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REMARKS PREPARED FOR DELIVERY BY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
COAST GUARD COMMISSIONING
WASHINGTON, D.C.
OCTOBER 1, 1993

Congressman Coble, Admiral Kime, Admiral Loy,
Admiral Saunders, members of the Military Personnel
Command, Ladies and Gentlemen.

I am delighted to participate in the commissioning
of the Military Personnel Command. This is a very
significant event for me for more than one reason.

As a former "Coastie" myself, I have a great
appreciation for the outstanding work of the United
States Coast Guard. I fully understand the tremendous
accomplishment when you strive for excellence in
every endeavor and achieve it so often. And I am very
very proud that my new job as Deputy Secretary of
Transportation allows me to renew my association with

you.

In a broader sense, the United States Coast Guard is on the leading edge in the Clinton Administration's commitment to achieve total quality management within all of its agencies. We believe in you and what you are doing.

Under Admiral Kime's leadership, you have been the testing ground for new ideas, more firm approaches to strategic planning and TQM. Admiral Kime, you and your staffs continue to achieve outstanding results.

Your immediate and critical response to the train derailment at Saraland, Alabama proved your mettle in one of your traditional and most important roles -- saving lives.

But beyond the newsworthy and heroic efforts is the day to day grind toward improvement. Your

hallmark has been "working smarter, not necessarily harder." And although your resources, money, material and people have always been limited, that has never dampened your determination to get the job done. And done right!

This occasion marks another milestone in your efforts.

The Military Personnel Command is a unit dedicated to serving those who look out for the well being of the American people -- in Law Enforcement, Maritime Safety, National Security, and Environmental Protection.

Members of the Coast Guard -- Active Duty, Reserve, Civilian, Auxiliary, retirees, and their families - - all have carried throughout their lives the unwritten code "we take care of our own." How appropriate to

commit your improvement energies to your most precious resource, your people.

Admiral Saunders and members of the Military Personnel Command, your mission is noble. Your concentration on continuous improvement and quantitative measures of your performance will assure that you are always *Semper Paratus*.

Thank you very much. And best wishes to you all.

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**REMARKS PREPARED FOR DELIVERY BY
DEPUTY SECRETARY OF TRANSPORTATION
MORTIMER L. DOWNEY
NEW YORK STATE BAR ASSOCIATION
ENVIRONMENTAL LAW SECTION
OCTOBER 2, 1993
CORNING, NEW YORK**

Thank you for that very kind introduction -- and thank you for inviting me here today. As a New Yorker, I can't think of anyplace I'd rather be than upstate in the Autumn.

Even someone who doesn't come to this part of the country as an environmentalist is going to leave here as one -- especially at this time of the year.

I also want to thank James Periconi and Connie Eristoff for giving me this opportunity to talk about two of the Clinton Administration's highest priorities -- transportation and the environment.

As you all know, it's literally impossible to talk about these issues in isolation. They are inextricably linked.

I believe, as do President Clinton and Secretary Peña, that the success of any national environmental or transportation policy depends on recognizing that linkage and building upon it.

This Administration -- more than any in the past -- is committed to finding workable solutions to ensure that we can and do meet economic, environmental and transportation goals simultaneously.

Secretary Peña, and the rest of us at DOT are working cooperatively within DOT and with other Departments towards that goal. The fruits of that new partnership are becoming apparent.

One of the best examples I can give you is the revolutionary partnership launched just this week between Detroit's Big 3 automakers and the federal government's research and scientific community. It wouldn't have been possible without the active participation of the White House and several Cabinet members -- including Secretary Peña.

The economic and environmental prospects of this project are so great that there really is little hyperbole in comparing it to the Apollo program. [Quote Jack Smith...

After all, what we're seeking to do is to triple American auto mileage and make major reductions in emissions -- while keeping cars affordable and making them safer.

We believe that this goal can be achieved -- or closely approached -- by the year 2003 -- somewhere near the end of President Clinton's second term.

By setting such an ambitious target, we're also seeking to stimulate a crucial American industry to recover world leadership.

Obviously, there could be a multi-billion dollar global market for "clean, fuel efficient cars" by the next century.

And the environmental gains could be large enough to make many of our current air quality and fuel economy regulations moot.

I don't want you environmental lawyers to get worried though -- We also will have a fantastic job-retraining program.....

Seriously, I am very proud to serve an Administration with the vision and guts to reach out to business and launch an effort like this.

It also takes vision and guts to make the commitment that President Clinton has made to seriously deal with global climate change issues. This Administration is the first to make a firm commitment to reduce greenhouse gas emissions. The action plan being developed by the Administration will put us in a position of international leadership on this critical issue. That's a big change from where the previous Administration positioned us on the issue. It's a change I'm proud of.

Another major initiative the Administration is working on is NAFTA, and this, too, is an environmental

effort. NAFTA and its supplemental agreements will enable the United States, Canada, and Mexico to join together to become the greatest economic power on the planet. NAFTA will create jobs in America, open markets for our exports, and give new momentum to the forces of Democracy and capitalism.

The treaty will create the largest free trade zone in the world -- three Nations, 370 million people, and a total output of \$6.5 trillion. The new accords ensure that all three countries will strictly enforce their own laws to protect the environment and workers' rights while we work together for free trade.

Let me take a moment to talk about some of the issues that have been raised with respect to NAFTA and the environment.

NAFTA's critics have charged that NAFTA will exacerbate what we all recognize as a serious pollution problem along our Mexican border and result in a general lessening of U.S. standards governing the environment, health, and safety. In fact, NAFTA is an environmental win and it will have the exact opposite result.

NAFTA is the "greenest" treaty ever negotiated. It includes unprecedented provisions for environmental protection. NAFTA's provisions on standards and health and safety measures explicitly ensure America's right to safeguard the environment, while encouraging all three NAFTA countries to strengthen environmental standards.

Environmental protection will be further enhanced by NAFTA's investment provisions. The NAFTA countries may impose stringent environmental standards on new investments, so long as they apply equally to domestic and foreign investors.

In addition, Mexico and the United States are working together to improve the environment along the border. The two countries developed an integrated environmental plan for the border, and Mexico has announced a three-year, \$460 million program for border clean-up.

Mexico and the U.S. are also developing work plans to enhance environmental protection and enforcement, including air, water, hazardous waste, pesticides, and more.

The agreement also provides for the imposition of sanctions, including stiff fines and trade sanctions, if a country fails to correct a problem involving enforcement of its environmental laws.

If NAFTA fails, all of these enforcement tools will be lost. Mexico would have few incentives to work for a clean environment and would have every incentive to try to lure companies to relocate by promising less environmental enforcement and "freedom to pollute."

The bottom line is: NAFTA is good for the environment and the economy.

Traditionally, I suspect that few would consider the Department of Transportation an "environmental" agency. But we are and have always been. Both through the regulatory process and the through policy and budgetary process -- DOT is in a position to make decisions that have a profound impact on the environment. For example, the President's FY94 budget includes the largest increase for transit programs in 12 years. It also included funds to kick off a new National high-speed rail initiative.

As you know, before taking my current job I was Executive Director of the New York Metropolitan Transportation Authority (MTA) so I have strong convictions about the role transit can play in improving air quality.

But transit alone is not the answer. We need an integrated transportation system that is customer friendly and economically and environmentally sound. That's a tall order -- and it's the vision of ISTEA.

