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REMARKS PREPARED FOR DELIVERY BY
DEPUTY SECRETARY OF TRANSPORTATION ELAINE L. CHAO
COMMERCIAL SPACE TRANSPORTATION ADVISORY COMMITTEE
WASHINGTON, D.C.
OCTOBER 4, 1989

Good morning -- and welcome to the Department of Transportation. I know Secretary Skinner wanted to greet you personally today, but his loss is certainly my gain.

First, let me begin by specifically thanking Dr. Alan Lovelace for his devotion and leadership. No one could have done more -- or been a better spokesman for your interests here at the Department than Dr. Lovelace.

Second, I want to extend a broader note of thanks to all the members of COMSTAC for volunteering your time and making the commitment to development of a safe and competitive commercial launch industry. This Administration shares that commitment. Like you, President Bush and Vice President Quayle support an American space program second to none.

I would also like to congratulate Space Services Inc. of America and McDonnell-Douglas Corporation on their history-making commercial launches this year. I am confident that this superlative record will continue with

another successful launch tomorrow from Vandenberg Air Force Base in California.

Clearly, the U.S. commercial launch industry has made a very impressive start, and I look forward to congratulating you on the successful completion of many more launches listed on the Department's commercial launch manifest.

As many of you know, Secretary Skinner's top priority at the Transportation Department is development of a comprehensive national transportation policy. In addition to focusing on existing methods of transportation, such as railroads, highways, and aviation, a strong emphasis has been placed on the need to plan for future means of transportation.

The growing U.S. commercial space transportation industry is one of the most exciting components of that future. Its development will have an extraordinary impact on this country's economy, international competitiveness, and the everyday lives of Americans in the decades to come.

In the course of developing this policy, public opinion and feedback have played a critical role. Open meetings were held throughout the country in order to hear

views on transportation needs and ideas from key industry and consumer representatives.

Some of you participated in these forums -- and I thank you for your input. This COMSTAC meeting can be viewed as another opportunity to express your outlook on the future of commercial space transportation. I know these sessions will be productive for us -- and hopefully equally productive for you as well.

As this nation enters the dawn of the commercial space age -- and as policymakers begin to reflect on future transportation needs -- it is crucial that business and government rise to the occasion and lead the way in promoting a safe, responsible, and competitive U.S. commercial launch industry.

Thanks again for being here today.

REMARKS PREPARED FOR DELIVERY BY
DEPUTY SECRETARY OF TRANSPORTATION ELAINE L. CHAO
DISTRICT OF COLUMBIA CHAPTER
ASSOCIATION OF GOVERNMENT ACCOUNTANTS
WASHINGTON, D.C.
OCTOBER 5, 1989

Good afternoon, and thank you for that kind introduction. I am pleased to be here to share my thoughts on your seminar topic: "Management Controls: Today's Hot Issue."

As a government official, management control is a subject that I know well. As a resident of Washington -- and a newspaper reader -- I also think I know the reason why management control is today's "hot" issue.

Like many Americans, I have read about the events at the Department of Housing and Urban Development with both great interest and great sadness. It is clearly time to review management controls and take a closer look at how the government conducts its business.

As a manager, I have asked myself the basic question of what steps can be taken to keep an organization within the letter and spirit of the law. I believe the first step, as always, comes down to hiring qualified personnel. All the management control in the world is no substitute for the basic truth that a well-run

enterprise requires administrators with solid experience, integrity, and judgment. As many of you know, sometimes it is hard to find people who meet this basic standard. And mistakes, by definition, are always discovered after they occur.

The second step is to make sure that effective management control and accounting systems are in place.

Fortunately, Secretary Skinner and I inherited strong management systems at the Department of Transportation -- but we are certainly learning from the allegations at HUD and applying those lessons when looking at ways to improve Departmental operations.

As Secretary Kemp put it, the experience at HUD could be a blessing in disguise to HUD and other government agencies by focusing energy on reform and reorganization, and creating a political climate conducive to forceful action. As you all know, President Bush not only expects -- but demands -- no less in his Administration.

At DOT, the Inspector General is reviewing operations to determine if the Department's programs and systems are susceptible to management abuses. The IG is taking

a close look at fund collection controls, grant award processes, computer systems vulnerability to improper payments, and the adequacy of collateral on new guaranteed loans. The primary objective, as always, is to ensure that sound procedures and controls are in place and strictly applied.

So -- superficially -- the new "hot issue" of management controls may be in response to a scandal, but it presents a golden opportunity to review management problems -- and propose solutions.

At DOT, initiatives have been taken to establish a uniform system of oversight throughout our widely dispersed operations, and to improve monitoring and tracking of corrective actions.

Secretary Skinner has also issued a policy statement on program integrity to all employees, and directed that additional steps be taken, including:

- formation of a Program Integrity and Management Improvement Council, chaired by myself as Deputy Secretary, which includes all DOT modes at the Administrator or Deputy Administrator level;

- consideration of new procedures to link the management control review and reporting process with the budget process. This will ensure that material weaknesses will be linked, as appropriate, to the Department's annual budget request; and

- taking a fresh look at the Federal Managers' Financial Integrity Act and related processes for identification of additional vulnerable areas and opportunities for improvement.

