TALKING POINTS
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
RAILROAD SAFETY ADVISORY COMMITTEE MEETING
APRIL 1, 1996
WASHINGTON, D.C.

(Introduction to be made by Federal Railroad Administrator Jolene Molitoris)

* Thank you, Jolene, for that introduction. I also want to thank you for your efforts in helping to set up this committee. The work that this group is going to do in the coming months and years will be indispensable to making America's railroads safer -- safer for workers, for passengers, and for the communities railroads serve.

* Let me say to you, the committee members, how much Secretary Peña and I appreciate your willingness to contribute your time and expertise. You represent a wide cross-section of the rail industry -- freight carriers, Amtrak, commuter rail operators, state agencies, labor groups, suppliers, passenger groups, and many others.

* Your broad experience and your willingness to share it in the public interest is going to give us the perspective we need to improve safety in an industry as dynamic as this one -- an industry whose structure and technology are evolving so rapidly -- an industry which has seen unprecedented growth in recent years.

* Today's inaugural meeting is especially timely because of the tragic accidents over the past few months.

* Although I certainly don't want to prejudge ongoing investigations, I don't believe these accidents, frightening as they may have been, mean that railroading is fundamentally unsafe.

* However, the accidents we've seen this year obviously all have causes, and may have been preventable through better -- or at least different -- operating practices, equipment or track standards, and other factors which affect safety. It's absolutely vital for all of us that we identify *anything* which can be done to prevent future accidents.

* Putting into place safer ways of doing business is nothing new. In fact, railroading's record in this century has been one of continuing progress on safety, to the point at which the past two years -- 1994 and 1995 -- were the safest ever.

* Some of these improvements were carried out by industry acting on its own initiative. Others resulted from partnerships with government, or through regulation. Whatever their origin, they've made railroads far safer.

* But -- even with this record of improvement -- this year's accidents remind us that more can -- *and must* -- be done to protect the thousands of workers who operate and maintain our trains, the millions who travel by train, and those who live and work along railroad rights of way. The future of a strong railroad industry depends on the progress we make in this effort.

* President Clinton and Secretary Peña have made safety the nation's highest transportation priority, and -- let me be absolutely clear -- have directed that the FRA must take *whatever steps are necessary* to protect the American people. That's why the FRA has sought measures to keep this the safest rail system in the world.

* Even though this is an administration that is in the process of eliminating nearly one in seven pages of regulations, we recognize where regulation *is* necessary, especially when safety is st stake.

* However, under Jolene's and Don Itzkoff's leadership, the FRA has put regulation in a new context -- avoiding a confrontational, command-and-control style. They've worked to instill a cooperative spirit based on the common-sense concept that it's better for us all to be pulling in the same direction.

* And, under President Clinton, not only the FRA but also the entire federal government is working to rationalize the whole regulatory process and to manage it better. Process-related innovations like that don't sound terribly exciting, but they produce real results -- results that save lives -- but also don't waste resources in getting there.

* The improvements we've made at the FRA fall into three major categories.

* *First*, we've recognized that not all issues are created equal, and so we've focused on those demanding immediate attention. That's why we've set as priorities such areas as air brakes, track safety standards, and locomotive and passenger rolling stock safety.

* *Second*, we're separating large, complex rulemakings into smaller packages so that vital safety concerns can be dealt with quickly.

* For instance, we recognized that protecting roadway workers from being hit by trains was vital -- and separated it from other track issues. Although this creates more rulemakings, it makes each one simpler, and lets all of them be completed faster.

* *Third*, we've begun to use the process of negotiated rulemakings, a new and potentially useful tool that can speed up results while increasing everyone's confidence that the rule achieves its goal in the most effective manner.

* It received its first test in the development of the new standards for roadway worker protection. Many of you were involved in that effort and I think it set a good standard for the future.

* Expanding and improving the negotiated rulemaking process -- especially for such areas as track standards and power brakes -- is this committee's primary task. By bringing you together to approach rulemakings comprehensively, we hope to leverage the FRA's resources.

* That will enable the FRA not only to carry out more necessary rulemakings but also to do them faster and better than would be possible through traditional approaches.

* The roadway worker rulemaking proves this. Labor and industry have now agreed to implement the rulemaking process's recommendations even before the rule itself becomes final, and that confidence will ensure its long-term success.

* This level of progress is clearly in the FRA's interest. It's in the industry's interest, since rules will be clearer and more reflective of real-life practices and demands. And it's definitely in the interest of those whose safety depends on sound practices and solid execution -- the American people.

* Americans depended on railroads to meet their mobility needs for much of our history. Sadly, railroading's role began to diminish at this century's midpoint -- a decline reversed only after President Carter began to end economic regulation of the industry 15 years ago, a process completed by President Clinton. As a result, rail -- freight, commuter, and intercity passenger -- *is back.*

* But rail's renewal cannot -- *and must not* -- ever compromise safety. I want to make it clear that the Clinton Administration will *never* allow safety to take a back seat to any other concerns. We will do what is necessary to protect the public -- and we urge all of you to adopt the same standard.

* We believe that public-spirited rail operators can work in partnership with government through forums such as this one to ensure that a technology created in the 19th century will help us to meet our transportation challenges in the 21st century and beyond.

* This committee can play an important role in this effort, helping us to develop rules that work and that make sense in the real world beyond the Beltway. We look to you, as our partners, to help us bring common sense to the creation of those regulations necessary to protect the American people.

* Let me close by again thanking you for your commitment -- encouraging you to stick with it -- and wishing you good luck in your work. It's important to all of us. Thank you.

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U.S. Department of Transportation

TRANSPORTATION TRENDS

REMARKS AS PREPARED FOR DELIVERY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
ITS NATIONAL ARCHITECTURE FINAL PROGRAM REVIEW
APRIL 2, 1996
WASHINGTON, D.C.

Thank you, Christine, for the introduction, and for all of the work by you and your staff in bringing our federal ITS commitment to a high level. I'd also like to thank Lee Simmons, who has managed to keep this most complex project on schedule and on budget, for his contributions.

I also want to express my appreciation for the fine efforts of Rockwell International and Loral Federal Systems. You've all worked with them, and you know how their work has supported our decision to hire them to carry this project forward.

Today, the national intelligent transportation systems architecture project has now reached a most significant milestone: the final program review.

You'll be helping us to put this architecture into its final form and, by so doing, moving us closer to the day when ITS becomes a part of most Americans' daily lives.

Let me say to those of you gathered today how much Secretary Peña and I appreciate your willingness to contribute your time and expertise. We know that these are invaluable assets and we want to make good use of them.

You've come together from a wide cross-section of the ITS industry around the world. Your broad experience and your willingness to share it in the public interest is going to give us the perspective we need to create standards in an industry that epitomizes dynamic change, an industry whose structure and technology are evolving so rapidly.

Indeed, when this process began more than two years ago few outside this field really grasped ITS's potential to improve mobility and to save people time and money, and fewer still understood how soon it could become a reality.

(More)

Two years ago most people thought of ITS, if they thought of it at all, in the same way people contemplated other new transportation innovations, like the automobile and the airplane -- as something out of, depending on your generation, Tom Swift, Buck Rogers, or Star Wars.

That has changed. The first generation of ITS technologies is being deployed around the country, and these systems are proving every day that they can make a real difference in people's lives. The successes we're seeing should multiply over the next few years, especially as we establish this architecture as a defining element.

I say that with confidence because, due to President Clinton's support of increased technology funding, ITS research and development has accelerated. The President's 1997 budget reaffirms that dedication to federal support of this industry.

The President also has made clear his commitment to increasing public access to that technology, as he showed just last week when he announced expanded civilian and commercial access to the global positioning satellite system, a decision that will have widespread benefits for ITS applications.

The Clinton Administration is committed to supporting not only research but also full ITS deployment, and I think that we'll look back on Secretary Peña's January speech announcing Operation Timesaver as a landmark in this effort.

That speech represented the first top-level federal commitment to an active role in bringing about widespread deployment of the core ITS technologies -- the building blocks for the fully-integrated systems of the later 1990s and beyond that are embodied in the system architecture.

All of these things I've mentioned, like the broader ITS effort, combine federal assistance -- through seed money, assistance in standard-setting, and the promotion of partnerships -- with development and deployment by state and local agencies and the private sector.

That diversity of implementors makes the creation of a national architecture all the more important as deployment accelerates. We all understand the danger inherent in completely uncoordinated ITS development: the risk that a system design like the Tower of Babel could cause ITS's potential to remain unrealized.

That's why a truly national architecture is so important, and why the work you'll do to critique this effort is so vital. One of the fundamental decisions made early on was that the architecture could not be created by the federal government alone.

If it were going to succeed, it needed to be the product of a joint federal, state, local, and private effort -- one that involved the practitioners who will be implementing ITS solutions as we go forward.

The framework also needed to achieve several things: it had to be technically sound; it had to accommodate all ITS services as we knew them at the time; and it had to achieve a broadly-based consensus within the ITS community.

As we see it, this blueprint has met these tests, and that's going to help service and product developers, transportation agencies, and other users build ITS systems that meet the public's needs.

We also hope that other features of the architecture are also there:

-- That it can provide genuine national interoperability -- accessibility for all users, and compatibility throughout the U.S.;

-- That it can enable the economies of scale that can make for affordable access by a wide spectrum of users;

-- That it can make possible the open markets that will spur continued progress, since the architecture is based on performance;

-- That it avoids commitment to proprietary systems that could lock in future procurements and risk stagnation;

-- And, at the same time, that the architecture can support the gradual and coherent evolution of products and services, reducing the likelihood of unplanned obsolescence.