Although ISTEA was passed by the Congress during the prior Administration, it is under our watch that the responsibility of successfully melding ISTEA and the Clean Air Act Amendments of 1990 falls.

I know that these are bread and butter issues for you.

And, frankly, these are the issues that have the potential to embroil us, and state and local transportation

agencies, in litigation.

The Environmental Protection Agency has responsibility for establishing criteria and procedures for to assure that transportation plans, programs, and projects conform to state air quality implementation plans.

Clean Air Act conformity regulations also relate closely to the transportation planning process, for which we are preparing final rules under the ISTEA.

Our goal is to ensure that environmental regulations take into account the mobility needs of the nation and that procedures be as reasonable and non-burdensome as we can make them.

We want to assure that DOT's Metropolitan Planning Organization (MPO) regulations don't burden state and local officials with even more red tape, but rather that they are effective and responsive.

It has taken over two years to get to this point -- but we are under court order to finish the conformity regulation by October 15.

It's certainly one of the hottest issues we've faced in the new Administration. And that's understandable since the conformity process has the potential to stop individual projects and even whole metropolitan area transportation improvement programs -- unless both the air quality and transportation planning process are working together --

and working well.

The Notice of Proposed Rulemaking (NPRM) for the conformity rule attracted comment from over 300 individuals and organizations.

Environmental organizations and most state and local air quality agencies didn't think the NPRM was tight enough. Some of the transportation agencies and MPO's were concerned that it was too tight.

Nobody said it was going to be easy.

Essentially the conformity rule will require that transportation plans and transportation improvement programs will live within an "emissions budget" included in state air quality plans.

States are now in the process of developing plans for how they will reach air quality standards. Emissions from all sectors will need to be reduced.

Transportation will be expected to contribute to a reduction and it will be a very difficult challenge, when you consider that automobile travel alone is growing at 2.5 percent per year, or more.

Metropolitan planning organizations will not have the luxury that some administrations in Washington enjoyed for too many years -- that is, the ability to run up a deficit.

The penalties for failure to comply are serious. If a state doesn't conform we cannot approve funding.

It will be a real challenge to cut emissions anywhere. In some cases it may mean changing lifestyles and habits by, for example, getting people to drive less or use mass transit, car pools and HOV lanes more.

In planning terms, it may mean doing what the book *Geography of Nowhere* advocates -- "building mass transit that people want to use."

We have been grappling with EPA as we come down to the wire on how to deal with many difficult questions. We think we have the issues pretty much resolved.

Precisely when will the new requirements become effective?

Do the new rules apply in areas that are currently in attainment?

Do they apply only to federal-aid projects?

How will procedures work for public review?

How can state and local governments guarantee that they will be building useful transportation projects that conform to air quality requirements?

What will be the interim procedures until state air quality implementation plans are approved?

If we assume that a proportional share of any emissions reduction has to come out of the transportation sector -- and that's a safe assumption -- then we must devise transportation plans that are consistent with air quality requirements, while air quality plans have to reflect mobility needs.

Some strategies, such as enhanced vehicle inspections and maintenance programs can achieve significant air quality improvements at modest cost and with no adverse mobility consequences.

The EPA flatly says that inspection and maintenance programs are the single most cost effective air quality control strategy -- although they may cause intense political problems in some states -- as they are in California.

But let me be clear: whether it's California or New York or any other state, we are dead serious about enforcing the laws that will leave this planet cleaner for the next generation.

And that means we must cut auto emissions.

Besides better inspections, there are a number of other strategies that can contribute to this.

For example, employers with more than 100 employees at a single location may be required to reduce

the number of single occupant commuter trips by a fixed percentage. Some employers are promoting commuter buses, car pools and van pools and similar strategies. If enough people took that route -- it could make a difference.

My personal experience gives me a bias in favor of public transportation -- but we need to pursue every strategy that can contribute.

The Clean Car Initiative announced by the President will move us towards a long term solution but we have a way to go before we can count on deploying the new "clean cars" that may one day make these regulations irrelevant.

I should note that vehicles powered by alternative fuels will certainly be a big part of this effort. Electric vehicles, or those powered by natural gas, hydrogen, methanol, fuel cells and a variety of other technologies, will be all explored.

Given the breakthrough in co-operation between the Big 3 and the federal government -- almost as amazing as that famous Israeli-Palestinian handshake -- I am optimistic that we will see major breakthroughs in the next few years.

Not that I mean to suggest that we're on the verge of some kind of environmental utopia free of regulation and

litigation.

Far from it, unfortunately -- or fortunately, I guess, for some of you here today.

But I do believe along with President Clinton and Vice President Gore and Secretary Peña -- that economic development and the environment go hand in hand.

The race for the future won't be won just by the swift -- but by the clean and green.

Strict enforcement of our environment laws -- buttressed by strong support for civilian R&D -- will help spur along the growth of cleaner, greener technologies.

The United States will regain the lead we once had in these technologies and win broad global markets for our innovations.

In that sense, transportation will remain a key engine driving our economy.

But in the transportation revolution to come, it will be a very clean-burning engine indeed.

Thank you.

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REMARKS PREPARED FOR DELIVERY BY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
AMERICAN PUBLIC TRANSIT ASSOCIATION
OCTOBER 6, 1993
NEW ORLEANS, LOUISIANA

I'd like to thank you for that generous introduction and to tell you all how happy I am to be back among so many friends in public transportation. I am honored to be serving the Clinton Administration in Washington. But it's always good to return to your roots. And mine, as you know, are deeply planted in mass transit.

In the French Quarter, not too far from this hotel, is a display of the original St. Charles Trolley which ran on one of the oldest street car lines in the country. When the St. Charles Trolley was electrified 100 years ago it revolutionized economic development of this magnificent old "Crescent City." Workers in New Orleans could live farther away from their jobs and the

seven cent ride was within reach of most people.

Transit served people.

Somewhere along the way Washington lost sight of what transit and the St. Charles Trolley stand for -- they stand for clean, safe, affordable transportation. They can be the anchor for our economy and a means of improving people's lives.

Today we have an opportunity to renew our commitment -- to make mass transit a player in a national economic renewal.

It will be a challenge. None of us -- neither DOT, nor transit officials, nor state and local governments -- can do it alone. But we on this panel are here to offer you a partnership to get the job done. And I can tell you that both President Clinton and Secretary of Transportation Peña are eager to get to work.

Mass transit's time has come. President Clinton's '94 budget increased the federal investment in transit after 12 years of federal neglect. That budget reflects change in policies to increase mass transit's role in the intermodal system, to say that it's no longer enough just to build more highways or airports, that we must look to the most efficient way to move people. That budget reflects a change in outlook. We are an Administration that cares about people -- all people -- and mass transit serves people.

Last month, the President outlined the most sweeping social reform since Social Security -- a national health care plan that will get runaway costs under control while providing medical security to every American. Transportation -- and mass transit in particular, has an important role in health care. Transit

is frequently the only link between health care facilities and the old, the handicapped and the less affluent.

Health care reform will be of less value if we can't get people to doctors and to clinics. Humanizing transportation -- ensuring it is customer friendly and serving communities in need -- is a top priority of Secretary Peña.

Also last month, the President signed the side agreements on labor and the environment that open the way for Congressional approval of the North American Free Trade Agreement. We need your help to ensure passage of the NAFTA. NAFTA will be good for America and American jobs. NAFTA will create the largest free market on the face of the globe -- 370 million people with \$6.5 trillion output -- it will open doors to U.S. exports -- including transit exports --

abroad and create new jobs here at home. A good economy is key to the success of mass transit and so all of us have a stake in the outcome of this battle.

