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ACTING SECRETARY OF TRANSPORTATION JAMES B. BUSEY
AMERICAN SOCIETY FOR PUBLIC ADMINISTRATION CONFERENCE
JANUARY 8, 1992
WASHINGTON, D.C.

"PROFESSIONAL MANAGEMENT IN THE 1990s"

Event: Audience 70-80 government employees (many from DOT) and academics. 15-20 minute closing remarks followed by 10-15 minute Q&A.

Thank you for the invitation to be your guest speaker at the closing session of your conference. I certainly appreciate the opportunity to share with you some of my thoughts about what qualities it takes to make a good manager, and how -- by working together -- we can improve the quality of public service and administration in our federal agencies.

It is especially a pleasure to be here this afternoon, because as Paul Weiss just pointed out, I have been in public service all of my adult life -- both as a career officer in the military and as a political appointee at the Department of Transportation. So I feel very comfortable talking to you today about common interests and concerns we have about management in the public sector.

Given my background, I can assure you that I have a hands-on approach when it comes to discussing management style and philosophy. While text books and articles can give us all pointers on how to act, nothing can ever take the place of on-the-job experience and learning by our experiences.

It's been said that public service is a dangerous trade. To quote the renowned New York public administrator Robert Moses:

"It is a rough game, not for sensitive souls. The prudent, conservative, pedestrian soul who wants every course neatly plotted out and tested, every accident and emergency guarded against, every contingency covered, should keep religiously away from the permanent, unprotected public service because it is fraught with danger ... and the dubious favors of Lady Luck."

Needless to say, being a good manager, showing leadership and demonstrating professional behavior at all times, will help us survive the "illogical, bone-chilling, narrow shaves" mentioned by our prudent friend.

As the Administrator of the Federal Aviation Administration over the past two and a half years, I can say to you without hesitation that flexibility and innovation are the key to survival in the federal bureaucracy. As Tom Peters pointed out in his book Thriving on Chaos, the 1990s will be a time of rapid change for both industry and government. To succeed in today's world, he noted, managers will have to acquire new attitudes toward organizational structures and people -- be they customers or employees.

Unfortunately, far too many organizations are over managed and under led. In the words of both Peter Drucker and Warren Bennis -- two top management consultants -- "Management is doing things right; leadership is doing the right things." Our focus in federal government is too often on managing programs rather than stepping back to see if we're headed in the right direction. You need to stand back and take a broad perspective if you are going to develop a vision of where you're going. At the FAA we definitely had a vision -- "to provide the finest aviation service in the world AND to be the best federal employer." A vision developed by the FAA team.

Far too often the needs and wants of employees are ignored. Being overly dominant, not giving sufficient guidance, relying solely on a few top aides, and building several levels of management, is a sure fire way to guarantee that as a public administrator, you will accomplish very little on the job.

In particular, avoiding controversial issues or ignoring problems till the last minute is a strategy for failure. Professionalism demands otherwise. You need to exercise bold leadership whenever necessary and you need to take a few risks.

I'll always remember a picture that Sam Skinner -- recent Secretary of the Department of Transportation and now White House Chief of Staff -- had hanging outside his office which said, "if you don't make dust, you eat dust." The point being that in order to make a difference, and in order to make change, you have to make hard and difficult decisions.

There are those managers in the federal system, in fact, who believe that by all means available the bureaucracy should be shielded from making hard choices, from the influence of "politics." Indeed, we often hear various officials inveigh against the "politicization of the bureaucracy." However, as we all know, the bureaucracy is by definition a political place. If we define "political" as being involved in controversial choices, then the bureaucracy cannot be politicized -- it already is.

As Administrator of the FAA, I found I was constantly dealing with hard choice issues -- be it the Pan Am bombing, airport noise, aging aircraft, deregulation or controller training. Management in the federal sector requires regular involvement in the "political," highly - visible and sometimes controversial decision-making process.

Politics cannot be kept out of the bureaucracy as we have a large number of political appointees in the federal agencies. Presidential and career executives are partners in the business of government and must work to form a relationship of trust. That necessary partnership is too often clouded by mutual suspicion.

One of the greatest mistakes presidential appointees make in coming into government is to develop a "we vs. they" attitude toward their own staff. As Elliot Richardson -- who served as Cabinet Secretary in two federal agencies -- said: "For a senior civil servant, it's already irksome to see a position one has spent 20 or 30 years preparing for preempted by an outsider who doesn't know the difference between an audit exception and an authorizing bill."

According to the *Volcker Commission Report* on rebuilding the public service, teamwork is a must in the federal bureaucracy as each side truly needs the other. Career executives want strong presidential leadership, as they are often demoralized by vacancies, policy vacuums, and a lack of direction. At the same time, presidential appointees want strong career support, especially the support of careerists who know how their institutions work and know how to work their institutions.

It is no secret that if presidential appointees want the full confidence and support of their career officers, they must be willing to listen and invite them into policy discussions. By the same token, once these policy choices are made, career executives must be willing to follow and do so without prolonging public debate. They must be willing to implement the decisions faithfully and with full energy. That commitment, moreover, must be part of the ethic of service for all government executives -- be they career or political.

At the Department of Transportation, we were quick to recognize the value of political/career teamwork. We quickly realized that there were a lot of potential teammates out there in the career service and that you have to find them -- and the faster you do, the better.