We hope that the major tasks are behind us, but we do have one last task ahead: to identify for the architecture teams those remaining rough edges which can and should be smoothed out before a final product is delivered to the nation's users.

As you do this, I ask that you keep three things in mind. First, architecture implementation. The team has developed a technically-sound product, but now we need to make sure that it's broadly acceptable.

During your review, I hope you'll keep in mind user friendliness and the architecture's adaptability to practical guidelines that can be used by transportation planners.

We in the federal government will do our part:

(More)

-- We'll call for applying the architecture in the model deployment program that's currently underway, to ensure wide use;

-- We'll incorporate the architecture into our federally-sponsored training and outreach programs in the coming years;

-- We'll also use the architecture as the framework for all ITS programs being developed with federal funding, such as the commercial vehicle operations program now under development.

The second thing I ask you to remember is that we can't let the perfect become the enemy of the good. In an undertaking as large as this one, not every stakeholder will be completely satisfied, and we shouldn't become bogged down trying to meet every last need.

The third thing I ask you to bear in mind is that this is a dynamic field, and the architecture needs to be flexible enough to accommodate change and remain relevant. This is going to be an ongoing task, as we see in the latest, but very important, efforts to integrate information-based highway-rail grade crossing safety measures into the architecture.

Although much of this ongoing maintenance will need to be done by us at the federal level, you have a key role in making it possible through the architecture and, in the future, by supporting us in this activity.

You can play an important role in this effort, helping us to develop an architecture that continues to work and make sense in the real world.

Now, let me close by again thanking you for your past work and commitment to making the national ITS architecture a reality. You've done a terrific job, and we're going to see the fruits of it for many years to come.

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(In his remarks, the Deputy Secretary referred to Dr. Christine Johnson, Director of the Department of Transportation's Joint Program Office for Intelligent Transportation Systems; to Lee Simmons, manager of the Intelligent Transportation Systems architecture program; and to Secretary of Transportation Federico Peña.)

TALKING POINTS
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
ITS NATIONAL ARCHITECTURE FINAL PROGRAM REVIEW
APRIL 2, 1996
WASHINGTON, D.C.

(Introduction to be made by Dr. Christine Johnson)

* Thank you, Chris, for that introduction, and for all of your work in bringing the federal ITS commitment to a higher level. I'd also like to thank Lee Simmons -- who has managed to bring this incredibly-complex project in on schedule and on budget -- for his contributions.

* I also want to express my appreciation of the fine efforts of Rockwell International and Loral Federal Systems. You've all worked with them, and know how they've validated our decision to hire them to oversee this project.

* Today, the national intelligent transportation systems architecture project has now reached a memorable milestone: the final program review.

* You'll be helping us to put this architecture into its final form and -- in the process -- bring closer the day when ITS becomes a part of Americans' daily lives.

* Let me say to those of you gathered today how much Secretary Peña and I appreciate your willingness to contribute your time and expertise.

* You've come together from a wide cross-section of the ITS industry, and your broad experience and your willingness to share it in the public interest is going to give us the perspective we need to create standards in an industry as dynamic as this one, an industry whose structure and technology are evolving so rapidly.

* Indeed, when this process began more than two years ago few outside our field really understood ITS's potential to improve mobility and to save people time and money -- and fewer still realized how soon it would become a reality.

* Two years ago most people thought of ITS in the same way people have seen other new transportation innovations, like the automobile and the airplane -- as something out of, depending on your generation, Buck Rogers, Star Trek, or Star Wars.

* That has changed. The first generation of ITS technologies is being deployed around the country, and these systems are proving every day that they can make a real difference in people's lives. The successes we're seeing are only going to multiply over the next few years.

* That's because -- due to President Clinton's support of increased federal seed funding -- ITS research and development has accelerated. The President's 1997 budget reaffirms that dedication to federal support of this industry.

* The President also has made clear his commitment to increasing public access to technology, as he showed just last week when he expanded civilian and commercial access to the global positioning satellite system -- a decision that will have widespread benefits for ITS.

* The Clinton Administration is committed to supporting not only research but also full ITS deployment -- and I think that we'll look back on Secretary Peña's January speech announcing Operation Timesaver as a landmark in this effort.

* That speech represented the first top-level federal commitment to widespread deployment of the core ITS technologies -- the building blocks for the fully-integrated systems of the later 1990s and beyond that are a subset of the work you've done to create a system architecture.

* All of these things I've mentioned -- like the broader ITS effort -- combine federal assistance -- through seed money, assistance in standard-setting, and the promotion of partnerships -- with development and deployment by state and local agencies and the private sector.

* That diversity of implementors makes the creation of a national architecture all the more important as deployment accelerates. We all understand the danger inherent in completely uncoordinated ITS development -- the risk that a Babel of system designs could cause ITS's potential to remain unrealized.

* That's why a truly national architecture is so important, and why the work you've done is so vital. One of the fundamental decisions made early on was that the architecture could not be created by the federal government alone. If it were going to succeed, it needed to be the product of a joint federal, state, local, and private effort.

* The framework also needed to achieve several things: it had to be technically sound; it had to accommodate all ITS services as we knew them at the time; and it had to achieve a broadly-based consensus within the ITS community.

* This blueprint has done all of those things, and that's going to help service and product developers, transportation agencies, and other users build ITS systems that meet the public's needs.

* This architecture also has achieved several other things:

  -- It can provide genuine national interoperability -- accessibility for all users, and compatibility throughout the U.S.;

-- It can enable economies of scale that will make affordable access to proven applications of these technologies;

-- It can make possible the open markets that will spur continued progress, since the architecture is based on performance. That avoids commitment to proprietary systems that could lock in future procurements and risk stagnation;

-- At the same time, the architecture can support the gradual and coherent evolution of products and services, reducing the likelihood of unplanned obsolescence.

* None of these features of effective ITS deployment would be possible without the identification and specification of the requirements for standards, and these in turn are dependent on the type of broadly-acceptable architecture you've developed.

* Now that you've achieved all of this, we have one last task for you: to identify for the architecture teams those remaining rough edges which can and should be smoothed out before a final product is delivered to the nation's users.

* As you do this, I ask that you keep three things in mind. First, architecture implementation. You've developed a

technically-sound product, but now we need to make sure that it's broadly acceptable.

* During your review, I hope you'll keep in mind user friendliness and the architecture's adaptability to practical guidelines that can be used by transportation planners.

* We in the federal government will do our part:

  -- We'll insist on using the architecture in the model deployment program that's currently underway, which will ensure wide use;

  -- We'll incorporate the architecture into federal training and outreach programs in the coming years;

  -- We'll also use the architecture as the framework for all ITS programs being developed with federal funding, such as the commercial vehicle operations program now under development.

* The second thing I ask you to remember is that you shouldn't let the perfect become the enemy of the good. In an undertaking as large as this one, not every stakeholder can be completely satisfied, and we shouldn't become bogged down trying to meet everyone's needs.

* The third thing I ask you to bear in mind is that this is a dynamic field, and the architecture needs to be flexible

enough to accommodate change and remain relevant. This is going to be an ongoing task, as we see in the efforts to integrate highway-rail grade crossings into the architecture.

* Although much of this maintenance needs to be done by us at the federal level, you have a key role in making it possible through the architecture and -- in the future -- by supporting us in this activity.

* You can play an important role in this effort, helping us to develop an architecture that continues to work and make sense in the real world.

* Now, let me close by again thanking you for your past work and commitment to making the national ITS architecture a reality. You've done a terrific job, and we're going to see the fruits of it for many years to come.

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VIDEOTAPING SCRIPT
ASSISTANT SECRETARY FOR ADMINISTRATION
MELISSA SPILLENKOTHEN
NASSIF BUILDING INDOOR AIR QUALITY
WASHINGTON, D.C.
APRIL 3, 1996

I'm Melissa Spillenkothen, DOT's Assistant Secretary for Administration.

Your health and safety is our highest priority. That's why we brought in outside experts to inspect the Nassif Building when FRA employees began to complain of headaches, nausea, and sore throats.

Although these experts have not yet determined the specific cause of those complaints, they *have* found that the Nassif Building's ventilation systems are not performing as they should, and that levels of hydrocarbons and carbon dioxide are higher than they should be.

They also determined that the symptoms employees are reporting meet the various definitions for "sick building syndrome."

These experts recommended that the ventilation system and the entire building be cleaned, and that the ventilation system be improved.

Secretary Peña reviewed the experts' recommendations and insisted that we take any steps necessary to ensure that your health and well-being are protected.

So we're requiring the landlord to address these recommendations, and we expect the cleaning and other work to begin next month and to continue through the summer.

In order to reduce the disruption that this will cause, the work will be done on a staggered schedule over the next several months so that you can be temporarily relocated as necessary.

We'll keep the disruption of the coming months' work to a minimum, and look forward to your understanding as we take these necessary steps.

Over the coming months we're also going to continue our investigation of health complaints.

We're developing a detailed plan for all of this work and we'll be keeping you informed through memorandums and messages like this one. If you have specific questions or comments, you can call the special telephone numbers shown on TV-10.

Your health and well-being is important to us, and I want to assure you that we'll continue to do whatever needs to be done to protect you.

# # # # #

REMARKS PREPARED FOR DELIVERY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
INTERNATIONAL TRADE PROMOTION MEETING
FOR SURFACE TRANSPORTATION
WASHINGTON, D.C.
APRIL 4, 1996

(Introduction to be made by Associate Federal Highway Administrator Gloria Jeff)

Thank you, Gloria, for that introduction.

