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REMARKS PREPARED FOR DELIVERY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
"INFRASTRUCTURE: FUTURE DIRECTIONS FOR
TECHNOLOGY DEVELOPMENT AND POLICY"
NEW YORK, NEW YORK
JUNE 3, 1996

*(Introduction to be made by Dominick Servedio, Chairman of the
New York Building Congress' infrastructure committee)*

Thank you, Dominick, for that introduction, and for all the work you've done through the New York Building Congress.

I'm happy to be back in New York. You know, over the years I've been to events in this city with the police -- New York's *Finest* -- the fire department -- New York's *Bravest* -- but this is the first time I've been with New York's *NICEST*.

It's a pleasure, and I want to thank NICEST and the Building Congress for co-sponsoring this colloquium, and for inviting me to speak to you.

I'm also glad to share this platform with Charlie Gargano and Pete Vallone, with whom I've worked so often over the years.

This morning I'd like to talk about what will be the central transportation issue over the next 18 months: the reauthorization of ISTEA -- the Intermodal Surface Transportation Efficiency Act.

Most of you know something about ISTEA, which authorizes federal transit, highway, and safety programs through October 1997.

Although that's almost a year-and-a-half away, the discussions on reauthorizing these programs are already underway. It's not too early to think about what should follow ISTEA, because it's a complex matter which is vitally important to our future.

I hope that, in the course of your discussions today, you'll consider how your goal of giving this region the infrastructure it needs can be furthered through post-ISTEA legislation.

ISTEA, of course, will be a tough act to follow. It was a landmark that redefined the federal role in surface transportation -- a bipartisan effort to rebuild our infrastructure -- to develop new technologies -- and to improve safety.

Although ISTEA was a major step forward, it's actually based on a long tradition of government support for transportation investment.

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 America's growth as a continental-sized nation.

Transportation's role will only increase in the future as the national economy becomes more fully integrated and as America increasingly becomes part of the larger global economy.

Businesses, faced with growing competition at home and around the world, rely on effective transport to control costs and make possible such logistical innovations as intermodalism and "just-in-time" deliveries.

In today's competitive economy, these businesses can't afford the expenses imposed by inefficient transportation.

However, the systems they depend on face growing travel demand -- inadequate capacity -- bottlenecks and poor connections between different forms of transportation -- and an aging and deteriorating infrastructure.

These conditions could slow economic growth and reduce our international competitiveness -- with a direct impact on our prosperity and quality of life.

Nor should Americans have to endure the costs and disruptions that inefficient transportation imposes on their own lives. We all depend on smooth-flowing systems and seamless links between them for commuting to work or school -- for shopping -- or for recreation.

When these systems don't work as intended, we pay the price in lost time -- in higher prices -- or in diminished

opportunities. In fact, highway congestion in the nation's 50 largest cities alone costs us more than \$40 *billion* a year.

By coincidence, that's roughly what all levels of government invest each year in surface transportation infrastructure.

However, an analysis we recently submitted to Congress calculated that we need to invest an additional \$17 billion a year just to maintain today's conditions.

That same report projected we could identify an additional \$23 billion in projects whose quantifiable benefits, such as savings from congestion reduction, would outweigh their costs.

In effect, then, we're investing little more than half of what we could. That infrastructure gap is one which ISTEA was meant to help close.

Overcrowded roads and other deficiencies also risk our safety. More than 40,000 people die on our highways each year and millions more are injured at a societal cost that's approaching \$140 billion annually.

Although transportation inevitably involves some risk, we have a moral responsibility to do everything we can to cut those risks and make travel by all modes as safe as possible.

And, in fact, the highway fatality rate *has* been reduced under ISTEA and is at its lowest levels in history. We need to continue our progress, and continue making the public's safety our highest priority.

If we *don't* improve the accident and fatality rates, rising traffic volume will cause the death toll to begin increasing again.

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 have been remarkably successful, but have to be continued -- and, in some cases, expanded as we better understand transportation's impacts on the environment -- and on our own health.

ISTEA gave us tools to meet all of these challenges -- and President Clinton and Secretary Peña have pushed the envelope to fully take advantage of these opportunities.

For instance, ISTEA authorized dramatic increases in infrastructure investment -- but we didn't make the most of this until President Clinton raised the transportation budget to record levels, giving state and local governments billions of dollars more for roads, bridges, and transit systems.

We've asked Congress to authorize nearly \$25 billion for infrastructure investment in 1997, ISTEA's final year. That level will sustain the commitments we've made.

Not only did ISTEA authorize more money, but it also enabled new innovative financing strategies to cut red tape that delays projects and to involve the private sector in helping to fund infrastructure projects.

Under the President's Partnership for Transportation Investment, these strategies have moved ahead some 74 projects in 35 states worth about \$4 billion -- most of them for new or expanded highways and other facilities.

We're continuing to build on the foundation that ISTEA laid. Last year's National Highway System designation act authorized the creation of state infrastructure banks -- or SIBs -- which will use federal seed money to attract new private and other public funds to infrastructure projects.

We've already selected eight states to participate in a pilot SIB program, and we're asking Congress for \$250 million to capitalize them.

This is the type of innovation we need if we're going to bridge the infrastructure gap.

ISTEA also has made genuine progress in new areas, such as launching the federal Intelligent Transportation Systems program and its flagship initiative, Operation Timesaver, which is meant to cut travel times by 15 percent in 75 cities over the next decade.

We're asking for \$337 million for the entire ITS program in 1997, and think that it can bring to travel the same revolutionary improvements that the Interstate Highways did beginning in the 1950s.

ISTEA -- under the President's budgets -- has raised transportation research and technology investment to its highest level ever -- with more than a billion dollars proposed for next year.

That billion dollars would support a wide variety of projects, such as the development of high-performance concrete and aluminum bridges and advanced composites to make bridges earthquake-resistant.

ISTEA also has created programs that have a real effect on the quality of Americans' daily lives, such as the Congestion Mitigation and Air Quality Improvement Program which cuts highway congestion through projects like new high-occupancy vehicle lanes.

We've made the most of all of these initiatives, but the benefits of ISTEA go beyond new programs and more funding. ISTEA established the importance of a comprehensive, intermodal transportation system, letting our investment programs reflect the reality we see all around us.

