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DEPUTY SECRETARY OF TRANSPORTATION JAMES B. BUSEY
CEREMONY OPENING ANTI-DRUG INFORMATION CENTER
MARCH 4, 1992
OKLAHOMA CITY, OKLAHOMA

EVENT: Start-up ceremony for Anti-Drug Information Center, 3-5 minutes, 30-40 people.

Thank you very much. As a former Administrator of the Federal Aviation Administration, I am no stranger to Oklahoma City. And I am especially happy to be here today to launch DOT's Anti-Drug Information Center.

The news from Washington is that we have a new Secretary of Transportation, Andrew Card, who is very committed to eradicating drugs from the transportation workplace. I can assure you that the Department of Transportation's anti-drug campaign is at the top of his agenda.

As the DOT drug testing regulations came into effect, we began to be inundated with questions from the transportation community of some 225,000 firms and almost four million employees. We soon saw that we must have communications that were more "wholesale," and less "retail," including an automated system to respond quickly to inquiries.

Bea Vandevalk, and Edu-neering, Inc., designed and built this computer-based system in record time. It can respond to telephone callers via recorded voice,

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facsimile, or modem. We are going to bring it on line and try it out in a few minutes.

Obviously, such a system is needed to explain regulations about the illegal use of drugs in the transportation workplace. It will be even more useful to explain DOT's new regulations about improper use of alcohol among millions of transportation workers, including for the first time mass transit workers and intra-state truck drivers. These regulations will be in place later this year.

Transportation workers, company officials, those who manage drug programs, and other interested parties will now be able to get a voice summary of drug regulations for various modes of transportation. Anyone can obtain a copy of a document by telefax, or punch up a document on a computer screen and download the document to their computer data base. They can also leave questions and comments on the voice mail system.

But one of the best features of the system is that it will be sustained by user funding. In transportation we have come to regard user fees as a fair and equitable way to pay for transportation systems. This computer system is no different.

In closing, let me congratulate Travis Dungan, Administrator of RSPA, and Bob Knisely, Director of the Office of the Secretary's Drug Program, for an outstanding job in bringing this system on board.

Now, instead of cutting a ribbon or breaking a bottle of champagne, we are going to launch a system simply by bringing it up for the first time.

If you will follow me into the next room, I will -- with a little help -- get the system rolling.

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FLEXIBILITY: CORNERSTONE OF THE NEW TRANSPORTATION ACT

March 3, 1992

One of the most significant aspects of the Surface Transportation Act is the unprecedented flexibility that will be allowed state and local governments in the use of federal funds.

Now, state and local officials -- under overall federal guidelines -- have the opportunity to determine and manage for themselves a major portion of those surface transportation funds aimed at addressing local problems.

Flexibility has always been a key watchword of the president's domestic agenda. Talking to leaders of the transportation industry back in June 1991, President Bush said he believed that "our nation is best served by providing greater flexibility -- greater accountability -- at the state and local level. "

As never before, the Act gives the states and local governments the "right" to use a large portion of federal funds as they see fit for local transportation needs -- be they for highway or transit programs. More specifically, the Act allows for a major portion of highway program monies -- up to 68 percent -- to be transferred to fund transit projects. A major portion of transit program monies are also now available for the funding of highway projects -- if state and local decision makers decide that is where the needs are greatest.

Of course, this unprecedented flexibility is not a blank check to fund one mode's projects to the detriment of another. For example, flexibility to use federal transit funds for highway projects would be available as long as there is a "balanced local

approach" to transit funding -- that is, as long as states have dedicated sufficient funds to meet transit needs.

Other restrictions on the transferability of funds between transit and highways are also mentioned in the Act. For instance, in the shifting of substantial national highway system monies for surface transportation programs the state must justify its request AND have DOT approval. National highway funds can be used for the improvement of transit facilities ONLY when the improvement will cost effectively improve the level-of-service of the the national highway system.

And that underscores another important theme of the new Surface Act: Intermodalism. If our national transportation system is to be maintained, expanded and improved, every mode of travel in this country must work together, support each other, and pull together as a team in the same direction.

Overall, the Surface Act's emphasis on flexibility means good management , state and local control, and expanded and improved transportation facilities and roadways. If we are to remain competitive globally, then we must offer our states and localities the flexibility to build what they need to meet the transportation challenges of the 21 century.

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DEPUTY SECRETARY OF TRANSPORTATION JAMES B. BUSEY
NATIONAL TECHNOLOGY INITIATIVE
MARCH 4, 1992
AUSTIN, TEXAS

Transportation technology is critical to our productivity and our economic well being. As President Bush pointed out when he signed the Surface Transportation Act: "Mobility is the lifeblood of the modern economy."

As never before, new technologies are needed to promote congestion relief, highway safety, and environmental quality. In particular, they are necessary if we're to make progress on two critical issues raised by the President during his State of the Union address -- U.S. competitiveness and job creation. With the the new Transportation Act, DOT will be even more involved with the private sector in commercializing technology.

The transfer of transportation technology to the private sector and its commercialization, is facilitated by many programs. First, of course, is the work we do in our own labs and technical centers.

For example, in Massachusetts, DOT has the the John Volpe National Transportation Systems Center. The Volpe Center serves as a bridge between the private and public sectors on critical issues that cut across the various modes of transportation.

The Center is unique because it is not funded through a "line item" in the federal budget. Rather, it's market-driven -- totally funded by its clients, which include several governmental agencies.

Another example is the FAA's Technical Center in Atlantic City, New Jersey. Every year it is becoming more and more driven by industry and customer needs. Very promising to industry is the work conducted by the FAA on the Automated En Route Air Traffic Control System and the National Airspace System Design -- two projects with immense commercial applications.

