

DEPUTY SECRETARY OF TRANSPORTATION JAMES B. BUSEY
McLEAN ROTARY CLUB
MAY 5, 1992
McLEAN, VIRGINIA

Transition from military gov't service to civilian gov't service.

- Decision to return -- Naples, Italy.
- Interviews.
- FAA job -- Why I decided to do it.

Adjustments to new life.

- Senate confirmation.
- Dressing / Driving.
- The FAA culture and I.
- Flying.
- The Congress.

Similarities and Differences.

- People / dedication / commitment.
- Procurement and Budget.
- OMB.
- The White House.
- Safety.

My views of FAA and DOT.

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DEPUTY SECRETARY OF TRANSPORTATION JAMES B. BUSEY
ASIAN PACIFIC AMERICAN HERITAGE MONTH
MAY 6, 1992
WASHINGTON, D.C.

Welcome to DOT's third annual celebration of Asian Pacific American Heritage Month. Asian Pacific Americans make up an important part of that rich ethnic tapestry that is the United States of America. And that is why President Bush has set aside this month to acknowledge and reflect upon the many ways our fellow citizens of Asian Pacific descent have enhanced American society and culture.

Many of the ways they've enhanced our lives are well known. Asian Americans have set a powerful example for all of us through the strength and solidarity of their families. A high proportion excel in education. Self discipline and entrepreneurship mark many of their business endeavors. Sacrifice, courage, and honor are traditions that Asian Pacific Americans have maintained from the Old World as they've settled in the New.

To all of you who are of Asian Pacific ancestry -- we welcome and appreciate your contributions to the American way of life. Keep up your good work as you strive with the rest of us to make America better.

We know that there will be many more of you in the years ahead. The 1990 census shows that Asian Pacific Americans were the fastest growing minority group in the country during the 1980s. While the national population grew about 10 percent in the '80s, the Asian Pacific American population grew over 100 percent. If success were gauged only by numbers, you would easily receive a winning score. That's because, as Asian Pacific Americans, you doubled your proportion of the American population in only ten years.

Now, I don't think I need to remind anyone here that some of the great American success stories are those of Asian Americans. I could recount many of them for you today. But I don't think that's necessary. Our keynote speaker is proof enough. William Houston is the second

highest ranking Japanese American in the Bush Administration. We're proud to have him with us today, we're looking forward to his remarks.

His success story, as well as all the other Asian American success stories, reminds me of that famous remark by Rudyard Kipling, the renowned British poet. He said, "East is East, and West is West, and never the twain shall meet." He said that in 1892, exactly a hundred years ago. Well, that was in another century and on another continent.

I suppose we can excuse Kipling for not be able to see ahead to the United States of the 1990s. Not only have East and West met in America, they are getting along quite well. Both benefit the other. America has been enriched by its Asian Pacifics, and many Asian Pacifics are prospering through the opportunities America offers.

I like how a successful Asian engineer described his own experience after founding a very profitable business in San Diego in 1972. He said: "My body was made in India, my science was learned in England, and my management philosophy comes largely from the Japanese, but I'm putting it all together in California."

Whether its California or anyplace else in the country, one thing's for sure: East is East and West is West, and both have met in America. And I think that's what Asian Pacific American Heritage Month is really all about.

So, enjoy yourselves today, take part in all the festivities, and have a good time. Thank you.

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DEPUTY SECRETARY OF TRANSPORTATION JAMES B. BUSEY
SECRETARY'S EXECUTIVE DINNER
MAY 11, 1992
WASHINGTON, D.C.

Good evening. It is a pleasure to be here tonight. And it is a special pleasure to have the privilege of introducing Secretary Card to you.

As you know, today marks the beginning of the Department of Transportation's 25th anniversary celebration. What you probably don't know is that yesterday was Andy Card's birthday. I think that coincidence of dates is symbolic -- a harbinger of new and good things to come both at the Department of Transportation and in the life of our new Secretary. Actually, this latest chapter in the life of Andy Card began to be written many years ago.

At a very early age, Andy was instilled with a love of politics and public service. I'm certain there are not many of us who had the kind of grandmother Andy had. When she'd invite her young grandson over for dinner, the conversation at the table was not the standard chitchat about friends and games and hobbies -- that kind of thing. No, Andy's Grandma insisted that the conversation focus on public service and the current events in the news! How's that for Poli. Sci. 101!

So Andy was inspired with a love for public service from childhood. I suppose it was inevitable, then, that he one day run for public office. What was not inevitable was the way he ran for office and the place he ran for office.

Historically, Massachusetts is not known as a place that has taken kindly to Republicans running for public office -- particularly the district from which Andy decided to launch his first race for the state legislature. Holbrook was a very blue collar area with Democratic registration running five to one. But Andy was undeterred. His love for people -- individual people, with all their burdens and concerns -- led him to get out there to meet people face-to-face as he campaigned door-to-door throughout his district. Despite the odds, he won; and the rest, as they say, is history.

That was 1978, and Andy Card soon became one of the first to support George Bush for President. Known, even that early on, as one of George Bush's "Four Horsemen" in Massachusetts, it was only a matter of time before he accompanied the President to the nation's capital. Of course, we all know what happened then: John Sununu ruffled feathers, and Andy smoothed them over. Naturally, being the President's Deputy Chief of Staff was a bit more complicated than that, but on that score alone, Andy's tenure at the White House qualifies as a success. In fact, praise for Andy's performance there has been universal.

Those of us who have had the privilege of working closely with him since he's taken the helm at Transportation, know firsthand how well-deserved his reputation is. He is people-oriented by virtue of his vocation as a politician. And he is issues-oriented by virtue of his training as an engineer. That combination, coupled with the fact that he is hard working and a quick study, promises to make Andy Card a great leader of our department.

Having become U.S. Secretary of Transportation so early in his career, reminds me of an incident in the life of Winston Churchill. Once, he and a group of political friends who had achieved high office relatively early in life were discussing their careers. Someone asked whether they had expected to be in their current positions by that time. They all answered, "No," except for Churchill, who was then British home secretary at the age of 35. His reply was, "Yes. Napoleon won Austerlitz at my age."

Now, I think Andy's much too modest for a response like that, but I'm willing to bet he's got every bit as much confidence as that. He has a right to be. Ten years ago, when he ran for governor of Massachusetts, he stressed a transportation concept that we are all now promoting called "intermodalism." His training at the Merchant Marine Academy and his love for maritime issues puts him in good stead to lead us forward to the first significant maritime reform legislation in decades. His engineering background will suit him well in a department of many diverse transportation technologies.

So, I think we all have a bright future to look forward to at the Department of Transportation. And here to tell us about it is Secretary Card himself. Mr. Secretary ...

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1.13
DEPUTY SECRETARY OF TRANSPORTATION JAMES B. BUSEY
DOT 25th ANNIVERSARY CEREMONY
MAY 12, 1992
WASHINGTON, D.C.

Good morning, ladies and gentlemen. I'm Jim Busey, the Deputy Secretary here at the Department of Transportation, and I'm pleased to welcome you to this festive event that marks our silver anniversary as a department. Just think of it -- 25 years of service to our country in one of the most important areas of life in America today -- transportation.

Every day, virtually every American is affected in some way by the work of those of us here at the Department of Transportation. Whether we're guarding the safety of our country's many transportation systems, or toiling on the cutting edge of transportation research and development, or enhancing the efficiency of present-day technologies -- we can all take great pride in the fact that we're making America a better place to live -- for ourselves and for our children.

So much depends on transportation -- the health of the U.S. economy, our quality of life, our freedom and mobility as a people, the unity of this great nation that spans the breadth of a continent. We do, indeed, have ample reason to commemorate today our 25 years of service.

In recognition of the foundation that has been laid in the past and in anticipation of what lies ahead, we've asked three groups of employees to lead us in the Pledge of Allegiance -- those who have been with the Department since the beginning, those who have recently joined us, and those who may well be employees of the future -- our DOT Tots.

After the Pledge of Allegiance, the U.S. Coast Guard Band will play our National Anthem, and then Captain James Goode will offer the invocation.

