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TALKING POINTS
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
ROUNDTABLE WITH CONGRESSMAN MINETA FOR SUMMER
TRANSPORTATION INTERNSHIP PROGRAM FOR DIVERSE GROUPS
WASHINGTON, D.C.
JULY 11, 1995

- * I'm happy to have the chance to speak to you again. Since our last meeting a few weeks ago, you've had an opportunity to get to know your own agencies -- FHWA, FTA, FRA, and RSPA. Today, I'd like to talk about DOT as a whole: what it is, what it does, and -- most importantly -- where it's going.**
- * From America's earliest days, transportation has shaped our nation's progress -- from the canals that opened up the midwest -- to the railroads that connected a continent -- to today's Interstate Highways.**
- * As we approach the next century, our transportation system becomes ever more critical to our nation. Most people don't think about it, but so much depends on efficient transportation -- everything from getting to school or work on time to products being shipped to factories or stores.**
- * That system has worked so well for so long that we take it for granted. But this transportation system *does* have its problems. Highway and airport congestion is worsening... air pollution caused by cars and trucks**

continues to plague cities...

- * ...Many of our roads and bridges need repair, airports need expansion, and transit and passenger rail services face chronic financial problems and the risk of extinction. If we don't address these problems now, they'll only worsen -- and become more difficult and expensive to solve.**
- * We also haven't used new technologies to their fullest potential. In Europe and Japan we see trains that travel far faster than those on American railroads and higher-quality materials for highways and bridges.**
- * And Americans remain frustrated by our fragmented transportation system. In many cities, it's difficult just to get from the airport to downtown. Businesses have trouble moving goods smoothly from ships to trains to trucks -- all of which adds to the cost of doing business and to the prices that consumers pay.**
- * Finally, our system must be safer. Although the number of people who are killed in automobile accidents is lower than in the 1960s, 40,000 people still die on our highways each year. Hundreds more die in plane crashes, boating accidents, and other mishaps.**
- * At the federal level, dealing with these problems is DOT's responsibility. We carry out our mission in four**

ways: First, we set -- and enforce -- standards for safety in all our transportation modes.

- * Second, we distribute funds to state and local governments and other transportation-related institutions to build and -- in some cases -- to operate highways, airports, and other parts of our system.**
- * Third, we work with other federal agencies to carry out broader federal mandates such as clean air, water quality, equal opportunity, and national security.**
- * And fourth, we provide law enforcement and traffic management services for the nation's airspace and waterways.**
- * Today, DOT has 10 separate agencies -- with 100,000 employees -- to carry out these missions. Over the past two years, we've been working to do the job better and at less cost. That's inspired by Vice President Gore's National Performance Review, which is reinventing the way that the federal government works.**
- * DOT has been a leader in this effort -- cutting our civilian work force by more than seven percent to date, producing savings of more than \$260 million a year in personnel costs alone. At the same time, we've improved customer service through automation and by cutting red tape and streamlining procedures and regulations.**

- * Today's organizational structure also hinders the creation of an efficient, fully-connected transportation system -- one in which travelers and goods could move from -- for example -- highways to mass transit as easily as Windows software lets you move from spreadsheets to word processing.**
- * We need to reorganize DOT to streamline it and make it more efficient. Doing that requires approval by Congress, and we've sent them legislation asking them to do that. Over the coming year, we'll work with them to give us the structure we need to provide these important services at less cost to the taxpayers.**
- * One of our closest Congressional partners is the House Transportation and Infrastructure Committee -- and in particular its senior Democratic member, Congressman Norm Mineta.**
- * I've known Norm Mineta for longer than either of us would really want to admit -- ever since he was in his first term in Congress and I was a staffer on the House Budget Committee.**
- * During his time in Washington he's built a reputation as an innovator in transportation. Some of you have heard about ISTEA -- the Intermodal Surface Transportation Efficiency Act of 1991, which authorizes federal highway and transit programs.**