We knew that the careerists were the institutional memory, that they knew how to grease the wheels of government and make them turn. Therefore we made it a priority throughout the Department, that both careerists and political appointees should pull together as a team so as to make success possible -- whether dealing with the Exxon Valdez oil spill, the San Francisco earthquake, or the Eastern Airlines strike.

In fact, over the past two years, we sponsored two unprecedented department-wide strategic planning conferences. Conferences involving hundreds of senior career and political appointees from all the Department's agencies or modes, with the goal to help build organizational communication and cooperation. This new partnership between careerist and appointees was especially noticeable in the designing of the recently passed surface transportation bill -- the most comprehensive legislation since the Eisenhower era to redesign our federal transportation programs.

While it is necessary that career and presidential appointees become a team, it must be a team built upon diversity -- of people from all different races, ethnic groups, genders and cultural backgrounds. We all have different points of views as a result of our diverse backgrounds. We therefore need to learn how to value and build on these differences. At the Department of Transportation we are working hard to see that minorities and women are an integral part of the management structure, as it is an important and necessary way to strengthen management and enrich the talent pool.

So while good management demands strengthening the presidential appointee/career partnership, we must also see that diversity among both of these groups becomes a reality and reflects the American population as a whole.

I think you will recognize by now that what I have been saying so far on what constitutes good management: the need to show flexibility and strong leadership; the need to create a sense of teamwork among careerists and political appointees; and the need to strive for diversity -- is almost all standard text book stuff. What I now want to turn to is my own formula, my own philosophy of what makes a good manager and a good steward of the public trust.

Needless to say, by observing your "superiors," you can learn very quickly what a good management style is and how it achieves results. Conversely, you can also get a good idea of what a poor management style is and how it turns people off and fails to get any results.

So what have I learned with some 40 years in government service?

For one thing, I learned the value of an open mind. I believe that when you join an organization as a manager you should have the philosophical attitude that lets you accept the structure as you find it. While some new managers are inclined to go into an organization and "clean house," I'm a firm believer in playing the cards you're dealt.

You don't prejudge the organization or the people. You don't come in with a negative view. You don't come in with a pre-set agenda or a lot of flashy ideas about how you're going to change things. Changes, if necessary, come only later, after you've had a chance to study the organization and its people.

The idea is to work from within the organization, slowly, with a great deal of patience. You accept the organization as you find it.

There are, of course, always better ways of doing things. As far as I'm concerned, the concept of "if it ain't broke don't fix it" has to go. I fully endorse the total quality management concept which has to do with continuously striving as a team to find better ways of doing the job. The key is to get a total commitment from your employees. But remember, without employee involvement, there is no commitment.

You must especially take the time to get to know your employees, to get to know their gifts and skills. And you don't move them to new jobs or assignments until you really understand what they can do well. Then you can move them, if that's what's needed to utilize their skills better, to make them and the organization more productive.

At the same time, you work to get your people to buy into your ideas. You want them to think of an idea as their idea, because then they'll do almost anything to accomplish the objective.

You can't get them to buy in if you dogmatically insist that your view must be adopted blindly, without thought or discussion. Rather, you lead people by a process of reasoning to the point where they adopt the idea as their own, where they accept it with enthusiasm.

When that happens, there's almost nothing that can keep them from reaching the goal. And when they do reach it, you make sure to give them the credit for doing it.

As far as I'm concerned, this is the real challenge of leadership: To get people to buy into an idea, to think of it as their own, and then, when the goal is reached, to give them full credit.

Only a good manager can do all of that well. It takes patience. It takes skill. And it takes a willingness to let other people get the credit.

And that brings me to another principle of good management: Once you've set the goal, and your people have taken ownership of the idea, then you must give them the authority and the responsibility to do the job. You must get out of the way and let them do it.

You don't tell them how to do it. You tell them what to do. And then you let them do it. It works. Believe me, it works.

I saw it many times in Vietnam. You can't expect a wingman in combat to protect you from some threat that's coming from six o'clock if he doesn't feel like he's a full, participating, voting member of the team.

Now if you want people to feel like they're on your team, you must show your trust in them, you must show them that you respect their ability and that you want them to use their skills in the best way they can. That means you must preserve their initiative, their freedom of action.

I saw a number of instances in Vietnam where senior officers expected their people to become virtual automatons, acting with little freedom and no thought. They'd tell the wingman, "you just stay locked on me, don't think, don't do anything else, and when you see the bombs come off my airplane, you get yours off too."

Well, that didn't work. You've got to bring people in, make them full participating members of the team, get them to buy into the whole idea -- and then give them FREEDOM OF ACTION. That 's why Operation Desert Storm proved so successful. Our civilian leaders specifically let the military commanders know what it is they wanted them to do, and then let them loose in the field to execute the plan that they had been trained for.

So, what's my recipe for good management? In a nutshell, it is based on these five simple principles:

Knowing your people's strengths ... putting them in the right jobs ... getting them to buy into the goal ... giving them the authority and responsibility they need to do the job right ... and giving them the credit when they accomplish their assignment.

As you can see, there's no great secret as to what makes a good manager. You don't have to pick up such books as The Art of Japanese Management or Theory Z to discover what to do -- you simply have to use common sense.