So, would everyone please rise for the presentation of the colors, the Pledge of Allegiance, the National Anthem, and the invocation. Please present the colors.

(After the invocation, you return to rostrum to introduce Secretary Card.)

That invocation reminds me of a small incident in the life of President Abraham Lincoln. At one point during the Civil War, a guest at a reception told Lincoln that back in his home state people were saying that the welfare of the nation depended on God and Abraham Lincoln. "You are half right," replied the President.

That kind of modesty and level-headedness also reminds me of Andrew Card, who calls himself -- and I quote -- "a regular guy who loves small towns, went to public school, married his best friend, and takes pride in public service." I don't know about you, but in a town with enough inflated egos to fill the Goodyear Blimp, I find that refreshing.

It's no wonder that Secretary Card is already beginning to leave his mark on the Department after only two months on the job. I know that many have expressed their appreciation for the keen interest he has shown in both the people and policies of Transportation. As President Bush said, he's "one of this town's best kept secrets -- a proven leader and a talented manager."

Secretary Card is no stranger to government -- either at the state or the federal level. Before taking the helm at the Transportation Department, Secretary Card served as President Bush's Deputy Chief of Staff and, before that, as President Reagan's Director of Intergovernmental Affairs. Before proving himself in the nation's capital, Secretary Card was a member of the Massachusetts House of Representatives for eight years, and served for six of those years in the Republican leadership.

And so it is now my privilege to present to you our leader, the Secretary of Transportation, Andrew Card.

(After essays are read and FAA Chorale moves in position of risers, you step to the rostrum.)

We are fortunate to have with us today the FAA Chorale to lead all of us in singing "Happy Birthday" to DOT as Secretary Card cuts the cake.

(After applause, you wrap up the ceremony.)

Please stand now for the retirement the colors, and remain at your seats while the Secretary and others leave the stage. You are all invited to stay for a piece of cake. And please stick around and enjoy the performance of the United States Coast Guard Drill Team. If you've never had the opportunity to see them in action, you won't want to miss their performance today.

Thank you for coming. Retire the colors.

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1.12

DEPUTY SECRETARY OF TRANSPORTATION JAMES B. BUSEY
BLUE RIBBON PANEL ON PILOT AND AIRCRAFT TECHNICIAN SHORTAGES
MAY 12, 1992
WASHINGTON, D.C.

On behalf of Secretary Card and myself, I would like to thank all the members who agreed to serve on this panel. I know this commitment entails some personal sacrifice, and I thank you for deciding to assist. What unites all of us here today is our life-long devotion to aviation safety and our unswerving dedication to maintaining the leadership position of our aviation industry.

I am especially pleased that Senator McCain could join us for the inauguration of this Blue Ribbon Panel. As a pilot and naval officer, his great courage, determination, and vision have been an inspiration to me, and to a generation of aviators. As a United States Senator, he has truly been a champion of aviation causes and we are grateful for his leadership. It is largely through his efforts that this committee was established.

Chairing our panel will be Lt. General Kenneth Tallman, USAF (ret.), President Emeritus of Embry-Riddle Aeronautical University. General Tallman earned his pilot wings in 1946 and served in a succession of fighter unit assignments, including aircraft carrier duty with the U.S. Navy. He served as U.S. Air Force Deputy Chief of Staff for Personnel from 1975 to 1977. General Tallman also has the distinction of being the eighth Superintendent of the U.S. Air Force Academy. This committee is fortunate indeed to have General Tallman as its leader.

Dan Beaudette, the FAA's Deputy Associate Administrator for Regulation and Certification, will act as the executive director of the panel and provide liaison between its members, the FAA, and the Department. Dan is the holder of an Airline Transport Pilot Certificate with Boeing 707 and 727 ratings. He is an officer in the U.S. Air Force Reserve who was called into active service as a troop transport pilot flying C-141s during Operations Desert Shield and Desert Storm. The FAA could not have chosen a better candidate to be this Panel's Executive Director.

Each one of you was invited to join this committee based on the depth of expertise that you can bring to the issues this panel has been charged to explore. Together, you represent a true microcosm of our aviation industry.

John Kern of Northwest Airlines and Michael Cohen of USAir are here to represent the commercial airline industry.

To give us the benefit of academic thinking, we have invited Rear Admiral Robert Shumaker, USN (ret.), a former Associate Dean at the University of North Dakota. Joining him is Vice Admiral William Lawrence, USN (ret.), who chairs Naval Leadership at the U.S. Naval Academy. Admiral Lawrence is President of ANA and was formerly Chief of Naval Personnel. Also with us from academia is Stacey Weislogel, an Associate Dean at Ohio State University.

Phil Boyer, the President of the Aircraft Owners and Pilots Association, will voice the views of general aviation. Other members of the panel will offer their professional perspectives: Walter Coleman is Vice President for Operations at the Air Transport Association. John O'Brien is Director of Engineering and Air Safety for the Air Line Pilots Association. Kingsley Morse, former chairman of the Regional Airline Association, and Lawrence Burian, President of the National Air Transportation Association, round out the list of trade and user group members.

Three members of the panel will contribute their special insight into the human resource problems associated with aircraft maintenance technicians, especially their hiring, training, and retention. These are John McIntosh, Vice President of Hughes Training Inc.; Raymond Goldsby, Manager of Maintenance Resource Development at United Airlines; and David Wadsworth, Executive Director of the Professional Aviation Maintenance Association.

And to contribute the broad industry perspective are Lt. General Thomas Miller, USMC (ret.); A. L. Ueltschi, President and CEO of Flight Safety International Inc.; Janice Barden, President, Aviation Personnel

International; and Vice Admiral Robert F. Dunn, USN (ret.), of the OHM Corporation, and also a former Chief of Naval Personnel and DCNO Air Warfare.

These eighteen blue ribbon members of our panel bring to their assignment a breadth of knowledge and experience which will enable them to assess clearly the true dimensions of our problems and to evaluate the range of responses which are available to us. I am confident that you will approach the question of pilot technician shortages with balanced judgment and acute insight, aware of the hazards which confront us, but, at the same time, alert to the opportunities for decisive action. Thank you for agreeing to serve.

It is now my pleasure to introduce a great American and a great inspirational leader and aviator, Senator John McCain of Arizona, the Ranking Minority Member of the Subcommittee on Aviation. Senator McCain . . .

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DEPUTY SECRETARY OF TRANSPORTATION JAMES B. BUSEY
TOTAL MODAL TECHNOLOGY DEMONSTRATION
MAY 12, 1992
WASHINGTON, D.C.

Good afternoon. Welcome to the Department of Transportation's "Total Modal" Demonstration of the Global Positioning System.

During my tenure at the Federal Aviation Administration, I had the pleasure of seeing a dramatic evolution take place in the applicability of the Defense Department's GPS technology for civilian use. I saw it transformed from a mere hope to become the key to the global aviation system of the future -- not just in the United States, but throughout the world.

Last September, at a major air navigation conference in Montreal, I announced our government's decision to make our \$10 billion 24-satellite GPS system available to the whole world for a ten year period, starting in 1993. The United States will offer it absolutely free of charge to all civil users.

The nations of the International Civil Aviation Organization 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.

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 Persian Gulf War, when our troops used hand-held GPS receivers to navigate across barren deserts. Now this military technology is about to enter civilian life with a speed that may surprise a lot of people, providing benefits that are impossible to predict today.

The Department of Transportation will play a major role in applying this new technology throughout the U.S. transportation system. In fact, we've already started. And that's why we're sponsoring today's demonstrations conducted by the United States GPS Industry Council. Here to tell us more about that is the Secretary of Transportation, Andrew Card.

Secretary Card has a degree in engineering and is an enthusiastic supporter of speeding up the transfer of technology from government laboratories to the commercial sector. He believes the time has come to direct 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.

Secretary Card is already beginning to leave his mark on the Department after only two months on the job. As President Bush said, he's "one of this town's best kept secrets -- a proven leader and a talented manager."