- * Norm Mineta -- in his role as chair of the House surface transportation subcommittee -- served as one of the leading architects of ISTEA. ISTEA changed the system to provide greater flexibility for state and local officials -- which Norm Mineta was as Mayor of San Jose -- to make the transportation system choices that best fit their needs.**
- * As chairman of the full transportation committee during the last Congress -- and as its senior Democrat in this one -- he's also worked closely with us to ensure that ISTEA works well.**
- * His expertise extends to a wide array of other issues -- including high technology, trade, transportation regulation, and the federal budget. And -- as the first American of Asian ancestry to chair a major Congressional committee -- he also has paid tribute to his heritage -- serving as the first chair of the Congressional Asian Pacific American Caucus.**
- * Today he's with us to offer his perspective on transportation. After he speaks, I'd like to join him in hearing your ideas and in answering any questions you may have. And now, I ask that you join me in giving Congressman Mineta a warm welcome...**

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TRANSPORTATION TRENDS

**REMARKS AS PREPARED FOR DELIVERY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
TELECONFERENCE ON THE CONGESTION MITIGATION
AND AIR QUALITY IMPROVEMENT PROGRAM (CMAQ)
RALEIGH, NORTH CAROLINA
JULY 13, 1995**

On behalf of the Department of Transportation and the Environmental Protection Agency, I'd like to welcome you to this afternoon's teleconference on the CMAQ program and transportation control measures.

This is the third in a series of nationally-televised conferences that the Clinton Administration is sponsoring on vital issues affecting transportation and the environment.

Reaching out to our partners in state and local government is an important concern for us -- but we all appreciate that this is a time of tight budgets. So it's important not only for air quality reasons that we're substituting technology for travel.

This is, of course, part of our continuing effort to keep you fully informed about federal policies and programs.

Today we're focusing on CMAQ -- which, by the way, is *not* the latest fish sandwich from McDonald's, but the Congestion Mitigation and Air Quality Improvement program.

CMAQ is a landmark attempt to target resources on one of the most serious problems created by the automobile: air pollution. In many cities -- and in suburbs as well -- air pollution poses serious health hazards.

(More)

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make sense. So we're planning to get rid of *1,800 pages* of regulations -- one-seventh of the transportation section in the Code of Federal Regulations.

In other cases, we're keeping regulations, but reinventing them so they focus on results, and not just on process. We need to measure our success not based on whether every "i" has been dotted and every "t" crossed, but on whether the regulation's basic goals have been met. Altogether, we'll be rewriting *half* of our regulations from this common-sense perspective.

CMAQ isn't a regulation, but the principles are the same. Is the CMAQ program achieving its goal of cleaner air? Can changes be made to improve it? In order to answer those questions, Secretary Peña ordered the same sort of common-sense, zero-based review for the CMAQ program guidance that we've conducted for our regulations.

Based on ideas from state and local officials and findings from our own evaluations, we've identified several areas in which we can make positive changes -- and we're anxious to get this in place quickly so that our CMAQ investments go farther in meeting their goals.

Today, I'd like to announce six major changes to the CMAQ guidance. I won't go into detail -- DOT and EPA staff will do that shortly -- but let me highlight them for you.

First, ISTEA directed CMAQ funding to areas that failed to meet federal air quality standards. Once they'd done so, it was thought that the need had been met and that funds could be deployed to other places and other purposes.

Several cities pointed out that they needed to continue the strategies that helped them meet the standard so they wouldn't slip back into nonattainment. That made sense, so we're lifting the attainment deadline restriction and establishing a two-year "transition" period to continue funding *after* an area has been redesignated as being in attainment of the standards.

Second, we see the importance of continuing public education and outreach to the success of behavior-changing programs such as ridesharing and transit, so we're lifting the two-year limit on funding for these activities.

I should add that we believe so strongly in the importance of public education that DOT and EPA have a special effort underway -- coordinated by Sarah Siwek, the moderator of today's teleconference -- to assist state and local governments in designing effective outreach programs.

Third, we're allowing funding for vehicle inspection and maintenance facilities that both test and repair faulty emissions control systems.

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**REMARKS PREPARED FOR DELIVERY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
AMERICAN SOCIETY FOR PUBLIC ADMINISTRATION
ANNUAL MEETING
SAN ANTONIO, TEXAS
JULY 25, 1995**

OPENING

As a career public official and a 30-year veteran of ASPA, I look forward to speaking to people who are interested in the substance of government -- and not just in viewing it as a spectator sport.

That's why I'm happy to be here today. The American Society for Public Administration has a well-deserved reputation as an assembly of serious and thoughtful professionals whose commitment is to making government work. I'm particularly supportive of your efforts to create a transportation section to bring attention to the area of interest we share.