The Secretary and I are personally committed to ensuring the integrity of the Department's programs. Through the Program Integrity and Management Improvement Council, senior staff members are made fully aware of their personal responsibility for hands-on management of individual programs and the need for high ethical standards in fulfilling this role.

It is imperative that all managers take advantage of this opportunity to renew their commitment to honest and efficient conduct of their offices -- and effective stewardship of the resources entrusted to them.

The Department also applies more stringent criteria for identifying and tracking internal control weaknesses than required by OMB. For instance, in 1988, the

Government-wide dollar criteria for reporting material weaknesses was established at \$10 million or 5 percent of a program's value.

At DOT, we monitor management control weaknesses using a dollar criteria of \$500,000 or 5 percent of program value. Problems are reported to the Secretary or myself, and corrective action is chosen and carefully tracked. This provides an early warning capability to identify potential material weaknesses and hopefully prevents further escalation of the situation.

New Departmental rules have been issued to improve management control processes, including:

- designation of a single senior level official in each mode with responsibility over field activities;
- establishment of a consolidated audit follow-up data base;
- management submission of final action reports documenting corrective steps taken; and
- IG concurrence with corrective action before removal from active follow-up tracking.

While the Department's record in some areas is impressive, much work remains to be done to ensure that all vulnerable areas are identified and that

appropriate corrections are implemented. I am convinced that this system will help us find out where more effective management controls are needed -- before a major breakdown surfaces.

The overall message to government managers is clear: Even if your main job function is policy oriented, you cannot afford to neglect operational duties and employee oversight.

This is not to say that every decision should be elevated to the top. Government managers must delegate authority within their immediate offices and to regional offices. We cannot allow the principle of delegation of duties to become a victim of what a few unscrupulous people might do without adequate supervision.

At the same time, it must be remembered that it is the people involved in the day-to-day delivery of federal programs who have the largest impact on program integrity -- and that people under your power are actually protected by stringent ethical standards.

It is also time to renew efforts to encourage employees to find the fortitude to make suggestions

which strengthen vulnerable areas and improve overall operations -- and to report fraud, waste and abuse.

President Bush has repeatedly expressed his desire to reinvigorate ethics throughout the federal government and achieve and maintain the highest standards of conduct during his Administration. He has correctly noted that it is a privilege to serve -- and we are in government to serve the people.

I believe that. I take his words very seriously. He has made all of us aware that he sets a high standard, a high code of conduct for us to live up to. By hiring the best, carefully monitoring standards of conduct, and ensuring an adequate management control system with checks and balances, we can make sure that private enterprise retains its good name and that government lives up to the public trust.

Secretary Skinner and I would like the Department of Transportation to represent the highest possible standard of ethical conduct. To reach this goal, we have made it clear that the example starts at the top, with zero tolerance for abuse of government resources. We have also moved quickly to force accountability and make sure that these checks and balances exist.

Of course, there are numerous other program and policy objectives at the Department. Stringent management controls do not guarantee that the job gets done, but it is one of the best guarantees of employee morale, productivity, and pride.

In the public or private sector, high ethical standards should not conflict with or obscure the goal of reaching program objectives -- and their lack is the surest path to failure.

For that reason, I hope that management controls are -- for today and always -- a "hot issue."

Thank you very much

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REMARKS PREPARED FOR DELIVERY BY
DEPUTY SECRETARY OF TRANSPORTATION ELAINE L. CHAO
ANNUAL TRANSPORTATION RESEARCH FORUM MEETING
WILLIAMSBURG, VIRGINIA
OCTOBER 11, 1989

Good morning, and thank you Dr. Harvey for that kind introduction. I am delighted to be here to participate in this forum, and to address some of the transportation issues I feel strongly about.

Let me start by expressing my admiration for the ambitious and comprehensive schedule of seminars on your agenda this week. It is very encouraging to see organizations like this gathering together to face head-on the major transportation issues facing America today.

For too long, too many Americans took transportation for granted. We expected it to be there when and where we needed it. Yet, creation of our transportation system took years of sustained effort and a strong commitment of resources by the public and private sectors.

Lately, we haven't been keeping up. Outlays for capital investments in public works have declined steadily over the past quarter century, until today they

account for just slightly more than 1 percent of GNP, compared to twice that in 1960.

Even as new capital investment has fallen off in the U.S., demand for transportation has increased dramatically. The Department of Commerce estimates that infrastructure use by industry alone will increase by more than 30 percent from 1985 to 1995. Vehicle miles of travel on the nation's highways have tripled since 1956, from 600 billion to 1.9 trillion miles. Such growth is projected to continue, reaching 3.7 trillion miles by the year 2020.

The Transportation Department calculates that in 1985, vehicles on U.S. freeways racked up one-half billion hours in delays -- a number that is expected to rise to 3.9 billion hours by the year 2005 if no improvements are made.

We at the Department of Transportation are committed to developing a comprehensive national transportation policy which responds to these facts. It is the fundamental motivation behind our effort to reach out to the American public and hear their views on the state of American transportation.

We seek a policy that will take the transportation system that has served us so well in the past -- and prepare it for the demands of a new century. That is what the national transportation policy is all about. And we want to be sure that no part of the country and no part of the transportation community is overlooked in the process of formulating this national policy.

So far, over 3,000 Americans -- including many in this room -- participated in 33 public hearings. We value the input of American citizens who use and depend on the U.S. transportation system. And once we have listened, there is another step: We intend to make decisions and move forward.