Secretary Card is no stranger to government -- either at the state or the federal level. Before taking the helm at the Transportation Department, Secretary Card served as President Bush's Deputy Chief of Staff and, before that, as President Reagan's Director of Intergovernmental Affairs. Before proving himself in the nation's capital, Secretary Card was a member of the Massachusetts House of Representatives for eight years, and served for six of those years in the Republican leadership.

It is now my distinct pleasure to present to you Secretary Andrew Card . . .

(When Secretary Card finishes and departs, you step forward and introduce video)

We now have a ten minute video that we'd like to show you. It helps explain how GPS technology works, and gives some examples of how the different transportation modes could utilize GPS. The video is entitled, "GPS: The 21st Century Utility."

(The word "utility" will be the cue to starting the video, at which point you step off the dais to sit at first row seat reserved for you. Following video, return to podium to introduce Bob Denaro [Di-NERO])

I would now like to introduce to you Bob Denaro. He represents the United States GPS Industry Council for this event and he will now conduct four live demonstrations of GPS applications.

(Again, step off dais to go to first row seat so you can view screen. After demonstrations, return to dais to open event for Q&A. A technical representative from each mode will be present to respond to questions about GPS applications to their mode)

Now, I'll be glad to take any questions you may have.

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I would like to thank everyone for coming, and invite you to review the displays provided by the GPS Industry Council.

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DEPUTY SECRETARY OF TRANSPORTATION JAMES B. BUSEY
"THE FUTURE STARTS HERE" CONFERENCE
MAY 13, 1992
WASHINGTON, D.C.

On behalf of all of us at the Department of Transportation, welcome to this conference in honor of our 25th anniversary.

While anniversaries are times to reflect upon the past, they are also occasions where it is quite appropriate to consider the future. This is what we chose as our focus for this anniversary and for this conference. In fact, the name we have given to both of them is: "The Future Starts Here."

We are looking today to you -- our speakers and participants -- to stimulate the kind of thinking we all need, at the Department and throughout the transportation sector, to keep our reservoir of ideas fresh and vibrant. Without new ideas and strategic thinking to guide them, we will not be able to keep pace with the times and continue to provide the kind of transportation services Americans have come to expect.

Strategic thinking and planning is not new to the Department of Transportation. The publication of the National Transportation Policy two years ago was our latest, most comprehensive effort to peer into the future so that we could make the wisest, most prudent, decisions today. That is a process that goes on continuously. Our silver anniversary, however, is a particularly good time to take a fresh look at the world around us. What developments have occurred that would lead us to reevaluate and adjust our long term view of transportation? That is a question that should linger in our minds throughout the course of this conference.

Special thanks are due our Assistant Secretary of Budget and Programs, Ms. Kate L. Moore, for spearheading this conference through the auspices of the Strategic Planning initiative that operates under her direction. Kate will be helping keep up the flow of the day's program.

Here to open the conference for us officially is our distinguished Secretary, Andrew Card. Perhaps President Bush summed it up best when he said that Andy Card is "one of this town's best kept secrets -- a proven leader and a talented manager."

Secretary Card is no stranger to government -- either at the state or the federal level. Before taking the helm at the Transportation Department, Secretary Card served as President Bush's Deputy Chief of Staff and, before that, as President Reagan's Director of Intergovernmental Affairs. Before proving himself in the nation's capital, Secretary Card was a member of the Massachusetts House of Representatives for eight years, and served for six of those years in the Republican leadership.

Ten years ago, when he ran for governor of Massachusetts, Andy Card stressed a transportation concept that is now part and parcel of our strategic thinking at DOT called "intermodalism." His training at the Merchant Marine Academy and his love for maritime issues puts him in good stead to lead DOT forward to the first significant maritime reform legislation in decades. His degree and experience in engineering will suit him well in a department of many diverse transportation technologies.

So it is now my distinct pleasure to present to you a man whose background ideally suits him for the job at hand, Secretary Andrew Card
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1.9
DEPUTY SECRETARY OF TRANSPORTATION JAMES B. BUSEY
DOT VOLUNTEER SPRING CARNIVAL
MAY 14, 1992
WASHINGTON, D.C.

Thank you, Kate, and good afternoon to all of you. It's truly a pleasure to join you today to lend support to one of DOT's most meaningful annual events -- the Volunteer Spring Fund-raiser.

Secretary Card and I would like to extend our sincerest thanks to the DOT Volunteer Committee for their dedication in coordinating events like this on behalf of all DOT employees.

Those of you who were on hand at our 25th Anniversary Ceremony on Tuesday heard Secretary Card and five former secretaries speak of DOT employees as "the absolute best in government." If you heard their remarks, you could tell, as I did, that each of them sincerely meant it.

You don't get compliments like that by strictly being good at your particular job. While it is always important for us to perform our jobs as best we can, it is equally important to think about our responsibilities as public servants. That means going beyond the standard call of duty to help contribute to the betterment of our communities. Your participation here today clearly shows that you take these responsibilities seriously, and I salute you for that.

While we all know it is easy to get tied up in the day to day demands of work and family, we public servants have a special responsibility to keep in touch with the needs of our community and to keep our jobs in perspective.

I'd like to encourage each one of you to do your part -- however small -- to get involved in some type of volunteer capacity. If you're unfamiliar with DOT volunteer activities, make an effort to learn more about what we do. From educational programs in D.C. public schools, to assistance for the homeless, to community clean-ups, to day care and

elder care support -- there are many types of charities that DOT actively supports.

Our Volunteer Committee does an outstanding job of getting involved in a wide variety of charitable projects. That means, in other words, that many of you can easily find something that will be on personal interest to you.

Secretary Card and I are counting on DOT employees to continue to set the standard for public service in this country. Thanks, again, for your participation here today. And please remember, make an effort to get involved.

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1.8

DEPUTY SECRETARY OF TRANSPORTATION JAMES B. BUSEY
WHITE HOUSE FELLOWS ANNUAL MEETING
MAY 14, 1992
WASHINGTON, D.C.

Good afternoon. Thank you, Magarita (Colmenares) for that introduction.

I suppose most of us speaking to you today and tomorrow believe -- or at least give the impression of believing -- that the fate of the nation hinges on their particular department or agency and its programs. Well, given that this year is the Department of Transportation's 25th anniversary, I probably won't be much of an exception.

We at the Transportation Department believe our responsibilities are vital -- if not for the fate of the nation -- then for safety and quality of life of our citizens. There's probably not a single American who isn't affected on a daily basis by the activities of the many organizations that comprise the Department of Transportation.

DOT is essentially a conglomerate of several operating administrations that oversee all facets of U.S. transportation with an annual budget of \$36 billion. We focus to a great extent on regulating the different transportation industries, with our primary mission being that of ensuring the safety of the traveling public.

At the head of the "conglomerate" that is the Department of Transportation is the Office of the Secretary. As we use the term, this includes the Secretary, the Deputy Secretary, and all the Assistant Secretaries who oversee the other nine organizations that make up the department. One by one, I'd like to explain briefly what these organizations do, focusing on those engaged in major initiatives this year.

You're all familiar with the Federal Aviation Administration, DOT's largest agency that employs half of our 109,000 people. I was the Administrator of the FAA for almost three years before assuming my present position. The FAA oversees our national airspace system and regulates all facets of general and commercial aviation. It also promotes

and assists in airport planning and development throughout the country.

Secretary Card recently sent to Congress a comprehensive proposal to renew our federal aviation programs. It provides more than \$15 billion for the FAA's capital investment programs over the next three years. That's a 25 percent increase over the funding of the previous three-year period. At the heart of the legislation are increased efforts to bolster research, modernize the country's air traffic control and navigation system, and expand our airport capacity.

Last year, we went through a similar effort to reauthorize our surface transportation programs, which primarily involved our Federal Highway Administration and our Federal Transit Administration.

After months of wrangling with Congress over substantive policy issues and billions of dollars in pork, what finally emerged was an historic \$151 billion, six-year piece of legislation that will leave its mark on this country for years to come. It has been hailed as the most significant transportation legislation since the creation of the Interstate Highway System during the Eisenhower Administration. It's called the Intermodal Surface Transportation Efficiency Act, or ISTEA, and this year we have to implement its many provisions across the country.