ISTEA has given state and local officials far greater flexibility and autonomy, and it's given them improved planning

processes that let them choose the best solutions for their needs while preserving the partnerships that have always been the basis of transportation in America.

Just this week we're issuing a new guide to statewide transportation planning that will help educate elected officials and other decision-makers about how to use these new processes to plan projects that better meet their needs. Some copies of this guide are being made available through this meeting.

In short, ISTEA's programs and principles have been good for American transportation, and we want to see them carried forward in next year's reauthorization. In fact, we want to see many of these principles expanded in the future -- principles such as the devolution of decision-making authority to state and local officials. We trust these officials to make good decisions about which projects are best for their own areas, and we want to ensure they have the right to make those decisions.

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 rigid, fixed category. 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.

That's why we support the trend towards programs and projects that increase efficiency by fully integrating the various transportation modes.

Finally, we want to expand on the progress we've made through innovative financing and explore how we can continue to create new ways to pay for the infrastructure and technologies we need. ISTEA's successor legislation may be the place to do this.

As we move towards reauthorization, it's vital -- whatever our views -- that we in the transportation community work together. Those of you who participated in ISTEA's creation will remember how important cooperation 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 -- demands for such compelling needs as schools, law enforcement, and health care.

There will be some things -- like funding formulas -- that divide the transportation community, but if we bog down in those debates it's going work against *all* of our interests.

That's why we need to maintain -- and even expand -- the coalition of constituencies that gave us ISTEA. 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 infighting brought on by our successful efforts to balance the budget, we risk losing the broad support that has sustained our programs so far.

We're working to create this dialogue through a series of regional forums on ISTEA that Secretary Peña has directed us to hold around the country -- the next of which will be held this Friday right here in New York.

These forums are one of the ways in which we can help the transportation community to 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.

Doing that will let us provide future generations with a transportation system that is even safer, more environmentally-sound, and more efficient than today's.

During today's conference, I hope that you'll consider how the issues of infrastructure policy, technology development, and transportation finance can be addressed through ISTEA.

That's where they'll have to be reconciled at the federal level, so your deliberations can have a significant impact. I look forward to hearing them, and thank you for your attention.

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TALKING POINTS
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
NETHERWOOD STATION ISTEAEVENT
PLAINFIELD, NEW JERSEY
JUNE 6, 1996

- * Thank you, Shirley (*DeLibero*), for that introduction -- and, also, for your work -- and that of Frank Wilson -- in making New Jersey Transit such a continuing success story. *[Ad lib re: 1973 Plainfield public hearings]*
- * There are congratulations due all around today. This project was made possible through ISTEA. I'll say more about ISTEA in a minute, but ISTEA itself wouldn't exist without the strong support of Senator Frank Lautenberg, who has long championed the sound federal investment in transportation that keeps New Jersey moving.
- * Here in Plainfield, a great deal of credit for this renovation is due to Mayor Mark Fury -- to Rick Brownlee and the Friends of Sleepy Hollow -- and to John Landvater and the Plainfield Business Development Corporation, all of whom have joined together to revitalize this community.
- * I also want to acknowledge the efforts of Rick Mariani and the New Jersey Transit team which has done such an outstanding job of restoring the station.
- * A moment ago I mentioned ISTEA, and that's the story *behind* the story today. ISTEA gave us the tools to rebuild

the transit systems, roads, and bridges that our prosperity and quality of life depend upon.

- * President Clinton and Congressional leaders like Senator Lautenberg have made the most of this opportunity by increasing federal transportation investment to its highest levels ever.
- * However, ISTEA went beyond authorizing more money -- as important as that is -- by redefining the federal role in transportation.
- * First, ISTEA gave state and local officials far more flexibility in how they use federal funds. That's enabled states like New Jersey, which depend on mass transit, to direct more of their money towards the bus and rail systems they need.
- * Second, ISTEA recognized that transportation facilities can have a significant impact on communities -- for better or for worse -- and gave state and local officials the authority to invest in transportation projects which are for the better and which improve the quality of life in their localities.
- * This legislation wasn't just massive public works investment -- important as such projects can be, like the entire New Jersey rail program with its new connectors and services. ISTEA was also about people and how to make

transportation work better for them through the decisions that are now possible.

- * We see the wisdom of one such decision here today. This beautiful station's restoration shows how the partnership of government officials and neighborhood leaders that ISTEA makes possible can enhance an entire community, benefitting not only commuters but all who live here.
- * ISTEA expires next year, and we hope that -- when these programs are reauthorized -- they'll continue to include the advances which have resulted in the Netherwood Station restoration and so many other success stories around the country.
- * I know that you'll want to hear from some of the other people who have helped to make this project a reality, so I'll follow Franklin Roosevelt's advice to public speakers: be sincere, be brief, be seated. Thank you.

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REMARKS PREPARED FOR DELIVERY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
ISTEA REAUTHORIZATION FORUM
NEW YORK, NEW YORK
JUNE 7, 1996

MORNING SESSION OPENING REMARKS

Good morning. I'm Deputy Secretary of Transportation Mortimer Downey. On behalf of Secretary Peña, I'd like to welcome you all to today's forum on ISTEA -- the Intermodal Surface Transportation Efficiency Act.

ISTEA authorizes federal transit, highway, and safety programs through October 1997. Although that's nearly a year and a half away, President Clinton has asked us to begin thinking about what direction the federal government's role in surface transportation should take after ISTEA expires.

As part of this effort, we've convened a series of forums to hear how ISTEA has been working around the country, and to hear from state and local officials, the transportation community, and the public about how we can build on its successes.

I'd like to offer a few thoughts of my own, but before I do so I want to thank the Port Authority of New York and New Jersey for hosting today's event. They're represented by John Haley, their Deputy Executive Director.

I'd like to acknowledge Alex Washburn, State Director for Senator Pat Moynihan, who will be speaking to us in a few minutes.

And I'd like to introduce the Department of Transportation officials who are with us today:

Assistant Secretary Steve Palmer -- Jolene Molitoris, our Federal Railroad Administrator -- Federal Highway Associate Administrator Gloria Jeff -- Deputy Maritime Administrator Joan Yim -- and two fellow New Yorkers -- Deputy Federal Transit Administrator Janette Sadik-Khan and Deputy Assistant Secretary Janno Lieber.