So, to any of you who may view this massive effort to form a national transportation policy as a waste of time and money, I say this: Every day, time and money is being wasted on a massive scale due to congested roadways and airports, as well as outdated regulations, legislation, and policies that hamper transportation of goods. In order to stop the hemorrhaging of dollars caused by clogged transportation arteries, we must correctly respond to public transportation demands.

I also believe that the expenditure of effort in developing a national transportation policy is the kind

of investment that will help this country stay competitive in world trade. How well this nation moves its commerce -- how quickly and efficiently our system transports passengers and freight -- will dramatically influence America's future as a trading nation.

It is no secret that many of our competitors have lower labor costs and enjoy government subsidies. In the global market of the 1980s, we're not just competing with foreign engineers and workers. We're competing against their schools, trade policies, health care systems, and perhaps most of all, their transportation systems.

David Aschauer, an economist with the Federal Reserve Bank of Chicago, argues that the reduced investment in transportation infrastructure is a root cause of the decline of American competitiveness because it directly affects the efficiency with which people and products are carried by motor vehicles. In other words, delays mean lost profits. This fact suggests that it is time for a new outlook on transportation, and recognition that roads and bridges, as well as air and rail services, are integral components of the delivery system. They have a direct effect on the "bottom line" for industry and consumers alike.

Transportation's importance to trade and economic growth demands a closer look at whether the nation's transportation infrastructure is doing its job. The statistics indicate that the system is struggling to meet present demand -- and is ill-equipped to meet the future. Aging roads, bridges, and ports represent more than minor inconveniences. They are symptomatic of inefficient and outdated transportation systems that could become obstacles to -- rather than instruments of -- economic growth.

Obviously, the decline of this country's transportation infrastructure is more than a mere nuisance. It's a kind of hidden tax -- money that could be used to replace aging plant and equipment, provide employee training, and do other things necessary to enhance productivity -- which is the basis of national economic health.

As many of us look at the future of transportation, we are concerned. We are concerned about the costs associated with preserving and enhancing that system to make it work in a changing international environment.

This raises the issues we heard the most about during the transportation policy hearings: That the greatest

problems facing transportation are regulatory interference and insufficient funding.

Historically, the federal government has played a major role, but that role is declining. The key task now is to find methods to encourage state and local governments and private industry to increase their commitment to rebuilding highways, bridges, railroads, mass transit, and airports.

Traditionally, highway and bridge programs have been financed largely by the motor fuel tax. Many states have increased their motor fuel taxes since 1980, and local governments have expanded their transportation spending, especially for operation and maintenance.

But no single source of funding, technical expertise, or management can address the complex challenges of rebuilding our infrastructure. Only through cooperation among federal, state and local governments and the private sector can we find the resources for building a transportation system that is responsive to the nation's needs.

The private sector role is particularly important. The driving force behind privatization today is stronger

because the need for restoration of the transportation infrastructure may exceed government resources at all levels. In short, we need the private sector like never before.

At the Department of Transportation, the Urban Mass Transportation Administration has been especially active in fostering private sector participation in transit projects. The operative word at UMTA is competition. The goal is to cut costs, get more capital construction for the buck, and increase operating efficiency.

We have also inaugurated a new approach to urban transit grants which gives preference to projects with a larger contribution from non-federal sources. For rail modernization, for instance, those who contribute at least half the costs from non-federal sources get preference.

The federal government, in turn, can contribute to a greater overall number of projects. It's a simple fact for the 1990s: Federal dollars stretch further if more is done at the local level.

You might call it "government the hard way," because it requires serious thought about what's needed and where to target limited resources. On the

other hand, it is government at its best -- improving public services and sharpening the sense of local involvement in solving transit problems.

Other steps need to be taken which recognize the non-federal role in building transportation infrastructure. Innovative financing, tolls, and other mechanisms should be used to a greater extent -- and the federal government needs to back up this kind of creative thinking.

To do this, federal laws must be changed. At present, the use of a single federal dollar in planning or building a road entails a long list of federal requirements. We are, however, moving in the right direction.

For the first time, the Surface Transportation Assistance Act of 1987 authorized tolls on pilot highway projects partially funded by federal money.

The Urban Mass Transportation Administration has implemented the Capital Cost of Contracting Policy. This program allows UMTA capital grants to pay for depreciation of privately owned transit equipment. There are now dozens of cities around the country using the new policy.

A special office of private sector initiatives within UMTA has been created to promote private sector involvement in public transportation. The agency works with communities, public agencies, and private interests to help create public-private partnerships in transit.

Another DOT effort is the challenge grant program. This is an effort to help small businesses respond to changing local transportation demands. The 'entrepreneurial services program' gives seed money to projects that reduce traffic congestion.

We have also established a technical assistance program to advise those interested in exploring private sector opportunities. This kind of hands-on support is critical to the success of any privatization program.

The fact is that government at all levels should treat the private sector as a valuable resource for meeting public needs. Those officials who lack the daring and creativity needed to manage public-private partnerships will find the going difficult. The public interest must be served -- and the public has an interest in capital investment offered by the private sector, as well as the continuing control exercised by government.

The ultimate goal is to allow local communities more say in designing systems to meet their needs. After all, even the fanciest transportation systems, supported by the most intense public relations program, will be unsuccessful if they don't take people from where they are, to where they want to go, when they want to go there, and at a price they can afford.