The Small Business Innovation Research Program, or SBIR, is another vehicle for technology commercialization. It enables the Department of Transportation to actively assist small entrepreneurial, technology-based firms in developing specifically needed transportation related products.

In Texas, DOT has participated in the SBIR program by awarding five contracts to five small and innovative firms. A prime example is Wesson International right here in Austin. Wesson is helping produce a highly automated workstation to help the FAA better train its air traffic controllers.

The company is developing a computerized simulator to evaluate different aircraft landing patterns within a given airspace. A prototype has been installed at the FAA's traffic control center here in Austin. We are very pleased with the realism this simulator provides for situations controllers actually face.

Part of Wesson's research also focuses on human factors that will be critical to the ultimate success of the FAA air traffic controller training system.

Another Texas firm -- Texas Research Institute Austin -- is conducting research for the Federal Highway Administration. It has been investigating adhesives technology for bonding bridge structures. Potential payoffs include new markets for adhesives bonding and greater design flexibility for bridge engineers.

We also facilitate the commercialization of technology between our laboratories and the private sector is through a series of Cooperative R&D Agreements. These provide a means for federal agencies and private firms to conduct joint R&D while making use of government personnel, services, facilities, and equipment. They permit company employees to work side by side with government technical people, and allow commercialization of the results. At the FAA's Tech Center, for example, 10 agreements are already in place.

Today, I'm pleased to announce a new Cooperative R&D Agreement between the FAA and the Air Transport Association. We've ^{ARE} ~~decided to~~ ^{WKS} provide the private sector with information originally intended ^(STRICTLY) for the FAA's own use -- information that will ^{ASSIST} ~~help~~ our commercial airlines ^(IN THE EFFICIENT OPERATIONS OF) ~~better space~~ their aircraft en route, and ^{ALSO} ~~thus~~ help them make better use of their gate space on the ground. The information will come from the FAA's aircraft situation display, a sophisticated computer that contains data on each commercial aircraft in flight over the United States. ^{DEVELOPED BY GOVERNMENT R&D THIS TECHNOLOGY IS BEING TRANSFERRED TODAY. EXHIBIT IT in lobby.}

Another mechanism which contributes to commercialization is DOT's University Transportation Centers Program.

In this program, federal grants to regional consortia of universities are matched by state funds and other funding, and work is conducted under an advisory council with strong private sector participation.

For example, the Southwest Region consortium -- the University of Texas at Austin, Texas A&M, and Texas Southern -- is conducting several studies related to high speed ground transportation. In addition to the relevance of this work to your planned high speed rail system, these studies will be of value throughout the country. The consortium is also very active in work with many private firms in the area of intelligent vehicle-highway systems.

A more conventional federal role can also be used to advance commercial applications. A good example is Babcock and Wilcox of Houston which is playing a major role in the National Maglev Initiative. This initiative is assessing the potential magnetically levitated trains might play in U.S. intercity transportation.

Babcock and Wilcox are evaluating system concepts, the applicability of superconducting magnets, and manufacturing issues. Under the Federal Railroad Administration's contracting guidelines in this program, full commercial rights to all technologies developed are retained by the contractors.

Of course, there is much more I could say on this subject. But by now I'm sure you've got the picture. We at the Department of transportation will continue to take the collective efforts of our Department's R&D community and develop them into economic opportunities.

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Doctor Allan BROMLEY

DEPUTY SECRETARY OF TRANSPORTATION JAMES B. BUSEY
FEDERAL MANAGERS ASSOCIATION
MARCH 14, 1992
ARLINGTON, VIRGINIA

PROFESSIONAL MANAGEMENT IN THE 1990s

It is a pleasure to join you for your 54th National Convention.

Given the fact that the Federal Managers Association has its origins in the naval shipyards and its largest membership base is still civilian managers of the U.S. Navy, I feel an affinity with the FMA. Add to that the fact that the Department of Transportation's two largest agencies are active members of FMA -- the Federal Aviation Administration and the U.S. Coast Guard.

By the way, I want to salute your magazine, *Federal Managers Quarterly*, for the fine cover story it did on the Coast Guard's total employee involvement processes at its Baltimore shipyard. Whether it's at the Coast Guard or at our nine other main organizations, I believe the Department of Transportation is truly building for management excellence in the 1990s.

I have been in public service all of my adult life -- both as a career officer in the U.S. Navy and now as a political appointee at the Department of Transportation. Needless to say, I have developed some thoughts over

the years 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.

Given my background, I can assure you that I have a hands-on approach when it comes to discussing management style and philosophy. While textbooks 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 Robert Moses from his book *Public Works*:

"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 for 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." That vision was 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 surefire way to guarantee that as a public administrator you will accomplish very little on the job.

In particular, avoiding controversial issues or ignoring problems until 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 Transportation and now White House Chief of Staff -- had hanging outside his office. It said, "If you don't make dust, you eat dust." The point is that in order to make a difference, 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, and as pointed out by Steven Kelman in his book *Making Public Policy*, 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 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, says the report, 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 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 laws 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. Our goal was to help build organizational communication and cooperation.

This new partnership between careerists and appointees was especially noticeable in the designing of the surface transportation act -- 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 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 good management is almost all standard text book stuff: 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.

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 principle -- "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 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.

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DEPUTY SECRETARY OF TRANSPORTATION JAMES B. BUSEY
AMERICAN ASSOCIATION OF AIRPORT EXECUTIVES/
AIRPORTS ASSOCIATION COUNCIL INTERNATIONAL
MARCH 16, 1992
WASHINGTON, D.C.

Good morning. I'm delighted to be back with old friends from the aviation community. Although as Deputy Secretary I deal day-in and day-out with all modes of transportation, be assured: Aviation is as near and dear to my heart as it's ever been.