Making government's transportation organizations work to better serve the American people is my topic today. That's more important than ever in an era of change and challenge.

NEW CHALLENGES

It may not always be obvious that we face new demands. Over the past two years, we've seen a tremendous economic recovery.

The President's economic plan has cut the deficit by more than \$600 billion. That's sparked a broad-based recovery which has kept inflation low while creating nearly seven million jobs.

And yet there's a real feeling of insecurity in this country. I think that's why some people don't believe that this is a genuine recovery.

The reason for that is pretty clear. Some of the gains in productivity and competitiveness that have helped to generate the economic turn-around are based on changes that can be threatening to many Americans.

Automation is reducing the number of people needed to do a job -- whether it's to process an insurance claim or build a car -- even as it removes non-value-added elements of work from people's jobs.

Businesses -- and government -- are taking a hard look at how they do their jobs, and eliminating procedures and processes that seem unnecessary.

Employers -- private and public -- are downsizing, and that often means permanent cuts among middle managers and other white-collar workers who had traditionally been exempt from layoffs during economic downturns.

Some of these changes are necessary and -- in the long run -- good for the economy. We have to be as efficient as possible

if we're going to take advantage of the opportunities presented by the globalization of our economy.

But the need for greater competitiveness in the future doesn't mean these actions aren't painful today.

That uncertainty is why so many Americans feel insecure, even as the economy improves. They know that there are big changes happening throughout the world, and they feel powerless to control their own destinies.

And there are those who would feed on that insecurity. They'd try to use people's honest fears as a way of dividing them for political gain.

Well, I'll tell you today that's *wrong*. Exploiting the fears of good people who feel threatened by change is wrong.

It goes against everything we stand for as a nation -- the sense of community, of decency, of the striving -- *together* -- for a better tomorrow for all Americans.

We need to move forward on strengthening society and emphasizing the positive contributions of government.

What we *don't* need is the divisiveness that has marked some of the current debates over the federal budget, regulatory reform, and affirmative action.

Today, I'd like to talk about how we propose to act in each of these areas to help meet the challenges we face as we enter the 21st century.

REGULATORY REFORM

First, I want to talk about regulatory reform.

Federal regulations of all types have come under fire. Some of that criticism is purely political, or from special interests.

But we all recognize that *some* criticism is valid. Any regulations we adopt must be sensible -- they must achieve their goals, and at the least possible cost to industry and consumers.

The Clinton Administration knows that -- with the best of intentions -- government has issued rules that don't make sense in the real world, or that don't serve their purpose of protecting workers or the public, that conflict with each other, or that have outlived their usefulness.

When the President began his effort to reinvent the federal government, reducing the regulatory burden was a key element of making government serve its customers more effectively.

To be sure we were doing that, the President ordered all federal agencies to review their regulations to determine which are obsolete or counterproductive, and to look for better alternatives.

Our goal is to change the ways we measure our performance -- to focus on real results, and not on process or on punishment.

We submitted our Department's findings to the President three weeks ago, and the results are impressive. We found that nearly one-seventh of our regulations -- more than 1,400 pages in the *Code of Federal Regulations* -- could be eliminated.

Looking at what we've pruned out, I'll be the first to admit that some of them make me shake my head.

Did you know that we regulated how truckers should climb into their sleeper berths? Well, we did; but we don't now, because that regulation has been rescinded.

Did you know that we required buses to stop at open drawbridges? Well, we did; but we figured that bus drivers didn't need a federal rule to tell them not to drive into the river, and so *that* regulation is going.

Did you know that the federal government required that safety belts use only colorfast dyes? Well, we did; but we soon won't, because we realized that automakers aren't going to be competitive if their belts stain customers' clothing.

Now, all of these regulations may have made sense -- or responded to current problems -- when they were adopted -- but they don't anymore.

But at the same time there are a lot of regulations that *do* make sense.

For example, NHTSA's regulation requiring automatic passenger protection in cars and trucks saves thousands of lives and was based on solid cost-benefit analysis.

Many other regulations are called for by industry itself.

Industries often ask for national regulation to avoid a hodge-podge of local rules. They don't want to be subject to one rule in North Carolina and another in South Carolina.

Sometimes businesses want regulations to ensure a level playing field with less-responsible competitors.

And sometimes our rules protect industry from unwanted liability.