Another enormous change came last month when the Vice President's National Performance Review set forth a blueprint for "reinventing government" -- making it work better and cost less.

At DOT, that means working together as a team, crossing modal lines to get the job done, and empowering workers to do their jobs rather than conform to rigid rules that have gone too long unexamined.

For us in DOT, this begins at the top. As you can see today, we have three modal administrators on this panel and the Associate Deputy Secretary and Director

of Intermodalism too. And we are a team committed to intermodalism and co-operation.

One of the ways we are "reinventing government" is by looking for ways to be more "customer friendly" and responsive to those we serve. Transit agencies are our customers. And your customers are ultimately our customers. You shouldn't have to go through so much red tape and have your creativity stifled by trying to conform to rigid guidelines.

One reason I believe we will succeed in simplifying rules, application and grant procedures is that President Clinton has drawn to Washington so many people from State and Local Governments. You have a President who was a governor, a Secretary of Transportation who was a Mayor, a Deputy Secretary who was a transit official and all members of this panel are from

state and local governments. Michael Huerta, Director of Intermodalism, was executive director of the Port of San Francisco. All members of this panel are from local government. Federal Highway Administrator Rodney Slater is a former Arkansas state highway director; Federal Railroad Administrator Jolene Molitoris is a former deputy director of the Ohio DOT, and Federal Transit Administrator Gordon Linton is a former state representative and SEPTA board member.

We understand local needs because we've been there. And we intend to work with you to serve people at the local level.

Together, all of us who work in mass transit can achieve Secretary Peña's highest priorities: safety, efficiency and environmental quality in transportation.

We want to work together all across America to create a seamless transportation system that reduces traffic jams, bottlenecks and the pollution they cause. We must constantly seek ways to minimize the environmental costs of America's transportation system.

To do this requires more planning, and closer coordination with local governments. In the next couple of months I will be participating in meetings and working groups throughout DOT's 10 regions -- focusing on making the Intermodal Surface Transportation Efficiency Act (ISTEA) work. Part of the message will be:

First, to involve local Metropolitan Planning Organizations in the planning process and that the process is one that operates in the sunshine. Are

states paying attention to local planners? And do local planners have the information they need as to what their options are?

Second, to encourage planners to weigh seriously the environmental consequences of each project decision. Rather than simply going out and adding two more lanes to a highway, for example, would an HOV lane work better? Could another form of mass transit meet the need?

Third, to ensure that the resulting system is intermodal and that it strives to be the safest, most efficient, economical system in the world.

Before I turn this panel over to our other members to give you the specifics, let me say again how good it is to be back with you all.

I ask your wholehearted support of the Clinton Administration as we continue to develop mass transit's great potential. And I promise you our unswerving commitment.

Thank you very much.

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**TALKING POINTS PREPARED FOR
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
1993 DOT COMBINED FEDERAL CAMPAIGN RALLY
WASHINGTON, D.C.
OCTOBER 8, 1993**

- Good afternoon and welcome to our annual Combined Federal Campaign kickoff rally.
- DOT employees have earned a national reputation for helping others. This commitment was demonstrated during the recent flood disaster in the Midwest.
- Your dedication is inspiring and I'm very proud of the example you set within the federal service.
- The CFC gives all of us the opportunity to demonstrate again our commitment to helping others: the less fortunate among us, at home and in the world community; vital research and health programs; and many other charitable causes.
- Some people need only temporary support while others have needs which require help over extended periods of time. Through the CFC you are able to contribute to a broad cross-section of organizations which provide immediate and long-term assistance.
- You in the DOT family have always been generous.
- Last year we had the highest level of employee giving (\$126.93) and the second highest percentage of employee participation (82.5 percent) among Federal Executive Agencies.
- This year, the challenge is greater.
 - The goal for the National Capital Area is \$38 million.
 - The DOT goal is \$1,212,000.
- Before we start this campaign, we have already raised over \$5,000 through our special effort to help flood victims in the Midwest earlier this year.

- Now, we ask you to come forward and help us meet a new goal. I am confident this is a goal we can meet and, as we did last year, exceed. So let me encourage every employee to take a few minutes and visit with the service representatives here today. Learn first hand about their many significant contributions.
- Giving to one of these charities, or to one of the other 2,100 charities included in the CFC campaign brochures, lets you decide exactly where your money goes and gives you the satisfaction of putting your money to work where you feel it will do the most good.
- The payroll deduction plan permits you to provide help throughout the year while staying within your budget. With a stroke of your pen, you can help get a big job done.
- I thank you in advance for your willingness to help make this year's campaign the most successful ever.

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FINAL DRAFT - 10-8-93 at 5:30 p.m.

REMARKS PREPARED FOR DELIVERY BY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
AMERICAN SHORT LINE RAILROAD ASSOCIATION
OCTOBER 11, 1993
ORLANDO, FLORIDA

I'd like to thank Bill Loftus for that generous introduction.

When I began my career in transportation at the Port Authority of New York and New Jersey, one of the agency's responsibilities was the railroad side of the intermodal equation. So I learned early in my career the vital role that rail freight plays in our economy.

Since an early short line -- the horse-powered three-mile long Granite Railway -- began hauling rock in Massachusetts in 1826, freight railroads have captured the imagination of the nation.

And in October 1978, former Secretary of Transportation Brock Adams, with whom I first served

at the DOT, wrote that because of energy, economy and efficiency, "the future holds much promise for the railroads."

Adams wrote "A prospectus for change in the freight railroad industry" at a time when America was in the throes of OPEC oil price hikes. But that important message, a message that kicked off the process of regulatory reform that culminated in the Staggers Act, is even more powerful today because of the phenomenal success of the short line railroads.

In the early 1980s, when the Class I railroads began paring back unprofitable lines, the short line railroad industry moved aggressively to fill an important market niche. Two hundred fifty small carriers were created in the 1980s. And short lines continue to

sprout up almost everyday as an integral part of a national railroad network.

The heroic efforts all the railroads made during the midwest floods to retain the integrity of that national network were recognized by all. You displayed unprecedented cooperation in the national interest. You kept trains running -- shared each others' tracks, moved people and commodities. We know that for many towns, factories and farms, short line railroads are economic lifelines.

Secretary Peña visited the flood area several times. That's why we moved aggressively to rebuild short lines. The Administration pushed through a \$21 million supplemental appropriation for railroad rehabilitation in two days. To date, \$9.1 million of that has been disbursed to the states of Iowa, Kansas,

Minnesota, Missouri and South Dakota. Gateway Western was granted \$639,000 of that \$9.1 million.

I'm sure that you'll agree that much of your success has come through flexibility and a customer-oriented approach to business.

Those two characteristics -- flexibility and customer service are linchpins to the President's NPR and are central to Secretary Peña's philosophy of how DOT should function. The Vice President's National Performance Review set forth a blueprint for "reinventing government" -- making it work better and cost less.

At DOT, that means working together as a team, crossing modal lines to get the job done, and empowering workers to do their jobs rather than

conform to rigid rules that have gone too long unexamined.

For us in DOT, this begins at the top. We are a team committed to intermodalism and co-operation.