Whether it's aviation or surface transportation, there is one overriding concern driving our activity at the Department of Transportation these days. And that's the economy.

As everyone in this room knows, the economy is President Bush's number one priority. The President has made it abundantly clear: No stone is to be left unturned and no idea ignored that can help get America back to work.

He has directed cabinet department and federal agencies to speed up pro-growth expenditures as quickly as possible. This doesn't mean we're going to spend more money. The President just wants to speed up what we intended to spend anyway, giving the economy a jump start at job creation. The President says this speed-up should "put an extra \$10 billion dollars into the economy in the next six months."

Whether it's jump-starting the economy today, or laying the foundation for long term economic growth, one thing is beyond question: Transportation is absolutely essential to the health of the U.S. economy. And whether it's aviation or surface transportation, all across America the economy faces the threat of over-congested highways and airways. If transportation is the lifeblood of the economy as the President has said, then America is in serious need of fresh, new blood.

That's what I would like to talk to you about today on the aviation front. The Administration has in place a solid agenda for expanding this country's aviation capacity. The framework for that agenda goes back two years to the release of the National Transportation Policy.

That Policy set the guidelines for achieving critical legislative victories. Foremost, was the innovative and ground breaking aircraft noise and capacity initiative which the President signed into law in 1990. Of vital importance to that initiative were the final rules the Administration published on noise restrictions and PFCs last year.

The passenger facility charge, of course, is at the center of our efforts to expand capacity, promote competition, mitigate noise, and create local jobs. We

are moving to approve PFC requests as quickly as feasible. We have approved four already.

Savannah, Georgia's request was the first to be approved, in January of this year. Savannah will be able to collect over \$39 million over the next 11 years for six airport improvement projects. Muscle Shoals Regional Airport in Alabama was approved in February for a much smaller amount -- \$104,000. Nonetheless, the four projects that were approved for funding will provide a significant boost to the transportation needs of Muscle Shoals.

On a much larger scale is the PFC that was approved just a few weeks ago for Las Vegas's McCarran International Airport. With this PFC authority, the Clark County Department of Aviation will raise over \$428 million to cover 31 expansion and environmental improvement projects. Thousands of good paying jobs will be created in Las Vegas over the life of its development plan. And this PFC authority puts Las Vegas right in step with what the President is doing on a national level.

The fourth PFC package approved by the FAA was announced a week ago in Alabama by our new Secretary of Transportation, Andrew Card. The Huntsville-Madison County Airport Authority will raise

nearly \$21 million to cover 16 projects. The projects typify what the PFC is all about: runway extensions, terminal renovation, aircraft rescue and fire fighting equipment, access road extensions, land acquisition for mitigation of noise impacts, directional signage, air cargo apron expansion, and general aviation ramp overlay.

I think it's obvious that the PFC is itself a growth mechanism -- a means of investing in America's economic present and future. Two hundred airports, and possibly more, are expected to follow in the footsteps of these four forward-looking communities. At latest count, the FAA is now processing 34 applications with an estimated total collection of almost \$10 billion.

Needless to say, we're very excited about airports moving quickly to start the PFC approval process. I know it's been a learning experience for the folks at FAA, and I'm sure it will continue to be that for awhile as they work hard to put the mechanism for this new funding into place. I'm pleased that a number of airports have been working with the airlines to iron out potential problems before they occur.

All told, when the PFC is in place at airports around the country, we expect \$1 billion a year will be collected

for airport improvements. These funds have the potential for creating up to 40,000 jobs nationwide. And the resulting improvements will, in turn, further stimulate economic growth and employment.

The Department of Transportation is committed to providing local authorities more flexibility to move ahead on projects that will create jobs and ensure our economic future.

The beauty of the new PFC is its simplicity. It's a user-based fee. And it allows 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.

We all know that the noise issue is part and parcel of our efforts to expand airport capacity. Therefore, I would like to make a few comments on the implementation of our noise policy before moving on to the Administration's aviation reauthorization proposal.

First of all, we anticipate that the number of U.S. citizens exposed to excessive aircraft noise will decline by 85 percent over the next eight years. That's the good news. The bad news is that this reduction could cost air carriers as much as \$4.5 billion.

It is partially for that reason that the law and our rules are intended to limit the proliferation of local noise restrictions that will burden carriers with additional costs and uncertainty. Under the current rules, carriers will have a more predictable environment in which they can respond to market demands and the orderly phaseout of their Stage 2 aircraft. Communities around airports, in turn, can be assured that the transition to Stage 3 aircraft will result in a quieter environment.

This is why we believe that most necessary noise relief can be achieved without restrictions. While all airports will benefit from the national rule, if relief is not sufficient or if special local problems exist, then negotiations should be pursued. Along those lines, we'll continue to use our offices to encourage negotiated agreements at the local level.

For example, the FAA and Los Angeles have entered into a memorandum of discussion on the modification of a grandfathered restriction at LAX. We believe the agreement is a reasonable compromise with clear benefits and certainty for all relevant parties. The final details of the ordinance are still being worked out.

A Stage 2 nighttime curfew restriction was filed last December at the Minneapolis-St. Paul International Airport. The public comment period has been extended

and the FAA is preparing comments and encouraging a negotiated agreement. The FAA also continues to discuss and monitor a draft proposal by the Port Authority of New York and New Jersey for an accelerated phaseout of Stage 2 aircraft and a nighttime curfew at JFK, Laganardia, and Newark airports.

In short, the Administration is opposed to additional noise restrictions. We think that voluntary agreements between parties can, and should, be the solution to lingering disputes on noise issues.

I would like to shift gears a bit at this point, and give you an overview of the three-year aviation reauthorization legislation Secretary Card recently sent to Congress.

