

DEPUTY SECRETARY OF TRANSPORTATION
ELAINE L. CHAO
INTRODUCTION OF SECRETARY OF TRANSPORTATION SAMUEL K. SKINNER
MOVING AMERICA CONFERENCE
APRIL 11, 1991
WASHINGTON, D.C.

We've had a great line-up of speakers today, across a wide variety of businesses -- package delivery, consumer cards, telecommunications, education, and energy. Their comments carry both challenges and inspiration. And they represent areas that, as individuals and as participants in the transportation community, we need to take into account, because those areas -- from energy to telecommunications to education -- will all affect how we do business in the future.

That's the main theme for today's conference -- managing organizations effectively to meet the economic challenges of the 1990s and beyond.

It's a credit to the Department and to Secretary Skinner that this day has been set aside to cover a subject that's going to be the key to success for organizations in the future. Generally, it's private business leaders who receive the attention for taking a long-term strategic view of their jobs -- not cabinet secretaries.

It's not unknown but it is perhaps unusual for an Executive Branch department facing the day-to-day demands and crises that DOT does to have the management vision that Secretary Skinner has brought

to our department. He recognizes the importance of bringing people into the overall mission. He knows the value of vision, and of building the institution for the future. That is why the strategic approach to our business reaches not just to policy but also to our management of programs and our management of people.

I am proud to be part of that process and part of the Department that under Secretary Skinner is becoming known for our forward-looking perspective, our energy and our effectiveness. Without further ado, I'd like to introduce Secretary of Transportation Samuel K. Skinner.



Advisory Commission on Conferences in Ocean Shipping

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REMARKS PREPARED FOR DELIVERY BY
DEPUTY SECRETARY OF TRANSPORTATION
ELAINE L. CHAO
ADVISORY COMMISSION ON CONFERENCES IN OCEAN SHIPPING
APRIL 10, 1991
WASHINGTON, D.C.

Today we begin a task that Congress envisioned and wrote into law seven highly-eventful years ago when it included section 18 in the Shipping Act. The task they outlined is a deceptively simple one: Conduct a comprehensive study of, and make recommendations concerning, conferences in ocean shipping -- and within one year from the establishment of the Advisory Commission -- one year from today -- submit a final report to President Bush and to Congress containing the findings and conclusions of that study, including "recommendations for such administrative, judicial, and legislative actions" as are deemed advisable.

Obviously that one word -- "comprehensive" -- is going to be our first major challenge; one that we will be grappling with this afternoon when we discuss and define the Advisory Commission's scope of inquiry.

And one of the factors that I hope will make both the definition of scope and all our future deliberations relatively smooth affairs is the fact that much groundwork has already been done on the section 18 issues -- much of it by Advisory Commission members.

Many of us here today have been engaged, off-and-on during the past several years, in researching, analyzing, discussing and debating the key section 18 issues. We've read each others' position papers and written rebuttals to them. We've helped organize coalitions, made speeches, and given interviews to the trade press. In fact, as I look around the room, I see so many familiar faces that today feels much more like a reunion to me than a new beginning.

It is, of course both. And I, for one, am grateful that that's the case. The deceptively simple mandate that I just outlined is, as we all know, far more complex and challenging than it first appears. And when I look ahead at what we will be trying to accomplish together, it's clear how invaluable all those previous contacts and shared efforts will be.

One form that contact took was the considerable industry input that went into the 5-year study that the Federal Maritime Commission completed in late 1989. In fact the FMC's Section 18 Advisory Committee provided something of a dress rehearsal for today's Advisory Commission.

We will be reviewing the highlights of the FMC's report later today, along with the subsequent reports by the Federal Trade Commission, and the Departments of Justice and Transportation. But I do want to note -- by way of introducing the Advisory Commission's staff -- that each of those agencies has provided some much appreciated assistance to the Advisory Commission in the form of knowledgeable, hardworking staff members. Let me introduce them to you.

Florie Liser, the Executive Director of the Commission staff, is an international trade policy analyst and economist who most recently served in DOT's Office of International Trade and Transportation.