One reason I believe we will succeed is that President Clinton has drawn to Washington so many people from State and Local Governments. You have a President who was a Governor, a Secretary of Transportation who was a Mayor, and a Deputy Secretary who was a transit official. A host of other top DOT officials have backgrounds in local government -- including FRA Administrator Jolene Molitoris, who was Deputy Director of the Ohio DOT before joining us.

We understand local needs because we've been there. And we intend to work with you to serve

people at the local level.

Together, all of us can achieve Secretary Peña's highest priorities: safety, efficiency and environmental quality in transportation.

Another top priority for all of us is passage of NAFTA.

Last month President Clinton and leaders from Mexico and Canada signed new accords to strengthen NAFTA. Now the Agreement and its supplemental accords will enable the United States, Canada and Mexico to form the greatest free trade zone in human history.

NAFTA will create jobs in the United States, open markets for our exports and give new momentum to the forces of democracy and capitalism from the Rio Grande to Argentina.

Together with our neighbors in Mexico and Canada, we seek to create an economic powerhouse of 370 million people with a total output of \$6.5 trillion -- the largest trading bloc on the planet. The new side accords ensure that all three countries will strictly enforce their own laws to protect the environment and workers' rights while we work together for free trade.

Let's look at what NAFTA does. It eliminates all tariffs on industrial and agricultural goods produced by the three countries.

Approximately 50 percent of U.S. exports to Mexico will enter Mexico completely duty-free on the day the agreement is signed. Mexican tariffs on all remaining industrial products and most agricultural items will be phased out over five to 10 years.

In addition, NAFTA also phases out restrictions in the North American auto market while establishing strict rules of origin that ensure that only vehicles built with substantial North American parts and labor will benefit from NAFTA tariff cuts.

Look at it this way. The big three U.S. automakers exported barely 1,000 autos to Mexico last year because of high tariffs and non-tariff barriers that will disappear with NAFTA. In the first year NAFTA is implemented, they expect to ship 60,000 cars to Mexico. And for all of you who carry auto-related products, this is just the beginning.

Further, the biggest short line railroad gains will result from increases in agricultural exports. NAFTA opens access to Mexico for U.S. agricultural exports,

including corn, grains, oil seeds, livestock, and other commodities, by phasing out tariffs and import licensing requirements.

In Texas, which has a lot of successful short line railroads, sales to Mexico and Canada account for 41 percent of the state's total exports and support an estimated 185,000 jobs. Texas' merchandise exports to Mexico in 1991 totaled \$16 billion and included agricultural products, electronics, computers and machinery, transportation products.

In the President's home state of Arkansas, where you have many members, exports to Mexico grew 214 percent from 1987 to 1992, and included transportation equipment, processed food and agricultural crops as well as chemical products,

industrial machinery and computers, and primary metal industries.

In Kansas, where 36 percent of the state's agricultural products move on short line railroads, exports to Mexico grew 150 percent from 1987 to 1992, and accounted for nearly 9,000 jobs.

But the gains are not limited to agricultural products. We have a lot of short line railroads in Pennsylvania where 98 percent of the exports are heavy manufactured products. Pennsylvania's exports to Mexico quadrupled from 1987 to 1992 rising from \$181 million to \$742 million, and accounting for 22,700 jobs.

And the list goes on.

In the last five years U.S.-Mexico trade has more than doubled -- to more than \$70 billion. That means

that about 700,000 U.S. workers make their living producing exports for the Mexican market right now.

We estimate that with implementation of NAFTA there will be 200,000 more American jobs created through expanded exports to Mexico by 1995. Many of those will be in the short line railroad industry which will be busy hauling the goods.

We are going to fight -- and fight hard -- for this pact for three basic reasons.

The first is that NAFTA is good for America. It will create hundreds of thousands of new, high-paying American jobs.

The second is that once we pass NAFTA, all three countries -- the United States, Canada and Mexico -- will be more powerful together than any of us are alone

-- in trade talks with all of our other partners around the world.

Think about it. How can we expect to open markets? How can we create more American export jobs? -- if Japan or Europe or China sees that we can't deal reliably with our own neighbors.

The third reason is that passing NAFTA will send a message around the world: that the United States is not afraid to carry out the free trade policies we've always believed in. We're not afraid to lead. We're not afraid to compete -- and win -- in the tough global market place of the 21st century.

The stakes on NAFTA are really that big -- too big for a nation of winners to lose on.

So I ask you to make your voices heard. Learn the facts and join the fight for NAFTA. It's your fight, too.

From the beginning of this Administration, President Clinton and Secretary Peña have strongly supported investment in transportation as a critical means to getting our economy moving and building our global competitiveness.

We are pushing a new high-speed rail initiative, a new alliance to create "clean cars," a loan guarantee program for our shipbuilding industry, and a fantastic array of technology projects like the adaption of modern gas turbine engines to a turbine powered train currently running between Albany and New York City. Another project in Connecticut is an innovative approach to signaling of highway-rail grade crossing. Many of these technologies and many more that we expect to come out of the new partnership with the defense industries could benefit your own companies.

Our goals -- safety, efficiency, environmental soundness, economic growth and jobs are your goals, too. That's why short line railroads' day has come: You are no longer the step children of transportation.

As partners we will work with you to address the concerns of the short line railroad industry.

Florida will receive \$250,000 for its demonstration project of an economical design for highway-rail grade crossing separations. This could result in grade separations built at significantly lower costs.

Consolidated Launcher Technology Inc., of Chesapeake, Virginia, will receive \$400,000 for its concept of a "friendly mobile barrier." These devices have the potential to prevent automobiles from crashing through barriers at highway-rail crossings.

I know the problems. Many of the tracks you took over from the Class I railroads suffered from deferred maintenance which can no longer be ignored.

Financial institutions regard you differently because U.S. Bankruptcy Code requires appointment of a trustee who may choose to continue operations which might reduce and delay creditor recovery.

Most of you are small businesses and therefore more subject to local economic fluctuations -- if a power plant closes, the 500 cars of coal you have been carrying are no longer needed. If a crop is wiped out by floods your grain cars won't be needed.

I don't pretend to have all the answers. But we need your thoughts on the questions we must consider.

What direction should the local rail assistance program take? Should states look at their assistance programs?

Together we can come up with answers that are best for you, best for transportation and best for the country.

I understand the problems you have in fitting your operations into the bigger transportation system, relating your trackage to the highway network and to the ports.

And I can tell you that we at DOT are determined that ISTEA become truly "intermodal." The only way we can create a seamless transportation system to carry our economy into the 21st century is to use all our transportation assets. And short line railroads are a great national asset.

But the only way we can achieve intermodalism is through more planning and closer coordination by and with local governments. In the next couple of months I will be participating in meetings and working groups throughout DOT's 10 regions -- focusing on making ISTEA work. Part of the message will be this:

Metropolitan Planning Organizations must consider freight in the planning process and make sure that the planning process is one that operates in the sunshine. They should hear your views.

Are states paying attention to local planners? Do local planners have the information they need as to what their options are? And I should ask you "are short line railroads communicating their needs to local MPOs?" Or in fact, do you even know what an MPO is? If not, we need to get you together.

ISTEA is a totally new way of doing business and it needs a lot of cooperation on all our parts to make it work. But we're determined to do that -- and with your help, we will.

So as you celebrate your 80th anniversary, I ask you to join us in forging a new partnership between your businesses, state and local governments and the federal government. You have our attention. We know where you're coming from.