What makes the law so significant is that first word -- "intermodal." For the first time, the U.S. government is acting on the fact that the various modes of transportation operating throughout the country actually constitute a single intermodal transportation system.

This means that federal officials will no longer be deciding national highway policy separate from mass transit and railroad considerations -- or even issues involving our inland waterways and access to our seaports. Aviation initiatives will be deliberated from now on in tandem with ground transportation issues. After all, what good would a first rate aviation system be without efficient, affordable means of getting to and from airports?

A key component of our new intermodal approach is the flexibility we are giving state and local officials to decide how to spend federal transportation dollars. For example, should a city build more highways or expand its mass transit system to alleviate growing congestion? That's a question best left to local officials, and we're now giving them considerable discretion on how they use the money we give them to address the problem.

Our Federal Railroad Administration also provides financial assistance to key rail programs, particularly along the Northeast Corridor from Washington to New York to Boston. But outside of monitoring safety, we got out of the business of regulating the railroads over a decade ago.

As its name indicates, our National Highway Traffic Safety Administration oversees a variety of safety programs involving motor vehicles, including drunken driving and seat belt and air bag initiatives. It also conducts comprehensive tests of vehicles and regulates corporate average fuel economy standards.

Our Research and Special Programs Administration regulates the safe transport of hazardous materials by all modes, including through the nation's vast pipeline system. It also runs a Transportation Systems Center that provides research and analysis on a host of transportation systems.

The Saint Lawrence Seaway Development Corporation is another component of DOT. It is responsible for developing, operating, and maintaining that part of the St. Lawrence Seaway between Montreal and Lake Erie within the territorial limits of the United States.

While the U.S. Coast Guard is perhaps best known for drug interdiction and search and rescue operations on our territorial waters, it performs many other vital functions. It conducts safety inspections of commercial vessels and offshore structures. It guards the marine environment and ensures port safety and security. The Coast Guard oversees bridges and waterways and operates the nation's fleet of

icebreakers. The 45,000 men and women of the Coast Guard also stand ready to assist the U.S. Navy in time of war.

The U.S. merchant marine falls under the oversight of our Maritime Administration. 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.

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. By almost any objective measure, our goals have not been met.

Unless we act soon, the decline of the U.S. merchant marine will continue. We firmly believe, however, that our maritime industry can compete in world markets if we develop the policies that will permit it to happen. That is the challenge Secretary Card has taken on, and if he's successful, it will be the first major maritime reform in this country in decades.

So, all that, in a nutshell, is what the Department of Transportation is all about, along with some of the major initiatives we've embarked on this year.

I'll be happy at this point to take any questions you may have.

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DEPUTY SECRETARY OF TRANSPORTATION JAMES B. BUSEY
ARIZONA PARTNERSHIP FOR AIR TRANSPORTATION
MAY 15, 1992
PHOENIX, ARIZONA

Good afternoon. I'd like to extend greetings from the nation's capital, otherwise known as Disneyland Northeast! While Washington's a pretty serious place, there's enough fun 'n games and Mickey Mouse going on that I think it warrants that description.

It's good to get out into the country and talk to the folks like you who are really making things happen. And, as you might have guessed, there's nothing I like more than being with friends from the aviation community.

So I'd like to give special thanks to Senator McCain for inviting me out. As the ranking Republican on the Senate's Aviation Subcommittee, John's an effective spokesman and a real champion for aviation back in Washington. He's also the President's point man on aviation in the United States Senate.

We're all painfully aware of the tough times aviation is going through in this country. Whether it's commercial aviation, general aviation, air cargo, or manufacturing -- across the board -- the aviation industry is struggling. And one thing is certain, the tide is not going to turn for aviation until it turns for the economy as a whole. And here, I believe, we finally have grounds for hope.

The good news is that the economy is turning around. There is now a consensus that we are entering a genuine, sustained recovery. For instance, last week the U.S. Chamber of Commerce released its April Business Confidence Index. It hit a new high, rising over four points since February. Also last week, the Federal Reserve reported that orders for machinery and electrical equipment is up, as well as the production of motor vehicles and steel -- all this in tandem with widespread growth in home building and retail sales. Personal income, personal spending, and personal savings all increased in the latest figures to come out.

That's not all. The index of leading economic indicators climbed for the third straight month in March. The consumer confidence index gained more than eight points last month, its highest reading since last September. Our performance as the world's leading exporter continues to improve, which is good news for Arizona, with 120,000 jobs supported by trade.

Perhaps most encouraging of all is the surge in consumer spending that led to the two percent annual growth rate in the first three months of this year. It is believed that spending would have produced even greater growth had production kept up with sales. With inventories down \$26 billion, production will now have to be stepped up to meet increasing demand. According to *U.S. News*, the sales and inventory figures track those that occurred during the economic recoveries in 1971, 1975, and 1983. And guess what the average growth rate was in the second quarter of those expansions? Nearly 10 percent.

I recited that litany of economic good news to drive home the fact that we are on the road to economic recovery and to dispel any skepticism that we could be undergoing a false start, such as we experienced a year ago. Also, as I mentioned, we can't get aviation off the ground and flying without a sustained recovery of the overall economy.

Leading the charge in the President's war on the recession has been his freeze on new federal regulations and his move to trim down existing rules. It has been only three-and-a-half months since President Bush took this action, but already enough has been accomplished to save American consumers and workers between \$15 to \$20 billion a year. That's up to \$300 a year for the average American family. And that's why the President extended his moratorium for another four months. He's bound and determined to slash the red tape that is choking economic growth through excessive and unnecessary regulation.

I'm proud to say that DOT was the first federal agency to solicit comments from the public in response to the President's moratorium and

review. We have since reviewed every existing DOT regulation and found more than 300 that need to be changed to spur economic growth and efficiency. These changes, of course, will not jeopardize safety, which continues to be our top priority.

We're determined to weed out those rules that needlessly burden the aviation industry. Here are just three of the many actions we're taking that I think you'll be interested in:

- We want to help airports by requiring security systems in only the most critical areas, such as where airliners operate. This will save the country's 186 smaller and medium sized airports a significant amount of money.
- An alternative, optional noise certification procedure for light helicopters will save \$3 million a year.
- Private pilots will be helped significantly by phasing in, over time, the newer "Mode S" transponders.

As for general aviation, no regulatory burden can compare to the damage inflicted by the ever-increasing costs stemming from product liability lawsuits. They have virtually destroyed the light aircraft industry in the United States. The Bush Administration continues to push hard for product liability reform. But I must tell you, the fates of the two reform bills introduced in Congress last year aren't quite as promising as we hoped earlier in the year.

We recently held a summit on the issue with major manufacturers, the insurance underwriters industry, and numerous FAA and DOT officials and congressional staffers. We are now looking at specific ideas raised at that meeting to help us move the general aviation industry forward.

The simple fact is that general aviation is too important to ignore. It contributes more than \$38 billion to the U.S. economy and provides more than 530,000 jobs. Virtually all pilots learn to fly in small, single engine airplanes. And we depend on these same planes for a number of

essential services -- getting the sick and injured to treatment, protecting our crops, and hauling all kinds of freight -- to name a few. In a word, general aviation is a vital part of our national transportation infrastructure. It's a national asset that the country cannot afford to lose.

As for commercial aviation, let us hope the worst is behind us. If the recovery is in full swing by the third quarter of this year -- as the both Congressional Budget Office and the Administration's Office of Management and Budget predict -- then the industry can look forward to steadily increasing traffic demand.

To bolster the long term prospects of the U.S. airline industry, the Administration is attempting to introduce more competition in U.S.-European aviation markets. Secretary Card wants to negotiate new agreements with all European countries willing to permit U.S. carriers essentially free access to their markets. Such "open skies" agreements could be a \$1 billion boon for U.S. travelers, shippers, and communities.

We're under no illusions that it will be easy to negotiate open skies agreements, but with Europe struggling to establish a single market, now is the time to try. Already, we've taken a number of steps in this direction. We've eased restrictions on foreign investment in U.S. airlines and we've opened new gateway cities to foreign carriers without insisting on prior negotiations.