The Administration's proposal advances many important points in its National Transportation Policy. These include investing in infrastructure, improving intermodal connections, relying more on user fees, strengthening our partnerships with state, local, and private entities, and enhancing our sensitivity to the environment.

Over the three year life of the bill, our proposal would provide more than \$15 billion for the FAA's capital investment programs. That includes \$5.7 billion for the Airport Improvement Program; \$8.6 billion for Facilities

and Equipment; and about \$800 million for research. All told, that represents a 25 percent increase over the capital funding available over the last three years. It will allow the FAA to continue programs to increase airport capacity and undertake essential work on the air traffic control system for the next century.

We're asking that the aviation trust fund be spent down, cutting the surplus in half by 1995. Consistent with civil use of the aviation system, we want to fund 85 percent of the FAA's budget from the trust fund.

At the heart of the legislation are increased efforts to bolster research and to modernize the air traffic control and navigation system to increase safety, efficiency, and capacity. This includes continued work on the Advanced Automation System and the Voice Switching and Control System.

The Administration's bill provides for a continued high level of funding for grants-in-aid under the Airport Improvement Program. We want to fund A.I.P. at \$1.9 billion a year over the three-year span of the bill.

We are proposing several important changes to the A.I.P. that I'd like to enumerate for you:

First, we want to expand the state block grant program to allow all states to participate. And we

would allow not more than one percent of the state apportionment to be used for administrative expenses.

Secondly, our bill increases the A.I.P. noise set-aside from 10 percent to 12.5 percent. We believe the noise set-aside is particularly important, since it will reduce the negative environmental effects of aircraft and airports on neighboring jurisdictions. To promote better and more compatible zoning around airports, the additional 2.5 percent would be designated on a priority basis for airports with compatible land use.

Thirdly, the Administration's proposal authorizes up to a 50 percent increase in A.I.P. funding for land acquisition costs for a non-primary airport. That's based on either a credible appraisal or a court award in a condemnation proceeding. We would also require public notification of any plans to establish or expand a sanitary landfill near an airport.

Fourthly, under the Airport Improvement Program, we propose to expand the number of airports eligible for the military airport program. We also want to increase funds for this program, which boosts airport capacity quickly where an unused military facility is available. Twenty-five current or former military airports are included in our plan.

Finally, our proposal strongly supports intermodalism. First, we are asking that airport entitlement funds be used for the first time to help finance off-airport projects, such as a rail line or a highway. These projects must directly improve access to and from an airport for passengers or freight. Second, our bill proposes that airport sponsors in large metropolitan areas provide financial support up to \$100,000 to the urban planning process.

Our bill contains many other important program improvements. Among them is the extension of the airport certification program to airports regularly served by smaller commuter aircraft. Another is a provision to open up special excepted service appointments to retired military air traffic controllers who may be affected by defense cutbacks.

In summary, the President's aviation reauthorization bill proposes nothing unusual or radical. It simply builds on the solid and important achievements of the past. PFCs and our national noise policy were put in place last time around. This time, we're putting wings on our policies to get them off the ground. As with the President's larger economic agenda, I believe his aviation agenda is poised to take off and fly.

As our economy at large begins to expand, so will our aviation system. And as our aviation system grows, so will the opportunities for commerce to move more people and goods, more efficiently. We will all benefit.

Thank you very much.

1.08
DEPUTY SECRETARY OF TRANSPORTATION JAMES B. BUSEY
CONNECTICUT MARITIME ASSOCIATION
MARCH 18, 1992
STAMFORD, CONNECTICUT

I'm delighted to have this opportunity to join the Connecticut Maritime Association for this important Conference and Exhibition.

Despite the fact that I recently spent three years at the Federal Aviation Administration, I want you to know that I have a keen interest in the maritime industry. I'm more than aware of the difficult challenges you in the industry grapple with day-in and day-out.

I know some of them seem intractable. We haven't seen movement on significant maritime reform for years. But rather than draw back, my approach is more in keeping with that old saying: "When the going gets tough, the tough get going." I believe that's also the can-do attitude of our new Secretary of Transportation, Andrew Card. He is well-acquainted with your industry, and has stated publicly that he wants to get maritime reform off dead-center.

That effort goes hand-in-hand with the Administration's overall effort to get the U.S. economy off dead-center. The President has made it abundantly clear that his number one priority is to get the economy moving again. And that is the one overriding concern

driving our activity at the Department of Transportation these days.

President Bush has directed cabinet departments and federal agencies to speed up pro-growth expenditures as quickly as possible. This doesn't mean we're going to spend more money. The President just wants us to speed up getting the dollars that have already been authorized and appropriated out there so that we can give our economy a jump start and get people back to work. And this speed-up that is underway right now is going to pump an extra \$10 billion dollars into the economy over the next six months that would not otherwise be there.

Whether it's jump-starting the economy today, or laying the foundation for long term economic growth, one thing is beyond question: Transportation is absolutely essential to the health of the U.S. economy. If transportation is the lifeblood of the economy as the President has said, then America is in serious need of fresh, new blood. And perhaps nowhere is a transfusion more needed than in the U.S. maritime industry.

In fact, I think one can safely say that as the 1970s was predominantly the decade of the railroads in transportation, and the 1980s was the decade of the

airlines -- so the 1990s has the potential of becoming the decade of maritime.

Since the early years of this century, the United States has developed a number of programs designed to protect or bolster the U.S.-flag fleet. Included among them are cargo preference, coastal cabotage, and tax credit and loan guarantee programs.

With respect to cabotage, President Bush recently reiterated his support last month in a congratulatory message for the christening of a new Matson containership which will operate between the West Coast and Hawaii. He had this to say:

"The U.S. Jones Act fleet . . . has played and will continue to play an important role in maintaining a viable U.S. Merchant Marine and U.S. shipbuilding and repair base . . . I am pleased to take this opportunity to reaffirm my support for a strong domestic maritime industry."