Advise us. Cajole us. Criticize us -- if you must. But most of all, get involved -- at every level. Because the great days of railroading aren't behind us -- they're ours to build anew -- together. And short lines will lead the way.

Thank you very much.

####

TALKING POINTS FOR
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
BALTIMORE WOMEN'S TRANSPORTATION SEMINAR
OCTOBER 14, 1993
BALTIMORE, MARYLAND

- I'm delighted to be here at BWI to share with all of you in one of the most active chapters of WTS some of the excitement we feel in Washington, D.C. as President Clinton leads our country toward mastering the great changes we face.
- Whether its pushing for free trade throughout North America or bringing forth a plan to resolve our health care mess, President Clinton is sketching out a strategy that will give American the confidence -- and the personal security -- to meet the challenges of global competition with renewed confidence in ourselves.
- It's an honor for me to serve the Clinton Administration and to have a part in creating a national transportation system that will carry our economy into the 21st century.
- One reason I believe we will succeed is that President Clinton has drawn to Washington so many people from state and local governments. You have a President who was a Governor, a Secretary of Transportation who was a Mayor, a Deputy Secretary who was a transit official and many, many others who have been out there on the front line where the job gets done.
 - Michael Huerta, Director of Intermodalism, was executive director of the Port of San Francisco.

-- Federal Highway Administrator Rodney Skater is a former Arkansas state highway director.

-- Federal Railroad Administrator Galena Molitoris is a former deputy director of the Ohio DOT.

-- Federal Transit Administrator Gordon Linton is a former state representative and SEPTA board member.

- And the list goes on.
- We understand local needs because we've been there. And we intend to serve people at the local level.
- As a transportation professional like yourselves, I am proud to serve President Clinton and Secretary Peña who both share our vision of transportation as a key to America's economic future.
- For Baltimore -- home of this modern airport, the Port of Baltimore with its Dundalk terminal, a growing mass transit system, and excellent rail and highway access -- the President's vision means progress.
- It means a renewed and invigorated national air traffic system and greater attention to intermodal connections at airports, a maritime policy that will ensure that America remains a maritime nation, high speed rail, better intermodal coordination in both passenger and freight service.

- But if we're going to make that vision a reality for Baltimore and the nation it is critical that we meet the challenge that the Vice President's National Performance Review has posed: the challenge of making government work better and cost less.

- As you probably know the NPR report contained 23 recommendations pertaining to the Department of Transportation. These ranged from major structural changes to operating administrations -- maritime and aviation -- to simply restructuring the basic processes of government.

- Just as so many American businesses have done, we in government need a fundamental rethinking and radical redesign of our processes and practices to achieve dramatic improvements in cost, quality, service and speed.

- Vice President Gore has outlined the principles for agencies to follow as they seek to "change the very culture of government":
 - Performance measurement -- to be sure that goals are achieved.
 - Decentralization -- to allow front-line workers to make their own decisions and be accountable for them.
 - Empowering communities -- to free them from subservience to Washington rules.
 - And empowering career employees to use their knowledge

to chart out a course of change.

- This is an exciting but awesome task.
- At DOT we established performance review teams in each operating administration and cross-cutting teams for several functions which affect transportation intermodally.
- These teams have been talking with customers, clients and constituents; gathering information about how DOT and others conduct business; finding out what works and what doesn't.
- The DOT teams have drafted a report which is being circulated throughout the Department for comment even as we speak.
- We will have a summary of those comments and recommendations within 60 days.
- Those recommendations will set an agenda as to what we will do and when we will do it not only to comply with the National Performance Review but to go beyond what is required by NPR.
- The simplest way to put it is that we're going to "reinvent" the whole way we deliver services so that we meet the needs of

customers and taxpayers.

- One of the mechanisms to make sure this happen is to establish a Chief Operating Officer in each Department and Agency. At DOT, I'm that person. As such I will participate in the President's Management Council, the group responsible for overseeing the government and making recommendations on:

- budgeting

- personnel

- financial management, and

- procurement.

- We are going to make radical changes.

- Members of the Baltimore WTS have -- and will -- contribute to these changes because your skills cross all lines in the transportation industry.

- We welcome your ideas. Our ears are open, and the process of re-inventing government has only begun. So I invite you to get involved, give advice, criticize us if we fall short. Because getting to the vision we all share of transportation's future really does depend on getting under the hood of this government and tuning up for the journey.

Thank you very much.

DRAFT 10-14-93 AT 5:30 p.m.

REMARKS PREPARED FOR DELIVERY BY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
ASSOCIATED GENERAL CONTRACTORS -- HIGHWAY DIVISION
OCTOBER 15, 1993
WASHINGTON, D.C.

I'd like to thank Bill Armstrong for that generous introduction, and to tell all of you that I'm delighted to meet with the AGC Highway Division -- the people who actually built the greatest public works project on earth -- the Interstate Highway System.

Your mid-winter meeting happens to come at one of the most exciting moments in history -- a time of tremendous change and renewed hope in our country's future.

Whether it's pushing for free trade throughout North America, developing a plan to provide health care to all Americans, or "reinventing government" to make it do more and cost less, President Clinton is unrolling

his strategy to give Americans the confidence -- and the tools -- to meet the challenges of global competition.

One priority in the President's strategy is passage of NAFTA.

Last month President Clinton and leaders from Mexico and Canada signed new accords to strengthen NAFTA. Now the Agreement and its supplemental accords will enable the United States, Canada and Mexico to form the greatest free trade zone in human history.

NAFTA will create jobs in the United States, open markets for our exports and give new momentum to the forces of democracy and capitalism from the Rio Grande to Argentina. NAFTA will mean some

construction opportunities on both sides of the U.S./Mexico border.

Together with our neighbors in Mexico and Canada, we seek to create an economic powerhouse of 370 million people with a total output of \$6.5 trillion -- the largest trading bloc on the planet.

The new side accords ensure that all three countries will strictly enforce their own laws to protect the environment and workers' rights while we work together for free trade.

We are going to fight -- and fight hard -- for this pact for this reason: the United States is not afraid to carry out the free trade policies we've always believed in. We're not afraid to lead. We're not afraid to compete -- and win -- in the tough global market place of the 21st Century.

The stakes on NAFTA are really that big -- too big for a nation of winners to lose. So I ask you to make your voices heard. Learn the facts and join the fight for NAFTA.

From the very beginning of his Administration, the President has made transportation infrastructure the bedrock foundation for economic progress in the United States and competitiveness abroad. He understands that investment in the nation's infrastructure is the engine that can drive our economy.

Now, you who constructed the Interstates, face a new challenge and opportunity.

Together we will create a 155,000-mile National Highway System that will be the backbone of a fully balanced transportation system. Sure, the NHS includes the Interstates and a lot of federal and state

roads already built to some degree. But in 155,000 miles there's enough construction to get your industry -- which still has one of the highest unemployment rates nationwide despite a good building season -- on its feet again.

But the work only begins with construction -- whether rehabilitating an old road or designing and building a magnificent new bridge.

We must construct this 21st Century system in such a way that is environmentally sensitive -- not only to wetlands but to clean air as well.

This System must be built with the best design and materials -- and the AGC has been a partner in our National Quality Initiative to ensure that.

The new System must help create economic prosperity and a fully effective transportation system

by connecting people and cargo with key locations such as airports, seaports and intermodal rail freight and passenger terminals. It must use the most state of the art IVHS technology to achieve efficiency. And above all the new System must be safe.

And of course, you will be expected to accomplish all of this on time and under budget.