Now, I know that the aviation community here in Arizona is interested in our current talks with the Canadians. Canada is our largest international aviation market, but it is also one of our most restrictive, and our talks are designed to establish an open skies regime right here in North America between the United States and Canada. Both countries have already agreed in principle that we should liberalize our aviation relationship.

Looking to our neighbor to the south, you will be interested to know that the Department has authorized America West, Continental, and

Aeromexico to begin the first non-stop service between Phoenix and Mexico City beginning June 1.

The Bush Administration is pushing ahead on a host of other initiatives that promise to transform aviation in the United States. We are in the process of reclassifying U.S. airspace to conform with international airspace classification standards. The changes will be introduced in three phases, and will be fully in place by September of next year. At that time the familiar designations that you're all used to will be replaced by seven new classes of airspace. It won't be complicated. In fact, the very reason we're doing it is to simplify matters and make the airspace safer.

We're also moving ahead on a nationwide terminal area route program to help pilots avoid certain types of controlled airspace. We made a commitment to Congress that we'll have these routes developed in three years. The use of these routes will be strictly voluntary, and will in no way relieve pilots of the responsibility to comply with federal regulations. But they will make it easier to avoid the most congested IFR airspace and to navigate through and around busy terminal areas.

Reclassifying the airspace and creating the new terminal area routes will require substantive chart changes. Rest assured, we'll be getting the word out to FAA employees, inspectors, ATC specialists, pilots, and all segments of the aviation industry. We're going to mount an educational campaign that will use just about every conceivable means to get the necessary information into your hands -- press coverage, audio-visual materials, publications, training sessions -- whatever it takes. It'll be our biggest educational campaign in years, so stay tuned.

We're now well underway on another campaign that is the biggest in years -- our effort to expand the nation's airport capacity. Perhaps no challenge confronting U.S. aviation is more urgent than this one. No major city is exempt from the challenge. And there is no time for delay -- especially here in Arizona where aviation is your link to the world.

Your clear skies and great flying weather have already spawned a thriving aviation industry. The increase in air traffic here in the Valley of the Sun is nothing short of phenomenal. In 1951, Sky Harbor handled 241,000 passengers during the entire year. Last year, the count was 22.5 million. That means that every four days you do the same volume of business that occurred during the entire year of 1951. If that's what happened in Phoenix over the past four decades, what can we expect over the next forty years?

I think it's beyond dispute that you need some plan of action. The stakes are high in the fast-moving world of national and international aviation. Strategic planning is essential. Whatever action you decide to take will involve major issues of air space utilization and air space rights such as I alluded to a minute ago. This is one area where we in Washington can be of help. But you in Arizona must get the ball rolling.

Across the country, others are on the move. Atlanta's world class international airport has been a tremendous boon to their local economy. Dallas/Fort Worth was forward-looking, and is now reaping the fruit of its 1974 airport. In fact, they're now engaged in further expansion. Unfortunately, that was the last major airport built in the United States.

Denver's new international airport promises to increase capacity and reduce delays throughout the country's entire airspace system. That's why we recently approved their request to collect \$2.3 billion over the next 33 years to assist in the construction of five runways and assorted airfield work. The money will be collected through the new passenger facility charge -- or PFC. It's a boarding fee of up to \$3 which airports can assess for capital expansion projects, pending FAA approval.

The PFC is at the center of our efforts to expand capacity, promote competition, mitigate noise, and create local jobs. Fourteen have been approved already for close to \$3 billion. We're processing 36 more, which -- if approved -- would provide another \$8 billion to expand the country's aviation capacity. You'll be interested to know that Phoenix

has notified the FAA of its intent to submit a PFC application for \$188 million.

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

PFC funds can also be used on projects to improve noise compatibility. The noise issue is part and parcel of the Administration's efforts to expand airport capacity, and that's why we're opposed to additional noise restrictions. We think that voluntary agreements between parties can, and should, be the solution to lingering disputes on noise issues.

The last, but by no means least, initiative that I'd like to touch on is the bill that Secretary Card recently sent to Congress to renew our federal aviation programs. Our proposal provides 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.

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.

The Administration's bill provides for a continued high level of funding for grants-in-aid under the Airport Improvement Program. Also under this 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. As opposed to eight right now, up to twenty-five current or former military airports could compete for these increased funds.

In summary, the President's comprehensive bill to renew FAA's programs 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.

There can be no question that aviation is the wave of the future in transportation. In fact, aviation can do for our country in the 21st century what railroads and the interstate highway system did in the 19th and 20th centuries. They tied our vast continent together. They opened up new frontiers and linked our people together as never before.

Aviation holds that same potential -- but on an even larger, international scale. It only remains for those with vision -- including, I believe, those of you in this room -- to grasp the extent of that potential, and then to act upon it. Granted, it will take boldness; it will take courage; it will take a forward-looking, entrepreneurial spirit. But those who choose this course will, I believe, reap the harvest of the future.

Thank you.

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DEPUTY SECRETARY OF TRANSPORTATION JAMES B. BUSEY
NATIONAL AVIATION CLUB
MAY 20, 1992
ARLINGTON, VIRGINIA

Good afternoon. It's good to be back with old friends from the aviation community. Although I'm now dealing day-in and day-out with all modes of transportation, I want you to know that aviation is as near and dear as it's always been.

While I'm looking forward to working in the private sector, one of my big regrets will be that I won't have the kind of opportunities to deal with the aviation community as I've had over the last three years both at the FAA and now as Deputy Secretary.

State of the Industry

As we're all painfully aware, aviation is passing through turbulent economic weather in this country. Whether it's commercial aviation, general aviation, air cargo, or manufacturing -- across the board -- the aviation industry is struggling. On Monday, the airline industry announced the startling fact that scheduled domestic traffic fell almost five percent last month. And so far this year, domestic air traffic is down 1.1 percent from the same period last year.

The FAA's latest indicators of aviation performance are mixed at best. Over the past seven months, they show traffic down slightly from a year ago on domestic commercial flights, but international traffic is up over 20 percent -- much better than anticipated. In manufacturing, orders for commercial aircraft dropped 89 percent during the last quarter of 1991, but deliveries were up about 20 percent. In general aviation, aircraft shipments declined ten percent, but billings increased by 19 percent. These seemingly contradictory trends track the growth-recession cycle of the past few years. Operations at FAA control towers dropped for both commercial and general aviation over the last three months of last year.

All these figures pale in comparison to the fact that the U.S. airline industry lost \$6 billion in the last two years. Now, that's the bad news.

The good news is that the economy is -- finally -- turning around. And once the general economy picks up steam, we can be sure the aviation industry will be close behind.

The Rebounding Economy

There is now a consensus that we are entering a genuine, sustained recovery. For instance, the U.S. Chamber of Commerce recently released its April Business Confidence Index. It hit a new high, rising over four points since February. The Federal Reserve also reported recently that orders for machinery and electrical equipment is up, as well as the production of motor vehicles and steel -- all this in tandem with widespread growth in home building and retail sales. Personal income, personal spending, and personal savings all increased in the latest figures to come out.

That's not all. The index of leading economic indicators climbed for the third straight month in March. The consumer confidence index gained more than eight points last month, its highest reading since last September. And our performance as the world's leading exporter continues to improve.

I recited that litany of economic good news to drive home the fact that we are on the road to economic recovery and to dispel any skepticism that we could be undergoing a false start, such as we experienced a year ago. Also, as I mentioned, we can't get aviation off the ground and flying without a sustained recovery of the overall economy.

Industry Forecasts

And this is precisely what the FAA foresees for U.S. aviation over the next decade -- steady annual growth. We see domestic traffic increasing at an annual rate of over four percent, and international traffic doing even better at seven percent. The high rate of growth for international traffic is driven by strong growth in Pacific Rim and Latin American markets. Operations at FAA facilities should grow about two percent annually by 2003, roughly tracking the growth of the general economy.