In closing, if we are ever to rebuild public trust in government, then we must all see to it that we become or remain good managers. Public trust will not be fully restored unless and until Americans are reassured that those in charge at the top of government will honor their trust, and those in the civil service below will commit themselves to the highest level of service.

Can we count on you to do your part in renewing and revitalizing the reputation of those of us in public service? I hope so.

Thank you again for the invitation to speak at your conference.

Now, I'll be glad to hear any questions you have on what I've just talked about, or any other issues that you'd like to discuss.

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ACTING SECRETARY OF TRANSPORTATION JAMES B. BUSEY
ADDRESS TO DOT EMPLOYEES
WASHINGTON, D.C.
JANUARY 9, 1992

Good afternoon. To all my fellow DOT employees who don't know me yet, I'm Jim Busey. I was sworn in as the Deputy Secretary in early December and since the departure of Secretary Sam Skinner, I've been serving as Acting Secretary of the Department of Transportation.

As we begin the transition to a new year, and prepare for the President's nomination of a new Secretary, it's time to take stock and see where we're headed -- what challenges await us in 1992. As the Roman statesman, Cicero, once said, "Let's not go over old ground, let's rather prepare for what's to come."

Needless to say, we all have plenty we have to do this coming year. And we all need to make sure that the transition continues smoothly and that everything remains on course and up to speed.

Many of us have been busy preparing DOT's proposed budget for fiscal 1993, which will be announced by the President on January 29th. I can assure you that we have worked long and hard to ensure that the Department's programs will be ready to be energetically pursued before the Congress. And I can also assure you, that our budget for 1993 will continue the growth we have been successful in receiving the past three years. This will enable us to continue to add and to create new infrastructure and add new jobs to the country's workforce.

We are already working at the task of implementing the new Intermodal Surface Transportation Efficiency Act, which President Bush signed into law on December 18th. This landmark legislation which will set the framework for our surface transportation system into the next century, and it is essential that we implement it with both vision and vigor.

There are a number of regulatory issues to be addressed -- including the development of alcohol abuse testing programs. In addition, several of our operating Administrations need to be authorized by Congress this year, including our two largest modes -- FAA and the Coast Guard -- as well as RSPA's pipeline safety program, FRA and the Maritime Administration.

There are, of course, plenty of other tasks and challenges that await us in this new year and that's why I wanted to speak with you this afternoon. I want to hear from you on any questions you might have -- be it on coming reauthorizations or personnel issues.

Major personnel changes, especially at the top, can always cause some concern. Everyone seems to be asking the same questions: "What happens next?" "What will the new boss's priorities be?" "What do we do in the meantime?"

Obviously, we can't invite everyone at DOT to a town meeting -- but we can bring representatives from the various modes together, and let them ask any pressing questions or express concerns they may have.

We are also broadcasting via satellite to those regional offices capable of receiving a downlink. Many others are watching us now on the internal cable channel and many more will watch a videotaped recording of our meeting in the next few days.

So without further delay, let me now open it up to this fine group of our fellow DOT employees who are here with me today and let's hear what's on their mind.

Who will go first?

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ACTING SECRETARY OF TRANSPORTATION JAMES B. BUSEY
DOT RECREATION ASSOCIATION AWARDS
JANUARY 14, 1992
WASHINGTON, D.C.

Event: Audience about 100 members of Recreation Association, Opening 3 minutes remarks.

Having spent 37 years in the United States Navy, I am a great believer in not only working hard behind the desk, in the cockpit or in the boiler room, but also on the playing field -- be it golf, tennis or jogging. Fitness is essential. Recreational activities are especially important as they also build a sense of teamwork and community spirit.

The DOT Recreation Association, which has been in existence for over 15 years, is symbolic of how well DOT employees join together for sports and volunteerism. It is certainly a credit to the Department and to all of you who participate in sports and community events 12 months a year.

The Association reaches beyond the playing field to the community at large. It sponsors not only athletic events such as the two mile fun run, softball teams and several golf and tennis tournaments -- this Association also involves itself in the Day Care Center, the Combined Federal Campaign, and Volunteer Day.

The Association also supports the fitness center-- which is one of the finest in Washington -- and gives us all a great opportunity for keeping in shape.

I congratulate each of you today -- the award winners as well as all those who participated in and enjoyed being part of these recreational and volunteer activities. Let me also congratulate your officers, board of directors and committee chairman for all the outstanding work they have done in providing for the recreational needs and wants of DOT employees and the community.

So without further ado, if your president, Bill Gossard, will read the names, I will be delighted to present the annual Awards.

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ACTING SECRETARY OF TRANSPORTATION JAMES B. BUSEY
ARMED FORCES COMMUNICATIONS AND ELECTRONICS ASSOCIATION
JANUARY 17, 1992
TYSONS CORNER, VIRGINIA

EVENT: *350 attendees, mostly from the defense industry. 15-20 minute after luncheon remarks, followed by 10 minutes of Q&A.*

Good afternoon. I appreciate this opportunity to share with you some ideas about how we are planning to increase the efficiency and competitiveness of American transportation.

Much of this effort involves new technology, and that's why I believe it may well offer new business and professional opportunities to the members of this Association.

It's hard to believe that two years have passed since I last had the opportunity to speak to AFCEA's Washington chapter. I was then the Administrator of the FAA, and focused primarily on the FAA's efforts to modernize our air command and control system through new technology.