Sandy Kusumoto, an economist and Deputy Director of the FMC's Bureau of Economic Analysis is on loan to us for the duration, as is

- Kathleen LaMarre, who will be serving as the administrative assistant.
- Ruth Dicker is an attorney from the Department of Justice's Antitrust Division, and
- James Reitzes, an economist, is on loan to us from the Federal Trade Commission.

Our staff, as you can see, is a fairly small one -- but they make up for in quality what they lack in number. I am delighted to have each and every one of them working here. And, as the year progresses, I know that you will all come to share my confidence in their ability and commitment.

In just a moment, I am going to ask those congressional members of the Advisory Commission who were able to be here this morning to offer some informal opening remarks of their own, but before I do I would like to say a special word to the members of the maritime industry and general public who are here this morning as observers.

We are delighted to have all of you in the audience today. We take your presence as a tribute to the importance of the work the Commission will be doing and of the great interest that the trade and maritime community takes in our deliberations.

The Advisory Commission is, and will be, engaged in a very public undertaking -- one open to inspection and participation by all interested parties.

I hope that besides observing the Advisory Commission's meeting today, you will take advantage of our year-long review process to offer the Commission your own individual views, opinions and insights either by written submission or by active participation at the field hearings that we will schedule for the months ahead.

Through your active participation you can help all of us re-evaluate -- and if necessary, revise -- our maritime regulatory policies.

We will be providing a number of opportunities for active public participation. And we very much hope you will seize those opportunities.

Thank you.

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DEPUTY SECRETARY OF TRANSPORTATION
ELAINE L. CHAO
CLOSING REMARKS NATIONAL ACADEMY OF SCIENCES
APRIL 11, 1991
WASHINGTON, D.C.

Thank you Kent Nelson and Ken Chenault. And thanks to Roger Porter for giving the keynote address this morning. We often say in DOT that we like to make transportation infrastructure a household word. With the White House, UPS, and American Express, you couldn't come much closer to household words!

The speakers this morning are not on the program for their name recognition, of course. As you can tell, they bring real messages about leading people and organizations in new and important directions for the future. Far beyond just participating in the economic and transportation scene, they look at the overall environment and their role in it from a much larger perspective. You can tell from the speakers this morning that they see how their organizations fit within the wider context of today's market demands and the challenges emerging for tomorrow.

Another key ingredient for this is an understanding of how people and interests inside and outside an organization can be brought together to shape a new direction for future years. That is what this conference

today is all about -- the importance of having a clear view of where we are today and a vision for the future.

One of the marks of our best modern leaders is the ability to identify the shared mission of their people and help guide them to a more positive future, for the organization and the people they serve.

The conference today is built around people who work in service organizations and who see themselves in terms of service. That is what our work in transportation is all about.

Transportation and services all come down to individuals. It is individuals who make transportation and every other service industry work. And it is individuals who drive the whole transportation sector.

When you think about our domestic challenges, including transportation, you realize just how many people, business and organizations are involved. They all have the singular goal of making people's lives better through the efficient movement of people and goods.

The transportation system that has developed is a diffuse system. We have different modes of transportation, different participants in each mode and all in different geographic locations.

That is part of what contributes to the vitality and flexibility that makes our transportation system successful and brings people from around the world to try to imitate what we do. Most of the organizations that provide transportation service are in the private sector, but some -- like city transit systems -- are publicly operated and supported.

All of those differences make it clear that the solutions to our transportation challenges cannot come from one source. That is why, in our national transportation policy statement, in our surface transportation legislation and in our work to support overall safety and competitiveness in the system, we talk about partnerships. The Executive and Legislative Branches of the federal government, state and local governments, businesses, associations, and individuals all have to be partners in transportation if we are going to have the system we need for the years ahead.