They're all playing crucial roles in ISTEA's reauthorization, and are here today to hear your ideas about what that bill should include.

Your ideas are important, because ISTEA's successes make it a tough act to follow. It redefined the federal role in surface transportation, and was a bipartisan effort to rebuild the infrastructure our economy depends upon -- to develop new technologies that will increase our efficiency and our global competitiveness -- and to improve transportation safety to prevent needless deaths and injuries.

ISTEA gave us tools to do all of these things -- and President Clinton and Secretary Peña have pushed the envelope to fully take advantage of these opportunities.

Under their leadership, and in close partnership with Congress, we've increased federal investment in infrastructure and technology to their highest levels ever.

We've supported the reuse of a magnificent landmark building, the Farley Post Office, as an intermodal facility in the style of the grand old train stations of the first half of this century. This project, which Senator Moynihan has done so much to champion, also could serve as an anchor for the redevelopment of this entire section of Manhattan.

In addition, we've dramatically increased ISTEA funding. This year New York alone will be able to obligate nearly two billion dollars in federal highway and transit funds -- an amount that's about \$160 million more than in 1995.

These higher levels of funding have helped to make possible such projects as the Queens Connector, which will greatly improve service to about 60,000 Queens and Long Island residents.

We've also used ISTEA's flexibility to introduce innovative financing strategies that cut red tape to speed up projects and attract private sector investment in capital projects.

In New Jersey, the use of these innovative financing techniques saved the state more than \$18 million in the refurbishing of 233 commuter rail cars.

Under ISTEA, the state also been able to use credits from toll road revenues used for capital investments as the match for federal funds -- effectively freeing up more than \$800 million for other projects that have been moved using state procedures and processes.

We've implemented ISTEA's provisions to give state and local officials far greater flexibility and autonomy, and put in place improved planning processes that let them choose the best solutions for their needs.

New York, for instance, has chosen to date to transfer more than \$580 million from highways to transit and other forms of transportation, providing needed support for these programs.

In New Jersey just yesterday we celebrated the restoration of Plainfield's historic Netherwood train station -- an outstanding project which not only benefits commuters but the entire community. The renovation used, among other funding successes, ISTEA transportation enhancement funds, and might not have been possible just a few years ago.

Finally, we've placed safety at the center of our agenda. Under ISTEA the highway fatality rate has been reduced to its lowest level in history.

Here in New York City, pedestrian fatalities dropped by 28 percent in just three years in part because of an ISTEA-funded Pedestrian Safety Program. On your way here today some of

you may have seen the "Walk Alert" decals placed at high-risk crossings.

In addition, Harlem Hospital's Injury Prevention Program, partly funded by ISTEA, has cut injury-related hospital admissions of Harlem children by more than half.

We're recognizing their achievement by presenting them with our Community Partnership Award for Safe Communities at next week's Moving Kids Safely conference.

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

In fact, as we spell out in our *ISTEA Reauthorization Policy Statement and Principles brochure*, we want to see many of these principles expanded in the future --

- principles such as devolving decision-making authority to state and local officials --

- 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 continuing to create new ways to pay for the infrastructure and technologies we need.

As we move towards reauthorization of our surface transportation programs, it's vital -- whatever our views -- that we in the transportation community work together.

We hope that these forums will enable the transportation community to reconcile its sometimes-conflicting agendas -- to build the type of broad consensus that gave us ISTEA -- and to put our programs on a sound basis for the 21st century.

Doing that will let us provide future generations with a transportation system that is even safer, more environmentally-sound, and more efficient than today's.

And now, I'd like to introduce Alex Washburn. Alex is the State Director for Senator Pat Moynihan. He's represented the Senator in many of the transportation initiatives that have transformed New York for the better, and he's appearing on his behalf today.

I've had the pleasure of working with Alex on everything from ISTEA to the Farley Building to the Queens Connector. Like the Senator himself, he's been a strong and dependable friend to the transportation community, and we're happy he could join us today. Alex...?

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INTRODUCTIONS FOR PANEL 1

I'd like to take a moment now to introduce the members of our first panel.

First, JOHN DALY. John is Commissioner of the New York State Department of Transportation, the lead state agency for implementing ISTEA, and one which has worked to take advantage of the flexibility and other opportunities ISTEA offers.

Assemblywoman CATHERINE NOLAN is one of the New York State legislature's leading authorities on transportation, serving as the Assembly's representative to the MTA's Capital Program Review Board -- something I know a little about.

ELLIOT SANDER is Commissioner of Transportation here in New York City. In that capacity he's acted to implement locally something we in the Clinton Administration are doing at the national level: changing government's focus to one of customer service.

SONNY HALL is International President of the Transport Workers Union of America -- Secretary Treasurer to the AFL-CIO's Transportation Trades Department -- and a veteran champion of safe transit and rail operations.

Governor JIM FLORIO fought for better transportation while in Congress and was a strong supporter of ISTEA, which passed while he served as Governor of New Jersey. Now a university professor and attorney, he's still working for the traveling public as National Chairman of America's Coalition for Transit NOW.

Finally, I want to introduce MARC SHAW, who now holds my previous job -- Executive Director of New York's MTA. I can tell you that one of the requisites for that position is a strong grasp of financial issues, and Marc acquired that during his tenure as New York City's Budget Director.

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INTRODUCTIONS FOR PANEL 2

Before the second panel begins, I'd like to introduce its members.

FRANK WILSON, New Jersey's Commissioner of Transportation, is well-known to everyone in the transportation industry. He's also Chairman of New Jersey Transit, Chairman of the American Public Transit Association, Chairman of TRANSCOM, and Vice-Chairman of the I-95 Corridor Coalition. Frank, have I left anything out?

BOB JANISZEWSKI is the County Executive of Hudson County, New Jersey -- one of the most transportation-intensive localities in the U.S., and one which is bringing a new generation of transit planning to managing its economic growth.

ISTEA promotes a broad focus on transportation issues, and JANINE BAUER has been doing that in her role as Executive Director of the Tri-State Transportation Campaign. They're working to cut congestion not only through traditional measures such as better transit but through such innovative approaches as market-based pricing of roads.

SHIRLEY DELIBERO has built a strong record as Executive Director of New Jersey Transit, the third-largest public transit agency in the country and one of its most successful.