As Deputy Secretary of Transportation, I am committed to fostering an environment where competition can flourish. Restoring a measure of market incentives to transportation can only improve service to the traveling public.

I foresee an American transportation network which combines the best elements of the public and private sectors in a natural partnership -- a partnership that responds to changing needs and draws strength from the diversity of its participants.

This is why the most important ingredient in the national transportation policy may be fairness -- a sense of equity. Historically, if the American people see a job that needs to be done, and they know that the burden is distributed fairly, they are more than willing to contribute their fair share.

We still have the best transportation in the world. The challenge is to keep it that way. And the way to do that is by studying the problem, marshaling resources, and putting them to work in a long-range policy with a global perspective.

That is why it is so important that you are here today. The agendas of the various panels during your meetings this week are based on an acknowledgement that transportation is a critical competitive issue. This is exactly the type of analysis that needs to be laid on the table and applied to the policymaking process.

In order to lead with ideas, government policymakers must have information -- up-to-date and timely information from the best in the business. In other words, we need the input of men and women like you. The participants in this forum are a powerful force for progress in transportation. You are the doers and the thinkers.

Our transportation system is at the core of our economic vitality and growth. It linked our domestic markets in the 20th century -- city to city, farm to market -- and built a national economy second to none. Now that the world is our marketplace, we must look once more to transportation to give us the competitive edge.

In the past, the system served us effectively because our leaders set the right agenda and people from government and industry had the commitment to follow through.

We can -- and will -- do it again.

Thank you very much.

REMARKS PREPARED FOR DELIVERY BY
DEPUTY SECRETARY OF TRANSPORTATION ELAINE L. CHAO
"NETWORKING FOR COMMERCIAL SPACE TRANSPORTATION"
WASHINGTON, D.C.
OCTOBER 18, 1989

Good morning -- and thank you Stephanie for that kind introduction.

Let me begin by complimenting Stephanie Lee-Miller for her devotion and leadership. No one could be a better advocate for a strong commercial space launch industry in the U.S.

Your effort is an essential part of Secretary Skinner's effort to develop a comprehensive national transportation policy. In addition to focusing on existing transportation methods, such as railroads, highways, and aviation, a strong emphasis has been placed on the need to plan for future means of mobility.

The growing U.S. commercial space transportation industry is one of the most exciting components of that future. It will have an extraordinary impact on this country's economy, international competitiveness, and the quality of life for all Americans.

Space transportation has become a fiercely competitive international industry. The American commercial space industry -- which includes commercial space transportation -- is already a \$3.3 billion business

involving over 350 U.S. companies -- and it is expanding rapidly.

Whole new industries are developing as access to the unique properties of space increases. According to NASA, more than 30,000 "spinoffs" -- or secondary applications of aerospace technology -- have already emerged in new products and processes.

The unique physical properties of space -- the absence of vibration and contamination, the near perfect vacuum, and low gravity -- make it possible to manufacture materials of purity, uniformity, and strength far superior to those achievable on Earth.

Among the many possibilities are lifesaving medicines, mass quantities of flawless crystals for semiconductors, high-quality alloys and polymers, more sophisticated satellite technologies, and improvement in world-wide communications.

My point should be clear: These are tremendous dividends. The great "spinoffs from space" translate into new products and services to benefit U.S. competitiveness in world markets.

If the United States retains leadership in space, it will be through the vigorous competition of a free marketplace. Government support and guidance for

commercial space development is necessary, including access to federal launch sites and licensing of private and state government launch facilities.

U.S. officials should also pursue free trade and fair competition in launch services, and negotiate agreements necessary for continued commercial space development.

But perhaps most of all, the key to the future U.S. role in space may be found inside one of the basic building blocks of modern society: the classroom.

For years, government and industry have been sounding the alarm about the quality of math and science education -- and the dwindling pool of technologically proficient workers. Unless present trends are reversed, there will not be enough scientists and engineers to meet the needs of government, industry, and academia.

Consider these statistics:

- by the year 2010, the U.S could suffer a shortfall of more than half a million science and engineering professionals;
- the percentage of American students preparing for careers in science and engineering is falling steadily: College science majors declined by one-third over the

past 20 years, while interest in engineering fell by one-fourth since 1982;

- Women are 51 percent of the population -- but only 11 percent of all scientists and engineers;

- Among 13 nations participating in recent science achievement tests, the U.S. scored last in biology, 11th in chemistry, and 9th in physics;

- Federal agencies dominated by technical personnel, such as NASA, face the loss of staggering numbers of employees in the next few years due to retirement.

What can be done to reverse this forecast? President Bush and First Lady Barbara Bush have called on all Americans to participate in a national literacy campaign. I strongly believe that math and science literacy must play a central role in this effort -- and that the recruitment of women and minorities into the fields of science and technology should be a top priority.

There is really no choice. Look around you -- technology is everywhere. Automatic teller machines, CAT scans, laser surgery, electronic stock trading -- these advances and the positive impact they have on our lives are very exciting. At the same time, we must be concerned when educators warn us that today's

students are ill-equipped to function -- let alone excel -- in a technological world.

It doesn't need to be this way. I believe children are natural born scientists -- curious and eager. I also think most kids are interested in high tech. It's up to adults to nurture and develop that curiosity and direct it toward science and technology. These young minds may be the key to a continued strong U.S. space program -- and the development of a competitive private commercial space launch industry.