Just two weeks ago, at the American Society for Public Administration's annual convention in Washington, there was a panel discussion on our activities at the Department of Transportation. Mark Abramson, the President of the Council for Excellence in Government, commented as part of the panel discussion that it is not the policymaking that is hard. Everyone in Washington wants to be a policymaker or a policy analyst. The hard

part is the people side. Mark pointed out that good leaders know that they are really in the capacity-building business, and that they should be thinking about leaving behind a better institution than they start with, an organization that will keep up long-term thinking about big-picture challenges.

That is what we are hearing today. The speakers on the program this morning clearly think about people. That includes understanding and being sensitive to the people they serve, the people they work with outside the organization, and also the people within the organization. It includes the way they work internally and the way they work with partners and customers that make up the organization's public face. Reaching out to people, listening to their interests, finding common ground and envisioning a way to meet mutual goals are part of the same thing.

From our speakers this morning, it's easy to see how important an individual leader can be. At every level and in every aspect of an organization, in the transportation industry or anywhere in the economy, each individual has a similar challenge to stretch his or her understanding and vision to make a personal contribution that will shape and achieve the organization's mission. The power of individual intelligence, insight, sensitivity and leadership can move

an organization and galvanize the people of that organization.

I want to thank each of you for coming to the Moving America conference today. We have a break for lunch now, until one o'clock. After lunch, we have a group of dynamic leaders who are managing successful and forward-looking organizations. If you read the Harvard Business Review or the New York Times or you follow Tom Peters and Robert Waterman's writings, you may have read about our speakers and their vision for management. I think you will find them even more compelling in person. We will conclude the day with the address from Secretary Skinner on his agenda for the Department of Transportation and what he sees for the future.

The conference packet includes a map and information on options for lunch. We will see you again at one o'clock.

REMARKS PREPARED FOR DELIVERY BY
DEPUTY SECRETARY OF TRANSPORTATION
ELAINE L. CHAO
AEROSPACE STATES ASSOCIATION
APRIL 13, 1991
WASHINGTON, D.C.

Thank you Lt. Governor Callihan. Good morning everybody and welcome to Washington. It is a pleasure for me to join you this morning.

At the Department of Transportation we have been watching the development of the Aerospace States Association with great interest and optimism. We feel that ASA has the potential to contribute a great deal to the success of U.S. commercial space endeavors, and we support you wholeheartedly.

Secretary Skinner and the Department of Transportation have developed a far reaching and comprehensive strategic vision for transportation in the United States, called the National Transportation Policy. This strategic vision spells out the needs and priorities for all elements of transportation in this country -- highways, aviation, maritime, rail, mass transit. For the first time, the Administration's National Transportation Policy includes commercial space transportation as an integral part of the national transportation system.

Specifically, the NTP lays out the following four policy guidelines for commercial space:

- Use commercial space transportation services for government space missions to the fullest extent feasible.
- Avoid federal government actions that duplicate, compete with, or inhibit the development of private sector space launch activities.
- Review the development and operation of space launch facilities to ensure that they adequately accommodate national commercial space launch needs.
- Enhance the U.S. commercial space industry's competitive position in world markets and work to ensure fair competition in those markets.

We at the Department of Transportation take these directives very seriously.

- Through our Office of Commercial Space Transportation, we work every day to further these goals. One other goal we pursue is to enhance the awareness and appreciation of just how important space enterprise is to the United States -- particularly commercial space.
- Through the Secretary's membership on the National Space Council, we keep the interests of commercial

space enterprise in the forefront of the Administration's policy deliberations.

- Through our participation in the ongoing trade talks with the European Space Agency, we try to assure that our private, commercial space businesses will have a level playing field in international markets. We will also work to protect our interests in forthcoming talks with the Chinese, Soviets, and others.
- Through our participation in international space gatherings, such as the one in Montreux, Switzerland, last year, and the Paris Air Show this spring, we demonstrate our government's support of, and commitment to, our commercial space industry as a strong competitor in international markets.

The conquest of space excites and intrigues all Americans. A return to the moon and the exploration of Mars are worthy long range goals for this country.

But space must be seen as more than the province of explorers and adventurers. That aspect is important, but space must also be viewed as a place to do business -- business that supports terrestrial jobs and economic growth as commercial space itself expands.