The cornerstone of the federal government's support for the U.S. maritime industry is the comprehensive Merchant Marine Act of 1936. That Act authorizes the federal government to pay an operating differential subsidy to U.S.-flag vessels used in foreign trade. This is

to offset the competitive advantages of the foreign-flag vessels with which they compete.

The goal of the 1936 Act was to create and maintain a commercially viable U.S. fleet. By almost any objective measure, this goal has not been met. The Act imposes crippling and outdated regulatory requirements that have impeded fleet competitiveness and contributed to its decline. The statistics of this failure are all too familiar: In 1970, we had 19 U.S.-flag carriers employing 434 vessels engaged in common carrier service in foreign commerce. Today, we have eight primary companies and 148 vessels.

This reduction can be attributed in part to the evolution of larger ships, since tonnage has not dropped as much as the number of ships. But there is no doubt that the fleet is in decline. The privately-owned U.S.-flag fleet now represents less than 400 of a total of 25,000 ships in the world fleet. While the U.S. share of international waterborne trade is 15 to 20 percent of total cargo flows by volume, the U.S. fleet handles only four percent of that volume.

The United States fleet is also aging, and U.S. crew costs are among the highest in the world. In many cases, foreign competitors are not just lower-cost operators, but they are able to match U.S. operators service for

service and innovation for innovation. U.S. carriers are strangled by archaic regulations and stymied by seemingly endless litigation. Unfortunately, the joke about the maritime industry consisting of a few thousand lawyers fighting over a couple of dozen ships rings all too true.

Unless we act soon, there will be nothing left for the lawyers to fight over. Unless we act soon, the decline of the U.S. merchant marine will continue. Unless we act soon, there will be no U.S. fleet in the 21st century. If this happens, the national security implications will be unacceptable.

I submit to you that tinkering around the edges of the existing program structure will do little more than delay the inevitable. I'm speaking about such things as making more carriers eligible for operating differential subsidies, or removing some of the restrictions under which subsidized carriers operate. The existing structure is seriously flawed. It is based on the premise that U.S. carriers cannot survive unless they are protected from international competition. I reject that premise. The U.S. maritime industry can compete in world markets if we develop policies that permit that to happen. That is the challenge we intend to take on.

Laws and regulations that unnecessarily impede the transition to a competitive and efficient fleet must change. Government regulations that protect the parochial interests of particular companies should be eliminated. U.S. government interference in a free market maritime environment should be limited to programs that fill those legitimate national security needs that otherwise would go unfilled. In such a case, any program must meet the national security need in the most cost-effective manner. This is the philosophy upon which we will build a new maritime program.

And I can tell you that we're in discussions right now with the Department of Defense over the formation of a maritime trust fund within Department of Defense accounts. They're going to transfer \$1.9 billion of Navy SCN money into this trust fund and another \$1 billion-plus into it to build military-related ships. But part of that procedure that they're setting up is to give them the authority to build those ships and then charter them. And we in the Department of Transportation are adamantly opposed to that because we feel it will bring unnecessary competition to bear. So this debate that is underway right now in Washington, is going to be the focus of our efforts on wrestling with maritime policy changes.

If the current policy impasse continues, we project that by the year 2000 fewer than 100 privately owned and operated U.S.-flag liner vessels will be in active service. Not only is this troubling from a balance of payments perspective, but a fleet that continues to dwindle raises concerns about its ability to fulfill its traditional role of serving as a naval and military auxiliary in times of national emergency.

Let me cite just a couple of examples of restrictions that cripple our carriers' ability to compete. To qualify for promotional programs, current law requires that U.S.-flag vessels be built in the United States. In addition, vessels acquired abroad for unsubsidized U.S.-flag operations must be documented under the U.S.-flag for three years before they are eligible to carry preference cargoes.

The high cost of U.S.-built vessels in the past as compared to the cost of acquiring vessels overseas has meant that U.S. carriers have had to operate under an almost insurmountable burden. Because of this requirement, the fleets of subsidized operators are among the oldest and least efficient in the world. Furthermore, this protected shipbuilding market has not encouraged U.S. shipyards to be competitive.

Under the circumstances, it seems reasonable that this requirement be eliminated and that U.S.-flag carriers be permitted to acquire vessels on the world market without penalty under any maritime program. This would reduce the cost of vessels and thus lead to a newer, larger fleet. I realize that the idea of permitting U.S. carriers to build or acquire vessels from anywhere in the world may not be well received by the shipyards and their supporters. It may even appear that our intention is to abandon the shipyards and acquiesce in their demise. Nothing could be further from the truth.

I reject the notion that U.S. shipyards cannot survive unless they are protected from foreign competition and guaranteed a certain volume of business from captive U.S. carriers. I would note that the build-U.S. requirements have not resulted in significant business for U.S. shipyards. Only three commercial vessels are being built, or are on order to be built, in a U.S. yard, and that is for the protected Jones Act trade. Almost the entirety of their workload comes from the U.S. Navy.

The solution to this problem is not more government business or even more American business. The solution is more international commercial business. The shipbuilding industry can and should become competitive in the international marketplace.

The first step toward this goal is to eliminate subsidies provided by foreign governments to their shipyards and the competitive distortions they create. This Administration remains committed to the negotiations currently underway in the Organization for Economic Cooperation and Development aimed at achieving a multilateral agreement to eliminate all shipyard subsidies in the next several years. If agreement cannot be reached then we must seriously consider other ways to provide our shipyards with a fair opportunity to compete.

