of monumental proportions. It has transformed the flow of interstate commerce and generated tremendous economic growth. Most of the credit must go to those of you in FHWA. You have never lost sight of the fundamental goal, which was to tie this country together by building the finest superhighway system in the world. As a nationwide program directed from Washington, its conception pushed federal government prerogatives over the states to the limit. Nonetheless, the Interstate system's original design as a federally-assisted but state-administered program was preserved. The challenge before you now is to approach the post-Interstate era with the same vision and boldness your predecessors displayed thirty years ago. The policies of the last three

decades have served this country well. Now you must assist Secretary Skinner and the country in preparing for the next century. It will take more than simply finding new places to lay pavement.

With the rising cost of government, coupled with the strict budget limitations on federal agencies under Gramm-Rudman-Hollings, the Department should continue aggressively to open up government-provided transportation services to the forces of competition wherever safety considerations permit. UMTA has been extraordinarily effective in implementing such policies, and there are similar opportunities in every mode of transportation.

Attempts by some in the legislative branch to gain ascendancy over the executive branch by fragmenting it have been with us since George Washington's time, and attempts to detach this or that arm of the Department have been with us since the Department's creation. The question we must face squarely is simple -- is there a real need, an appropriate role, for a federal Department of Transportation? My experience in the Department tells me there is.

During my tenure we have deliberately rejected calls for a "national transportation policy," just as the Administration rejected pleas for a "national industrial policy." Over the last decade, the American people have benefitted enormously from the substantial elimination of the "national transportation policy" of heavy-handed economic regulation. We have a set of policies on the national level concerning transportation, as we should. But disaster lurks in any attempt to construct a grandiose, "one-size-fits-all" national policy. State and local governments, and a vigorous, dynamic private sector should not be forced into such a straightjacket.

But beyond suggesting by example, let me be explicit. The kind of Department that the country really needs is one that forthrightly addresses transportation issues of national scope and long-term implications, without designing a centralized governmental transportation "plan" that looks flashy but won't work. The country needs a federal Department that supports the philosophy and general policy directives of the elected Executive, with neither blind slavishness nor bureaucratic timidity; and that protects the public safety by providing data and, when necessary, new regulation without undue governmental intrusion into the affairs of state and local government or the private sector. Moreover, the existence of a viable Department balances out the conflicts among competing transportation interests and protects the various modes from excessive special interest pressure.

Furthermore, I am convinced that increased levels of scientific research and development, and technological innovation, are absolutely vital to the success of the Department in meeting its responsibilities. The Department has begun to take steps in the direction of truly innovative programs; our efforts in these areas should extend far beyond those which duplicate efforts competently undertaken by the private sector.

For instance, we should not be spending our limited resources on exhaustive studies of concrete. We should instead be designing solutions to problems of commuter traffic flow and pursuing public-private ventures like FHWA's Pathfinder "smart-streets/smart-cars" project in southern California. By providing instantaneous traffic flow data and routing alternatives through in-car computerized information systems, drivers can make knowledgeable decisions on how to avoid traffic congestion, and thereby help alleviate gridlock. This is a

personal choice-based approach to transportation problem-solving that shows respect for the intelligence and freedom of the individual.

This brings me back to where I began -- speaking of my respect for the individuals of our Department. I applaud the excellent quality of personnel we are fortunate to have at the Department, and credit our overall performance as an agency to the exceptional level of senior management leadership we see represented here tonight. I am particularly proud that, even though there is still more to do, our record of recent years in providing advancement opportunities to women and minorities through our individual initiatives programs is outstanding.

The people of our Department are remarkable in their dedication to public service, in their careers and in the community. Our Department's child care center, started by volunteer efforts, is now a national model. Your record of voluntarism, serving senior citizens and school children, is the best in the federal government. The Department's Partnership in Education program at Hine Junior High School has received the Outstanding Partnership Award from the D. C. Board of Education every year since the program began in 1983. The FAA and the Coast Guard also have adopted schools, in addition to their assistance with Hine. This year, our Volunteer Committee was awarded the coveted President's Volunteer Action Award Citation.

None of this would be possible without your leadership. As Casey Stengel once said: "It's easy to get the players. Getting them to play together -- that's the hard part." As senior managers, your record of achievement here at the Department of Transportation proves that it can be done, and I thank all of you for your help and support over the last six years.