Look at the airline industry. Commercial aviation, to the traveler, is a great convenience. To thousands of factory workers in Seattle and Southern California, it is their bread and butter.

At the Transportation Department, we look at space transportation as simply another mode. Launch vehicles move cargo from one location to another just as surely as trucks and trains and ships do. With the new COMET re-entry vehicle and other advanced projects, we will be moving cargo to, through, and from space.

But the vehicles and their payloads all originate someplace on earth -- in many cases in the states represented here. It is imperative that we not lose this industry and these jobs to competitors offshore. Instead, we must move forward. We must build a more robust and innovative commercial space industry.

Part of the importance that we place on the Aerospace States Association is that you are the visionaries who recognize this potential. While some in this country sit around and ponder whether there's a future in space enterprise, you have already organized to participate in that future, to keep the benefits of that future.

By planning to hold two of your meetings each year here in Washington where you can communicate with

government officials, with your senators and representatives, you demonstrate your awareness that enlightened government policies will be required for us to grasp this future.

The biggest danger I see is not that there won't be a robust international commercial space sector, but that it will be led by our competitors, and not us. We have shown a tendency in the past to let technologies that we ourselves pioneered slip through our fingers. We should not miss the significance of this fact: Both the Japanese and the Europeans have forged ahead of us in developing new launch vehicle technology.

There is still time to maintain our competitive position, but only if we make the commitment to do so now. We must push for improved technology to lower costs and increase reliability. I am greatly encouraged by the direction of the Advanced Launch Development Program which I believe is also on your agenda today.

DOT's Commercial Space Transportation Advisory Committee recently went on record strongly recommending that a derivative vehicle be developed as a part of that program. Such a vehicle would be capable of launching 20 to 30 thousand pounds to low earth orbit.

Such a development would go a long way toward assuring that U.S. commercial space transportation remains competitive well into the next century.

In connection with that, I want to commend Lieutenant Governor Callihan and the ASA for devoting part of your day to the task of improving U.S. education, particularly in science and math.

In the long run, we will not succeed in space, or in any technology, if we do not have a properly educated work force.

Keep up the good work. Thank you very much.

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REMARKS PREPARED FOR DELIVERY BY
DEPUTY SECRETARY OF TRANSPORTATION
ELAINE L. CHAO
REPUBLICAN NATIONAL COMMITTEE
APRIL 26, 1991
FT. MYERS, FLORIDA

Good morning and thank you Mr. Chairman. It's good to be here among friends.

First of all I would like to congratulate Clayton as the new Chairman of the RNC. He brings to the Party a wealth of experience, management talent, and leadership. Clayton, we all look forward to working with you. I know our Party will reach new heights under your stewardship.

I also want to congratulate all of you -- you are the backbone of the Party. Because of your hard work and the leadership you are providing around the country, President Bush and the Republican Party are enjoying unprecedented success. The entire nation has discovered once again what we knew all along -- that our President, George Bush, is a great leader -- one that history will note with distinction and pride.

In the past ten-and-a-half years, under the leadership of Ronald Reagan and George Bush, America has relit the flame and rekindled the spirit, of freedom and opportunity for people around the world. President Bush has taken the foundation that Ronald Reagan laid for America and made it even stronger. Operation

Desert Storm proved what the President's leadership can do for America.

We can all take pride in what our country accomplished in the Persian Gulf. But there is still much more this Administration can and will accomplish. President Bush has established one of the most ambitious domestic agendas in the history of our country.

In the wake of Desert Storm, we have a unique opportunity to push the President's domestic agenda. I urge you, when you return to your home states, to tell people the facts about this President's leadership on domestic issues.

In transportation, for example, the Administration avoided an economic disaster just last week by averting a prolonged national rail strike in less than 24 hours. The brevity of the strike was unprecedented, and sent a clear signal that this Administration will not let anything stand in the way of an economy which is beginning to rebound.

Last year, the Administration guided an historic aviation bill through Congress that renewed our national programs and established new policies for expanding airport capacity and reducing aircraft noise. Our bill was called the most significant and

comprehensive aviation legislation since airline deregulation.