Other than that, your job is a piece of cake.

To bring you up to date, we are nearing completion of the NHS designation. The first maps, as you know, were drafted by the states and coordinated at the Federal Highway Administration. Work with the states and cities on the final NHS map will take place this fall, and we will get the map of the system to Congress before the end of the year.

Never has efficient transportation counted as much as it does today. It is the very essence of our competitiveness and productivity as a nation. If we are to maintain economic leadership in the world we cannot afford to continue losing \$39 billion a year in our 34 major cities because of congestion.

Those countries that invest in their transportation infrastructure will be successful competitors. Those who don't will fall behind.

Japan knows this. With a population two thirds the size of the United States, an economy two-thirds the size of ours and land mass the size of the state of Montana, Japan is investing \$3.2 trillion in infrastructure in this decade. Let's be clear about that number -- it's \$3.2 trillion, not billion. And Japan is in a recession.

I hope you are aware that the Clinton Administration is seeking to open bidding rules for all federally funded public works projects in Japan so that U.S. contractors can compete. We are moving aggressively to create a level playing field for U.S. companies in overseas markets.

Taiwan knows about infrastructure's importance too. Taiwan, with a land mass the size of Massachusetts, Rhode Island and Connecticut is investing \$103 billion in infrastructure over six years.

The Europeans know this. The Europeans found that 12 separate, national transportation systems do not work efficiently and as a part of a comprehensive European Community economic initiative they are breaking down national barriers and improving linkages

between and across those barriers -- just as we will be improving linkages across modes.

West Germany alone in 1989 invested the equivalent of \$9.4 billion (in current exchange rates) in road infrastructure. This tells you the value the Germans place on transportation.

The President knows that without efficient transportation our economy cannot be productive. That's why even in a tight financial situation we will not end our search for ways to stretch the dollars.

But ISTEA is more than dollars. It requires us to think anew the way we do business. I strongly support the vision of ISTEA because it will permit your companies to do innovative kinds of design and construction. You have an important role to play in "building" under ISTEA.

One significant change that will affect your relationship as an important partner in this process is the requirement for a statewide planning process. The new planning regulations will be out soon.

These new planning regulations will require greater involvement of local governments -- specifically, regional Metropolitan Planning Organizations -- and interested citizens in the planning process. They require that priority consideration be given to local needs. So become involved in your local MPOs if you haven't already -- because that's where many of the big decisions will be made.

The new planning regulations recognize that transportation and air quality are interdependent and they encourage coordination of land use and transportation planning. They will complement the

Clean Air Act compliance regulations being developed by the Environmental Protection Agency.

The EPA's Clean Air Act conformity regulations will relate closely to the transportation planning process. Essentially the conformity rule will require that transportation plans and improvement programs will not produce emissions that exceed the "emissions budget" included in state air quality plans. If a state doesn't conform, we cannot approve transportation funding under ISTEA.

So it will be a real challenge to cut emissions anywhere you can. It will challenge your ingenuity as builders and your ability to work together with planners to comply.

While we are on the issue of environment and safety, let me ask your support for a one-call system.

We need a one-call system that would allow the contractor to notify the pipeline operators who would mark the locations of their pipelines and therefore prevent damage to buried pipelines from excavation activities.

DOT is working with the national leadership of One Call Systems International, an affiliate of the American Public Works Association, to encourage states to adopt or improve one-call notification systems. Secretary Peña's personal involvement was triggered by a March 28 pipeline rupture, spilling 400,000 gallons of diesel fuel into a tributary of the Potomac River in Fairfax County. Signs of excavation were found at the point of rupture of that pipeline, raising concerns about safety and environmental problems.

An effective one-call system looks to me like a good deal for everyone. It would save contractors time and money by providing accurate locations of underground facilities. By preventing accidental dig ins, one-call systems help assure both worker and public safety. And contractors can avoid costly litigation often associated with personal injuries and property damage.

So, I ask you to do what you can to encourage adoption of a one-call system that works.

Finally, I know builders are people of tremendous vision and talent. As a New Yorker, I used to look around me at the beautiful skyscrapers and majestic bridges around Manhattan and marvel and the artistry of the builders.

A new partnership of contractors, state and local governments and the Clinton Administration offers you a unique opportunity to use your artistry.

When I think of the opportunities ahead I am reminded of a story about a D.C. cab driver who was carrying a family of tourists around the city.

When they passed the National Archives the little 10 year old daughter slowly read aloud the words of William Shakespeare at the entrance. "The past is prologue," she read, and asked "What does that mean, Daddy?"

The street wise cabbie said, "Honey, it means you ain't seen nothin' yet."

**Come with us into a new partnership to give America the kind of transportation system it deserves -
- a 21st Century system anchored in the NHS -- a**

system with efficiency, vision, and even beauty.

Join us, and I promise, "you ain't seen nothing yet."

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DRAFT - 10-19-20 AT 5 p.m.

TALKING POINTS
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
TRANSPORTATION REFORM ALLIANCE
OCTOBER 20, 1993
WASHINGTON, D.C.

- I'd like to thank Wayne Valis for having me here, and to say to all of you how much I've enjoyed hearing so many points of view of transportation.

-- Your presentations were thoughtful, provocative and realistic about the challenges and opportunities we face in using transportation to make our economy more competitive and productive.

- It's natural that you should wonder about a still young Administration -- what we are going to do? Do we have a strategy for getting there? Is it the right course?

- So let me say at the outset to shippers and carriers alike: we understand the benefits of deregulation and will not turn back the clock to the days when the railroads were on their knees and the trucking industry needed a fleet of 18 wheelers just to haul the paperwork to the ICC.

- And, I think you will be interested in knowing that we want the shipper undercharge issue settled one way or the other. We have

offered our support to Chairman Mineta in his efforts to forge a compromise.

-- From the standpoint of fairness, we should not perpetuate a system where two parties have agreed upon a price for service, the bill has been paid and then a higher amount can be collected years later.

-- It's been a direct burden on the economy. Some have estimated that the costs may be as high as \$38 billion in potential claims.

-- It should be resolved in the interest of good business practices, of small and large shippers, of the trucking industry, and of our global competitiveness and our economy as a whole.

-- With or without complete consensus, there is a critical need to act on this matter now.

-- Now that the Senate has passed Senator Exon's shipper undercharge bill, I am hopeful that we will have a compromise bill enacted soon. We support the efforts to reach compromise legislation. Congressman Mineta's bill is a sound basis for action. And we look forward to action by Congress this year.

- Because we both serve a very special clientele -- the consumer -- you will find that for the most part your fights are our fights, your concerns are our concerns.

- President Clinton has a strategy for change that will mean growth for our economy and security for our people. Transportation is a major player in that strategy.

- The President's strategy started with the swift passage of a budget which is the first real attempt to reduce the deficit and restore fiscal stability and therefore respect in world financial markets.

-- We are reaping the benefits already -- in the form of the lowest interest rates in a generation and the creation of more than one million new jobs this year.

- NAFTA is critical to economic growth and we need your help on this issue. NAFTA will create jobs in the United States, open markets for our exports and give new momentum to the forces of democracy and capitalism from the Rio Grande to Argentina.

-- In NAFTA we seek to create the largest trading bloc on the planet -- 370 million people with a total output of \$6.5 trillion.

-- The negatives if we do not pass NAFTA are enormous: Loss of respect on our own continent. Loss of markets to the

Japanese and Europeans. And loss of hundreds of thousands of current and potential export jobs for Americans.