Some of you may remember my remarks. I said aviation was at an historic turning point -- that we were about to break away from the way we've done business for nearly 50 years. I further predicted that in a few short years we will have an aviation system that will make today's system look as outmoded as the Pony Express. And I concluded by saying that fifty years from now, people are going to look back and say that the 1990s was the decade in which we totally transformed America's aviation system.

Well, today, two years later, I still believe those things -- more than ever. I believe we Americans are not only going to transform our *own* air system, we are also going to take the lead in modernizing air traffic control throughout the world. In fact, we're already well along in that process, within the International Civil Aviation Organization, and with the airworthiness authorities in Europe and around the Pacific Rim.

But we are going to do even more. We're going to revolutionize *transportation*, not just in the air but on the ground as well. Today, we have the technology to increase the efficiency and safety of every major mode of transportation. And I have no doubt that we will use technology to that end.

We will do it because we must. It will strengthen our national economy, increase our competitive strength in world markets, and enable us to create a higher standard of living for millions of Americans. Those are worthy goals. And I hope many of you will have the opportunity to help us reach them in this decade.

Now where is this new technology coming from? Well, it comes from many sources -- the aerospace industry, the universities, research organizations, and -- of course -- the military.

When I spoke to AFCEA just two years ago, the Cold War was still on, and the flow of military technology to the private sector was restricted. Now, with the breakup of the Soviet empire, military technology can flow a *bit* more freely to the civilian side of life. Of course, the spigot won't be opened all the way -- as we must still maintain a strong defense.

But I think we're about to get a larger number of payoffs from our tremendous military research and development programs. In fact, I think we're going to benefit from military technology in ways we couldn't have imagined just a short time ago. And this process of turning swords into plowshares is moving faster than anyone expected.

For instance, at the Lawrence Livermore National Laboratory, computer software developed to simulate nuclear explosions has been adopted by automobile designers to study vehicle crashes. And at Los Alamos National Laboratory, researchers are adapting laser technology originally developed for the Strategic Defense Initiative to help produce semiconductors.

Needless to say, there are many other examples of technology transfer. However, I'd like to concentrate on just one -- satellite technology -- to illustrate how defense technology is being successfully applied to meeting civilian transportation needs.

When I met with AFCEA in February of 1990, I barely mentioned the Defense Department's 24-satellite Global Positioning System, or GPS. In fact, I covered it in just two sentences. Some of us, at that time, hoped that the GPS system could be used for civil aviation, but there was no certainty. Now we've crossed that threshold.

In less than two years, this military technology has now become the key to the global aviation system of the future -- not just in the United States, but throughout the world.

Last September, at the ICAO air navigation conference in Montreal, I announced our government's decision to make this \$10 billion satellite system available to the whole world for a ten year period, starting in 1993. We will offer it absolutely free of charge to all civil users.

The ICAO nations received our offer with enthusiasm -- and they are now working with us to develop ways to use our satellites as the foundation for the world's first truly global air navigation system.

There can be no question that a global satellite system will bring a new golden age in aviation -- in communications, in surveillance, and in navigation. For communications and surveillance, satellites will provide links to aircraft anywhere in the airspace. For navigation, satellites will give us *one basic system* that can handle all facets of flight -- en route, terminal area, and on the ground -- anywhere in the world.

We'll get more accurate navigation in high density regions and on oceanic routes that are not now covered by radar. This will especially permit substantial increases in traffic capacity. And we can even use GPS, along with some special ground equipment, to make *every runway in the world* an instrument runway. By doing that, we'll be able to upgrade air services in many remote and undeveloped areas. All of this, of course, will give us increased traffic capacity, more efficiency, and greater safety for private pilots and commercial airlines from every corner of the globe.

But satellite technology offers much, much more. Yes, it will surely revolutionize *air* travel, but it will also create a revolution in *ground* transportation as well. For the first time in history, we can now determine with great accuracy where we are anywhere on earth, any hour of the day and night, regardless of weather. Today, every square foot of Mother Earth has a satellite address.

We saw this astounding satellite navigation technique at work in the Gulf War, when our troops used hand-held GPS receivers to navigate across trackless deserts. Now this military technology is about to enter civilian life. It's going to transform vehicles, private cars, and just about everything else that moves, crawls, or goes bump in the night.

This technology is going to be applied to the civil sector with a speed that may surprise a lot of people. And it will provide benefits that are impossible to predict today. Needless to say, the Department of Transportation will play a major role in applying this new technology throughout the American transportation system. In fact, we've already started.

Within the Department of Transportation, the Research and Special Programs Administration and the U.S. Coast Guard have set up a Civil GPS Service Interface Committee. The Committee was established to support the further development and evaluation of GPS for civilian use.

The Coast Guard also operates a special GPS Information Center. It provides valuable status information on the GPS constellation for the many thousands of civilian users around the globe.

GPS will, of course, have wide use in marine navigation in the years ahead. As the price of receivers continues to drop, GPS may replace Loran-C as the preferred navigation technology -- especially among the recreational boating crowd.

But its use won't be limited just to a weekend on the water. The whole spectrum of marine activity -- commercial shipping, research vessels, and all the rest -- will benefit from this new technology. Right now, for example, the Coast Guard plans to use augmented GPS technology -- what we call "differential" GPS -- to position navigation aids, such as buoys and markers, far more accurately than we can with present technology.