The funding mechanism that the bill provides for expanding aviation capacity is essential if America is to compete successfully in the global economy of the 21st century. The bill allows local airports to collect a user fee -- a passenger facility charge, as we call it -- of up to \$3 per enplanement, but no more than two enplanements per trip. Our new national noise policy promises to phase out the country's noisiest commercial aircraft by the end of the decade. Together these measures will help expand aviation capacity, promote competition, and protect the quality of life of those who live near airports.

The current congressional authorization for the Department's highway, transit, and highway safety programs expires on September 30 of this year. By Washington standards, that doesn't leave much time for what is -- by any measure -- the most important surface transportation legislation since the Interstate Highway bill of 1955.

This bill is important because America's future standing in the world economy will be seriously jeopardized without a sound transportation infrastructure to support a growing economy. The fact

is, no nation can be a world class competitor without a world class transportation system.

Our competitors know this all too well. Japan and Germany spend, respectively, an average of 5.1 percent and 2.5 percent of their Gross Domestic Product on infrastructure. By comparison, the United States spends less than 1 percent of its annual GNP on infrastructure. That figure was down as low as 0.3 percent in 1982. Is it any surprise that Japan and Germany have enjoyed productivity growth rates more than triple the U.S. growth rate?

This is why, when President Bush identified his immediate domestic priorities last month, transportation was among the top four items on his list.

To date, America has made an enormous investment in highways and mass transit. On the interstate highway system alone, this nation will have spent \$129 billion by the time it is completed. This system of highways linking our nation exists today because of the vision of a Republican President, President Dwight D. Eisenhower. Since the era of constructing this Interstate System is virtually complete, the debate now centers on how to maintain and maximize upon that investment.

In particular, this year's reauthorization will focus on the future roles of federal, state and local governments

in surface transportation. It will set the course for preserving and building upon our country's highways, bridges, and mass transit facilities, and strengthening our highway safety programs. The 1991 Surface Transportation Assistance Act will renew these programs for the next five years. The Bush Administration is proposing a dramatic increase in funding to get the job done -- \$105.4 billion over five years.

Let me give you an overview of the five major themes of the Administration's proposal:

First, the President's bill seeks better stewardship in the spending of transportation dollars. We propose to do this by providing state and local governments with greater flexibility in the use of federal transportation funds so they can make more efficient use of scarce financial resources. As Republicans, we know that state and local governments are in the best position to make these kinds of decisions, not the federal government.

Second, our bill supports increasing the mobility of people and goods -- a provision of the U.S. Constitution. Congestion is estimated to cost interstate commerce more than \$35 billion a year, thus seriously hampering America's productivity. This is why we support a

targeted National Highway System of 150,000 miles to connect people and jobs, products and markets.

We are determined to keep rural America connected to the rest of the country. Our Urban/Rural Program provides special bonus funds from the Federal Highway Administration and the Urban Mass Transportation Administration for innovative solutions to address rural transportation problems.

In addition, the Administration's bill encourages the development of advanced technologies to relieve congestion. A prime example is the Intelligent Vehicle Highway System, which integrates a driver, the vehicle, and local highways through electronic guidance, warning, and control systems.

High speed railroads and magnetically levitated trains hold promise for the future, and are encouraged by the Administration's bill. We are also supporting state of the art toll collection systems that can electronically "read" specially marked cars and register a toll without requiring the car to stop. The driver can then be billed through the mail.

Third, the President's bill addresses important energy and environmental concerns. Transportation is responsible for over half of the country's urban air pollution and 62 percent of our oil consumption. We

can make progress by enhancing energy conservation and efficiency through improved operation of existing transportation systems, and increased flexibility in funding.

Fourth, our proposal calls for improving the safety of the country's highway and transit systems. With a particular focus on combating drunk driving, we provide new safety bonuses for states that succeed in reducing fatalities, or that have high levels of safety belt use, good emergency medical service programs, or other proven life-saving programs.