To cite another example, I am sure you are familiar with the myriad laws and regulations under which subsidized U.S. carriers must operate. The operating restrictions have resulted in a situation where business decisions are not shaped by the carrier in response to its assessment of market opportunities. Rather, they are shaped by the government, or -- even worse -- by the carrier's competitors. In no other country in the world -- except perhaps in the few remaining communist countries -- are an ocean carrier's operations subject to such scrutiny, challenge, and veto as in the United States.

It is no wonder that subsidized U.S. carriers must struggle to compete effectively on an international basis. The wonder is that so much of the U.S. fleet has

survived the 56 years that the system has been in place. To the maximum extent possible -- consistent with prudent national security policy -- we must set this industry free. The U.S. government must get out of the business of micro-managing the U.S. maritime industry.

At the same time we press to free our industry from the shackles that have bound it to government for all these years, we are painfully aware that the real world -- the world in which our carriers must compete -- is by no means itself free of foreign government restrictions. We all know that foreign carriers enjoy full, unfettered freedom to operate in our international commercial trades. But U.S.-flag carriers in the liner trades continue to face foreign restrictions on their access to cargo and their ability to do business in foreign markets. The examples seem endless:

- There are various forms of reserving commercial cargoes for national-flag ships.
- We face restrictions on our carriers' access to ports and harbor facilities.
- Intermodal restrictions are in place that inhibit the ability of our carriers to own and lease trucking and rail equipment and services needed in ports of call in the Far East.

- There are export incentive programs, chartering by state entities, and special tax concessions favoring national carriers.
- Discriminatory income taxes exist on non-national carriers.
- Various state-owned commodity monopolies control cargo shipments.

All these restrictions are -- quite clearly -- protectionist measures.

In recent years, the United States has acted vigorously to create an international environment free of such protectionism. Supported by other agencies, we in the Department of Transportation and our Maritime Administration have conducted a number of negotiations to seek the removal of -- or mitigate the effect of -- foreign restrictions on U.S. carriers.

In most cases, our efforts have been informally coordinated with investigations by the Federal Maritime Commission. Already, the F.M.C.'s readiness to impose sanctions has prompted foreign governments to remove a number of discriminatory restrictions on U.S. carriers through negotiation.

We have achieved major successes to date that are helping create a more equitable environment for Pacific

Rim maritime trade. China has agreed to remove restrictions on the ability of U.S. carriers to market their services and collect their own freight. Taiwan has eliminated a number of restrictions relating to container handling, agency operations and repatriation of revenues, among other matters.

We have seen Korea cancel its prohibition on foreign carrier branch offices and take steps toward the total liberalization of land transport. Japan has removed its container use and port service restrictions.

The bottom line is this: We know that U.S. carrier service is among the best. We do not ask for preferential treatment. What the U.S. government wants for its carriers is fairness, not favoritism.

While we must look abroad to address many of the challenges facing the U.S. maritime industry, one of the most significant developments that will have lasting repercussions happened right here at home. I'm speaking about the grounding of the Exxon *Valdez* three years ago this month, and the subsequent enactment of the Oil Pollution Act of 1990.

This law will have a profound and lasting impact on the U.S.-flag tanker fleet, as well as on all foreign-flag tankers calling at U.S. ports and terminals. The U.S. Coast Guard is a sister agency of the Maritime

Administration within the Department of Transportation, and is responsible by law for implementing much of the Oil Pollution Act.

One major provision calls for a phased-in, progressive schedule to replace existing single-hull tankers with double-hull vessels to trade in U.S. waters. I am sure most of you are aware that an alternative, mid-deck tanker design is favored by foreign tanker interests. Let me emphasize that the double-hull requirement was inserted by the Congress. The Coast Guard has no alternative but to move forward on seeing that this law is carried out.

According to the London-based Drewry Shipping Consultants, the number of vessels that must have double-hulls by 1995 is minimal. By the year 2000, however, Drewry projects that half of the tankers capable of serving U.S. oil terminals without lightering must have double hulls.

Another major provision of the 1990 Oil Pollution Act involves the statute's controversial liability standards. Under the law, tanker operations will continue to obtain certificates of financial responsibility. But for tankers, this will require meeting a new oil spill liability maximum of \$1200 per vessel ton. That's up from \$150 per vessel ton.

Nearly all of the international tanker industry's insurance coverage is provided by protection and indemnity clubs. Under a proposed rule, they would continue to be exposed to direct action law suits and the same liability claims as the owner/operator of a ship that causes a spill -- up to the specific limits of liability in the Act.

The P & I clubs, however, have taken the position that they will refuse to issue the new insurance guaranties of the 1990 Oil Pollution Act. These guaranties are necessary to obtain certificates of financial responsibility, until the United States ratifies an international liability regime for tankers.

Obviously, there are no easy answers. Right now, the comment period has expired for the rule making on this matter, and the controversy remains under review. All I can say at this point is: Stay tuned.

Finally, I'd like to say a word about the Advisory Commission on Conferences in Ocean Shipping, which was established under the Shipping Act of 1984. A year ago it began a comprehensive study of economic regulation of ocean shipping, focusing on the cooperative agreements among ocean carriers that allow them to set rates and rationalize services with immunity from U.S. antitrust laws. The 17-member

Commission has also scrutinized tariff filing and enforcement and service contracts.

Here again, the wide range of views represented by Commission members has made reaching a consensus on any of the issues difficult. Their final report is due to be submitted to the President and Congress on April 10. I know the Commissioners are counting on their report to serve as a valuable policy tool in the difficult task of reassessing economic regulation of the international ocean liner industry. The Administration continues to promote an efficient and competitive environment, which means minimum government intervention and regulation.

For years, the resolution of the economic issues confronting the maritime industry has been stymied by the industry's inability to reach a consensus on which course to follow.