[Before I begin my remarks, I'd like to ask you all to bow for a moment of silence for Secretary of Commerce Ron Brown and the other Americans -- including several of your colleagues -- who died with him in yesterday's tragic plane crash in Croatia.

[...Thank you.

[Secretary Brown was a valued colleague and friend, and a powerful champion of American business at home and abroad. His death will be felt not only by those of us who were privileged to work with him, but also by many who never had the chance to know him. We will miss him.]

This morning, I'd like to bring you all special greetings from Secretary Peña. Building trade opportunities for American businesses has always been among his highest priorities.

In fact, he's busy preparing for his visit next week to Argentina and to Chile, where he'll be participating in a meeting of hemispheric transport ministers.

He's going to be accompanied by a group of American transportation executives, and I can assure you that he'll be working to expand openings for American products and services. We hope that this conference will provide him with some ideas on how to do exactly that.

So far this morning you've heard from Jolene, Gordon, and Jane about what their administrations are doing in their respective areas, so I'd like speak with you about a broader subject: President Clinton's commitment to expanded international trade, and how that relates to our industry.

Much of America's economic progress over the past three years is due to trade, and to trade policies that have helped to increase exports, expand the economy, and create high-wage jobs. Let's look at the facts:

-- the President has concluded NAFTA, GATT, and more than 200 other trade agreements, an unprecedented record of achievement that by itself has created a million new high-paying American jobs;

-- under President Clinton, U.S. exports have grown by $149 billion, a full third -- a better record than under either of the previous administrations, and one that has

let us surpass Germany as the world's leading exporter;

-- the U.S. is once again taking the lead in key industries -- overtaking Japan to again become the leading producer of automobiles and semiconductors;

-- the World Economic Forum has ranked the U.S. as the most competitive economy for the third straight year -- a big jump from the number five ranking we held under the previous administration.

-- and, under the President's leadership, we've expanded our commitment to free trade in aviation products and services. We have 35 new bilateral agreements -- nearly a third of which are full open skies agreements -- which are creating dramatic opportunities for American airlines. We've also aggressively supported American aerospace firms in obtaining billions of dollars in new overseas orders.

-- We've negotiated an agreement that's pending in Congress to end unfair subsidies to foreign shipbuilders, creating a level playing field for American firms. And we've pressed other countries -- such as China, Korea, and Taiwan -- to end restrictions on landside access, effectively opening up those markets for American carriers.

These successes are only the beginning. The President recognizes the connection between trade increases abroad and the economic growth we've had here at home. That's why he has promoted an approach that demands we "compete, not retreat" in the global economy.

That approach is based on five facts of the modern world economy.

First, America's prosperity in the coming century will depend on our ability to compete -- and win -- in international markets.

We're limiting our ability to grow if we shut ourselves off from the rest of the world -- and especially from the emerging markets in Latin America and Asia which are growing four times faster than our traditional trading partners.

Second, opening markets abroad is the single best strategy for creating high-wage jobs for Americans.

These jobs, on average, pay 15 percent more than other jobs. One in eleven Americans already produces goods or services for export, and that share can grow if we continue to open up foreign markets.

Third, free trade must also be fair trade.

American workers don't need protection from foreign workers -- their education, training, and work ethic enable them to outperform the competition.

However, they need a level playing field, and the President has taken action to ensure that -- more than a hundred enforcement actions against foreign governments.

Fourth, our future competitiveness depends on continued investment in those things that provide our advantage.

Improvements in education -- training -- infrastructure -- and technology are crucial to continued international success, and the President has continued to make these his priorities even as he cuts the budget deficit.

Fifth, expanding trade is a win-win proposition.

Isolationism and protectionism have *always* led to economic stagnation, and our trading partners' prosperity has increased our own exports -- directly benefitting American companies and workers.

Those facts have been the basis of the President's trade policies, and we've already been applying them in our own industry.

For example, the Hemispheric Transportation Initiative will help to increase efficiency in several areas, such as port

congestion and intermodal transportation. It also will emphasize the introduction of market-based initiatives.

Indeed, part of Secretary Peña's agenda at next week's transport ministers' meeting focuses on initiatives that will lead to greater deregulation and privatization and to greater use of the innovative financing that has produced so many benefits here.

Among our other breakthroughs has been the Asian Pacific Economic Cooperation Forum -- APEC -- which is leading to reduced barriers to transportation exports and greater investment in infrastructure, with opportunities for U.S. businesses.

We've also strengthened relations with our traditional trading partners in Europe. The New Transatlantic Agenda -- agreed to just this past December -- will increase cooperation on transportation research and will see progress on the harmonization of automotive standards.

And we've placed a high priority on trade promotion in transportation. We're vigorously supporting American companies bidding for overseas contracts.

That support often comes at the highest levels, as it did during Secretary Peña's visit to Asia last autumn, which helped to win contracts for dredging equipment in Vietnam, air navigational aids in Indonesia, and rail design and construction in Malaysia. In fact, the Secretary's trip next week will include trade advocacy efforts in both Chile and Argentina.

So we've been working to apply the principles that underlay the President's trade policies to America's transportation industries.

Today I hope that you'll think about how we can continue this approach. Specifically, I'd like you to think about how we can better market the value of transportation internationally -- to the advantage of your industries, but also to improve access for nontransportation goods and services.

Think about how we can promote the benefits of using American expertise -- the knowledge and skills that have built and operated the world's finest transportation system.

And tell us how we can raise transportation's profile domestically, and make clear its importance to our economy.

Today's meeting can only be a start, of course -- but it's something we want to continue. We hope that this will be just the first of an ongoing series of periodic meetings to bring together you -- America's transportation leaders -- to tell us how to help you improve your international competitive advantage.

Doing so will enable us to continue the progress we've made so far under President Clinton's leadership, and it will ensure that America remains strong and prosperous into the 21st century and beyond. Thank you, and good luck in your discussions today.

# # # # #

ISTEA REAUTHORIZATION
POLICY STATEMENT AND PRINCIPLES

Transportation has been vital to America's economic prosperity and quality of life since the nation's founding. From the colonial post roads to the canals that expanded our frontiers to the railroads and Interstate Highways that linked a growing country, transportation has opened up new markets and enabled the quick, cheap movement of people and goods that has powered our economy's growth.

Transportation's role is such that more than $700 billion dollars annually, an eighth of America's economy, is devoted to transportation products and services: everything from auto manufacturing to air travel to freight shipping. One in ten Americans is employed in the industries which provide these goods and services, and all of us depend upon them.

As the national economy becomes more fully integrated and as America increasingly becomes part of a larger global economy, transportation's role will only become more important. Businesses, faced with growing competition at home and around the world, simply cannot afford the costs imposed by an inefficient transportation system. This is especially true as they rely on effective transport to make such logistical innovations as intermodalism and flexible "just-in-time" deliveries work properly.

However, the systems they use face growing travel demand, inadequate capacity, bottlenecks and poor connections between different forms of transportation, and an aging and deteriorating infrastructure. These conditions pose challenges that, unmet, could slow economic growth and reduce our international competitiveness.

Nor should Americans have to endure the costs and disruptions that an inefficient system imposes on their own lives. Americans depend upon smooth-flowing transportation systems and seamless links between them to commute to work or school, to shop, or to provide the products they buy in stores. When these systems do not work as intended, Americans pay the price in lost time, higher prices, or diminished opportunity.

Congestion caused by heavy traffic in the nation's 50 largest cities not only costs travelers more than $40 billion annually, but also keeps them from their families. Without action, delays are likely to increase over the next two decades as travel increases by a projected 60 percent.

Inadequate transportation makes it difficult for rural Americans to travel to work, to school, and to health care, and could reverse the economic improvements that better transportation has brought to previously-isolated areas. Congestion also increases the prices of goods by delaying the shipment of raw materials to factories and of finished products to stores.

Overcrowded roads and other deficiencies also risk Americans' safety. More than 40,000 people die on our highways each year and millions more are injured at a societal cost approaching $140 billion annually. Growing traffic on congested roads threatens to increase this toll in spite of improvements in vehicle and highway design and in lessening risky behavior such as drunk driving. Safety officials are searching for more effective countermeasures and ways to promote greater community involvement in safety.

Transportation, like all human activity, also affects the natural environment. Efforts to mitigate those impacts and improve air and water quality and protect open space, wetlands, and wildlife habitat have been remarkably successful, but must be continued. This is especially true in Los Angeles and other major cities as increases in travel threaten to offset the air quality progress made through cleaner cars. The threat posed by global climate change, which is partly caused by motor vehicle emissions, also must be addressed.

Travel growth also has resulted in record-high transportation-related energy consumption in spite of improved motor vehicle fuel efficiency. This has increased dependence on imported oil, raising the level of such imports to their highest in nearly 20 years.

Transportation also affects, and is affected by, the increasing dispersion of land use patterns and cultural and demographic change. Although the shift to the Sun Belt has slowed, other factors will continue to evolve.

For example, immigration from emerging nations is expected to continue, as is domestic migration from urban areas to smaller towns and the new "edge cities." Among the effects of this shift from central cities to the surrounding areas are more, and longer, vehicle trips as people have no choice but to drive in order to work or shop.

An aging population -- more than six million Americans are age 85 or older -- also raises the challenge of maintaining mobility for older Americans who may have less keen eyesight, hearing, and responses.