But -- in today's politics -- *all* regulations, regardless of merit, are at risk. That's because there are some who would completely tie government's hands. Things like across-the-board freezes and requirements for endless, paralyzing analysis are wrong -- *period*.

And I believe that the American people agree. That's because they want common-sense protection against real risks.

They *want* safer cars.

They *want* to be protected from natural gas pipeline explosions.

They *want* to be as safe in a small commuter plane as they are in a jumbo jet.

No one is more dedicated to cutting red tape than the Clinton Administration.

Common sense tells us to get rid of regulations that don't work; but getting rid of regulations that do work makes no sense.

Such efforts imply a policy position that could lead us back to the days of unsafe cars, toxic pollution, and dangerous workplaces.

Last week the Senate stood fast against legislation that would paralyze our ability to ensure the safety of the American people.

I hope that Congress continues to rebuff such efforts so that we can have necessary, sensible protection of the public.

The challenges that transportation agencies face make it more important than ever that we work together -- to preserve the gains we've made on safety -- and to continue making progress in the future.

We're going to continue the hard work to change the culture of regulation and develop the types of initiatives -- both voluntary and regulatory -- that will protect the American people without unnecessarily burdening business.

AFFIRMATIVE ACTION

Now I'd like to turn to affirmative action.

Nowhere are people's fears raised more unnecessarily than with affirmative action. Some people seek to use affirmative action as a wedge to divide our country.

That's wrong -- because we should be proud of what we've done to provide opportunity to women, members of racial and ethnic minorities, and the disabled.

This country is fundamentally better and fairer -- and, as a result, stronger -- than it was a generation ago -- and affirmative action is part of the reason for that.

It's opened doors, and let America benefit from the talents of many who otherwise would have been shut out.

Affirmative action has been good for America -- but that doesn't mean it's always been perfect, or that it should continue forever.

We periodically need to ensure that it's fulfilling its purpose in ways that are fair -- and that reward merit and responsibility with opportunity.

That's why the President ordered a comprehensive review of all federal affirmative action programs. Last Wednesday he reported to the country on the results of that review.

The review concluded that affirmative action is a success -- an effective tool to expand economic and educational opportunity.

We see it in the goals and timetables that President Nixon instituted for large federal contractors which continue to work today -- fostering fairness and preventing discrimination.

And we see it in small and disadvantaged business contract programs, which have helped a new generation of entrepreneurs to flourish, nurturing self-reliance and economic growth.

That doesn't mean that all is well, however. Some affirmative action programs have been misapplied, misused, or even intentionally abused.

As you may know, the Supreme Court issued its *Adarand* decision last month, which essentially sets a new standard for judging federal race-based affirmative action programs, just as state and local programs have been judged since the *Croson* decision in the 1980s.

In response to his review and the Court's decision, the President has directed that we -- and all federal agencies -- make sure that small and disadvantaged business contract programs be free of waste and abuse, and comply with the *Adarand* decision.

He's also asked the Vice President to identify new ways to use government contracting -- consistent with *Adarand* -- to help all businesses and workers in distressed areas -- which is, after all, the bottom line.

All of this is being done in line with the fundamental principles of fairness that the President believes are essential if affirmative action is to be truly equitable.

These principles -- no quotas, no reverse discrimination, no preferences for the unqualified, and no continuation of programs that have achieved their objectives -- and the Supreme Court's new standard are providing the basis of our review of DOT's affirmative action programs.

We've formed an internal working group which -- as part of its review -- is going through every DOT affirmative action program to determine how race is being used... the impacts on those not covered by the racial classifications... and whether race-neutral alternatives could be used.

All of this is being done in accordance with the President's principles for fairness and in close cooperation with the Justice Department.

We'll make any changes that are found to be necessary to make these programs fairer or more effective -- but we'll do it without apologizing for doing the right and decent thing and empowering people to improve their lives and to contribute to our nation's prosperity.

As long as discrimination persists, we have a moral obligation to fight it. We'll continue to work towards equal opportunity for all and special treatment for none. After all, in a world of new challenges we can't afford to waste the talents and skills of a single American.

BUDGET

And now I want to turn to the federal budget.

The Congressional leadership has proposed balancing the budget in seven years. Doing what they propose, including providing tax cuts for wealthy Americans, will require Draconian cuts in virtually every area of federal spending.

A top private forecaster recently concluded that this would not only put Americans at risk -- but it would slow growth and raise interest rates by a third.