We expect regional and commuter airlines, as well as business generated by general aviation, to grow faster than the major airlines.

New Commercial Air Fare Structures

How do the new structures for commercial air fares announced last month figure into this picture? Frankly, it's too early to tell. The dismal April figures I mentioned earlier can't give us an early reading. The new fares were only in effect for two weeks during April, and many of the new fares are based on a 21-day advance purchase.

All I can say at this point is that -- although the government's been out of the business of regulating fares for ten years now -- we're watching the situation closely and we're talking to the carriers on a regular basis. At this point, their opinions cover the spectrum, pro and con. The system simply needs more time to work itself out in the market.

Administration's Regulatory Review

While the airline industry simplifies its fares, the Administration continues to streamline its regulatory oversight of industry in general. About four months ago, President Bush ordered a freeze on new federal regulations and a paring down of existing rules. Already, this initiative has met with great success, saving American consumers and workers between \$15 to \$20 billion a year. That's up to \$300 a year for the average American family. And that's why the President extended his original moratorium for another four months. He's bound and determined to slash the red tape that is choking economic growth through excessive and unnecessary regulation.

At the Department of Transportation, we're determined to weed out those rules that needlessly burden the aviation industry -- except, of course, for those that secure the safety of the traveling public. Let me give you a rundown of some of the actions we're taking.

- We want to help airports by requiring security systems in only the most critical areas, such as where airliners operate. This will save

the country's 186 smaller and medium sized airports a significant amount of money.

- We're moving to create common international aircraft standards that could save U.S. manufacturers and operators up to \$1 billion a year.
- Industry could save \$1 million on each new aircraft design with a new category of FAA certification.
- An alternative, optional noise certification procedure for light helicopters will save \$3 million a year.
- Private pilots will be helped significantly by phasing in, over time, the newer "Mode S" transponders.

I trust you'll agree with me when I say we're taking our regulatory review with the utmost seriousness.

General Aviation -- Product Liability

As for general aviation, no regulatory burden can compare to the damage inflicted by the ever-increasing costs stemming from product liability lawsuits. They have virtually destroyed the light aircraft industry in the United States. The Bush Administration continues to push hard for product liability reform. But I must tell you, the fates of the two reform bills introduced in Congress last year aren't quite as promising as we hoped earlier in the year.

We recently held a summit on the issue with major manufacturers, the insurance underwriters industry, and numerous FAA and DOT officials and congressional staffers. We are now looking at specific ideas raised at that meeting to help us move the general aviation industry forward through whatever administrative and regulatory changes we can make.

The simple fact is that general aviation is too important to ignore. It contributes more than \$38 billion to the U.S. economy and provides more than 530,000 jobs. Virtually all pilots learn to fly in small, single engine airplanes. And we depend on these same planes for a number of

essential services -- getting the sick and injured to treatment, protecting our crops, and hauling all kinds of freight -- to name a few. In a word, general aviation is a vital part of our national transportation infrastructure. It's a national asset that the country cannot afford to lose.

Commercial Aviation -- Open Skies

To bolster the long term prospects of the U.S. airline industry, the Administration is attempting to introduce more competition in U.S.-European aviation markets. Secretary Card wants to negotiate new agreements with all European countries willing to permit U.S. carriers essentially free access to their markets. Such "open skies" agreements could be a \$1 billion boon for U.S. travelers, shippers, and communities.

We're under no illusions that it will be easy to negotiate open skies agreements, but with Europe struggling to establish a single market, now is the time to try. Already, we've taken a number of steps in this direction. We've eased restrictions on foreign investment in U.S. airlines and we've opened new gateway cities to foreign carriers without insisting on prior negotiations.

Airspace and Terminal Area Route Initiatives

The Bush Administration is pushing ahead on a host of other initiatives that promise to transform aviation in the United States. We are in the process of reclassifying U.S. airspace to conform with international airspace classification standards. The changes will be introduced in three phases, and will be fully in place by September of next year. At that time the familiar designations that you're all used to will be replaced by six new classes of airspace. It won't be complicated. In fact, the very reason we're doing it is to simplify matters and make the airspace safer.

We're also moving ahead on a nationwide terminal area route program to help pilots avoid certain types of controlled airspace. We made a commitment to Congress that we'll have these routes developed in three years. The use of these routes will be strictly voluntary, and will

in no way relieve pilots of the responsibility to comply with federal regulations. But they will make it easier to avoid the most congested IFR airspace and to navigate through and around busy terminal areas.

Expanding Airport Capacity

We're now well underway on another campaign that is one of our biggest in years -- our effort to expand the nation's airport capacity. Perhaps no challenge confronting U.S. aviation is more urgent than this one.

At the center of our efforts to expand capacity, promote competition, mitigate noise, and create local jobs is our passenger facility charge, or PFC. It is a boarding fee of up to \$3 which airports can assess for capital expansion projects, pending FAA approval. Fourteen have been approved already, and we're processing 36 more.

All told, when the PFC is in place at airports around the country, we expect airports to collect an additional \$1 billion every year for airport improvements. This money will go a long way toward getting our national aviation infrastructure ready for the 21st century.

PFC funds can also be used on projects to improve noise compatibility. The noise issue is part and parcel of the Administration's efforts to expand airport capacity, and that's why we're opposed to additional noise restrictions. We think that voluntary agreements between parties can, and should, be the solution to lingering disputes on noise issues.

FAA Reauthorization

The last, but by no means least, initiative that I'd like to touch on is the bill that Secretary Card recently sent to Congress to renew our federal aviation programs. Our proposal provides 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.

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.

The Administration's bill provides for a continued high level of funding for grants-in-aid under the Airport Improvement Program. Also under this 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. As opposed to eight right now, up to twenty-five current or former military airports could compete for these increased funds.

In summary, the President's comprehensive bill to renew FAA's programs 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.

Conclusion

And I believe many of you in this room, along with your colleagues in the defense community, are poised to play a crucial role in America's civil aviation future. Today, with the breakup of the Soviet empire and the end of the Cold War, I think the civilian sector is about to benefit from this country's tremendous military research and development programs in ways we couldn't have imagined just a short time ago.

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 in aviation. And I hope many of you here today will take

up that challenge -- a challenge that promises to keep America number one in the global arena.

Many of us here today have lived our aviation history and experienced our growth firsthand. From World War II prop aircraft; to the first jets; to our commercial jet progress from 707s through 757s, 767s, 747s, and MD-11s; to rocket ships; to the fantastic exploits of men on the moon; to the recent reminder that there is, in fact, a need for men and women in space. We will continue to grow and we will continue to move technology developed for military application into commercial aviation use. Stay engaged. Keep your energies and vision moving.

Thank you.

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DEPUTY SECRETARY OF TRANSPORTATION JAMES B. BUSEY
JEPPESEN SANDERSON INTERNATIONAL AIRLINE SEMINAR
MAY 20, 1992
BEAVER CREEK, COLORADO

Good evening. I'd like to extend greetings from the nation's capital, otherwise known as Disneyland Northeast! While Washington's a pretty serious place, there's enough fun 'n games and Mickey Mouse going on that I think it warrants that description.

It's good to get out into the country and talk to those of you in industry who are really making things happen. There's nothing I like more than being with friends from the aviation community.

And who better symbolizes U.S. aviation than Jeppesen Sanderson? There probably isn't a pilot anywhere in the country who hasn't relied on Jeppesen Sanderson at some point in his or her flying experience. In fact, I know that the FAA itself relies on Jeppesen for the latest in federal air regulations, since the Government Printing Office can't crank them out fast enough!

State of the Industry

As we're all painfully aware, aviation is passing through turbulent economic weather in this country. Whether it's commercial aviation, general aviation, air cargo, or manufacturing -- across the board -- the aviation industry is struggling. On Monday, the airline industry announced the startling fact that scheduled domestic traffic fell almost five percent last month. And so far this year, domestic air traffic is down 1.1 percent from the same period last year.