Although Secretary Card has been in office for less than a month, he has already made it known that turning around the American merchant marine is one of his top priorities. I know he'll be working closely with you in the industry and with the Congress to break the longstanding impasse to reform U.S. maritime policy. And I call tell you today that we have had in the last month more meetings -- policy meetings and

informational briefings on maritime policy -- at the top level of the Department of Transportation than they probably had conducted in the last several years.

In closing, let me say that I think it's obvious that the federal government cannot wait for consensus to form before taking further action. This Administration intends to rise above the fray and put forward sound policy proposals to rejuvenate the U.S. maritime industry. As Secretary Card has said, it is time to put politics aside. After all, good policy ultimately makes for good politics. That's the course that we need to set.

Thank you.

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DEPUTY SECRETARY OF TRANSPORTATION JAMES B. BUSEY
TRANSPORTATION MARKETPLACE
MIAMI, FLORIDA
MARCH 20, 1992

Good afternoon. I'm delighted to join you for this important forum for minorities and women active in your local business community.

I'm also pleased that some of your local elected officials have taken an interest in our programs, and have joined us for today's luncheon. I'd like to extend my greetings to the Honorable Mary Collins, a Dade County Commissioner, the Honorable Julio Martinez, the Mayor of Hialeah (HY-a-lee-a), and to Lewis Morse, a member of your House of Representatives.

Miami is world renowned as a center for tourism, trade, and international banking. And this bilingual, multi-cultural city is without question one of the most important international gateways to the United States -- especially for Latin America and the Caribbean. And of course, the Cuban community is at the heart of so much that goes on in this city.

I'm just happy we have one of your Cuban community's distinguished citizens working for us at the Department of Transportation. I'm referring, of course, to Alicia Casanova, who does an outstanding job heading up our Office of Small and Disadvantaged Business Utilization. She's a Miamian you can all be

proud of. My hat's off to her, as well, for what I understand has been a very successful Transportation Marketplace. Judging from the attendance, I'm certain that's the case.

I'm delighted to see that so many minority and women entrepreneurs have come to check out potential business opportunities at the Department of Transportation and the many other government agencies represented here today. I can assure you that we at the Transportation Department are doing everything we can to bring you on board as partners in our important work.

Alicia's office is pivotal in our efforts to see that DOT's programs and services are available to disadvantaged business enterprises searching for federal contracts. During the last fiscal year, more than \$3 billion of DOT funds found their way to minority, women-owned, and disadvantaged businesses throughout the country. It's important to note that during the same period, DBEs received \$544 million in direct DOT procurements. That includes 8 (a) awards and subcontracts with major DOT prime contractors. DBEs received about \$29 million of the subcontracting opportunities of DOT prime contractors.

All that is proof positive that those of you in this room can play an important role in the countless transportation projects our Department gets involved in every year. Naturally, you can't talk about transportation without talking about the economy in the same breath. The two go hand-in-hand.

And I know I don't need to remind you that the economy is on everyone's mind these days -- especially the President's. From my vantage point at the Department of Transportation, I can see very clearly that economic recovery -- getting our economy back into the passing lane -- is President Bush's number one priority.

A key part of the President's economic recovery plan includes empowering local and state governments to accomplish many of the things that they've already set out to do. He has also directed cabinet departments and federal agencies to speed up pro-growth expenditures as quickly as possible -- and you in Florida are full partners in the process.

This injection of federal dollars into the economy is having a positive effect throughout the nation. People are going back to work, and new and good jobs are being created. Payrolls increased last month alone by 164,000 jobs.

Many signs show that we truly are on the road to recovery. In January, Americans bought more homes, as sales jumped nearly 13 percent. Even orders for durable goods were up in January by 1.5 percent. I'm glad to say that increase was led, in part, by transportation-related purchases. In February, according to recent figures, Americans spent more on consumer goods, as retail sales were up in many outlets.

Every one of the President's recent pro-growth initiatives will add momentum to this upswing. The creation of a 15 percent investment tax allowance -- providing first time home buyers a \$5,000 tax credit -- cutting the capital gains tax rate -- these are just some of the President's sound, common sense solutions to get Florida and the rest of the country moving again.

We at the Department of Transportation are among the President's front line troops in his effort to put America back to work -- thanks to a revolutionary new surface transportation bill he signed last December. It's called the Intermodal Surface Transportation Efficiency Act -- ISTEA, for short.

When the President signed the bill, he opened the door for release of \$11 billion in federal highway obligations -- monies to be used by state and local governments solely to rebuild and maintain the nation's

transportation system. He also ordered us at DOT to expedite the release of these dollars as quickly as possible -- in order to support more than 600,000 jobs this fiscal year.

Here's what ISTEA means for Florida. In fiscal 1992 alone, Florida will receive over \$705 million in federal highway funds. That's an increase of 35 percent over the previous year. And that translates into support for as many as 40,000 jobs. Over the 6-year life of the surface transportation act, Florida will get \$4.5 billion. At this point, we're pleased that Florida is keeping pace with the rest of the country in getting those federal dollars out to the business community that actually does the work of transportation construction. We at DOT stand ready to assist in whatever way we can to keep up the momentum.

Our new transportation act -- ISTEA -- does more than create jobs. It does something that I think is long overdue. It puts more power in the hands of state and local governments to decide how transportation dollars should be invested. That's because President Bush knows that the best decisions about how public money is spent don't come from Washington, but the local folks closest to where the action is.

As never before, state and local governments have the "right" to use a large portion of federal funds for transportation projects as they see fit. This includes the ability -- for the first time ever -- to transfer up to 68 percent of highway dollars to transit projects. A major portion of transit monies is also now available for the funding of highway projects -- if state and county decision makers decide that is where the needs are greatest.

As the name of our new act indicates, "intermodalism" is an important feature. This is our emphasis on creating more efficient connections between the different modes of transportation. It promotes a seamless movement of people and goods through our ports and on our highways, over our railroads and transit lines, and better links with our airports.