For these and other reasons Americans will increasingly rely on sound transportation to safely get them where they want to go when they want to go there and to ensure that products and freight are shipped on time. These needs cannot be met only through the private sector but also require the efforts of government.

As President Clinton recently pointed out, the Interstate Highway System brought Americans closer together, connecting region to region, city to city, and family to family in ways that were undreamed of a half-century ago. That same spirit has always been a driving force for government investment in transportation.

From the nation's earliest days, government has supported transportation development: building roads and canals, providing land for railroads, and financing airports and water ports.

Government at all levels now invests more than $40 billion annually in surface transportation infrastructure alone, with additional billions spent on operating and managing those systems.

Much of this support has been authorized through a series of legislative initiatives setting policy guidance and providing funding for highway, transit, and safety programs. The most recent of these, the Intermodal Surface Transportation Efficiency Act of 1991 (known as ISTEA), authorizes federal programs in these areas for fiscal years 1992-1997.

ISTEA's authority expires in October 1997, and the Department of Transportation has begun to consider what form its successor should take. This paper outlines some of the major principles that the Department believes could be the basis for this next authorizing bill.

Policy Principles

ISTEA's successor should be based upon principles that will sustain a strong, globally-competitive economy and ensure the safety and well-being of our people. The following are several key policies that serve as a framework for the deliberations on this legislation.

1. ***Promote economic prosperity***

   America needs a well-connected system of transportation that is economically efficient and that provides the foundation for us to compete in the global economy. Moving people to jobs, transporting raw materials to manufacturers, and distributing products to market in ways that are timely and economical are fundamental to our prosperity and to Americans' well-being. Post-ISTEA legislation should continue the emphasis on ISTEA's "E": *efficiency*.

2. ***Improve Americans' quality of life***

   Transportation directly affects our access to activities, goods, and services which we value, defines the very shape of our communities, and determines our ability to take advantage of social, economic, and cultural opportunities. Post-ISTEA legislation should enable the transportation improvements Americans need to improve their daily lives.

3. ***Improve safety***

   Travel inevitably places us at some risk. Given the high economic, social, and personal costs of crashes and other incidents, safety must be government's highest priority in transportation. ISTEA made great progress in improving the public's safety, and its successor must continue to improve safety and set standards that are reasonable and that assure the public and shippers that the transportation system they use is safe.

4. ***Enhance the environment***

The air we breathe and the water we drink are affected by transportation, as are the cultural, historic, and natural resources that define us as a nation. ISTEA was a major step forward in preserving and protecting them, and its successor must ensure that we account for the full costs of transportation decisions that affect air, water, and such nonrenewable resources as wetlands and energy.

5. ***Ensure national security***

A sound transportation system is necessary to ensure America's national security. Both national defense and our ability to respond to disasters and other emergencies depend upon our system of highways, railroads, airports, and ports for the movement of essential equipment, supplies, and personnel. Post-ISTEA legislation must strengthen this vital aspect of our preparedness.

Building Blocks

As planning begins for ISTEA reauthorization, we need to identify the directions set forth in ISTEA that will help us to shape a viable transportation system for the 21st century. These basic building blocks will help us identify the specific steps we must take to move in the directions laid out in the policy principles described above.

1. ***Promote intermodalism***

Improved connections between modes can make transfers of people and goods more efficient, eliminate bottlenecks, and maximize the productivity of all our transportation facilities by making them work better together. Post-ISTEA legislation should ensure that ISTEA's "I" -- *intermodal* -- remains a focus of federal policy.

2. ***Improve planning and public participation***

Sound transportation systems cannot be created without the involvement of those affected: transportation providers and users, including the general public. ISTEA significantly enhanced the state and local transportation planning processes and set a new course for public involvement. Its successor must build upon this progress to ensure that all Americans can have a voice in how our transportation system is developed.

3. ***Empower state and local officials***

Historically, federal transportation funds have been allocated to state and local governments with numerous strings attached on how they can be spent, which often resulted in waste and poor decision-making. ISTEA greatly expanded state and local

officials' flexibility by streamlining requirements and consolidating programs and by increasing their ability to target funds to projects that made sense for them. ISTEA's successor should further empower these officials to invest federal funds in the projects that best meet their needs, possibly including areas in which their investment is currently limited, such as intercity passenger and freight rail.

4. ***Strengthen partnerships***

Drawing upon the strengths and perspectives found at all levels of government and in the private sector, both passenger and freight transport, can enhance the decision-making process and assure that transportation meets present and future needs. ISTEA strengthened the traditional federal-state partnership and expanded it to include local governments, metropolitan planning organizations, and the private sector. Post-ISTEA legislation should build upon and expand these partnerships.

5. ***Encourage performance management***

Performance measurement, with its outcome-oriented goals and clear measures, is a positive and flexible way to manage transportation. Greater reliance on performance management will allow us to maintain accountability for use of public resources while reducing cumbersome rules and procedures which delay improvements and add to costs. It also will encourage efficient investment by getting more performance from the existing system rather than relying on new construction.

6. ***Promote innovative financing***

Competition for scarce public resources continues to intensify. ISTEA offered new opportunities for cutting red tape that delays projects, for involving the private sector, and for financing transportation improvements through tolls and other innovative means. The National Highway System Designation Act of 1995, which authorized transportation infrastructure banks, builds upon this progress. ISTEA's successor should continue these efforts to create new ways of paying for the transportation systems America needs.

7. ***Encourage new technologies***

America's transportation progress has often come because of new technologies -- some entirely new, such as the automobile, and some that have made previous advances safer or more efficient, such as air bags. Continued development and use of advanced technology is vital if such progress is to continue. Under ISTEA, the federal government renewed its emphasis on applying technology to improve safety, system capacity, and travel speed. Investment in research and development has been expanded, both through increased funding and through new partnerships with the private sector. Advances such as Intelligent Transportation Systems and Global Positioning Satellite systems are products

of such initiatives, and post-ISTEA transportation legislation should continue this commitment.

8. ***Encourage better infrastructure investment and management***

Continually improving the quality and performance of infrastructure investment programs is always essential, but especially so in an era of limited public funding. ISTEA's successor should encourage state and local officials to ensure that these investments are based on systematic cost-benefit analysis, that infrastructure is efficiently managed through sound operational, maintenance, and pricing practices, and that public-private partnerships are furthered.

ISTEA's reauthorization involves many difficult issues, such as funding levels and allocations. The overall levels of federal funding in an age of deficit reduction and how these funds are allocated to various purposes both will be at issue.

ISTEA reauthorization also must address the appropriate federal role, which has been based on the understanding that there is a genuine national interest in safe and sound transportation that does not end at municipal or state boundaries. How to balance this interest with the desire to further empower state and local officials is another crucial concern.

These and other matters must be dealt with in the context of ISTEA's reauthorization. As we deal with individual issues, reference to the policy principles and the building blocks outlined in this paper will help us to develop a federal surface transportation proposal that meets the nation's economic, social, and environmental needs.

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TALKING POINTS
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
ITS OPERATIONS CENTER OPENING
ATLANTA, GEORGIA
APRIL 11, 1996

(Introduction to be made by Georgia DOT Commissioner Wayne Shackelford)

* Thank you, Wayne, for that introduction. I'd like to thank you -- and Governor Miller -- and Rick Simonetta for all of your fine work in getting Atlanta ready for the Olympics and providing a world-class transportation system as an Olympic legacy.

* And I want to thank Rodney Slater -- our Federal Highway Administrator -- and Gordon Linton -- the Federal Transit Administrator -- who are with us today and who have worked so closely with you on the Olympic effort -- whether it is new construction or the team effort to bring America's bus fleets to Atlanta.

* I also want to bring you special congratulations from President Clinton and Secretary Peña. They want the Centennial Olympics to be a showcase for America's best, so supporting you as you host the Games is one of their top priorities.

* We in the Department of Transportation are proud to be your partners. We want the transportation systems developed for the Olympics -- and for the Paralympics to follow -- to be efficient and convenient for everyone -- for the athletes and officials -- for the hundreds of thousands of visitors -- and for the area residents who will need to travel during the Games.

* To make this a reality we're supporting scores of transportation improvements -- most of which will remain to serve Atlanta for decades to come -- improvements ranging from expanded MARTA transit service to a new concourse and terminal improvements at Hartsfield Airport.

* The progress you've made in building these improvements is impressive. Arriving at Hartsfield and traveling through the city this morning, I was struck by the amount of new construction everywhere as you finalize preparations for the Olympics.

* Of course, such progress is really nothing new for Atlanta: I'm constantly impressed by this city's dynamism and vitality. It's a city in which the future happens *today*.

* Nothing illustrates that better than the intelligent transportation systems being deployed around Atlanta and the management operations center which we're opening today.

* This is the most comprehensive, the most fully-integrated intelligent transportation system in the world, and it brings together many of the new technologies which will make a real difference in people's lives. Today, for the first time, these new technologies will be linked together to maximize their power.

* Meeting the challenge of transportation for the Olympics will demonstrate how intelligent transportation systems can manage huge increases in travel -- the levels of travel which Atlanta and many other cities will face in future years as their populations grow, their economies expand, and their people exercise their rights to mobility.

* Together with the other projects under development, these technologies will help to handle this traffic -- making travel not only faster and easier but safer as well -- not only during the Games but afterwards as well.

* In fact, that's when their true potential will be realized -- not just in managing special event traffic -- important as that is -- but in helping Americans in their daily lives.

* As Vice President Gore has said, that's one of government's most fundamental missions. Enabling government to carry out that mission while we end the budget deficit is what this Administration's effort to reinvent government is all about.