The FAA's latest indicators of aviation performance are mixed at best. Over the past seven months, they show traffic down slightly from a year ago on domestic commercial flights, but international traffic is up over 20 percent -- much better than anticipated. Operations at FAA control towers dropped for both commercial and general aviation in the last quarter of 1991. Of course, these figures pale in comparison to the

fact that the U.S. airline industry lost \$6 billion in the last two years. Now, that's the bad news.

The Rebounding Economy

The good news is that the economy is -- finally -- turning around. And once the general economy picks up steam, we can be sure the aviation industry will be close behind.

There is now a consensus that we are entering a genuine, sustained recovery. For instance, the U.S. Chamber of Commerce recently released its April Business Confidence Index. It hit a new high, rising over four points since February. The Federal Reserve also reported recently that orders for machinery and electrical equipment is up, as well as the production of motor vehicles and steel. Personal income, personal spending, and personal savings all increased in the latest figures to come out.

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We're under no illusions that it will be easy to negotiate open skies agreements, but with Europe struggling to establish a single market, now is the time to try. Already, we've taken a number of steps in this direction. We've eased restrictions on foreign investment in U.S. airlines and we've opened new gateway cities to foreign carriers without insisting on prior negotiations.

Airspace and Terminal Area Route Initiatives

The Bush Administration is pushing ahead on a host of other initiatives that promise to transform aviation in the United States. We are in the process of reclassifying U.S. airspace to conform with international airspace classification standards. The changes will be introduced in three phases, and will be fully in place by September of next year. At that time the familiar designations that you're all used to will be replaced by six new classes of airspace.

Our reclassification won't be complicated. In fact, one of our objectives in doing this is to simplify matters and make the airspace safer. It will increase the standardization of equipment and pilot requirements, as well as increase pilot understanding of air traffic control services. And it will finally bring the United States in line with the classification of the International Civil Aviation Organization.

We're also moving ahead on a nationwide terminal area route program to help pilots avoid certain types of controlled airspace. We

made a commitment to Congress that we'll have these routes developed in three years. The use of these routes will be strictly voluntary, and will in no way relieve pilots of the responsibility to comply with federal regulations. But they will make it easier to avoid the most congested IFR airspace and to navigate through and around busy terminal areas.

Reclassifying the airspace and creating the new terminal area routes will require substantive chart changes. Rest assured, we'll be getting the word out to FAA employees, inspectors, ATC specialists, pilots, and all segments of the aviation industry. We're going to mount an educational campaign that will use just about every conceivable means to get the necessary information into your hands -- press coverage, audio-visual materials, publications, training sessions -- whatever it takes. It'll be our biggest educational campaign in years.

With partners like Jeppesen Sanderson, we know we'll meet with success. Historically, you have played a leading role in getting the word out to the aviation community on new FAA initiatives. In fact, the interaction between Jeppesen and the FAA's Flight Standards Service is a model of what a public-private partnership should be all about. We look forward to strengthening this partnership in our campaign to educate the public on the new airspace system.

Expanding Airport Capacity

We're now well underway on another campaign that would never have gotten off the ground without the government and the private sector moving forward together. I'm speaking of our effort to expand the nation's airport capacity. Perhaps no challenge confronting U.S. aviation is more urgent than this one.

At the center of our efforts to expand capacity, promote competition, mitigate noise, and create local jobs is our passenger facility charge, or PFC. It is a boarding fee of up to \$3 which airports can assess for capital expansion projects, pending FAA approval. Fourteen have been approved already for close to \$3 billion, and we're processing 36 more,

which -- if approved -- would provide another \$8 billion to expand the country's aviation capacity.

All told, when the PFC is in place at airports around the country, we expect airports to collect an additional \$1 billion every year for airport improvements. This money will go a long way toward getting our national aviation infrastructure ready for the 21st century. Without it, I don't believe the growth of the industry will be able to keep pace with the rising demand of the traveling public.

PFC funds can also be used on projects to improve noise compatibility. The noise issue is part and parcel of the Administration's efforts to expand airport capacity, and that's why we're opposed to additional noise restrictions. We think that voluntary agreements between parties can, and should, be the solution to lingering disputes on noise issues.

FAA Reauthorization

The last -- but by no means least -- initiative that I'd like to touch on is the bill that Secretary Card recently sent to Congress to renew our federal aviation programs. Our proposal provides 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.

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.

The Administration's bill provides for a continued high level of funding for grants-in-aid under the Airport Improvement Program. Also under this 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. As opposed to eight right now, up to

twenty-five current or former military airports could compete for these increased funds.

In summary, the President's comprehensive bill to renew FAA's programs 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.

Conclusion

There can be no question that aviation is the wave of the future in transportation. In fact, aviation can do for our country in the 21st century what railroads and the interstate highway system did in the 19th and 20th centuries. They tied our vast continent together. They opened up new frontiers and linked our people together as never before.

Aviation holds that same potential -- but on an even larger, international scale. In some way or another, those of us in this room have been privileged to be a part of that pioneering effort. My hope is that as we forge ahead into a new century, we in the U.S. aviation community will approach our task with the same stamina and vision as our pioneering forbears of the last century. If we do, we -- like them -- will make America and American industry the envy of the world.

Thank you.

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DEPUTY SECRETARY OF TRANSPORTATION JAMES B. BUSEY
HARRIMAN AWARDS CEREMONY
MAY 29, 1992
WASHINGTON, D.C.

Good afternoon. It's a pleasure to join you for one of the railroad industry's most important events of the year.

The railroads hold a special place in America's history. They helped open up the frontier; they were -- and are -- a workhorse of U.S. commerce; and they opened up untold opportunities for Americans from all walks of life to get out and see the world.

One of the chief reasons railroads achieved their place in American life was their commitment to safety -- a commitment that has stayed with the industry to the present day. And that, of course, is why we're here today. We're here to honor those in the industry who have made particular strides forward in saving lives and preventing injury.

Rail Safety Continues to Improve

Not only are you committed, but you've acted on that commitment -- and with considerable success. Our 1991 data at the Department of Transportation show that employee injuries dropped again to the lowest number and the lowest rate since we've kept records. While we would all agree that even a single fatality is a grave loss, last year's total of 35 to on-duty employees was the industry's lowest on record. And the rate of deaths was about the same as the previous low set in 1985.

A few more trends also demonstrate the progress we're making. The accident rate for trains -- not counting those at highway-rail crossings -- declined to the second lowest level on record last year. And accidents at highway-rail crossings again fell -- for the second year in a row.

Industry is Committed to Even Further Progress

All this shows that the industry continues the good fight -- continues to implement new and reinvigorated safety programs. What

particularly heartens us at the Department of Transportation is the fact that you are doing this as a matter of your own private initiative.

For example, we're very pleased to see more and more employees identifying and resolving safety problems through your Total Quality Programs and similar efforts. When the Federal Railroad Administration promoted labor-management safety committees in the 1970s, the quality process was not yet an established management tool. But the concept was there. The FRA knew that employee safety is best served if employees themselves are active participants in designing and implementing workplace safety programs. This philosophy, of course, is as valid today as it was then, regardless of the way the program is packaged.

A couple of other examples serve to show how the industry continues to make important strides forward in safety. Several carriers have recently adopted new rules that prohibit employees from boarding or dismounting from moving equipment. Also, it can now be said that derailment prevention is an essential element of the industry's service commitment to its shippers, as well as being an obligation to employees and the public.

DOT is an Important Partner in Progress

The Department of Transportation -- through its Federal Railroad Administration -- is also an important partner in enhancing rail safety. We continue to strive to achieve for effective regulations, fair and vigorous enforcement, and special assessments. The best, most recent, example is the FRA's New National Inspection Plan that went into effect on January 1. It promises to better focus federal and state inspection resources on areas of greatest need.

Must Focus Battle on One Particular Front

Both of us -- industry and government -- have a way to go, however, on one particular front. I'm speaking of fatalities at highway-rail crossings and railroad rights-of-way. About 95 percent of the deaths associated

with railroad operations involve motorists, pedestrians, and trespassers at these points.

As you know all too well, nothing affects the work life of your employees more than being involved in an accident that leads to the death of another human being. Your crews often suffer considerable trauma themselves as a result of an accident -- even when they're not injured and are not at fault. And, of course, many times they themselves are at risk when they're involved in an accident with a gasoline truck or other heavy vehicle.