Fifth, while safety remains the Department of Transportation's top priority, the overriding purpose of this proposal is to invest in America's future. It is a comprehensive proposal to restore and improve our deteriorated infrastructure so that America can stay competitive in the global economy of the 21st century.

The stakes for the U.S. economy are high: transportation accounts for 17 percent of GNP and 20 percent of consumer spending. Highway construction will create jobs that will boost the economy. For every \$1 billion spent on construction, 30-50,000 jobs are created.

We are submitting a good bill -- one that is balanced, comprehensive, and tailored to the unique needs of a growing America.

We should, however, face up to the fact that government, by itself, cannot solve America's problems and guarantee opportunity. The transportation of the future will rely more heavily on advanced technology and much closer links between the different types of transportation. This requires that we must turn increasingly to the ingenuity of the private sector. And that's why our bill engages the private sector as never before by leveraging investment and promoting partnerships. That's the way it should be.

While I have this opportunity, I hope you won't mind if I shift gears for just a minute to talk about an issue that has been in the news recently. It touches me personally. It touches my family. It touches many of my friends. Not because I am a woman. And not because I am of Asian ancestry. But because I am an American.

The Republican Party has traditionally sought to protect the rights and interests of individuals rather than groups. However, a dangerous twist is being put on the concept of opportunity for women and minority groups. It is what's being called "gender balance" or "racial balance." It may seem like a new idea but, in

fact, it's been around for a long time. That's why we have to point it out for what is - quotas.

Our friends on the other side of the aisle find the answer to discrimination in quotas. Leadership calls for something much more basic and much more important -- the inherent right of the individual. The right to be given an equal chance at the starting line not a guarantee that everyone will end up with the same level of income or education.

America was founded on a faith -- a faith that has drawn millions to our shores to build this country, and a faith that has sent millions into battle to defend it -- like the brave men and women of Operation Desert Storm -- a faith that the United States would, in George Washington's words, "give bigotry no sanction, persecution no assistance ... a faith that all are created equal."

It is, at its root, a faith in people -- not as members of groups -- but as proud and free, and deserving to be judged on their own abilities, their own character, and their own achievements.

We should never insult anyone by putting them in a job because they are a member of this or that group.

We should want the best people we can get, no matter what group they belong to.

Collected

Collected
You've heard stories, for instance, of ~~Asian-American~~ applicants who are denied admission to the universities of their choice, despite superior qualifications because ~~Asian-Americans~~ are considered to be an "over-represented" minority.

You've seen reports that have been published in recent months of hiring practices that include refusing even to consider superior candidates because they do not belong to one group or another. It doesn't matter what you call them, those are quotas.

It's just this simple -- quotas are demeaning. Everyone -- even those who supposedly benefit from these quotas -- begins to wonder if a person got a job because of merit or group membership. They are an insult to the people they supposedly benefit.

And what makes America special in all the world is that, for more than 200 years, we have placed our faith not in mandatory hiring practices, but in qualities of the heart and soul. As President Bush has said, "We need no bias, no inside tracks, no two-tiered systems, no ladders without rungs."

The Republican Party with our philosophy of economic empowerment, individual effort and human dignity, has a unique opportunity to be a player in the political empowerment of all Americans in the 1990s -- without quotas, preferential treatment or favoritism.

We must keep the faith.

We must take our stand for hope, for opportunity, for a brighter future for all Americans without regard to race, religion, color, national origin, or sex.

And I applaud the Republican National Committee and its candidate attraction program. You are making a concerted effort with state and local parties to recruit, train, and finance the best individuals to run for office, particularly women and minorities. This should not be an attempt to fill quotas or play token politics. There is simply too much political talent among women and minorities out there to ignore.

And a special thank you to Jeanie Austin for all her work in this area. Jeanie knows about grass-roots politics and how to win campaigns. The candidate attraction program she has developed is sure to be a winner.

Let me end by encouraging you, as the Party leaders of your state, to cast a wider net. Demographic and

political constituencies are changing. As we incorporate these changes the Party will continue to grow even stronger.

Thank you and God bless you.