As America enters the commercial space age -- and as policymakers reflect on future transportation needs -- it is crucial that we have a well-educated, diverse work force to welcome it. And there are plenty of talented, bright young people -- including women and minorities -- out there just waiting to be inspired.

I am very proud of this Department's role on the cutting edge of a new era in the history of American space commercialization. I look forward to working to inspire our nation's young people of all races and both sexes to come along on this exciting journey.

Thank you very much.

REMARKS PREPARED FOR DELIVERY BY
DEPUTY SECRETARY OF TRANSPORTATION ELAINE L. CHAO
NATIONAL CONFERENCE OF THE ORGANIZATION OF CHINESE-AMERICAN WOMEN
WASHINGTON, D.C.
OCTOBER 28, 1989

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Thank you ----- and all the leaders of the Organization of Chinese-American Women for inviting me to speak this evening.

We all know how long and hard the leaders of the OCAW have worked at putting this Conference together -- and the many years of service to the community that the OCAW has rendered.

I have been looking forward to speaking here tonight. I speak to many groups, of course. Most are professional groups. Some are political. But tonight is different. Tonight is special. Tonight I feel that I am at home.

This conference is more like a family meeting -- and perhaps it is an opportunity to be frank with each other about where we are -- and where we want to go as Chinese-American women. Tonight, I want to talk about what our community is about what we have accomplished and about what our future as a community can and must be.

We are Asian-Americans. Many of us were born in other countries. Others are the children of immigrants. And still others have had families here much longer.

But whether Americans for generations or for just a short time, we all share the strength of our Asian heritage. Our heritage has nurtured within us devotion to family and community. It has nurtured an appreciation of the value of knowledge and education, of honesty and hard work, of self-sufficiency and self discipline. These values have formed the core of our success in this country.

As a group, we have the highest family income, the highest personal income, the highest scholastic aptitude test scores, the highest rates of college attendance, and among the highest level of representation in the nation's finest universities --relative to our numbers -- of all groups in America.

Asian-Americans have a higher percentage of self-employed people than any other ethnic group. Many of them are scientists .

I am concerned about the low number of Asian-Americans in the federal workforce, particularly in management positions. They are only a small percentage of the Senior Executive Service. Less than

100 SES employees in the federal government are Asian, of which more than one-half are technical employees.

Asian-Americans are an ethnic group on a roll. The fastest growing minority in the United States in percentage terms, we account for an estimated 2.1 percent of the population in 1985 -- a share that could grow to nearly 4 percent by the year 2000.

We, as an ethnic group, have the highest percentage of scientists and technologists in this country -- but the lowest percentage of managers and supervisors in the corporate world and the U.S. government.

By the year 2000, the population of Asian-Americans in the U.S. will be well over 3 percent--- and the talent pool in science and technology will approach 20 percent. One out of five scientists and technologists in this nation is going to be an Asian-American.

Only 2 percent (1,296) of the employees at the Department of Transportation are Asian-Americans. Only 3.3 percent (70,032) of the employees in the federal government as a whole are Asian-Americans.

We have the highest per capita incomes of all ethnic groups in this country

And yet for all that we as Asian-Americans have received from America and given in return, there is one

area in which have not been active participants. That area is politics.

It just isn't viewed favorably. We are more obligated than we think. We owe much to the magnificently decent and open country in which we have prospered.

I have found in our community an inclination to view politics as a defensive measure. For example, ~~X~~ we contribute to many candidates, but don't target it to candidates that support our point of view.

While Asian-Americans are major campaign donors, we have not used our contributions as leverage to advance their causes. Too often we have also held ourselves aloof from the political process by voting in relatively low numbers (comparable to other Americans of the same education and income) and not becoming candidates.

As campaign costs soar, the willingness of Asian-Americans to open their checkbooks should help us open more doors and exert more influence.

It is important to nurture the political networks that nurture candidates.

Too often, government is not a profession most Asian-Americans look at as a career opportunity.

I am not saying that we should favor one party over the other. There are candidates who support our values in both parties. But that's the point: we should at least be certain that the candidates we do support -- no matter what their label -- believe in the principles that we believe in.

Asian Americans are a sleeping fund-raising force to be reckoned with in the future.

In a nutshell, real respect in congressional cloakrooms comes by demonstrating that there is a new, potentially tough, kid on the block.

~~In politics, the ultimate test is electing our own.~~

Asian-Americans have yet to exert political power commensurate with their growing numbers and economic might.

Like many immigrant groups, Asians have concentrated on getting an economic foothold and educating the children -- rather than looking outward toward the larger community in terms of becoming players in American politics.

I think it is time for a new Asian-American political consciousness.

First of all, we have to vote. Asian ethnics have been less involved in politics than whites or blacks. In 1984, only 77 percent of California's Asian-American citizens were registered to vote, compared with 87 percent of whites and 88 percent of blacks. Asians also are reluctant to engage in political activity such as putting up posters or attending rallies.

This aversion to politics will not be easy to change.

If there is anything I have learned in Washington it is that people in politics value loyalty and respect people -- of whatever political persuasion -- who stand for what they believe in.