And we believe GPS will eventually guide heavily loaded vessels safely into shallow channels that are now off limits. It will provide captains and pilots with information on the depth of water that is so precise it's measured in centimeters.

So, there's no question that GPS and its related technology will be of great benefit in the air and on the water. But, undoubtedly, the biggest payoff will come from the greater efficiency and safety this technology will provide for transportation on the ground -- on our roads and highways, in our mass transit systems, and on our railroads.

Highway congestion costs billions of dollars in lost productivity and lost time every year. The plain fact is that millions of Americans spend far too much time sitting in traffic jams every day. But technology promises to help us find a way out of this mess. And here, too, DOT is playing a major role.

Our Federal Highway Administration is taking the lead in developing an Intelligent Vehicle Highway System, or -- as it's sometimes called -- the "smart cars" and "smart highways" concept.

This evolving array of advanced communications technology will send real-time traffic information directly to drivers through special navigation units in their cars. It could warn of accidents and delays ahead, and could offer alternative routes to avoid congestion. Moreover, traffic signals would adjust to changing road conditions to regulate the flow of traffic more efficiently.

The development and testing of a smart highways program, however, cannot be done by government alone. Industry and the academic community must also be heavily involved. In fact, we're already working in partnership with state governments and private industry in two major operational tests -- one in Florida and the other in Illinois -- that are studying the use of GPS navigation as an element in the smart highways concept.

Not only do we have smart cars and smart highways coming along, we already have "smart trains" running on the railroads. From its earliest days until very recently, the railroad industry was vexed by the problem of how to keep track of its cars and of its customers' shipments.

This is not a simple problem. Our railroads operate 1.2 million freight cars over a national rail network three times as long as the Interstate Highway System. The problem is complicated by the fact that railroads often serve customers whose shipments start on the home line but end hundreds of miles away on some other railroad. It is a vast, complex system, and it is always changing.

But now the industry is moving fast to employ advanced microprocessor and digital communications technology to improve its command and control operations. They call it the Advanced Train Control System, or ATCS.

One application of ATCS uses the satellite GPS system to provide real-time reports on train movements and the picking up or setting out of individual boxcars.

Another version of ATCS uses wayside transponders to keep track of car and train locations. But both systems are expensive. The industry has already invested close to \$200 million dollars in this technology. And two major railroads estimate that full implementation of ATCS will cost each of them between \$300 and \$350 million dollars. If they are to make an investment of that size, they must be certain it will pay off in increased productivity -- and, most important, in improved customer service.

Finally, we're seeing the GPS network applied to mass transit operations. We are providing funding for Automated Vehicle Location systems for transit projects in Denver, Dallas, Baltimore, and Milwaukee.

In closing, these are just a few of the many ways that DOT is utilizing advanced satellite technology to revitalize civilian transportation systems. I could, of course, mention a number of other promising projects. But I'm sure I've said enough to illustrate the tremendous potential military technology holds for civilian applications.

I strongly believe we can now use the energy and creativity of the defense sector to strengthen America on the economic and business front -- particularly by helping revamp U.S. transportation technology.

As I said in the beginning, many of you folks can play an important role in this process. And I want you to know that we in the Department of Transportation truly welcome your expertise and advice.

Now, I'll be glad to hear any questions you have on what I've just talked about, or any other issues that you'd like to discuss.

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ACTING SECRETARY OF TRANSPORTATION JAMES B. BUSEY
STATE OF THE UNION TRADE ASSOCIATION RECEPTION
JANUARY 28, 1992
WASHINGTON, D.C.

Thank you for coming to our reception this evening -- this meeting gives me the opportunity to see old friends and to make some new ones as well.

As your aware, this is an extremely important week for the transportation industry.

First -- of course -- we have this evening's State of the Union address. And I had the opportunity to be briefed by the President earlier today. As you'll see, the President will specifically mention transportation issues and programs in his talk to the nation. George Bush has kept his promise to you. He has and will continue to make transportation a key element of his plan to revitalize America's economy and create jobs -- with Sam Skinner as Chief of Staff, how could it be otherwise.

Second, we have the President's budget announcement on Wednesday. It's clearly a good budget. And we at the Department are overall quite pleased with the monies and programs we have to work with in fiscal 1993.

Third, we have the President's announcement of his intention to nominate Andrew Card Jr., as the next

Secretary of Transportation. I've had the opportunity to meet with Andy several times since the announcement -- including today -- and let me tell you, he is a definite plus for the Department and for the transportation industry.

Andy has worked closely with the President for a number of years. He has the President's ear when he needs it. More importantly, he has experience in business and has an expertise in design engineering. In fact, he even attended the U.S. Merchant Marine Academy. And having served as a legislator himself in Massachusetts, Andy will be very good in dealing with transportation issues and programs on the local and state government level and with Congress. So, I know you'll have a friend -- or at least a good listener -- in the Secretary's office.

Overall, I think you'll agree this will be a good week, a good start for 1992, for the Department of Transportation.

On behalf of the New Secretary designate and the Senior Staff here at DOT, we're delighted you're here. I hope you'll be as pleased as we are with the President's speech and the DOT budget we'll be unveiling tomorrow.