ISTEA also encourages cooperative transportation planning to make better use of public resources. As Staff Director of the Capital District Transportation Committee, JOHN POORMAN is helping to do that for the greater Albany region.

One of the challenges transportation faces is improving mobility for those dependent on transit and other alternatives to the private automobile, including the disabled. TERRY MOAKLEY, Associate Executive Director of Communications and Public Affairs with the Eastern Paralyzed Veterans Association, is working to help transportation agencies do just that.

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INTRODUCTION OF SENATOR LAUTENBERG

Today we've been hearing how ISTEA's principles have directly benefitted both states. For instance, three-quarters of the ISTEA flexible funds used for transit in New York -- and nearly half of those in New Jersey -- were used for rail-related construction or improvements.

That includes projects like the Kearny Connection, which very soon will be providing expanded direct access for Manhattan-bound New Jersey commuter trains, and the planned Secaucus Transfer.

It's appropriate that this region has so benefitted, because one of the leading advocates of ISTEA's flexibility is from New Jersey, and he's with us today. Senator Frank Lautenberg has long been one of Congress' strongest advocates of transportation.

He was instrumental in ISTEA's creation -- he's long championed expanded federal investment in all forms of transportation, especially transit and AMTRAK -- and he's also promoted safety throughout the transportation modes.

I know that both President Clinton and Secretary Peña value his friendship and support, and we're happy that he's joined us today. Before we begin the public portion of this morning's session, I hope that he'll agree to say a few words. Senator...? ###

AFTERNOON SESSION OPENING REMARKS

Good afternoon. I'm Deputy Secretary of Transportation Mortimer Downey, and I'd like to welcome you all to the afternoon session of today's forum on ISTEA -- the Intermodal Surface Transportation Efficiency Act.

ISTEA authorizes federal transit, highway, and safety programs through October 1997, and President Clinton has asked us to begin thinking about what direction the federal government's role in surface transportation should take after ISTEA.

As part of this effort, we've convened a series of forums to hear how ISTEA has been working around the country, and to hear from state and local officials, the transportation community, and the public about how we can build on its successes.

I'd like to reintroduce the Department of Transportation officials who are with us today to hear your ideas:

Assistant Secretary Steve Palmer -- Don Itzkoff, our Deputy Federal Railroad Administrator -- Federal Highway Associate Administrator Gloria Jeff -- Deputy Maritime Administrator Joan Yim -- and two fellow New Yorkers -- Deputy Federal Transit Administrator Janette Sadik-Khan and Deputy Assistant Secretary Janno Lieber.

This morning, we focused on general ISTEA issues and transit. This afternoon we'll be discussing longer-haul services such as AMTRAK, intercity buses, and commuter rail -- issues of special significance here in the New York-New Jersey area.

We've heard numerous examples today of how ISTEA has provided expanded investment for this region, but its benefits aren't limited just to more funding.

For example, in Albany an existing AMTRAK station was converted into a successful intermodal transportation center -- a result produced in great part not only through ISTEA's flexible funding, but also through its expanded planning and public participation provisions.

That station also serves as the northern terminus of an experimental, ISTEA-funded high-speed AMTRAK train powered with state-of-the-art gas turbine engines. Called the RTL II, it's part of our effort to promote such services throughout the U.S.

So ISTEA's successes are clear, as is the promise it holds for the future of surface transportation. This afternoon we'll be hearing from the members of two panels. We hope that, through forums such as today's, we'll hear some new ideas about how ISTEA's successor can continue to promote both commuter and intercity rail.

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INTRODUCTIONS OF AFTERNOON SPEAKERS

We have two speakers before we begin our afternoon panel, and I'd like to introduce them.

TOM DOWNS

Our first speaker is Tom Downs. Over the years Tom has built a reputation as an innovator and a pioneer -- as head of the Triborough Bridge and Tunnel Authority here in New York, as Commissioner of Transportation in New Jersey, and now as President of AMTRAK.

President Clinton has always recognized AMTRAK's vital role in our transportation system, and has fought to give it the resources it needs. Tom is making the most of those resources, and has undertaken some of the broadest organizational reforms of any government agency. He brings important views to this forum, and we're pleased to have him with us. Tom...?

CRAIG LENTZCH

Our second speaker is Craig Lentzch, President of Greyhound Bus. Greyhound has a long history in American transportation. As *the* major intercity bus carrier, Greyhound continues to play a key role in our national transportation system, providing mobility to millions of Americans. Craig...?

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INTRODUCTIONS FOR PANEL 3

One of the dreams of American transportation planners is to have a rail system comparable to -- or better than -- those in Europe and Japan. Making that a reality is the goal of WILLIAM NEVEL in his role as Vice President of the High-Speed Rail MagLev Association.

Most of our speakers today represent transportation agencies, but it's also vital that we hear first-hand the views of those whom transportation is meant to serve.

FRANK BARRY is Director of Legislative Affairs for the Empire State Passengers Association, which represents the interests of travelers here in New York -- a group which benefits from the services of a wide range of providers.

ROSS CAPON is Executive Director of the National Association of Railroad Passengers, and he's well-known to everyone who follows rail issues.

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INTRODUCTIONS FOR PANEL 4

JEFF ZUPAN is a Senior Fellow of Transportation for the Regional Plan Association, and he's long been active in the sort of broad planning which ISTEA strongly supports.

JOHN HALEY is now the Deputy Executive Director of our host today, the Port Authority of New York and New Jersey. The Port's role has long since expanded beyond seaports to promoting sound transportation and economic growth throughout the region.

CAROL KATZ of Public Strategies/Impact is with us today on behalf of the New Jersey Motor Bus Association. New Jersey has a strong tradition of private bus service and that's given the state perhaps the broadest range of transportation options anywhere.

Finally, DON NELSON is President of the Metro-North Commuter Railroad, the latest in a series of top positions at public and private railroads throughout the U.S.

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REMARKS AS PREPARED FOR DELIVERY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
NORTHEAST ASSOCIATION OF STATE TRANSPORTATION
OFFICIALS 1996 ANNUAL CONFERENCE
PROVIDENCE, RHODE ISLAND
JUNE 10, 1996

It's a pleasure to be here tonight, and I want to thank Carlos Pesquera and the NASTO board for inviting me to speak to you.