The key to politics is that we must be serious about our philosophy and values -- about the philosophy and values that have made America what it is. We must be clear about advancing these principles. We must approach politics with the same seriousness about the ends we seek -- the same determination and attention to detail with which we approach our business lives.

It is the duty not only of Asian-American - but of all Americans to become part of the political process.

There is also a great lack of Chinese-American leadership in our communities -- not just Chinese Communities or organizations. I'm talking about

mainstream organizations - PTA's, the local Kiwanis clubs, the local professional groups and churches. We need Chinese leadership in those communities to build bridges of mutual understanding and mutual benefit.

Tolerance and democratic pluralism are at the heart of our society -- but it takes a lot of work in neighborhoods, schools, workplaces, and government to make it all work.

To be an effective leader sometimes requires us to change our attitudes. Not only to active participation, but to full participation; not only to involvement, but to commitment; from self-interest to common interest.

We as Asian-Americans have much to give to the American political scene. Our heritage of moderation, of self-harmony and of rejecting quick gains and passing fads for the long-term good is just what is so often needed -- and so often missing -- from our nation's political life.

We may also benefit from a growing U.S. fascination with all things Asian -- in finance, technology, management, and trade -- with Asian-Americans uniquely placed to act as a bridge to America's Pacific-focused future.

I believe Asian-American business leaders could be of immeasurable service in the area of foreign trade -- helping other American businesses.

The thumping U.S trade deficit-- or if you want to look at it another way -- the trade surpluses of most Pacific Rim countries, is one of the biggest -- if not the biggest -- economic story of the decade. Although Japan comes first to mind, the Republic of China actually has a bigger surplus per capita with the United States.

One of the results of this trade imbalance is an even greater proliferation of Asian businesses in the United States as companies seek to invest their trade surpluses here and take advantage of the cheaper U.S. dollar.

I think Asian-Americans have a unique role to play in bridging the gap that exists culturally, politically and linguistically between the U.S. and Pacific Rim nations.

With America's need to understand and profit from Asia's growing success, it would be odd if the country did not follow the lead of business and take the advantage its Asian-American population gives it over much of the rest of the non-Asian world.

American businesses that want to do business in the Far East should look to Asian-Americans as potential business and trading partners. But it has to go deeper.

America must do more than merely study the production techniques that have helped Asia turn itself around. These techniques cannot be learned without an understanding of the values of Asian societies.

A mere Asian-American front man is not enough. There is an Asian style of doing business that must be learned. Too often, the American view is short-range, for immediate profit. Asians want to establish a relationship first. Trust means everything to them. If you can get them to trust you, they will do business with you forever. To achieve this, one must move slowly, take time to talk with them about many other things besides the deal at hand.

As I said at the beginning, I think of this as a family meeting. My family reflects that great debt owed by Chinese-Americans to this country To its opportunities.

This is our challenge tonight. This is our duty as Americans.

-----Lao Tzu, a great Chinese philosopher, conceptualized leadership in these words:

"If you fail to honor others, they will fail to honor you. But be a good leader who boasts little. When the job is done and your aims are fulfilled, They will say 'we did this ourselves.'

That's a wonderful concept.

We need to unify and to build on our strengths.

What are our strengths? Family, the love of education, concentration in science and technology, and the entrepreneurial spirit.

These are basic strengths -- strengths fundamental to the very development of the United States..

Asian
Chinese-Americans are America's secret weapon. Our role in enhancing America's technological and economic leadership will be expanded in the future.

This can also mean power.

Asian-Americans are an important part of this community's social and economic fabric. It is past time to tell the country that we're here.

Entrepreneurial talent and drive are very strong among Asian-Americans. This talent must be recognized and encouraged.

The perception of many people is that when more people come into the country you have to cut up the economic pie smaller and smaller. The reality is that the economic pie is an ever expanding pie.

I look forward to the day when Chinese- and all Asian-Americans not only feel at home in this country -- but feel as though they belong here.

Asian-Americans must become energetic about participating fully in charting this country's destiny. And we must never take a "close the door of Liberty after me" attitude.

Never let it be said that Asian-Americans hesitate in the face of success.

If we are to continue to make progress, we cannot retreat into our own culture.

We have always emphasized the importance of strong family, education, and equality.

As always, there is strength in unity-- there is a need to unify in order to build on our strengths.

Most of the recent and projected growth is due to immigration: Two out of five Asian ethnics counted in the 1980 census immigrated since 1970. In the first half of this decade, Asians made up nearly half of all legal immigrants.

Lao Tzu, a great Chinese philosopher, conceptualized leadership in these words:

"If you fail to honor others, they will fail to honor you. But be a good leader who boasts little. When the job is done and your aims are fulfilled, They will say 'We did this ourselves.'

That's a wonderful concept.

What are our strengths? Family, the love of education, concentration in science and technology, and the entrepreneurial spirit.

I frankly don't think the present heavy concentration of Asian-Americans in math and science will continue. It is only true for the first generation in America. First generation Americans stick to math and science because they don't feel their English is good enough for professions that require extensive language ability.

We Asian-Americans have so much to give to the American scene. Our heritage of moderation, of self-harmony and of rejecting quick gains and passing fads for the long-term good is just what is so often needed -- and so often ~~needed~~ ^{missing} -- from our nation's social dialogue.

We must acquire a tradition of involvement in American public life.

This is our challenge tonight -- and our duty as Americans.