DRAFT

Thank you for coming to our reception this evening.

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U.S. Department of
Transportation

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REMARKS PREPARED FOR DELIVERY BY
ACTING SECRETARY OF TRANSPORTATION JAMES B. BUSEY
FY 1993 BUDGET PRESS CONFERENCE
JANUARY 29, 1992
WASHINGTON, D.C.

I am pleased to announce the Administration's proposed budget for the Department of Transportation for Fiscal Year 1993. In support of the Administration's domestic priorities and the National Transportation Policy (NTP), the Department of Transportation's FY 1993 budget request totals \$36.6 billion in appropriations and obligation limitations.

This request is 6.3 percent above the FY 1992 enacted level and provides 41 percent growth versus FY 1989 when the Administration came into office. The Department's FY 1993 budget proposes resources to continue current policies and to address priority program increases. These priority areas include implementing new statutory responsibilities--especially in surface transportation--reauthorizing aviation programs, addressing critical operating and capital requirements of the Coast Guard, continuing support for safety programs, and investing in research and development.

The staffing request totals 109,596 Full Time Equivalents (FTE), a 0.5 percent increase over the FY 1992 enacted level. This request essentially continues the FY 1992 level, with targeted growth to selected areas. The staffing level also assumes the transfer of 216 FTE to the Department following enactment of proposed legislation to sunset the Interstate Commerce Commission.

This budget request will help create jobs and stimulate the economy. In particular, capital investment in infrastructure, which accounts for almost three-quarters of the budget, supports job creation both directly and indirectly and facilitates the productivity of American business by supporting more efficient transportation.

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The NTP also continues to set the major themes for resource allocation within the Department. I would like to describe how the budget addresses the NTP goals before discussing the individual budget requests for each operating administration.

Maintain and Expand the Nation's Transportation System

Nearly \$27 billion, or 72 percent, of the Department's budget is for programs directly supporting capital investments in highway, transit, rail and aviation infrastructure. Funds are also requested for maritime infrastructure to facilitate navigation. This investment helps to improve current physical conditions and to expand the capacity of the nation's infrastructure. This spending also promotes economic growth through job creation, both direct and indirect, and by facilitating the movement of goods to market and people to jobs.

Foster a Sound Financial Base for Transportation

The Department continues to seek ways to lever long term investment in transportation programs without conflicting with deficit reduction goals. Consistent with the National Transportation Policy, the budget turns increasingly to user fees rather than general funds to finance transportation programs: 82 percent of the budget would be financed from user fees in FY 1993 versus 73 percent in FY 1992 and 71 percent in FY 1991. This shift is due largely to our proposals for increased investment in surface infrastructure and for increasing the share of the FAA budget to be financed by user fees.

Beyond federally-collected user fees, the Department is advancing other user fees to support transportation investment. Applications have been received for passenger facility charges at airports, which the Department proposed and Congress enacted in 1990, to help finance local airport projects. Provisions in the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) geared to stimulating private investment, such as greater use of tolls and incentives to encourage toll financing, will be implemented to ensure that transportation programs take full advantage of the financing potential of the private sector.

Ensure that the Transportation System Supports Public Safety

The budget includes \$1.9 billion for programs that are directly safety-related. This amount, which is 8.4 percent over the FY 1992 enacted level, includes funds for inspections, search and rescue, safety grants, and transportation security. In addition, \$18 million in permanent authority is available for hazardous materials-related emergency preparedness planning and training grants to states. Of particular note, the budget proposes 19.7 percent growth in highway and motor carrier safety programs to

continue the successful reduction in the traffic fatality rate which in 1991 stood at an estimated all-time low rate of 1.9 fatalities per hundred million vehicle miles travelled. This rate is 17 percent lower than the 1988 rate. The budget funds a 26 percent increase in highway and motor carrier safety grants including new programs to deal with drunk and drugged driving and proper use of safety belts and motorcycle helmets. The budget also strengthens our efforts to ensure that transportation services are drug-free and includes \$731 million, an increase of 2.8 percent, to support the Nation's drug reduction strategy. In the area of national security, the budget requests \$476 million to support the Coast Guard's military readiness activities and to continue current levels of support for the Ready Reserve Force and the National Defense Reserve Fleet in the Maritime Administration.

Protect the Environment and the Quality of Life

The budget includes \$464 million for environmental activities, a six percent increase over the FY 1992 enacted level. This includes \$59 million to clean up environmental damages and ensure environmental compliance at DOT facilities. The budget also includes, as part of grant programs, funds to help states and localities mitigate surface transportation congestion and aviation noise. Our budget proposal for Federal-aid Highways will allow states to use the newly authorized Congestion Mitigation and Air Quality Improvement Program funds for transportation projects to help meet air quality standards in non-attainment areas. Also, consistent with the Administration's proposal which was enacted in the ISTEA, states may use Federal-aid Highways funds to finance wetlands mitigation banks.

Advance U.S. Transportation Technology and Expertise

The budget includes \$498 million for research and development, a 12 percent increase over the FY 1992 enacted level. The Department's research and development program supports our operating and regulatory responsibilities and also serves as a catalyst to promote productivity improvements and new technology for transportation systems and services. The FY 1993 budget will continue surface transportation initiatives to facilitate travel, particularly in the areas of high speed transportation and intelligent vehicles highway systems.