I'd also like to bring you greetings from Secretary Peña. Tonight I'd like to talk about one of the chief issues the Secretary -- and, in fact, all of us -- are thinking about these days -- what will be the central surface transportation issue over the next year-and-a-half: the reauthorization of ISTEA.

I know that you've heard a lot about it in today's sessions, but I wanted to give you a federal perspective on where we think ISTEA should go.

You're all intimately familiar with ISTEA; in fact, it seems like just yesterday that many of us worked together to help ensure its passage.

Perhaps that's why it's hard to believe that it expires so soon. For many it's like finding out that your pair of new shoes that's finally been broken in now needs to be resoled.

The discussions on reauthorizing ISTEA's programs are already underway in Washington and in state capitals throughout the country.

It's not too early to think about what should follow ISTEA, because it's a complex matter which is vitally important to our future.

ISTEA, of course, will be a tough act to follow. It was a landmark bill that redefined the federal role in surface transportation -- a bipartisan effort to rebuild our infrastructure -- to develop new technologies -- and to improve safety.

Although ISTEA was a major step forward, it's actually based on a long tradition of government support for transportation investment.

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 been the force behind our economic success.

It's opened up new markets, enabling the quick, cheap movement of people and goods that has powered America's growth as a continental-sized nation.

Nowhere is that truer than here in the Northeast, which has seen so many generations of change -- for better and for worse -- fueled by advances in transportation technology.

Transportation's role will only increase in the future as the national economy becomes more fully integrated and as America increasingly becomes part of the larger global economy.

Businesses, faced with growing competition at home and around the world, rely on effective transport to control costs and make possible such logistical innovations as intermodalism and "just-in-time" deliveries.

In today's competitive economy, these businesses can't afford the delays and expenses imposed by inefficient transportation.

However, the systems they depend on face growing travel demand -- inadequate capacity -- bottlenecks and poor connections between different forms of transportation -- and an aging and deteriorating infrastructure.

These conditions could slow economic growth and reduce our international competitiveness -- with a direct impact on our prosperity and quality of life.

Nor should Americans have to endure the costs and disruptions that inefficient transportation imposes on their own lives.

We all depend on smooth-flowing systems and seamless links between them for commuting to work or school -- for shopping -- or for recreation.

When these systems don't work as intended, we pay the price in lost time -- in higher prices -- or in diminished opportunities.

In fact, highway congestion in the nation's 50 largest cities alone costs us more than \$40 *billion* a year in lost time and wasted fuel.

By coincidence, that \$40 billion a year is roughly what all levels of government now invest each year in surface transportation infrastructure.

However, an analysis we recently submitted to Congress calculated that we need to invest an additional \$17 billion a year just to maintain today's conditions -- that is, the potholes and aging subway cars everyone complains about.

That same report projected we could identify an additional \$23 billion in projects whose quantifiable benefits, such as savings from congestion reduction, would outweigh their costs.

In effect, then, we're investing little more than half of what we could. That infrastructure gap is one which ISTEA was meant to help close.

Overcrowded roads and other deficiencies also risk our safety. More than 40,000 people die on our highways each year and millions more are injured at a societal cost that's approaching \$140 billion annually.

Although transportation inevitably involves some risk, we have a moral responsibility to do everything we can to cut those risks and make travel by all modes as safe as possible.

And -- in fact -- the highway fatality rate *has* been reduced under ISTEA. It's now at its lowest levels in history. We need to continue that progress, and continue making the public's safety our highest priority.

If we *don't* -- if we fail to continue improving the accident and fatality rates -- rising traffic volume would cause the death toll to increase sharply again.

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 have been remarkably successful.

We've seen much progress here in the Northeast, where ozone and carbon monoxide levels are finally diminishing.

The strategies that have brought this progress about have to be continued -- and, in some cases, expanded -- as we better understand transportation's impacts on the environment and on our own health.

ISTEA gave us tools to meet all of these challenges -- and President Clinton and Secretary Peña have pushed the envelope to fully take advantage of these opportunities.

For instance, ISTEA authorized dramatic increases in infrastructure investment -- but we didn't make the most of this until President Clinton raised the transportation budget to record levels, giving state and local governments billions of dollars more for roads, bridges, and transit systems.

We've asked Congress to authorize nearly \$25 billion for infrastructure investment in 1997, ISTEA's final year. That level will sustain the level of commitments we've made.

Not only did ISTEA authorize more money, but it also enabled new innovative financing strategies to cut the red tape that delays projects and to involve the private sector in helping to fund infrastructure projects.

Under the President's Partnership for Transportation Investment, these strategies have moved ahead some 74 projects in 35 states worth about \$4 billion -- most of them for new or expanded highways and other facilities, and many of them here in the Northeast.

Right here in Providence congestion will be relieved on I-95 through new ramps being built at Kinsey and Promenade Streets.

Using "advance construction" techniques that maximize post-ISTEA funding eligibility and flexibility, this project will be built 10 years earlier than it would have been under traditional funding.

That's going to generate significant cost savings and benefits for congestion and air quality.

We're continuing to build on the innovative financing foundation that ISTEA laid.

Last year's National Highway System designation act authorized the creation of state infrastructure banks -- or SIBs -- which will use federal seed money to attract new private and other public funds to infrastructure projects.

We've already selected eight states to participate in a pilot SIB program, and we're asking Congress for \$250 million to capitalize them.

This is the type of innovation we need if we're going to bridge the infrastructure gap.

ISTEA also has made genuine progress in new areas, such as launching the federal Intelligent Transportation Systems program and its flagship initiative, Operation Timesaver, which is meant to cut travel times by 15 percent in 75 cities over the next decade.

We're asking for \$337 million for the entire ITS program in 1997, and think that it can bring to travel the same revolutionary improvements that the Interstate Highways did beginning in the 1950s.

ISTEA -- under the President's budgets -- has raised transportation research and technology investment to its highest level ever -- with more than a billion dollars proposed for next year.

That billion dollars would support a wide variety of projects, such as the development of high-performance concrete and aluminum bridges and advanced composites to make bridges seismic-resistant.

That may seem to be less of an issue here than in California, until you read stories about the real risk of a Northeastern earthquake.