* And our commitment to customer service in the federal government is reaching a new level as we commit to the better information services that this facility will provide for individual commuters.

* Few things illustrate a changing role of government better than our investment in these new transportation systems. The federal government does what *it* does best -- coordinating research, building consensus, and providing seed money -- and state and local governments and the private sector do what *they* do best -- as they've done here in Atlanta.

* There are outstanding examples all around Atlanta -- such as this operations center, which was developed by TRW and other private firms in cooperation with us, MARTA, and state and local government.

* There's also the Traveler Information Showcase, which we're sponsoring in partnership with those public agencies and such companies as Battelle. That project will give travellers accurate, timely information about travel and traffic conditions so they can make smart choices.

* That's the type of system which can make a real difference in people's lives. Other new technologies will help commuters get home from work or school faster so they can spend more time with their families, or speed emergency response teams to save lives.

* These are services that everyone wants -- that technology can provide -- and which we're committed to giving the America people.

* Secretary Peña set out his vision of how we can achieve this nationwide when he announced Operation Timesaver -- an initiative to reduce congestion and improve Americans' travel time by 15 percent.

* Operation Timesaver will bring all of these new technologies to 75 of our largest cities within a decade, and will also make most of them available to hundreds of smaller cities and rural areas.

* This is *not* something out of Star Wars: the technologies that will make this possible are being used around the country today -- things like ramp metering linked to traffic information systems and kiosks that let bus and rail riders plan their trips using real-time information are here in Atlanta *now*.

* Individually, these systems can speed travel and make it safer. When they're linked together -- as they will be today through Atlanta's new operations center -- their potential to make the lives of American better increases astronomically.

* Connecting state-of-the-art communications and information technologies to transportation systems will help Americans travel safer and more conveniently -- not just in Atlanta this summer, but around the nation over the coming decade.

* These intelligent transportation systems and the other transportation improvements we see around Atlanta will help to make these Games a success not only *on* the field, but *off* the field as well.

* That's important to all of us, because these are not just Atlanta's Olympics: they're *America's* Olympics. They'll rekindle the pride all Americans felt at the success of the Los Angeles Games.

* These Olympics and Paralympics will be Atlanta's -- and America's -- moment: I know we're going to come away with the gold. Thank you.

# # # # #

TALKING POINTS
FEDERAL RAILROAD ADMINISTRATOR JOLENE MOLITORIS
AMERICAN ASSOCIATION OF RAILROADS BOARD MEETING
WASHINGTON, D.C.
APRIL 12, 1996

OPENING: WHY WE'RE HERE

* I'd like to thank you for the opportunity to sit down with you -- although I wasn't sure we were going to make it. After the forecast earlier this week I thought we were going to be snowed out again. This year, winter -- like a diamond -- is forever.

* It may be just as well that we were snowed out in January. Then we would have celebrated the safest year in railroading history. Cajon Pass and the incidents since then -- right up to yesterday's derailments in Montana -- have changed all that.

* Celebrations are no longer appropriate, and these accidents have given new purpose to our meeting. So today I'd like to talk about what we *must* do to ensure continued public confidence in rail safety.

* That confidence has been jarred by the publicity surrounding these accidents. *I* believe that railroading is fundamentally safe and have defended this industry in the media and before Congress -- and have taken heat for doing so. However, the public sees pictures of wrecks and

evacuated towns and hears operating practices called unsafe, and it has doubts.

* Let me tell you that things won't get any better in the near future. You probably know that *U.S. News and World Report* plans a cover story on rail safety within the next several weeks, and the indications are that it will strongly criticize both the industry and the FRA.

* The article is likely to say -- or at least imply -- that the industry is arrogant -- that it puts profits over safety -- and that it uses delaying tactics to avoid safety mandates.

* It's also likely to say that we in the FRA base our regulations on body counts -- that our regulations are written in blood -- and that we don't have the resources to ensure safety. In short, *no one* is likely to come out well.

* We can call that media hype, but the reality is that our industry -- because it's mostly private and mostly focused on freight -- has escaped much of the harsh scrutiny that other transportation industries have undergone.

* Can you imagine the reaction if Boeing built a plane with a design flaw similar to that in the ABDX brake valves? Or the uproar if USAir operated jets with practices similar to those that led to the Cajon Pass derailment? *They'd have been absolutely crucified.*

* What I'm saying is that the bad publicity the industry has received is mild compared with that which others regularly get -- and it may be mild compared to what we all may see in the future.

* And let's face it: there *are* genuine problems in the rail industry. All of these accidents have causes, and some may have been preventable through better -- or at least different -- operating practices, equipment or track standards, or other factors affecting safety. We've got to identify things which can be done to prevent future accidents.

* People's concerns -- regardless of how justified or unjustified you or I may think they are -- are going to put pressure on us and on Congress to protect the public -- in short, to increase regulation and step up enforcement. It's happened elsewhere, and it could easily happen here.

* Now, President Clinton has ordered us to get rid of regulations that don't work and move towards more flexible performance standards. Congress has tried to go even further on deregulation.

* But let me tell you that *no one* can count on that spirit to avoid regulation. After having undergone some tough questioning on the Hill, I have *no doubt* that Congress will respond to its constituents and support tough new laws if they don't think you -- and we -- are getting the job done.

* Those laws may well be harder to comply with than anything we can develop -- but may not work any better. So it's vital that we act -- together -- to improve safety and avoid strategies that don't work.

WHERE WE'RE GOING

* At the FRA, we've changed our approach to one which focuses on results and not on process. The essence of this approach is seen in three new initiatives to upgrade safety without costly -- or poorly-targeted -- new laws. I'd like to run through them with you.

* *First*, we've worked with you to form the Railroad Safety Advisory Committee -- R-SAC. RSAC is our effort to move beyond the adversarial, command-and-control rule-making process government has sometimes used, and adopt a reg-neg approach involving all of the stakeholders.

* RSAC is about consensus. In the toughest cases, that means no one gets 100 percent of what he wants, but everyone gets something he can live with. We're confident RSAC can develop rules that improve safety -- that make sense for the industry -- and that enjoy broad support.

* It received its first test in the development of the new standards for roadway worker protection, and we want to use it next for track standards and power brakes.

* *Second*, the Safety Assurance and Compliance Program -- SAC-P -- focuses on partnering with industry to promote compliance in ways that are efficient and nonintrusive.

* We want to cooperate with you and with labor to identify -- and eliminate -- systemic safety problems using safety audits and specific action plans to remedy shortcomings. We want to focus on big-picture safety problems -- avoiding picayune matters -- and emphasize best practices. At the same time, we will still reserve our traditional powers of enforcement to ensure that safety is protected.

* *Third*, we want to promote a cultural change in the FRA and in the entire industry that makes safety our single highest priority-- and no, we don't have a snappy acronym for that. Doing that means improving communications, building better working relationships, and ending adversarial relationships that hinder progress.

HOW WE'RE GOING TO GET THERE

* I'd like to touch on each of those points, and then hear your thoughts. First -- on safety if nowhere else -- we must end the adversarial relationships that are often the case and that impede cooperation between labor, the various railroads, and the FRA.

* No one expects that labor unions won't work for the best deal for their members, or that railroads won't try to control

their operating costs. No one expects that railroads won't work for every advantage against their competition.

* But labor can't use safety as a tool with which to beat management, and management can't risk workers' safety by tolerating unsafe practices -- such as those which allow excessive fatigue -- or by cutting corners on equipment or technology.

* The message on safety has to be communicated all the way down within railroads. Only when middle-managers and supervisors believe that safety truly is the top priority will they act without fear of failing to meet performance targets.

* We have a role here, too. The FRA has to focus on key practices that genuinely affect safety, and not on running up violations by citing infractions that have little or no bearing on safety.

* Within the industry, leadership has to come from *you*. People aren't going to risk their jobs if they don't think they're going to be backed up when they make tough calls that put safety ahead of everything else.

* You've got to help us in other areas, too -- by ensuring that we have accurate, credible data that lets us move towards flexible performance standards -- by developing work rules and technical solutions to combat fatigue -- by ensuring that your crews have the training they need.

* You've also got to help us make RSAC and SACP work. They're the best strategies we have to ensure that the rulemaking and compliance processes do the job efficiently and without being burdensome. Both of these initiatives have their skeptics in Congress, and if they fail I guarantee you we'll see tough new laws.

* The bottom line, ultimately, is *your* bottom line. Regulations imposed without your participation aren't going to be as effective or as efficient. They're going to add to your costs -- far more than the initiatives we're developing. And worse, the spectacle of an industry forced to accept regulation because it couldn't ensure safety on its own is one that will tarnish all of us.

* Let's not let that happen. I know you value safety. Let's work together to ensure public confidence in this industry. Now, I'd like to hear your thoughts on what I've said, and perhaps talk in greater detail about these initiatives.

# # # # #

U.S. Department of Transportation

TRANSPORTATION TRENDS

REMARKS AS PREPARED FOR DELIVERY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
ADDRESS TO THE COAST GUARD CORPS OF CADETS
NEW LONDON, CONNECTICUT
APRIL 12, 1996

Thank you, Admiral Versaw. You know, when I was walking over here with you and Captain Olsen, I thought to myself that it wasn't bad company for a one-time Reserve Lieutenant Commander.

Before I begin my remarks I'd like to bring you special greetings from President Clinton and from Secretary Peña. Under their leadership, our nation is charting a new course, reinforcing our heritage as a great maritime power and supporting our interests as the world's leading international trader. Their maritime policy initiatives are all based on an understanding of history, a recognition of current realities, and a return to our hallowed nautical traditions.