- The President has said from that outset that transportation is critical to economic recovery and long term growth.

-- We are pushing a high speed rail initiative that will bring 21st century technology to moving passengers more efficiently and improving the quality of life.

-- We will have a new national maritime policy that addresses the needs of carriers and shipbuilders.

-- We are doing everything we can to achieve full funding of ISTEA to provide funds for the key infrastructure investments that will make our highway and transit systems safer, more efficient and productive.

-- And most important of all, we are determined to develop a seamless, intermodal transportation system -- one that links seaports to highways to rail terminals to airports. This will do more for productivity and efficiency of our economy than any other move that any Administration could make.

- Now, I believe I have responded to most of the points made in your presentations, and given you a feel for the direction the Clinton Administration will be taking.
- You may disagree on some points. We invite you to make your voices heard, engage us, argue with us if you must. But do it in the spirit of partnership because, as the President says, "we are all in this together."
- Thank you very much.

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FINAL DRAFT - 10-25-93 AT 4 p.m.
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
AVIATION SECURITY 1993 INTERNATIONAL CONFERENCE
"CIVIL AVIATION SECURITY IN THE GLOBAL ECONOMY"
OCTOBER 26, 1993
WASHINGTON, D.C.

- I'd like to thank General O. K. Steele for that kind introduction.
- And I also want to commend FAA Administrator David Hinson and James A. Thomas, president of the American Society for Testing and Materials, for co-sponsoring this very important event.
- Someone -- a Washington cynic, no doubt -- once defined the three leading qualities necessary to seeking an executive position in Washington as knowing how to delegate responsibility, take appropriate credit, and shift the blame. And I'm sure there must be times when those of you in international aviation security are tempted to agree.
- However, I want you all to know that one Washington executive -- and you're looking at him -- is delighted to assume responsibility, share credit and hopefully avoid the need for anyone to get blamed for anything.
- Certainly, much of the credit for the success of civil aviation security belongs to people in this room. Air travel is much safer today because of the careful, thorough, often tedious, sometimes thankless

work performed by international aviation security specialists, and I'm delighted that so many of you could make it to this conference.

- Secretary Peña and I take very seriously the public trust given to both government and industry to protect travelers and aircrews against criminal and terrorist actions. The freedom to travel without fear is vitally important to the political and economic stability of the world.
- One has to look only as far as Pan Am 103 to see how tragically high the stakes can be in aviation security.
- In the United States, that tragedy caused probably the largest single redirection of transportation resources since the founding of the FAA itself.
- Forty-seven actions were mandated in the 1990 Aviation Security Improvement Act; 38 were FAA's responsibility, 34 have been completed.
- These actions included some very dramatic changes:
 - setting employment and training standards for security personnel;
 - setting standards for certifying explosives detection systems;
 - conducting joint FAA/FBI vulnerability assessments at nearly 30 major U.S. airports;

- placing Federal Security Managers in 19 of our largest and busiest domestic airports, and Civil Aviation Security Liaison Officers at 17 locations overseas;
- publishing guidelines to help airports build security into new airport construction;
- revitalizing and redirecting the FAA aviation security Research and Development program;
- improving communications between the FAA and intelligence and law enforcement agencies.

- We in this country were not alone in our quest for new aviation security measures.

- In other countries, events of 1985 through 1990 prompted new improvements in security. For example, ICAO added important new amendments to its Standards and Recommended Practices that govern security.

- Clearly, the economic and human cost of failed security is a deep common concern all around the globe.

- In 1992, there were 98 incidents against civil aviation; 34 in Europe; 25 in Latin America, 13 in Africa; 9 in Asia; 7 in the Middle East, 6 in Central Eurasia and 4 in North America.

- Nearly half of the dozen hijackings recorded in 1992 occurred in sub-Saharan Africa; one third were in Latin America. Of the 15

airport attacks, 6 were in Latin America and 4 were in sub-Saharan Africa.

-- All of these attacks were against non-U.S. carriers, but as you know this gives us no cause to relax.

- I don't have to tell you the cost of terrorism is heavy and it's measured in many ways -- in human lives and suffering, as well as the financial losses to the airline industry when there is a successful terrorist attack.
- That's why the mission of security takes on added importance in a world of change. As President Clinton said in his Inaugural Address: "Profound and powerful forces are shaking and remaking our world...as an old order passes, the new world is more free but less stable."
 - The Middle East peace process, the collapse of the former Soviet Union and the Eastern Bloc, the re-emergence of Iran, attempts at revenge by Iraq, the relative silence from traditional sponsors of terrorism in Libya, Syria, Cuba, and North Korea, and regional ethnic and religious strife -- all add to the urgency of aviation security.
- Indeed, the only certainty is that instability and uncertainty will continue. Both industry and government must proactively plan to avoid both laxity in protection, and over-reaction to a crisis.

- The FAA has a strategy called "economy of force/flexible response." That means concentrating scarce resources on the most threatened and vulnerable parts of the airline system. At the same time the FAA and the industry plan ahead to respond to potential threats with temporary measures -- in effect, "flexible responses."
- The U.S. strategy also relies on advanced technology -- such as explosives detection systems. We aim to introduce those devices into the system wherever they can replace labor intensive manual techniques that are vulnerable to operator fatigue.
 - Clearly, we want to rely less on the human element for the performance of high volume, routine functions, and instead use advanced technology, based on sound performance standards, to improve security and make it less intrusive.
- But the United States, and the FAA cannot do it alone.
- International and regional cooperation is essential. The role of ICAO is critical as are sound bilateral relationships.
- It was with that thought in mind that this conference was scheduled.
- Let's use this time to find solutions that can be implemented on a worldwide or national basis. Where a problem needs to be better defined, let's do that too.

- But above all that, I hope that we all leave this conference with more resolve, more information and more friends that we came with.
- Thank you very much, and good luck on a tough job.

###

**FINAL -- USE THIS VERSION!!!
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
TRANSPORT WORKERS UNION OF AMERICA
OCTOBER 27, 1993
LAS VEGAS, NEVADA**

**I'd like to thank Sonny Hall for that generous
introduction.**

**Sonny continues a proud tradition of New York
Local #100 leadership in the Transport Workers Union
of America.**

**Mike Quill, founder and the first TWU President
from New York, was famous for organizing a strong
industrial union and instilling in it a lasting tradition of
rank and file activism.**

**John Lawe fought to keep your union on the
cutting edge of change and to continue the drive to
empower workers.**

Knowing Sonny Hall as I do, I expect him to match the results of his predecessors. But it won't be easy.

After 12 years of bearing the blame for forces you did not create and bearing far more than your share of the burden of failed economic policies in Washington -- your time has come. The policies that gave us blatantly anti-mass transit budgets and anti-union actions -- are now recognized as failed policies and those days are behind us.

This union is at one of the most exciting moments in history -- a time of tremendous challenge and change and opportunities.

And I'm delighted to be the member of the Clinton Administration to come here and offer you in the American labor movement a new partnership.

As President Clinton put it, the biggest change

today is that we have replaced a government that for years worked labor over with a government that works with labor. That's been so right from the start, when President Clinton nominated a Secretary of Labor, Bob Reich, who is doing something that has been done too rarely in the past twelve years: talking to union leaders and taking their views seriously.

And it's not just listening that counts. It's action.