ISTEA also has created programs that have a real effect on the quality of Americans' daily lives, such as the Congestion Mitigation and Air Quality Improvement Program which cuts highway congestion through projects like new high-occupancy vehicle lanes.

There's also the enhancements program, which directs funding towards projects that not only meet transportation needs but also add to a community's quality of life.

Just last week I participated in a groundbreaking at a New Jersey train station which is being restored using these funds, and it's also going to house businesses that will serve not only commuters but other area residents as well.

Programs such as these broaden support for transportation programs, building new constituencies for projects which produce benefits for as many people as possible.

We've made the most of all of these initiatives, but the benefits of ISTEA go beyond new programs and more funding.

ISTEA also established the importance of a comprehensive, intermodal transportation system, letting our investment programs reflect the reality we see all around us.

ISTEA has given you, as state and local officials, far greater flexibility and autonomy, and it's given you improved planning processes that let you choose the best solutions for your needs.

At the same time, it's preserved the partnerships that have always been the basis of transportation in America.

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

In fact, we want to see many of these principles expanded in the future -- principles such as the devolution of decision-making authority to state and local officials.

We trust officials like yourselves to make good decisions about which projects are best for your own areas, and we want to ensure you have the authority to make those decisions.

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

Reauthorization should continue the progress towards intermodalism so that modal definitions that relate to the beginning of *this* century don't determine the transportation systems of the *next* one.

That's why we support the trend towards programs and projects that increase efficiency by fully integrating the various transportation modes.

Finally, we want to expand on the progress we've made through innovative financing and explore how we can continue to create new ways to pay for the infrastructure and technologies we need. ISTEA's successor legislation may be the place to do this.

As we move towards reauthorization, it's vital -- whatever our views -- that we in the transportation community work together. Those of you who participated in ISTEA's creation will remember how important cooperation 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 -- demands for such compelling needs as schools, law enforcement, and health care.

There will be some things -- like funding formulas -- that divide the transportation community, but if we bog down in those debates it's going work against *all* of our interests.

That's why we need to maintain -- and even expand -- the coalition of constituencies that gave us ISTEA. 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 constraint brought on by our successful efforts to balance the budget, we risk losing the broad support that has sustained our programs so far.

We're working to create this dialogue through a series of regional forums on ISTEA that Secretary Peña has directed us to hold around the country.

Some of you have already participated them, and I hope that all of you will have the opportunity.

These forums are one of the ways in which we can help the transportation community to 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.

Doing that will let us provide future generations with a transportation system that is even safer, more environmentally-sound, and more efficient than today's. Thank you.

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REMARKS PREPARED FOR DELIVERY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
INFRASTRUCTURE OPPORTUNITIES IN SOUTHEAST ASIA
SAN FRANCISCO, CALIFORNIA
JUNE 19, 1996

*(Introduction to be made by J. Joseph Grandmaison,
Director of the U.S. Trade and Development Agency)*

Good afternoon. Joe, I'd like to thank you for that introduction, and for all of your efforts on behalf of American trade and American business.

We at the Department of Transportation are proud to be your partners in so many of these efforts to support growth in our trading partners' economies and to expand opportunities overseas for U.S. businesses.

As I'll discuss later, these efforts are multiagency in nature -- and we are working together towards a common goal, one which Joe is always quick to remind us of.

Before I begin today's remarks, I'd like to bring you all greetings from Secretary Peña. As many of you know, he visited several Asian nations last November -- including Indonesia, Thailand, the Philippines, and Malaysia -- to strengthen relations between our nations.

The Secretary deeply appreciated the warm receptions he received, and was gratified by the progress he and his counterparts made on a range of transportation and trade issues.

His schedule prevented him from attending this conference, but he asked me to join you and extend to you his best wishes for a successful and productive meeting.

The Secretary and I have no doubt about this conference's value to all of our nations. It will help us to better realize the promise that shines so brightly in the Pacific.

The 21st century has been called the "Pacific Century" -- and with good reason. These are nations with growing populations, growing economies, and a firm commitment to market-oriented economic policies that will ensure continued progress.

And they are nations which are taking the steps -- production, trade, and investment reforms, investment in infrastructure, energy production, communications, and other key areas -- that are necessary to fully realize their extraordinary commercial potential.

No one who looks at the rapidly-growing skylines of Kuala Lumpur or Jakarta, of Bangkok or Manila, can doubt the dynamism that exists in these economies.

We look forward to expanded cooperation and trade with all of these countries, and we're taking steps to make it happen.

For instance, earlier this year our aviation negotiators reached new, liberalized bilateral aviation agreements with Thailand and the Philippines.

Under these agreements, we expect increased air service between both of these countries and the U.S. -- to the benefit of travelers and businesses in all three nations.

Our ultimate aviation goal, in Asia and around the world, is what we call open skies -- deregulating air travel between two nations by giving each partner country's carriers landing rights without artificial restrictions.

It's something we already see in Europe, where we've entered into such agreements with a dozen nations, tipping the balance in favor of free air commerce across the Atlantic.

Our experiences so far show that the benefits don't accrue just to one side, regardless of size: smaller carriers have used new flexibility and access to U.S. markets to build close alliances with American carriers.

These partnerships enable them to maintain their international positions by exploiting their knowledge and position in their home markets.

Their experience shows how cooperation -- between nations and between businesses -- can produce gains for all.

Such cooperation is the wave of the future, and it symbolizes America's international trade philosophy.

President Clinton has used that philosophy to articulate a vision of a worldwide community of free and prosperous nations, growing more secure and more prosperous into the next century.

The four nations represented here today and the other emerging markets of the Asian-Pacific region are undergoing the transformations that will propel us all towards this goal.

Through this process, they'll produce higher standards of living for their people, and ensure the long-term economic growth that helps to produce continued prosperity and security.

Today, I'd like to talk about the role of transportation in sustaining economic growth -- and about the partnerships that could help develop the transportation systems needed for that growth.

Efficient systems to move people, goods, and -- increasingly -- information are essential to improving the overall productivity of any nation's economy and its linkages to the world's markets.

That's why here in the United States we are committed to extensive new investment in our own physical capital -- our roads, our mass transit systems, our railroads, our airports, and

now in our communications systems -- the new "information highways" of the future.