DOT's Agenda

It's these kind of considerations -- grim as they are -- that prompt us to action. And they're the reason we're placing new emphasis on the prevention of accidents at the crossings of highways and railroads. In addition to our support of Operation Lifesaver and our funding of crossing improvements, we're taking these further steps:

- We're engaging in direct contact with local law enforcement officials and developing training programs.
- We're sponsoring new research on how to improve highway signs and develop better warning systems for trains.
- And we've bolstered our efforts to get closures on one of every four of the nation's rail crossings by the end of the decade.

It was Emergency Order No. 15 -- the one that preempted Florida's ban on train whistles -- that was Gil Carmichael's own loud and clear signal about the importance of crossing safety. The fact is, the locomotive horn is the historic sound of safety at highway-rail crossings. Gil's action is already producing useful dialogue between communities and the railroads across the country.

Looking Ahead

So what does the future hold? As we can already see, the railroad industry will develop in many diverse ways in the years ahead:

increased intermodal traffic, high speed passenger corridors, more commuter service, and, of course, the industry will continue to transport large quantities of bulk goods. Competitive pressures, coupled with the flexibility provided by the Staggers Rail Act of 1980, will continue to produce strategies to drive costs down.

This trend could well mean that the country will rely more on small railroads for "retail" service, and could even lead to further reductions in management and supervisory ranks. Efficiency is essential to the competitive status of the railroads and the role of the United States in international markets. Nevertheless, we at the Department of Transportation maintain that these adjustments must be made with care and with appropriate attention to safety consequences -- a concern we're confident that the industry shares.

In a word, the Department of Transportation is committed to actively promoting an intermodal transportation system that can move passengers and freight with a high degree of safety. We will continue to reform safety laws that do not meet the needs of the 1990s. And we will examine all of our regulations to ascertain whether they are both necessary and effective.

Once again, I appreciate this opportunity to share this great annual tradition with you. And congratulations to today's winners!

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DEPUTY SECRETARY OF TRANSPORTATION JAMES B. BUSEY
DOWLING COLLEGE COMMENCEMENT
MAY 31, 1992
OAKDALE, NEW YORK

President Meskill, Mr. Chairman, Members of the Board, parents, and graduates, it is a great pleasure for me to join you this morning for this important occasion.

I'll do my best to keep my remarks as short as possible, because I'm reminded of a joke the President told the other day to the Naval Academy's Graduating Class. It's about a graduation speaker who goes on and on. Finally, a guy picks up the gavel and heaves it at him, misses, and hits a woman in the front row. The woman calls back, "Hit me again. I can still hear him."

For most of you graduates, I know it's been a long, hard four years -- if not longer. But I also trust you're thinking right now that it's been worth it all. At a campus where 95 percent of you commute and work either full or part time, I know I can say without equivocation: You've earned your degree. Congratulations for a job well done.

With your Dowling degree in hand, and all that hard work behind you, rest assured, you stand on firm ground as you head out into the job market and seek to begin a career.

Now, I know I don't need to remind anyone that it's not easy out there. The job market is not exactly booming. But the good news is that we are -- finally -- heading out of the recession. I have no doubt that the economy is now on the road to recovery. Practically all the numbers I'm hearing back in Washington point to better days ahead. Apparently, most Americans agree. The consumer confidence index shot up again this month for the third month in a row.

Now, I know that's the big picture, and each one of you is probably thinking, "That's good, but it doesn't mean much if I can't get a job." Well, to a certain extent, that's true. But it does mean that if you're hardworking -- enterprising -- persistent -- even imaginative -- then you

stand a good chance of finding a job. In fact, I'm certain -- given those ingredients -- you'll succeed in today's market.

But always remember, when the going gets tough, the tough get going. I think it's important to remind ourselves of this from time to time because, for most of us -- as you know firsthand -- the good things in life are not handed to us on a silver platter. But good things are there, and they are there for those who pursue them.

For me, that's meant, among other things, a lifetime in public service. And I want to tell you today that public service is one of the "good things in life" that you can pursue. I look back on my 37 years in the Navy and my last three years at the Department of Transportation with no regrets. If I had to do it all over again, I'd choose the same course. And I'd like to urge you to consider public service as an option -- not necessarily as a career -- but as one of the many things to which you can devote at least a few years of your life.

You're bright; you're talented; you're hardworking. I know that. You wouldn't be sitting here right now if that weren't true. And let me tell you -- whether it's the federal government or at the state and local level -- the public needs people like you. It's a fast-paced, competitive world out there, and the government -- no less than the private sector -- faces the challenge of keeping up with the times.

If you choose public service, I believe you'll find, as I have, that it is not only a very honorable profession, but one that will benefit you as much as the public. In my opinion, there's perhaps no better way to broaden one's horizons, to expand one's view of the world, or to be exposed to more interesting people than to work in government.

I don't believe I'm alone in that assessment. Just a few days ago, the Office of Personal Management released a major survey that showed that at least three-fourths of the federal government's white collar workers were satisfied with their jobs. As for the government's senior executives, nine out of ten said they were satisfied with their work.

As for the particular line of work -- whether in the public or the private sector -- there can be no question that transportation will be one of the most dynamic and challenging fields in the years ahead. Across the board, we see emerging transportation technologies that could dramatically change the way Americans live.

High speed trains and magnetically levitated trains could reinvigorate the railroads as a viable means of passenger travel in many parts of the country. Mass transit is a long way from reaching its potential in our congested cities. Advanced computer technologies are already being tested in automobiles that provide drivers with instantaneous, up-to-the-minute information on local traffic conditions. These developing technologies should save the driver of the future a tremendous amount of time by directing him or her along the most efficient route possible.

In our national aviation system -- and even international system, for that matter -- we're about to break away from the way we've done business for nearly 50 years. In fact, in not many years hence, we'll have an aviation system that will make today's look as outmoded as the Pony Express. And, as for that ancient pillar of international commerce -- the maritime industry -- President Bush is now crafting the most far-reaching reform of U.S. maritime law in over half a century.

I'm sorry I don't have time to elaborate on what's happening in these various modes of transportation, but I hope I've whetted your appetite. One thing is for certain, the transportation system of the future will be "intermodal." There's a growing consensus within industry and government that the divergent modes of transportation must be made to work together as never before. Melding our water, ground, air, and space systems into a single, seamless transportation system will be a formidable task. But one that is essential for the United States to remain competitive in the global economy of the 21st century.

This task will require institutions committed to the vision of a multidisciplinary, intermodal approach to transportation education -- institutions like your own Dowling College. Of course, nothing embodies

that vision better than your planned National Aviation and Transportation Center. This state of the art facility will channel Dowling's 24 years of aviation education into providing the foundation upon which a curriculum encompassing all modes can be developed.

I sincerely hope that all parties concerned will see this project through to completion. The National Aviation and Transportation Center holds tremendous implications not only for Dowling itself, but for Long Island and beyond. With the demise of the Cold War, we're seeing a massive downsizing of the U.S. military and its supporting industry. I don't need to remind anyone here what this has meant for Long Island. But, in this respect, I can say that for Long Island to find its future, it is going to have to look beyond its past. Long Island needs to find some means of funneling all its defense expertise into civilian, commercial pursuits.

It is my conviction that nowhere is that talent and skill more needed, and more applicable, than in transportation. And that is why I believe Dowling's National Aviation and Transportation Center is so important to the nation and to Long Island.

It was from here that Charles Lindbergh launched the age of intercontinental aviation when he took off -- alone -- for Paris 65 years ago. It was from here that over the past 24 years Dowling has provided the Northeast's most comprehensive aviation program. And I trust that it will be from here that many of the nation's future transportation leaders will be educated.

For those of you who are graduating today -- whatever field you have chosen for yourself -- I believe you have a bright future in front of you -- a future that offers countless opportunities to fulfill your own ambitions and to enhance the welfare of your country. I wish you the best, and Godspeed to each one of you.

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