America's Asian Destiny -- Wash Post

Let's face it: The economic center of gravity for this country has shifted to the nations bordering the Pacific -- and an accompanying dramatic realignment of America's economy away from the Atlantic and toward the Pacific. In 1960, America's trade with Asia was less than half its trade with Europe. By 1995, according to the President's Commission on Industrial Competitiveness, our trade with Asia could be twice that with countries across the Atlantic.

America's population is also being deEuropeanized. Europe today accounts for barely one of every 10 legal immigrants to the U.S. Over the next few decades, this new immigrant wave -- the largest since the massive migration from Europe at the turn of the century -- could transform the racial and historical identity of the country. The Population Reference Bureau now projects that by the end of America's third century, most Americans will be descended at least in part from non-Europeans.

To succeed in our third century, American entrepreneurs must reassess their western focus. American businessmen must not surrender the keys to their own future to other competitors.

From its beginning the United States has always been something of a 'world nation' -- drawing upon immigrants from various nations. Today this "asylum for mankind," as patriot Tom Paine described America during the Revolution, possesses greatest appeal in precisely those parts of the world -- Asia and Latin America -- that increasingly count as our most important markets and political partners.

I believe that these newcomers to America can help shift the nation from its traditional European moorings toward a more multiracial and multicultural identity.

American society is being remade in a global image, rather than a European one. More than 40 percent of all immigration is now Asian. One third of all Asians in the United States have come to this country since 1965.

By the 1970s, the march of Asians into the professions was well under way, although the general population did not really notice it until a decade later when the numbers grew from impressive to spectacular. Thirty percent of Chinese Americans in the 1970s were in medicine, education, engineering, or another of the

professions. The median income of the Chinese family is slightly higher than the American average, although more family members are also working. One out of four Chinese males have college degrees -- a ratio more than twice that of the national average.

As always, Asian-Americans have become prominent leaders in and managers within the nation's most important and promising high-tech companies. By synthesizing a business ethos bred in Asia with the American entrepreneurial spirit, these new Americans are helping their countrymen mount an effective economic response to competition from across the Pacific.

Throughout our history the United States has been repeatedly enriched by the movement of capital, people and ideas into our broad continent. America's technological supremacy, for instance, has its roots in the movement of scientists, inventors and technicians from Europe. In more recent times, Asians have become the most prominent source of new technological talent. Taiwan alone has sent nearly 100,000 students to the United States for graduate

Just as in past decades, our openness may prove to be our greatest asset. degrees. Of the 10,000 who have

earned PhDs, as many as four in five have chosen to remain.

Ultimately, America may become what Walt Whitman recognized over a century ago, that "America is the race of races."

And we must avoid being caught up in the backlash of the roller-coaster relationship between the United States and Japan.

Focus on the values of our ancestry -- not the race. I believe that will be the key to our political success.

I was encouraged to see the Chinese in San Francisco express their strong support of the Democracy movement in Beijing -- not divided as usual by ancestral ties to Taiwan, Hong Kong or the mainland.

Fighting for their place in the American dream, Asian-Americans give ample evidence that the country has only just begun to hear from them.

I hope this day marks some new ideas and new beginnings for you. There is no greater reward than knowing that you have served -- and served well.

Perhaps in a few years , it will be time to get your priorities in order -- and rename this organization the American-Chinese Organization -- America first.

Delivered

REMARKS PREPARED FOR DELIVERY BY
DEPUTY SECRETARY OF TRANSPORTATION ELAINE L. CHAO
AMERICAN TRUCKING ASSOCIATION
CHICAGO, ILLINOIS
OCTOBER 29, 1989

Thank you for inviting me to join you today. I am particularly honored to address the leadership of an Association that has been a tremendous force for progress in transportation. There is no better advocate for your industry than Tom Donohue -- and I'm glad to have this opportunity for a reunion with him, and to see other familiar faces that I enjoyed encountering in Palm Beach.

As I leafed through your program. I have to say that I was impressed by the ambitious and comprehensive schedule of seminars on your agenda this week. Again your organization is to be commended for gathering together to address the major transportation issues facing America today.

For too long, too many Americans took transportation for granted. We expected it to be there when and where we needed it. Yet, creation of our transportation system took years of sustained effort and a strong commitment of resources by the public and private sectors.

Lately, we haven't been keeping up. Outlays for capital investments in public works have declined

steadily over the past quarter century, until today they account for just slightly more than 1 percent of GNP, compared to twice that in 1960.

Even as new capital investment has fallen off, demand for transportation has increased dramatically. The Department of Commerce estimates that infrastructure use by industry alone will increase by more than 30 percent from 1985 to 1995. Vehicle miles of travel on the nation's highways have tripled since 1956, from 600 billion to 1.9 trillion miles. Such growth is projected to continue, reaching 3.7 trillion miles by the year 2020.

The Transportation Department calculates that in 1985, vehicles on U.S. freeways racked up one-half billion hours in delays -- a number that is expected to rise to 3.9 billion hours by the year 2005 if no improvements are made.

Nobody knows this better than your industry which contribute over \$250 billion to our nation's GNP. Eighty percent of everything we use in our daily lives moves by truck -- so it's safe to say that every consumer in America pays a price for this kind of inefficiency.

We at the Department of Transportation are committed to developing a comprehensive national transportation policy to respond to this fact.