Such investment is critical to maintaining efficiency in the economy. An efficient economy must be able to move people, goods, and information quickly and cheaply.

Indeed, the availability of an extensive and efficient internal transportation system -- linked to the world through our sea and airports -- has been the backbone of American economic competitiveness for generations.

That's been true from the days of regional canals -- to the transcontinental railroads -- to the Interstate Highways -- and to modern airports and airways today.

To cite just one modern example of the continuing benefits of this system, first-rate highways and economically-competitive railroads have allowed American industry to introduce "just-in-time" manufacturing techniques.

These result in plants that operate all across the nation -- even across the world -- in an integrated production line.

In effect, American manufacturers have turned the stream of containers moving to factories by truck, sea, and rail into their "warehouses on wheels," saving billions of dollars of inventory costs.

If the benefits of efficiency are clear, so are the costs of inefficiency. *The Economist* recently reported that, in India, transportation delays and congestion instantly erode exporters' cost advantage over western competitors by around 30 percent. That's a cost that developing businesses and economies can ill-afford.

The sort of economic return that transportation investment makes possible isn't always so readily quantifiable -- but it's clearly substantial and well worth doing.

Similarly, while it's impossible to define some absolutely "correct" amount of investment in transportation, virtually all economists and businesspeople agree that sound, well-maintained infrastructure is essential to sustained economic growth.

Competitive nations all over the world understand the link between transportation investment and long-term economic growth.

This worldwide movement to create modern, efficient highways, ports, airports, and railways -- with efficient links between them -- presents every nation with a simple choice: you must consistently improve your transportation system, or *you will fall behind*.

In fact, *any* nation that wants to foster industry and business investment -- whether in domestic or global commerce

-- must provide the modern transportation links such enterprises need.

The World Bank has estimated that the economies in the East Asian region need to invest about \$1.2 trillion in infrastructure over the next decade -- nearly half of that for transportation.

Governments, in partnership with the private sector, are already acting to meet this need: Indonesia alone has five major international airports planned.

If the promising systems under consideration in these nations are well-designed, adequately financed, and linked effectively to each other, then they'll sustain economic development well into the next century.

Well-planned investments will integrate national economies with each other -- deepen the ties between peoples -- and better link all nations into global markets that work better as transportation efficiency expands their reach.

Such transport links are extremely important, as we Americans are learning from our experience with the North American Free Trade Agreement that links the economies of the U.S., Canada, and Mexico.

As the economies of Southeastern Asia build similar links with their trade partners, we in the U.S. have a wealth of

experience to share -- not only in planning and building transportation systems, but in the means of financing them, maintaining and upgrading them, and improving their safety and capacity with new technologies.

That knowledge provides the basis for cooperation in our mutual interest that Joe Grandmaison and TDA have done so much to further.

Such cooperation isn't a new idea. Indeed, it calls to mind the role America played after World War II, when it helped to rebuild war-torn economies in Europe to the economic advantage of the entire Atlantic community.

But one significant difference in the 1990s -- and one you're all in a position to appreciate -- is today's greater reliance on the private sector.

After World War II the rebuilding of Western Europe under the Marshall Plan was funded essentially by the U.S. government, but fiscal realities today dictate a far greater role for business -- and that can work for all of our benefits.

East Asian countries clearly recognize this. Indonesian officials, for instance, told Secretary Peña that they are seeking private financing for more than 40 percent of their infrastructure projects -- an ambitious goal by any standard.

We look to private companies from the United States and from throughout the world to make this happen -- and we expect them to compete in a way that will make it happen *efficiently*.

Our companies have the knowledge, the skills, the experience, and the motivation to help emerging economies move forward.

Although I've focused on infrastructure construction, the challenges Indonesia, Thailand, the Philippines, and Malaysia face are not limited to that alone.

These and other emerging nations have needs in other areas -- needs that can be met by American companies.

For instance, American businesses produce some of the best equipment in the world -- airplanes, motor vehicles, rail rolling stock, and the apparatus which sustains them -- everything from radar to rail signals to maintenance-of-way equipment.

For example, General Electric Transportation Systems -- supported in part by training funds provided through TDA -- is providing a dozen locomotives to the State Railways of Indonesia.

We also can support growth by providing training and consulting services in fields as varied as the rationalization of

unnecessary transportation connections, air traffic control systems, and cargo handling.

Here, too, Indonesia provides a good example of how U.S. companies can meet the needs of international markets. Hughes Asia Pacific is upgrading air traffic control systems at Jakarta's International Airport, giving it the state-of-the-art systems it needs to safely and efficiently handle its growing travel.

Impressive as they are, the capabilities of the private sector don't diminish the important role for government as a catalyst for change. In fact, we in the U.S. government seek an active role in bringing about new opportunities.

For instance, Mickey Kantor, our Secretary of Commerce, will be visiting Indonesia and Thailand next week. He'll be accompanied by Mark Gerchick, our Deputy Assistant Secretary. In addition to official meetings on a wide range of issues, this visit could produce opportunities for U.S. businesses to help these nations meet their infrastructure needs.

Together with the traditional economic development arms of the U.S. government -- such as TDA, OPIC, and the Export-Import Bank -- the Department of Transportation is lending its technical expertise to support sustained development to strengthen trade ties between our nations.

And we're organizing other efforts through the Trade Promotion Coordinating Committee, which brings together 19 federal agencies to further international commerce.

Our efforts go beyond trade promotion, and aim to support the investment these nations need. For example, we encourage the international lending institutions to support transportation-related investment.

We also want to work more closely with the national governments and with American and Asian companies and financial institutions to put together total packages for major transportation projects.

That means planning and engineering, financing, construction and construction management -- perhaps even facility operation.

In order to identify potential projects of mutual interest, we've encouraged U.S. embassies to obtain better information on transportation needs throughout the world and to communicate them to the Commerce and Transportation departments in a timely fashion.

And the Commerce Department has assigned its embassy officers to prepare Country Commercial Development Strategies, to identify specific investment, product, and service needs abroad.

We also want to lay the groundwork for cooperative projects by overcoming the barriers that can arise in international activities -- for instance, by developing internationally-compatible construction and manufacturing standards.

This compatibility will not only foster economies of scale for producers, but it will also encourage increased trade and business opportunities and real enhancements of traveler safety.