You should know that the President and the Secretary deeply value your service, and recognize its importance to our nation. Their support of you will remain steadfast throughout the coming years.

This is a memorable day for me, made all the more so by the years I served as an officer in the Coast Guard Reserve. I was commissioned here in New London in 1959 -- Officer Candidate School was then housed on the Academy grounds -- so this is a homecoming for me.

My years of service gave me a deep appreciation of the commitment held by the men and women of the Coast Guard to the values of Honor -- Respect -- and Devotion to Duty. These core values are your moral code, and more: they define what you are now as cadets at the Academy and what you will be as officers, serving the American public, in the United States Coast Guard. They will sustain you "through surf and storm and howling gale."

(More)

These values of Honor -- Respect -- and Devotion to Duty are timeless, and are a beacon shining in the night of doubt or despair, helping to guide you throughout your years of service. The constancy of these values will strengthen you during years of change that the Coast Guard and the nation will confront as you grow with this dynamic service. That change, and how you will carry out your missions in the face of it, is the subject of my remarks today.

Yesterday, Admiral Kramek delivered his 1996 State of the Coast Guard address, and he spoke ably of where the Coast Guard has been and where it is going over the next few years. Today, I'd like to look much farther into the future, to a generation from now, when you will be at the peak of your careers, perhaps as flag officers, perhaps holding the most senior commands in the Coast Guard.

When I received my commission a generation ago, the Coast Guard of that day was as different from today's as yours will be a generation from now. The senior officers of the late 1950s entered the service and rose in rank helping to win the Second World War. They learned from a generation of Coast Guard officers trained in the era of rumrunners, and ably met the challenges of their day. You are the latest generation in a long line of dedicated men and women.

Your world will be very different than the one they lived in, or the one we live in today -- with continued, and as yet undreamt-of progress -- in science, in technology, and in so many other fields. And yet, the Coast Guard's world will be much the same, because human nature changes so much more slowly than anything else. The human instincts and needs that have made the Coast Guard's work vital for two centuries will no doubt remain constant.

That is why your fundamental missions will continue as they have: marine law enforcement; maritime safety; environmental protection; and national security. How these missions will change in their details over the next few decades is, as I said, unpredictable.

Some duties within those missions will no longer be necessary, much as chasing down coastal vessels to collect customs duties or pursuing rumrunners are no longer core missions. But new missions will evolve. Two generations ago the Coast Guard intercepted rumrunners bringing illegal alcohol into the country; today it interdicts smugglers transporting illegal drugs.

Other missions will remain much the same, but how we perform them will change. Today, still provide navigational services and carry out search and rescue missions on the high seas, but no longer need ocean station vessels in an age of jet planes and global positioning satellites.

Entirely new missions may be created to respond to changed conditions, much as marine environmental protection, virtually unknown as a concern when I was commissioned, has developed over the past quarter-century, and become a mission in which the Coast Guard has pre-eminent expertise, as demonstrated a few months ago in Rhode Island.

We are beginning to see some of these changing conditions, especially those areas in which the Coast Guard's role already is increasing, such as in the projection of American power and policy abroad.

The world is changing rapidly. When I first entered the service at the height of the Cold War, the United States and the Soviet Union were fully engaged in their Manichean struggle. Now, of course, we no longer have a bipolar world, but one which is far more complicated and, in some ways, more dangerous and more difficult. Reflecting these conditions, the Coast Guard's international role is already evolving.

In Haiti under Operation Able Manner and in Cuba under Operation Able Vigil the Coast Guard acted as the primary instrument of American foreign policy, and at the same time saved thousands of lives in danger on the seas. The Coast Guard has dramatically increased its provision of technical assistance to emerging nations from the Caribbean to the Black Sea to the Baltic engaged in building their own navies.

Indeed, the Coast Guard has been welcomed warmly around the world in this capacity. Some of this warmth is due to the worldwide perception of the Coast Guard as an armed service whose mission is not limited to military defense but also includes the preservation of life. Much of the receptivity is because relatively few nations have blue water fleets. Their naval needs are similar to the duties carried out by the Coast Guard. Our Coast Guard is, in fact, the model for what they contemplate a navy can and should be. Helping these emerging nations to build navies dedicated to peaceful missions will be an increasingly important part of your work.

That work will be based on America's commitment to humanitarian missions, it will strengthen the developing links between us and these new states, and it will further the Coast Guard's reputation as the world's premiere maritime service.

We also can expect that the Coast Guard will focus on the challenges brought on by increased commercial exploitation of the seas in a global economy. That means everything from fishing to mining to growing use of the sea as a primary means of transport for resources and the products of manufacture.

As the limited resources on land become drained by rapidly-growing populations over the coming century, nations will turn to the seas which cover three-quarters of the Earth's surface in order to find our food and our minerals. Marine economic activity will expand, and place at risk both people and the environment. There is no question that our current Coast Guard missions, especially marine safety and environmental protection, must expand to meet the challenges posed by this growth.

We must act to fulfill our vision of the proper role of man to the seas and waterways: not as master, but as steward. In coming years, ocean traffic and the pressures placed upon it will

increase. Not just population growth but also expanding trade will raise demands for greater speed and increased reliability in goods transport.

The phenomenon of "just-in-time" transport, now largely carried out by highways and railroads, will extend to the maritime arena as time pressures move through the entire supply chain and the logistic linkages tie the entire world's economy together. If we're not vigilant, that could force dangerous practices and encourage a reckless disregard for proper safety procedures.

Increased traffic will not be the only effect of the inevitable growth in trade. Superships and other larger vessels will become more economically practical, and that increases the stakes in terms of preventing marine disasters. The *Exxon Valdez* grounding in Alaska showed the harm these disasters can do. Part of the reason that the Coast Guard's mission in this area has continued to expand is that the Oil Pollution Act of 1990 gave us additional responsibilities as Congress responded to the public outcry over the *Exxon Valdez*.

The Coast Guard has been enforcing this Act, not only on the seas but on land, where it has ensured that such technical, but important, provisions as certificates of financial responsibility are met by industry. That's a big part of the reason why American shores have been spared disasters like the recent *Sea Empress* grounding off Wales. But it's no time to slacken our efforts. The Coast Guard of the future may well have to place even more emphasis on ship safety if we're going to continue to prevent such catastrophes.

The sinking of oil and gas wells and the use of other extractive tools for seabed minerals poses immediate risks from spills and similar accidents. More ominously, they also raise the possibility of new dangers and problems which we can't yet understand.

Overfishing is already a problem in parts of the world, and maintaining the balance between nature and human needs will be one of the most difficult tasks we face. It's one made all the more poignant by the fact that failure to manage the sea's resources could mean widespread starvation.

And, the use of the sea for entirely new purposes, such as Kansai, Japan's offshore airport, and the possibility of using the sea as a platform for living raises issues we have barely begun to explore.

All of these issues will affect how your mission is structured, and it's vital that we, and you, begin to think about them and consider their strategic implications *now*. Of one thing we can be certain: the Coast Guard will change to meet these inevitable new challenges. That has been the Coast Guard's way for two centuries, and it will be the way of the future.

Many of the changes which will have the greatest impact have already been set in motion.

For example, the Coast Guard of tomorrow will increasingly look like America, with greater diversity in race, ethnicity, and gender. Admiral Kramek has done much to demonstrate his personal commitment to this change, and in doing so he echoes this nation's leaders. They recognize diversity's importance in a nation which creates its strength by bringing together hundreds of ethnic and religious groups.

The Coast Guard has been the leader in expanding the role of women in the services with our early commitment to seagoing assignments and the advancement of women to command at sea. I look forward to the day when we see women in the Coast Guard's senior leadership -- a day I hope comes well before your generation reaches those levels.

The Coast Guard of the future also will increasingly be a single force, with the differences between active duty and the Auxiliaries and Reserves blurring. That's partly due to the budget constraints we and the rest of the federal government will face well into the next century. It's also because of a new way of thinking which recognizes that separating personnel by duty status is an outdated idea.

Officers who were commissioned in the years following my graduation received their Reserve training down in Yorktown, and I'm pleased to see that we are moving back towards a co-location of leadership training facilities. Moving OCS training back to New London is just one of the steps being taken to ensure that every member of the Coast Guard is fully a part of the service and should serve to the best of his or her ability. That will be crucial in a smaller Coast Guard, where we won't be able to spare a single person.

We also are spotlighting technology and its uses because we know that the pace of change will only accelerate in the future. Although forecasting the future of technological development is always risky, one thing we can safely predict is a growing reliance on advanced information and communications systems as a way of managing our missions.

Satellite-based global positioning systems, already in wide use, will continue to be developed and deployed, bringing greater accuracy not only to navigation but to the tracking of shipping. President Clinton's recent directive greatly expanding civilian and commercial access to global positioning systems builds on the Coast Guard's January announcement that its GPS augmentation system is now operational at many U.S. ports. That will give mariners precise navigation signals for safer and more accurate harbor entry, and it will make location tracking far easier, for mariners and for the Coast Guard.

This is only the beginning. Indeed, we can foresee the day when Coast Guard operations will be based, at least electronically, in the air and in space as often as on water. Other new technologies will enhance the way we do our jobs. Ships and aircraft not yet built will enable the men and women you will command to carry out their missions more efficiently and more effectively.