We seek a policy that will take the transportation system that has served us so well in the past -- and prepare it for the demands of a new century.

If there is skepticism about the time and money devoted to this effort, I say this: Your membership knows that every day, time and money is being wasted on a massive scale due to congested roadways, as well as outdated regulations, legislation, and policies that hamper transportation of goods. In order to stop the hemorrhaging of dollars caused by clogged transportation arteries, we must correctly respond to public transportation demands.

I also believe that the expenditure of effort in developing a national transportation policy is the kind of investment that will help this country stay competitive in world trade. How well this nation moves its commerce -- will dramatically influence America's future as a trading nation.

It is no secret that many of our competitors have lower labor costs and enjoy government subsidies. In the global market of the 1980s, we're not just competing with foreign engineers and workers. We're competing against their schools, trade policies, health care systems, and perhaps most of all, their transportation systems.

Some economists argue that reduced investment in transportation infrastructure is a root cause of the decline of American competitiveness because it directly affects the efficiency with which people and products are carried by motor vehicles.

As the trucking industry well knows: Delays mean lost profits. This fact suggests that it is time for a new outlook on transportation, and recognition that roads and bridges, as well as air and rail services, are integral components of the delivery system. They have a direct effect on the "bottom line" for industry and consumers alike.

A deteriorated road costs as much as 30 percent more to use than a road in good condition. A transportation system riddled with crumbling bridges ultimately leads to lost jobs and sagging productivity. But a good road can do for a community what a cleanup hitter can do for a baseball team -- hit a grand slam.

The decline of this country's transportation infrastructure is also a kind of hidden tax -- money that could be used to replace aging plant and equipment, provide employee training, and do other things necessary to enhance productivity -- which is the basis of national economic health.

It stands to reason that if we can remove some of the barriers to your productivity, you in the motor carrier industry can move the nation. The question now is what do we do -- and how do we pay for it.

Historically, the federal government has played a major role, but that role is declining. The key task now is to find methods to encourage state and local governments and private industry to increase their commitment to rebuilding America's highways and bridges.

One emerging trend requires users to directly foot the bill for more of the services they use. You will see more toll roads and bridges. Whether imposed at the state or federal level -- probably both -- user fees will play a larger role in financing new and upgraded transportation facilities.

It is the intention of the national transportation policy that these financing mechanisms be directed as much as possible toward users of the service, and that the productivity rewards for users will more than pay for the investment.

Federal laws must be also be changed. At present, the use of a single federal dollar in planning or building a road entails a long list of federal requirements. We are, however, moving in the right direction. For the first

time, the Surface Transportation Assistance Act of 1987 authorized tolls on pilot highway projects partially funded by federal money.

While there will always be a prominent federal role in building and maintaining highways, it is critical that we not miss this chance to explore opportunities to restore to states and local governments more control over the surface transportation decision-making that has passed to Washington in recent years.

As owners and managers of most transportation facilities, states and localities are in the best position to identify needs, manage programs, and build and operate the systems. They are more able to meld private contributions with local needs and federal resources, as well as enact legislation for special districts, toll authorities, and other innovative financing mechanisms.

Many states have increased their motor fuel taxes since 1980, and local governments have expanded their transportation spending, especially for operation and maintenance.

But no single source of funding, technical expertise, or management can address the complex challenges of rebuilding our infrastructure. On the federal government's part, we can take other direct steps to

help the trucking and other industries do their essential job.

First of all, let me assure you that the gas tax will be placed in the Highway Trust Fund and used for transportation purposes only. The Administration opposes using any portion of the federal gasoline tax for deficit reduction.

Second, I was chairman of the Federal Maritime Commission, I saw the problem of handling of international cargo, and it will be our policy to seek international agreement on container standards and similar issues involving handling of international cargo. We can begin by exploring -- with shipping lines, motor carriers, ports, and shippers -- a shift to weight-based rates for container freight, and possible shipper assumption of liability for overweight containers moving on U.S. highways.

Third, the myriad state registration laws and uncoordinated state tax reporting systems cost your industry at least \$1 billion a year in compliance expenses. This is money that could be put into rolling stock, paving a highway, or fixing a bridge. Instead, it's wasted productivity. It is time for a coordinated effort by federal and state governments -- and the trucking industry -- to achieve uniformity.

Policymakers must also put more emphasis on maximizing the capacity and efficiency of the surface transportation system we have -- and come up with more versatile strategies for its utilization.

One initiative in this area is to find a new approach to inter-suburban transportation. Today, almost half the working population commutes from suburb to suburb -- and these decentralized office locations need millions of deliveries by truck every day.

The Department's Urban Mass Transportation Administration and the Federal Highway Administration have been asked to make suburban mobility a top priority. That's a major challenge for transportation planners, and it's a high priority at the Department.

We still have the best transportation in the world. The challenge is to keep it that way. And the way to do that is by studying the problem, marshaling resources, and putting them to work in a long-range policy with a global perspective.

Transportation linked our domestic markets in the 20th century -- city to city, farm to market -- and built a national economy second to none. Now that the world

is our marketplace, we must look once more to transportation to give us the competitive edge.

The men and women of the trucking industry play an essential role in increasing our competitiveness. We at DOT recognize and appreciate this reality and seek to work even more closely with you to resolve our mutual concerns.

Thank you very much.