Another unique aspect of ISTEA is the greater opportunities it provides for the private sector in transportation. The President believes, as I do, that the private sector -- free enterprise -- has a significant role to play in our transportation system. Up until now, in too many respects, entrepreneurs have been kept at arms length. Today, with all of this changing, I hope

that many of you will become active leaders in the revitalization of Florida's transportation infrastructure.

Like the President, I'm also a believer in high tech solutions to many of our problems. That's why our new transportation act increases the federal investment in innovative technological developments such as the Intelligent Vehicle Highway System, or IVHS. We're promoting this system to cut down on the billions of hours Americans waste in traffic congestion every year.

Florida is on the cutting edge of this new transportation technology, and stands to receive substantial funding under ISTEA. In fact, we're already engaged on projects in Florida that are testing this advanced technology.

Next week, our new Transportation Secretary, Andrew Card, will be in Orlando to kick off the actual operation of our \$12 million TRAVTEK project, the most advanced project of its kind in the country. One hundred vehicles -- 75 of them rental cars -- will be equipped with state-of-the-art technology that can provide drivers with instant data on all kinds of useful information. For example, right in the convenience of their own car, drivers will be able to find out what is the fastest way to get from point A to point B. And that's taking current traffic conditions into consideration.

Drivers will also be able to get up-to-date information on motels, restaurants, and tourist attractions -- vital information in this popular state.

Right here in Miami, we're working to establish an IVHS corridor system on I-95 between Miami and West Palm Beach. This system will provide up-to-the-minute information to help travelers make the best decision on which route to take when traveling in the metropolitan area. We have already designated \$5 million federal dollars for this project, with more almost certain to come.

ISTEA gives uncompromising attention to safety -- a top priority of the President and Secretary Card. The President called for -- and got -- increased funding for safety programs on our highways. This includes authority for states to get tougher than ever on drunk and drugged drivers. In fact, because of the Administration's initiatives in this area, the United States now has the lowest highway fatality rate since records were kept.

So the new transportation act is without question one of the President's major initiatives to revitalize the economy. It's a highway bill; it's a mass transit bill; it's a safety bill; and it's a jobs bill all rolled into one package.

But jobs aren't being created just on the ground. We have a plan in place that will spur business in the aviation sector, as well. A new tool for this economic boost is what we call the passenger facility charge, or PFC. This is a user fee of up to \$3 that airport authorities can assess departing passengers getting on an airliner at their airport. Airports must get approval from the Federal Aviation Administration for capital improvement proposals to be funded by PFCs.

I'm aware of five airports in Florida that have expressed an interest in PFCs. In fact, Sarasota-Bradenton has already submitted an application to the FAA for permission to raise \$65 million for capital improvements at their airport. Two other airports [Pensicola Regional, Southwest Florida Regional] have consulted with the airlines on PFCs. And we've learned of another two [Orlando, Tallahassee] that are considering this new concept.

The President's economic agenda isn't just limited to the wise investment of tax dollars, or steering economic decision making closer to local authorities. He also wants to make sure government isn't hindering economic growth through excessive or unwise regulation. That's why the President has ordered a 90-day moratorium on new regulations while we review

the ones we have to ensure that jobs aren't being lost to excessive or unneeded regulation.

I'm proud to say that DOT was the first federal agency to solicit comments from the public on regulations that could be revised or eliminated. We're already reviewing a stack of comments two feet high that we've received so far.

Overall, America's transportation system is the envy of the world. And the President has, as you've just heard, mapped out a plan that ensures we'll stay on top.

- It's a plan that increases investment in our nation's infrastructure ...
- That gives state and local governments more responsibility for their own transportation needs ...
- That creates opportunities for private sector investment and involvement in transportation ...
- And that encourages technological advances to revolutionize surface transportation.

I hope that all of you business men and women out there will check into the opportunities we at the Department of Transportation have to offer. We want to take advantage of your entrepreneurial skills. We

want to join hands with you in a partnership to take America forward.

Thank you very much.

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DEPUTY SECRETARY OF TRANSPORTATION JAMES B. BUSEY
HELI-EXPO '92 VIDEO
MARCH 22-24, 1992
LAS VEGAS, NEVADA

To everyone participating in HELI-EXPO '92, I am very pleased to extend my best wishes. I participated in the 1991 Rotorcraft Roundtable, and found that to be a very useful forum. I also visited the HELI-EXPO '91 exhibit hall in Anaheim, and I was impressed by the number and variety of helicopters and related products on display there. I understand that this year's show is even bigger -- 15 percent bigger. Congratulations!

I'd like to report on one notable accomplishment of my visit to HELI-EXPO '91 -- the Workshop on Helicopter Operators Economics sponsored by the FAA and the Helicopter Association International. The FAA staff told me the Workshop was a success, and I was delighted that the operators showed a willingness to work together in this important area. As we keep the pressure on to understand and control operating costs, we must not forget that a strong link exists between economic viability and safety.

As FAA Administrator, I enjoyed my contact with HAI. I looked forward to meeting with the Board of Directors and seeing Frank Jensen in Washington. I was also happy to contribute on a regular basis to ROTOR magazine. Writing the "Ask the Administrator" column

gave me a chance to focus on a specific issue of current interest within the industry.

In closing, I would like to reaffirm my strong conviction that helicopters and vertical-lift machines are an essential component of our nation's transportation system. Reasonable improvements to our infrastructure -- such as providing sufficient numbers of well located, public heliports -- would enhance their role even more. I have no doubt that with today's helicopters and tomorrow's new technology -- including tilt-wing and tilt-rotor -- the Helicopter Association International will enjoy an increasingly prominent role in the U.S. transportation community.

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