I'm proud to be a part of an Administration that believes that when a family works hard, it should not be taxed into poverty. That's why our economic plan not only called on the wealthy to pay their fair share -- it also expanded the Earned Income Tax Credit enough to lift millions of American families beyond the poverty line.

President Clinton believes that no one who works

full-time and has children at home should have to live in poverty.

I'm proud to be a part of an Administration that believes that family members should be able to take leave from their jobs to care for sick children and elderly parents, and that worker retraining should be something you can count on.

I'm proud to be a part of an Administration that backs an increase in the minimum wage and that stands firmly for a bill banning the hiring of permanent replacements for striking workers -- a practice that previous Administrations turned a blind eye to -- or actually supported.

And it's an honor for me to be a part of an

Administration that has shown the courage to tackle the issue of health security for all Americans.

The President's Health Security Plan will answer the deepest anxieties of working Americans. We all know how exploding health costs have threatened public budgets, strained family budgets and often produced genuine tragedies. It's a tough issue. It's been put off too long. But we now have a leader who's going to fight for it day and night. I know you'll be with us in that fight -- and I urge you to spare no effort until we win this one together.

These are the kind of pro-work, pro-family policies this country needs. And the President is delivering on them. All of this adds up to a larger strategy to restore our economy and rekindle a sense of security and

confidence in our people.

And we are going to succeed because we have the labor movement as partners. In our plans to "reinvent government" we invited federal workers and unions to help draft the Vice President's National Performance Review. We know we can't make government work better and cost less without their involvement. They're as sick of red-tape and waste as anyone -- and like front-line workers anywhere, they have some of the best ideas for doing things better.

Earlier this month President Clinton signed an executive order creating a National Partnership Council. For the next several months the leaders of federal employee unions will work with leaders of our Administration not only to make government more effective but to make the jobs of rank and file federal

employees more interesting, more stimulating, more customer-oriented.

In implementing the Intermodal Surface Transportation Efficiency Act, we put down rules last Friday that will change forever the way we make surface transportation investments in this country. The rules call for bringing all interested parties into the planning process at the early stage so we can "humanize" transportation and make it serve the needs of people who use it.

We in transportation -- unions and management and government -- have a major role to play in the President's strategy. Let me tell you of just a few more changes in transportation policy that should already have signaled to you that as we build and operate an intermodal transportation system for the

21st century, we will work closely with labor.

Clearly, it was a new day when President Clinton decided to rescind President Reagan's ban on rehiring members of the Professional Air Traffic Controllers Organization who were fired for striking in 1981.

These air traffic controllers can now reapply for their jobs.

After more than a decade, the President's decision, which endorses the recommendations of the Secretaries of Transportation and Labor, sets a new tone for the relationship between government and labor. The ban lasted too long and became not only a symbol of divisiveness but a symbol of union-bashing that the Clinton Administration does not believe in.

A second signal you surely registered is our

determination to get the American aviation industry back on its feet. That's what the Airline Commission was all about. You will see dramatic change as we go about forging a new aviation and aerospace policy that will keep American manufacturers and carriers competitive and open world markets even wider. Revitalizing the aviation and aerospace industries is one of the highest priorities of this Administration.

But I assure you of this. We aren't going to do it on the backs of the working people who are the strength of the American aviation industry.

In mass transit, the change will be even more dramatic. This is a pro-transit administration. We believe transit can move people, protect the environment, ease congestion and improve the quality of life in cities. And our 1994 appropriations bill

shows that we mean business. Congress accepted the President's recommendations and provided for a 79.6 percent increase in the formula transit capital grants programs. That's versus 2.5 percent increases in the three years from 1990 through 1993 and it means better times for transit systems -- large and small -- all across the country.

But the change in funding is only a small part of the transit picture. Policies to turn transit services back to the private sector have been an obsession of the federal transit program over the past decade. Our own Regional Administrators' job performance evaluations were based 20 percent on implementing the private sector program.

Lengthy periodic reviews of public transit routes

services were required to accelerate the privatization policy.

When we started to take inventory of the private sector initiative program, here's what else we found.

We found millions of dollars on the books for grants and contracts that were funding private sector advocacy groups traveling the country to urge state and local decision-makers to privatize their systems.

We found a private sector policy that said it was only interested in efficiency and productivity and cost-savings, yet created an elaborate bureaucratic apparatus.

Let me be clear. We still believe that the private sector can and should play an appropriate role. But, we are not approaching this issue from the ideological perspective. We believe the service providers at the

local level, are in the best position to look at transit services and to decide where and when it may be appropriate and cost effective to develop private options with respect for the workers who provide those services.

This Administration believes in local flexibility, minimum paperwork and federal policy which emphasizes results for the people we serve. That's the way a transit program ought to be run and I'm sure we agree on that.

Now, let me take a moment to mention to you one issue we probably won't agree on: the North American Free Trade Agreement. This is a key element in President Clinton's policy of expanding U.S. exports and expanding American jobs.

NAFTA has become a terribly emotional issue for

many people -- an unfortunate symbol of all the real anxieties that Americans feel in tough times of transition and global competition.

This Administration supports NAFTA for one basic, core reason: We truly believe that it will create more American jobs and we wouldn't support it if that was not our belief. Virtually every independent economic study of the issue agrees with us.

We know that some American companies have moved jobs to Mexico -- and they would be free to do so with or without NAFTA.

But at the same time, as Mexico's tariffs have fallen in recent years -- our exports to the South have boomed. Our country had a \$5 billion trade surplus with Mexico last year, and 700,000 American jobs

depend on sales to Mexico right now.

As NAFTA lowers Mexican tariffs, one of the main reasons that companies move to Mexico now will actually disappear -- the need to locate plants there to jump over the tariff "walls."

Instead of having to move to get into the fast-growing Mexican markets, companies will be able to export more to Mexico from U.S. plants, employing American workers.

Mexican companies and consumers now spend 70 cents of their import dollars on U.S. goods -- and NAFTA will nail down that American advantage.

That's why top Japanese officials have lately been voicing their worries about NAFTA. They think it's a bad deal for Japan -- and they're absolutely right. Because with NAFTA, American companies will hold a

much bigger share of Mexico's markets than the Japanese can hope to get.

If NAFTA is defeated, though, you can be sure that our rivals in Japan and Europe will move in -- with deals in hand -- and take over what should be America's natural markets beginning in Mexico and moving down through all of Latin America.

We believe that the stakes are that high. And that everything that critics of NAFTA worry about -- from jobs to the environment, to illegal immigration -- will get better if the treaty passes -- and much much worse if it fails.

I know that many in the labor movement disagree with us on this.

But grant us this -- we are sincere in our belief that this treaty is good for America and good for American jobs.

Even if we can't convince you that we're right about this, I ask you to recall that while Bill Clinton may disagree with you on NAFTA, he stands with you on raising the minimum wage, lifting the ban on PATCO members, banning the use of striker replacements, spending more on transit, reviving our airlines, lifting the working poor out of poverty, retraining workers who lose their jobs, granting people the right to family leave, providing more access for working peoples' kids to go to college or get apprenticeships if they don't, and most important of all, passing a universal health care plan for all Americans.

We support all those programs because we believe that if we ask the American people to meet the challenge of global competition, as we're doing by backing NAFTA, we have to give them the security they seek -- and the tools they'll need -- not only to cope -- but to prevail. We need to restore the American tradition of winning and I hope we can count on your support in the steps that will get us there.

Thank you very much.

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