Departmentwide, the budget continues efforts toward management improvement. The budget requests \$18 million for system development and improvements in the area of financial management. Funds are also requested for training and automation to improve the productivity and long term effectiveness of the Department.

BUDGET HIGHLIGHTS: OPERATING ADMINISTRATIONS

Surface Programs

Our request for the three agencies newly reauthorized by ISTEA--the Federal Highway Administration (FHWA), the National Highway Traffic Safety Administration (NHTSA), and the Federal Transit Administration (FTA)--totals \$22.3 billion, 43 percent growth since FY 1989. Our request for the FHWA, excluding \$300 million in exempt obligations for Emergency Relief, totals \$19 billion, 16 percent growth over the FY 1992 enacted level. The obligation limitation for Federal-aid Highways is proposed at \$18.9 billion. The request also includes \$96 million for safety grants, as authorized, and \$15 million for the newly authorized National Recreational Trails program. Under this budget proposal, resources for NHTSA would increase by 17 percent for a total of \$306 million. NHTSA will continue its successful efforts to reduce traffic accidents and fatalities. State highway safety grant programs will increase 25 percent from \$138 million to \$173 million, including \$35 million for new programs to encourage states to enact safety belt and motorcycle helmet use laws and measures to counter drunk and drugged driving. For FTA, the budget proposes a \$3 billion program, directed primarily at infrastructure, although operating assistance would be available to areas under 500,000 population. An estimated \$10 billion in Federal-aid highways funds would also be available for transit capital projects under the transferrability provisions of ISTEA, depending on state and local decisions. The budget includes \$182 million for the Washington Metro toward completion of the last 13.5 miles of the system.

For Federal Railroad Administration programs, the budget requests \$429 million, which includes an 11 percent increase for safety and research and development programs and \$343 million for Amtrak. The request includes funds for an additional 14 FTE to add the third class of inspector trainees to strengthen the rail safety inspection program and to implement new regulations mandated by the Sanitary Food Transportation Act of 1990 and the Omnibus Transportation Employee Testing Act of 1991. With respect to Maglev and high speed rail transportation, the budget proposes \$15 million to conduct safety assessments and to support technical, economic and environmental assessments related to the viability of these systems. Completion of these studies is necessary before the Government can determine whether to proceed with the development of a maglev prototype. For this reason, the budget proposes that no obligations should be incurred pursuant to the National Magnetic Development and High Speed Ground Transportation programs authorized by ISTEA. The budget does not continue programs totalling \$234 million, which Congress added in FY 1992. These programs are largely local in focus and significant funding has been added by Congress in the past.

Aviation Programs

For the Federal Aviation Administration, we propose a budget of \$9.4 billion, which provides six percent growth over the FY 1992 enacted level. Aviation programs must be reauthorized for FY 1993 and we will transmit shortly our proposed reauthorization legislation. The capital component of the budget request totals \$4.83 billion, a seven percent increase over the FY 1992 enacted level, and includes \$2.7 billion for Facilities and Equipment, \$230 million for Research, Engineering and Development and \$1.9 billion for Airport Grants. FAA Operations is proposed to increase six percent to \$4.6 billion. Air traffic controller employment levels will total 17,871 controllers, an increase of 150 controllers over the expected FY 1992 employment level. We are proposing that 85 percent of the FAA budget be financed by the Airport and Airway Trust Fund, consistent with civil aviation's share of the use of the aviation system.

Maritime Programs

The budget request for the United States Coast Guard totals \$3.7 billion, a five percent increase over the FY 1992 enacted level. For Operating Expenses, the budget proposes \$2.6 billion including \$142 million to be appropriated in the Defense budget for transfer to Coast Guard. For Coast Guard's capital program, Acquisition, Construction and Improvements, \$414 million is requested--an increase of six percent. Nearly \$371 million of the request is to continue the replacement and modernization of major components of the Coast Guard's extensive fleet and shore facilities, of which \$45 million is for investments to facilitate navigation such as vessel traffic systems and buoy replacements.

The request for the Maritime Administration totals \$312 million. The major component of the request is \$234 million to continue funding for the Ready Reserve Force at current levels, including \$104 million for fleet acquisitions toward the Department of Defense goal of a 142-ship fleet. The current fleet includes 96 vessels, of which 79 were activated during Desert Storm. The budget request also continues the Operating Differential Subsidies program and provides \$78 million for Operations and Training including \$2 million to continue the heating plant replacement at the U.S. Merchant Maritime Academy.

The budget requests \$12.1 million for the Saint Lawrence Seaway Development Corporation, a 14.5 percent increase over the FY 1992 level. Funds are included to dredge the Wiley-Dondero Canal which is needed to reduce the risk of accidents and facilitate vessel transits through the locks.

Other DOT Programs

For the Office of the Inspector General, the budget request totals \$42.2 million, a 14 percent increase over the FY 1992 level, to support audit, inspection, evaluation and investigative activities. In particular, the budget requests an increase of \$3.6 million to finance audits of financial statements required by the Chief Financial Officers Act. Under the Act, the Inspector General is responsible for direct or contract audit of financial statements prepared for the Department's trust funds and revolving funds.