The President knows the need to bring the budget into balance -- but he also understands the need to invest in America. His balanced budget plan has a framework and a focus on the needs of working families that could unite all Americans.

Together with a longer time frame -- 10 years instead of seven -- the President's program balances the budget without harming working families and without choking off economic growth.

And it targets *limited* tax cuts for education and training to middle-class Americans -- and not to the wealthy.

The President's commitment to investment extends to transportation infrastructure. He's raised spending on highways and transit systems by more than \$2 billion a year, working to give us the transportation systems we need to move people and goods efficiently.

Now, highway investment is one area where Congress wants to continue *increasing* spending next year -- but unfortunately at the expense of transit, maritime, and aviation safety.

The budget cuts Congress is contemplating would not only affect urban America, but ripple throughout the nation. Indeed, among the hardest-hit would be rural paratransit systems which rely on federal funds to support lifeline services... small towns that depend on AMTRAK... and rural airports that might have to be closed down.

That's something we disagree with. We need an integrated, balanced transportation system -- not one skewed towards a single mode. While we support increased investment, we want to do so in a rational way.

That's especially true since Congress's balanced budget plan would force massive transportation cuts in future years -- \$10 billion more than in the President's transportation investment plan.

We need a responsible approach to transportation investment as well as to the entire federal budget. I hope that Congress recognizes this as it moves through the appropriations process in the coming weeks and months ahead to the long-term changes that are needed if we are to achieve fiscal balance.

Before I conclude, I'd like to speak for a couple of minutes about how we at DOT plan to do this for transportation.

DOT RESTRUCTURING

We're confronted with aging transportation infrastructure -- growing travel demand -- and a need for increasing efficiency. Meeting these challenges in a time of limited funding is going to be difficult.

In order to do that, we've submitted to Congress legislation to restructure DOT, create an air traffic control corporation, restructure AMTRAK, sunset the Interstate Commerce Commission, and reform maritime policy.

We've also sent to Congress a statement of principles for reforming transportation funding programs -- a statement we expect to serve as the basis of future legislation.

Together with the President's budget, these initiatives provide the basis for the transportation system we need to sustain our economic competitiveness and quality of life.

At the core of our plan is the restructuring of DOT itself.

Over the past two years, we've cut DOT's civilian work force by more than 5,000, saving more than \$260 million annually, while improving customer service through automation and by streamlining procedures and regulations.

But DOT's inherited structure of 10 separate operating administrations hinders our ability to build on these improvements.

The reorganization of DOT we've proposed will let us do that by consolidating DOT's 10 agencies into just three:

...a new Intermodal Transportation Administration to integrate all of our surface transportation and civilian maritime functions;

...the Coast Guard, which is preparing to undergo its own internal restructuring;

...and a reengineered Federal Aviation Administration, with its air traffic control services transferred to an independent government corporation.

Our proposal achieves five key results:

First, it positions us to promote intermodalism, letting us make the most of our existing transportation infrastructure.

Second, the reorganization will give our customers one-stop shopping -- ending the lack of coordination that wastes time and frustrates our customers and our partners.

Third, this reorganization helps to responsibly and strategically reduce DOT's size -- saving the taxpayers money -- without sacrificing the effectiveness of our programs.

Fourth, transferring air traffic services out of the FAA means they would no longer be subjected to antiquated, bureaucratic federal red tape. That will let us deploy personnel more efficiently and bring new technologies on line faster and cheaper -- helping us to meet expected future growth in air travel.

Fifth, our new structure would support our plans for reform of federal transportation funding programs -- plans that would make these programs simpler and more flexible, and give greater decision-making authority to state and local officials.

Together, these proposals for reform of federal transportation programs and agencies will set American transportation on a course for the 21st century. We look forward to working with Congress to make them a reality.

CLOSING

Resolving the conflicts and issues of regulation, affirmative action, and budgets will be the subject of a great national debate, one that I hope all Americans -- and especially those with a professional interest in serving the public -- will take part in.

Public administrators at all levels of government -- federal, state, and local -- have helped to build America. You must be part of helping America to meet the challenges of the future. I hope you will make your voices heard in the debates which are now unfolding, and that you will act on your beliefs.

After all, it is our responsibility, as the poet Wordsworth wrote, "to live, and act, and serve the future hour."

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