(More)

Remember that, because of the typical forty-year shipbuilding cycle -- today's average ship was planned in the 1960s, and wasn't designed to fully integrate today's electronic technologies. That's nothing new, of course. I was trained on the *Cuyahoga*, a 125-foot cutter meant to outmaneuver rumrunners, and all of you have honed your seamanship skills on board the *Eagle*. Those skills will be essential whatever the future brings, since the challenge of the sea is an unchanging one. But we also need to acquire and use new skills and technologies as they become available.

The ships you will command *will* have these new electronic technologies from stem to stern, and it's important that you be fully competent in them and in the other new systems that will be created. Fortunately, your training here is preparing you for that. You are, in fact, the beneficiaries of an education designed to outlast the specific bits of information and skill that you are taught -- one that as much concerned with teaching you to think and to lead as with imparting specific information.

That's because, although the technologies used to execute missions may change -- we don't trim wicks in lighthouses anymore -- the demand for sound leadership to carry them out will not slacken. Nor will the demand for your services. Through the change that the next era of our history will bring, your ultimate missions -- protecting man from the sea, and protecting the sea from man -- will remain fixed, constant.

Eternal, too, are your values of Honor -- Respect -- and Devotion to Duty. As I said at the opening of my remarks, they stand as your guideposts in a changing world. They are the core values which are embodied in the words *semper paratus*. They sustain your commitment to service and to America's seafaring heritage.

The leaders of my generation, which came of age in a very different world, soon will pass on the responsibilities of leadership that you will someday inherit. We are confident that you will be "always ready for the call," and so "we place our trust in" you.

When you take the helm, we know that you will set your star by the age-old values of Honor -- Respect -- and Devotion to Duty, and bequeath a legacy to your successors which keeps faith with us. I wish you well.

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(In his remarks the Deputy Secretary referred to Coast Guard Academy Superintendent, Rear Admiral Paul E. Versaw, to Coast Guard Academy Assistant Superintendent Captain R. C. Olsen, Jr., to Secretary of Transportation Federico Peña, and to Admiral Robert E. Kramek, Commandant of the Coast Guard.)

REMARKS PREPARED FOR DELIVERY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
ITS AMERICA ANNUAL MEETING: ISTEA REAUTHORIZATION
HOUSTON, TEXAS
APRIL 16, 1996

(Introduction to be made by Tom Deen)

Thank you, Tom, and I also want to thank ITS America for its foresight in organizing this session. As most of you know, ISTEA authorizes federal transit, highway, and safety programs through October 1997.

By this time next year we'll be well into the reauthorization process, so it's definitely not too early to begin thinking about what should be in NEXTEA. *(Who came up with that acronym, anyway? ...Okay, I confess!)*

It's especially important for stakeholders like those of you in the ITS community. Under President Clinton's and Secretary Peña's leadership, we've pushed the envelope to take advantage of the opportunities ISTEA offers and we've tried to provide maximum support for ITS.

The 1991 ISTEA bill authorized the current federal ITS program and funding that have given intelligent transportation systems a jump-start. Together with private and other public funding, ISTEA has supported everything from basic research to field trials to the early deployment plans around the country.

ISTEA funding -- buttressed by our commitment to advanced technology and research -- also will provide the resources to deploy Operation Timesaver, Secretary Peña's initiative to develop an Intelligent Transportation Infrastructure in 75 metropolitan areas and in hundreds of smaller cities and rural areas.

The benefits of the ISTEA legislation go beyond providing more funding, as important as that has been. ISTEA established the importance of a comprehensive, intermodal transportation system. This view will make ITS -- which emphasizes the increased integration of different forms of transportation -- a vital part of the transportation system of the future.

ISTEA has given far greater flexibility and autonomy to state and local officials, and that's empowered those who want to explore ITS and other alternatives to road construction.

ISTEA has also expanded and strengthened the planning process to ensure that the best solutions are chosen. This creates opportunities for new programs such as ITS which don't have a long track record and which may not fare as well under more conventional planning and project selection analysis.

The fact that some of the most exciting ITS deployments have been done at local option with regular program funds shows that the system can work, and led us to go out on the Operation Timesaver limb.

In short, ISTEA's principles have been good for ITS and good for American transportation, and we want to see them carried forward in reauthorization.

In fact, we want to see many of these principles -- such as the continuing devolution of decision-making authority to state and local officials -- expanded in the future. We trust these officials to make good decisions about which projects are best for their own areas, and want to ensure they have the right to make those decisions in a cooperative spirit.

We also want to continue leveling the playing field so that projects can be chosen on their merit, rather than on whether they happen to fall into some fixed category.

And we support the trend towards programs and projects that fully integrate the modes, as ITS does. Reauthorization should continue the progress towards intermodalism so that modal categories defined at the beginning of this century don't determine the transportation systems of the next one.

As we move towards ISTEA reauthorization, it's vital -- whatever your views -- that we work together. Those of you who participated in ISTEA's creation will remember how important cooperation among a number of constituencies was to that process.

Cooperation and constituency-building is going to be even more important in the future as the federal government faces

ever-tighter spending limits and as state and local governments confront competing demands for their funds.

There will be some things that divide us -- especially when the time comes to debate funding formulas -- but if we bog down in that debate it's going work against all of our interests.

Everyone here recognizes transportation's importance to our economy and our quality of life, but getting the resources we need is not going to be easy as we compete with schools, law enforcement, health care, and other important national needs.

That's why we need to maintain -- and even expand -- the coalition of constituencies that gave us ISTEA and that has enabled our strong support of ITS.

We need to work together to establish a productive dialogue about transportation programs with the capability of generating broad support -- just as ISTEA did. If we don't do so in an era of budget infighting, we risk losing the broad support that has sustained our programs so far.

That's especially true for the ITS community. This is a new field, and it hasn't yet developed the partnerships and relationships that support many other areas of transportation.

On the other hand, it brings new constituencies and opportunities of its own to the table. In an era of high

technology and global competitiveness, the ITS world touches some bases that traditional coalition partners don't even get near.

It's in your interest to ensure that ISTEA's principles are carried forward under reauthorization. We need to hear from you as we work to continue the support for ITS and other new technologies that ISTEA enabled -- and which we've built on.

An excellent opportunity to make your voices heard will be the regional forums on ISTEA reauthorization we'll be holding around the country.

Secretary Peña asked us to hold these forums so that transportation stakeholders and the public will be able to offer their thoughts on ISTEA and the direction it should take.

We'll hold the first of twelve meetings in Philadelphia next month, and plan to have one focused on ITS issues sometime this summer.

These forums are one of the ways in which we can help the transportation community reconcile its sometimes-conflicting agendas -- build the type of consensus that gave us ISTEA -- and put our programs on a sound basis for the 21st century.

Secretary Peña and I look forward to working with you in this effort. Thank you.

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U.S. Department of Transportation

TRANSPORTATION TRENDS

REMARKS PREPARED FOR DELIVERY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
ITS AMERICA ANNUAL MEETING: BUSINESS LUNCHEON
HOUSTON, TEXAS
APRIL 16, 1996

Thank you, Bob, for that introduction, and thank you for all you and Houston Metro have done to make this meeting a success. I'd also like to thank ITS America for inviting me to share some ideas about where we've been, and where we're going, with intelligent transportation systems.

One thing is clear with today's turnout: wherever we're going, it's going to be in a crowd. This is a great achievement for a group that got started so few years ago, and which could get together in a moderately-sized 'phone booth.

This has been a year of achievement and progress for the ITS community, a year that's been notable even for an industry which epitomizes dynamic change. It's also been a year of challenge, as ITS survived a serious, if misguided, attempt to cut its future short.

A few years ago most people thought of ITS, if they thought of it at all, in the same way people once contemplated other new, but untested, transportation innovations like the automobile and the airplane -- as something out of, depending on your generation: Jules Verne, Tom Swift, or Star Wars.

Not long ago, few outside this field really grasped ITS's potential to improve mobility and to save people time and money, and fewer still understood how soon it could become a reality.

That's begun to change. In response to your efforts, the first generation of ITS technologies is being deployed around the country, and these systems are proving every day that they can make a real difference in people's lives.

(More)

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The successes we're seeing should multiply over the next few years. I say that with confidence because, due to President Clinton's support of increased technology funding over the past few years, ITS research and development has accelerated.

We'll continue providing seed money, assistance in standard-setting, and the promotion of partnerships, even as we take steps to ensure that development and deployment are done by the state and local agencies and private companies that can best undertake these efforts.

Right now we're quickly moving forward on two new areas of ITS, areas that expand ITS's benefits far beyond the urban areas which have been the sites of most early deployments.

I'm happy to tell you this afternoon that we've just issued a request for information for the CVISN initiative, the next step in a nationwide intelligent system serving commercial vehicles.

CVISN stands for "Commercial Vehicle Information Systems and Networks." That's a mouthful, but the concept is simple: bringing the regulatory data and the information processes for trucking on-line.

CVISN will integrate existing ITS technologies and concepts to support and serve commercial vehicle operations throughout North America. Ultimately, it's going to improve safety and shipping efficiency by combining things like inspection information, commercial vehicle credentials, and tax data.

In too many states trucks are regulated by five or six different agencies, and complying with all of their requirements means a blizzard of paperwork and frequent stops for weight checks and inspections. By streamlining these processes, by making real-time information available, CVISN will speed trucking and cut costs for carriers and shippers alike, savings which can be passed on to the public.

It's also going to save truckers time by letting them do things like apply for credentials on-line, instead of having to march down to an office. CVISN is going to build on the progress already seen in Advantage 75, the largest ITS project in the world. Advantage 75 enables 2,200 trucks, a number that's growing daily, to travel from the Gulf Coast to the Great Lakes without stopping for inspections or weight checks.