For the Research and Special Programs Administration, the budget requests \$43 million in appropriations, an increase of 20 percent over the FY 1992 level and 60 percent over the two-year period FY 1991-FY 1993. This significant growth will help RSPA carry out its safety and research activities which promote public safety and environmental protection, particularly in the areas of hazardous material regulation and inspection and maintaining a sound airline statistics data base. Pursuant to the Hazardous Materials Transportation Uniform Safety Act, beginning in FY 1993, the budget requests \$850 thousand for development of an emergency response training curriculum. This program, together with \$18 million in permanent authority for state planning and technical assistance grants will be financed from registration fees paid by hazardous materials shippers and carriers. The budget also includes \$1 million to fund the first year of operation of the Presidential Task Force on the Trans-Alaska Pipeline which was authorized by the Oil Pollution Act of 1990 to conduct an audit of the pipeline system.

Featured for the first time, the budget includes \$6 million, transferred from the Federal-aid highways account, to finance the new Bureau of Transportation Statistics, authorized by ISTEA. The purpose of the Bureau is to compile and publish transportation statistics suitable for use in cost-benefit analyses, establish a long-term data collection program regarding the performance of the national transportation system, and to identify information needs not currently collected.

For the Office of the Secretary, the budget requests \$267 million. Excluding funds (\$147 million) for rental payments to the General Services Administration, which are consolidated in this budget, the request provides a 9.5 percent increase over the FY 1992 level. Funds are requested to continue the Essential Air Service program and the Transportation, Planning and Research program at FY 1992 levels. Resources for the Office of Commercial Space Transportation total \$4.9 million, excluding \$300 thousand in licensing fee revenues credited to this account. For Salaries and Expenses the budget requests \$72.4 million including funds to strengthen management oversight in the areas of information technology, acquisition and grants management and financial

management and to continue office automation and development of financial management systems. The Office of Policy and International Affairs will assume the responsibilities, in close conjunction with the operating administrations, of the Office of Intermodalism, authorized by the ISTEA, including coordinating Federal research on intermodal transportation.

Finally, the budget proposes \$16.7 million and 216 FTE to transfer to the Department certain rail activities of the Interstate Commerce Commission (ICC), subject to the enactment of economic deregulation legislation which would sunset the ICC.

The safety and soundness of the transportation infrastructure is vital to the Nation's economy. The FY 1993 President's Budget for the Department of Transportation continues the priority this Administration has placed on investment--in infrastructure, in research and development and in safety--which is key to America's future.

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ACTING SECRETARY OF TRANSPORTATION JAMES B. BUSEY
SAVANNAH AIRPORT PFC CEREMONY
JANUARY 31, 1992
SAVANNAH, GEORGIA

Event: CEREMONY ANNOUNCING FIRST PFC. 60-80 PEOPLE, 7-10 MINUTE REMARKS.

Thank you very much, Mayor Susan Weiner, for that kind introduction. And let me acknowledge Airport Board Chairman Ida Gadsden for the fine work you have done.

I am especially delighted to be in Savannah today. I'm here to announce that this airport is the first in the nation to receive authority to begin collecting passenger facility charges to finance local improvements. As former Administrator of the Federal Aviation Administration, this is truly a gratifying moment for me because I worked on the PFC issue from the start. But I want you in this room to know that you too are a part of history in the making. I know I don't have to tell anyone here the positive economic impact of good airport facilities.

The President knows very well and made it clear in the State of the Union address Tuesday night that transportation is a vital element in his plan to help move this economy forward. The Department of Transportation will provide local transportation authorities more flexibility to move ahead on projects that will increase our nation's productivity and

competitiveness. We will work closely with state and local governments as partners and harness the energies of the private sector to move our economy forward.

A big step towards greater economic opportunity and jobs for Savannah starts with the authority conferred on you today. It allows the Savannah International Airport Commission to have the airlines begin collecting passenger facility charges on July 1.

What this PFC authority means for Savannah is shown on the renderings and graphics surrounding us. But the real story is in the potential for local economic growth. The Savannah Airport Commission estimates that the new terminal development will have a local economic impact of as much as \$185 million. And at its peak, the airport development program will employ 650 people on site.

But Savannah is only a microcosm of America. Local authorities all across the country are moving to take advantage of the PFC. Air travelers will be the real beneficiaries, receiving better service in less crowded airports.

On a national scale, PFCs are expected to eventually result in \$1 billion a year in revenue. This revenue could be leveraged to support even higher levels of capital investment by using the PFC income to pay the principal

and interest on airport development bonds. Obviously, this is a significant source of new revenue to get our airports ready for the 21st century.

As I said at the outset, the Passenger Facility Charge gives local authorities increased flexibility.

The beauty of the new working arrangement offered by PFCs lies in its simplicity. PFCs allow local airports to build to relieve capacity problems and to preserve safety and security -- which is, and always will be, the number one priority of all of us here today. PFC funds can also be used on projects to improve noise compatibility and enhance competition among carriers.

This airport is an important part of the safest and most efficient air transportation system in the world. The growth that begins with this announcement is a significant part of moving America forward to better economic times.

So in closing, let me say that you were with us from the beginning in formulating the passenger facility charge. You filed your application early. And you deserve the credit for a job well done.

Congratulations and let's get on with the work of reinvigorating our economy -- locally and nationally.

Thank you very much. I will be happy to take questions.

(invite Mayor Weiner and Chairman Gadsden to join you at podium)

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