The HELP Program is successfully providing comparable services on the West Coast, and I understand that these two leaders are moving towards compatibility. That's what we want to encourage further through CVISN. It's not a competitor to systems that are out there: it's an accelerator towards broader success.

The CVISN request for information is the first step. It essentially asks you what you think this system will need to become a nationwide reality. Our goal is to take the comments we get and, by summer, solicit an additional half-dozen model deployment sites to bring benefits to more locations around the country.

I'm also pleased to tell you today that we're initiating a new rural initiative. Three years of study have shown us that ITS's potential benefits are hardly limited to cities, and so now it's time to launch a rural ITS research and demonstration program.

Rural America probably doesn't need the congestion reduction aspects of ITS, but it has its own needs. The vast spaces in most of America create demands which can be met through ITS technologies. This effort could include everything from Mayday services -- to roadway condition warnings -- to information for the rural transit-dependent -- to traffic and weather links -- the rural counterparts of all the same systems under development.

By adapting these applications to the particular needs of rural travel, we can extend the benefits of ITS to *all* Americans. We've included this initiative in our 1997 budget. We're planning a program of demonstration projects around the country as well as further research on how to apply ITS technologies to rural uses.

I'm confident that the approach we've taken on CVISN, on our rural initiative, and in our other programs will continue to produce results. Let's look at what else we've accomplished together over just the past year.

We've worked with you and developed an ITS Strategic Plan, a Program Plan, and road maps to guide individual programs.

We've launched an aggressive research program that has recaptured the lead for the U.S. in many areas of advanced automotive technology and travel management.

For instance, FTA is carrying out research to make transit more user-friendly. NHTSA is cooperating with industry to develop crash-avoidance technology. And FHWA is moving forward with the creation of an automated highway system.

We're testing the viability of numerous technologies through 77 separate operational tests, and getting the results out through a published assessment of preliminary program benefits.

We've developed plans for local deployment, including five second-phase multi-state plans for commercial vehicle operations systems.

We've moved ahead on a national architecture initiative to avoid the completely uncoordinated ITS development which would create a technological Tower of Babel, and cause ITS's potential to remain unrealized.

Many of you contributed to this effort, which has developed an architecture design that is not only technically sound, but which also accommodates current ITS services, maintains flexibility for the future, and provides the genuine national interoperability necessary to get consumer acceptance in a mobile society.

We've also made progress in related areas which directly affect ITS, such as the global positioning satellite system. Three weeks ago President Clinton greatly expanded commercial and civilian access to GPS, and that's going to enable a wide variety of new ITS applications here and around the world, with American industry in the lead.

We've proved that the federal government is committed to supporting not only research but also deployment, and I think that we'll look back on Secretary Peña's commitment to Operation Timesaver as a landmark in this effort.

It's a landmark because it represents the first top-level federal pledge of an active role in bringing about widespread deployment of the core ITS technologies, the building blocks for the fully-integrated systems of the later 1990s and beyond, and it's been supported in the President's budget request for the coming fiscal year.

By setting specific goals, deployment of an intelligent transportation infrastructure in 75 cities within a decade, and a 15 percent reduction in travel times, we believe we can develop public demand, gain support from local and state governments, and force the pace of deployment so that these technologies can become daily realities.

Such progress is going to become more and more important in coming years. Our transportation system, even though it's the world's finest, faces growing travel demand, inadequate capacity, and bottlenecks and poor connections between different forms of transportation.

ITS can't solve all of these problems by itself, but it will be an important tool. It can provide low-cost capacity expansions for our multi-modal corridors, delivering up to two-thirds of the additional travel capacity required in the most congested urban corridors over the next two decades, and it can do that at less than a quarter of the cost of comparable projects to achieve capacity through new construction. That's the kind of bargain we need in an era of limited resources.

ITS can save businesses money by increasing the efficiency of shipping, by cutting travel time for trucks, and by making "just-in-time" deliveries and other logistical innovations more practical even as they become competitively necessary.

And they *will* be necessary. For example, the managing director of an Indian firm recently estimated that transport delays immediately erode any Indian exporter's cost advantage by around 30 percent.

These nations recognize that, and they're taking action. The emerging nations of the Asian-Pacific region alone will be investing $1.2 trillion on infrastructure over the next decade, and a good deal of that will be directed towards transportation.

Given the high cost of infrastructure investment here, ITS offers us the opportunity to maintain the competitive advantage we've built up over generations. ITS also can improve safety. Although we've made enormous progress on highway safety over the past 20 years, traffic fatalities are inching back up because of the growth in travel. ITS promises a 10 to 20 percent reduction in traffic accidents.

Finally, ITS can cut the cost of delivering a wide variety of government services, everything from toll collection to the management of transit fleets to enforcement of commercial vehicle regulations.

We're already seeing progress in each of these areas today. We need to build on the achievements of the past few years, and move forward across the board.

We need to continue with our model deployments, especially of commercial vehicle operation initiatives such as CVISN, border crossing projects, and the travel management intelligent transportation infrastructure.

We need to begin truly mainstreaming ITS by providing guidance, technical assistance, training, and planning aid to a variety of public and private entities. We also want to ensure that the public and elected officials understand the value of ITS.

We need to move ahead with operational tests in such areas as crash avoidance and the advanced traffic control systems under development by the FHWA's researchers at Turner-Fairbank.

We need to build on the architecture by launching additional standards development efforts, and to provide technical expertise and financial assistance to help support key standards.

We need to accelerate our rural research and model demonstration effort, so that all American can fully share in ITS's benefits.

(More)

Finally, we should move forward on the creation of an automated highway system. Congress has mandated that we have a demonstration project up and running by August of next year, barely 15 months away, and we intend to meet that deadline.

The President's 1997 budget reaffirms the commitment to federal support of this industry that will be necessary to do all of these things. It marks a transition from an exploratory first phase of ITS research and development to a second phase that balances well-defined long-term research programs with mainstream deployment.

In order to do that, President Clinton has requested more than $336 million for ITS projects and programs, the most ever. He believes that this level of support is essential if we're going to fully realize ITS's promise.

However, we have to recognize that ITS has its opponents. Some are skeptical of its potential. Others would like to get their hands on its funding. Some simply have an ideological opposition to federal involvement in any technological development, despite the well-documented justification for past such investments.

Some of these opponents believe that state and local governments or private industry will make up the difference if federal funding is inadequate.

That's wishful thinking. Although, over time, most of the money to be spent will come from other partners, federal funding is critical, especially at this stage of the process.

The private sector, facing pressure for strong quarterly profits, often can't sustain extended commitments to research without an early and sure return, or at least a plausible business plan that promises swift results.

State and local governments don't have the resources for the intensive research and development that ITS demands, even if they can be convinced to finance deployment once the research is done.

The progress we've made to date is the result of partnership, but it won't continue if the partnership doesn't move ahead. The partnership is at risk in two ways.

First, there is the immediate threat to the 1997 budget. Not only is there pressure to cut back or end funding for many existing programs, but new initiatives, such as CVISN and our rural program, could be kept from ever getting off the ground.

Second, there's a longer-term threat. The Intermodal Surface Transportation Efficiency Act, or ISTEA, as it's known, authorizes federal highway, transit, and safety programs, including ITS, and it expires in 1997.

(More)

Everyone wants to continue federal transportation investment, but some people want to cut back or even end the federal role in ITS. They also want to change ISTEA to take flexibility from state and local officials, the flexibility that would allow us to invest in ITS and other alternative technologies.

President Clinton and Secretary Peña understand the importance of American technological leadership, and that's why they support this new generation of transportation technology.

However, we're in a great national debate over our transportation priorities, and we can't take a continued strong federal ITS role for granted. It's vital that the ITS community take part in this debate. I hope that everyone here will make his, or her, voice heard so that we don't change course and sacrifice our nation's future prosperity.

I also hope that you, as the leaders in intelligent transportation systems, will take up the challenge to make the most of the research and development that's being done throughout the country and around the world.

I want to commit our support as you do so, and we look forward to strengthening the partnerships we've built over the past few years.

Let me close by thanking you for your attention, and by wishing you the best of luck in your own efforts to build transportation systems for the new American century.

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(In his remarks, Deputy Secretary Downey referred to Robert G. "Bob" MacLennan of Houston Metro, Chairman of the 1996 ITS America Annual Meeting, and to U.S. Secretary of Transportation Federico Peña.)

4.25

TALKING POINTS
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
DOT REGIONAL ADMINISTRATORS MEETING
WASHINGTON, D.C.
APRIL 25, 1996

(Introduction to be made by FHWA Executive Director Tony Kane)

* I'd like to thank all of you for your work over the past two days. It's a big step towards the cooperation we need if we're going to improve customer service and program delivery while making ISTEA's vision of intermodalism a reality.

* Although I understand that you've made great progress in just a couple of days, this is hardly the end of this process. At most, it's the end of the beginning. Much remains to be done, and most of it must be done by you and your staffs.

* The work you've done lays the foundation for the changes we need. Making those changes happen is the next step -- a step that can be taken only by those of you who work with our customers day in and day out. I'm confident -- as is the Secretary -- that you're up to the task of remaking our field services for the demands of the 21st century.

* I want to close my remarks now, because it's more important that *I* hear from *you* than that *you* hear from *me*. I'd like to hear your reports, and then listen to any other thoughts or questions you may have. Let me turn the floor back to Tony.

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