Compatibility is institutional as much as technical, so we've also encouraged foreign government decision-makers and businesspeople to visit the U.S. for study tours to see first-hand how our market-responsive transportation system works...

...how our public and private sectors cooperate...

...and how we encourage economic cooperation while we provide regulatory assurances as to matters of public interest and safety.

Many of you have had the chance to participate in visits to our transportation projects during your stay here in San Francisco, and I hope that they've been helpful.

While we're interested in short-term results, we also want to keep our eye on building long-term benefits.

That means focusing on institution-building by assisting other nations in standards development, establishing procurement and contracting procedures, organizing efficient public-sector transportation departments, and establishing market-oriented regulatory policies.

We see building the transportation infrastructures and economies of emerging markets as being mutually beneficial. These markets will gain the basis for long-term economic security.

We in the United States will benefit from new trading partners, and from the opportunities created for American businesses -- opportunities we strongly encourage them to pursue, and to which we're committed to supporting them.

In closing, I want to reiterate our commitment to working closely with you to further develop the links between the U.S. and Indonesia, Thailand, the Philippines, and Malaysia.

Many Americans are the sons and daughters of these countries, and have deep ties to them. They -- and we -- believe in the steps that these four nations are taking to ensure broad-based economic growth.

Now that such prosperity is starting to become a reality, we in the U.S. look forward to cooperating with their governments and with their private sectors to sustain it. Thank you.

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**REMARKS PREPARED FOR DELIVERY
DIRECTOR OF INTERGOVERNMENTAL AFFAIRS BARBARA LEACH
WOMEN'S TRANSPORTATION SEMINAR MEETING
CHICAGO, ILLINOIS
JUNE 20, 1996**

It's a pleasure to be here this afternoon, and I want to thank Toulla Constantinou and the WTS board for inviting me to speak to you. I especially want to thank Paula Thibeault for all of her help in arranging my visit.

I'm also glad to see so many of you here today. We're all flattered when people come out to hear us -- although sometimes it's for the wrong reason.

When he was Vice President, Fritz Mondale once was thrilled to find a big crowd on hand at a small airport in Maine. Before he rose to speak, he turned to his host and said, "I'm really flattered. There must be two thousand people here."

His host said, "Yup. This is the first time a plane this big's ever taken off from Lewiston, and everyone turned out to see if it'll take off okay." *That's* the sort of thing that keeps us public officials humble.

That said, it's a good week to speak in Chicago -- everyone's in such a great mood. The Cubs and Sox are both just a couple of games out of first. The last time *that* happened they went to WTS meetings riding sidesaddle.

And, of course, the Bulls took number four -- and want to stay together for number five. Talk about sacrificing for the team! To pay Michael's salary next year Dennis Rodman is going to rent his hair out to advertisers, like the side of a CTA bus.

Okay, okay, so I'm *not* a comedienne -- although it *does* take a sense of humor to survive in Washington these days.

But I'll stop the jokes and move on to one of the chief issues in Washington these days -- what will be the central surface transportation issue over the next year-and-a-half: the reauthorization of ISTEA.

You're all intimately familiar with ISTEA; in fact, it seems like just yesterday that many of you worked together to help ensure its passage.

Perhaps that's why it's hard to believe that it expires so soon. For many it's like finding out that the pair of new shoes that's finally been broken in now needs to be resoled.

The discussions on reauthorizing ISTEA's programs are already underway in Washington and in state capitals throughout the country. It's not too early to think about what should follow ISTEA, because it's a complex matter which is vitally important to our future.

ISTEA, of course, will be a tough act to follow. It was a landmark bill that redefined the federal role in surface transportation -- a bipartisan effort to rebuild our infrastructure -- to develop new technologies -- and to improve safety.

Although ISTEA was a major step forward, it's actually based on a long tradition of government support for transportation investment.

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 been the force behind our economic success.

It's opened up new markets, enabling the quick, cheap movement of people and goods that has powered America's growth as a continental-sized nation.

Nowhere is that truer than here in the Midwest, which has seen so many generations of change -- for better and for worse -- fueled by advances in transportation technology.

Transportation's role will only increase in the future as the national economy becomes more fully integrated and as America increasingly becomes part of the larger global economy.

Businesses, faced with growing competition at home and around the world, rely on effective transport to control costs and

make possible such logistical innovations as intermodalism and "just-in-time" deliveries.

In today's competitive economy, these businesses can't afford the delays and expenses imposed by inefficient transportation.

However, the systems they depend on face growing travel demand -- inadequate capacity -- bottlenecks and poor connections between different forms of transportation -- and an aging and deteriorating infrastructure.

These conditions could slow economic growth and reduce our international competitiveness -- with a direct impact on our prosperity and quality of life.

Nor should Americans have to endure the costs and disruptions that inefficient transportation imposes on their own lives.

We all depend on smooth-flowing systems and seamless links between them for commuting to work or school -- for shopping -- or for recreation.

When these systems don't work as intended, we pay the price in lost time -- in higher prices -- or in diminished opportunities. In fact, highway congestion in the nation's 50 largest cities alone costs us more than \$40 *billion* a year in lost time and wasted fuel.

By coincidence, that \$40 billion a year is roughly what all levels of government now invest each year in surface transportation infrastructure.

However, an analysis we recently submitted to Congress calculated that we need to invest an additional \$17 billion a year just to maintain today's conditions -- that is, the potholes and aging subway cars everyone complains about.

That same report projected we could identify an additional \$23 billion in projects whose quantifiable benefits, such as savings from congestion reduction, would outweigh their costs.

In effect, then, we're investing little more than half of what we could. That infrastructure gap is one which ISTEA was meant to help close.

Overcrowded roads and other deficiencies also risk our safety. More than 40,000 people die on our highways each year and millions more are injured at a societal cost that's approaching \$140 billion annually.

Although transportation inevitably involves some risk, we have a moral responsibility to do everything we can to cut those risks and make travel by all modes as safe as possible.

And -- in fact -- the highway fatality rate *has* been reduced under ISTEA. It's now at its lowest levels in history. We need

to continue that progress, and continue making the public's safety our highest priority.

If we *don't* -- if we fail to continue improving the accident and fatality rates -- rising traffic volume would cause the death toll to increase sharply again.

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 have been remarkably successful.

We've seen much progress here in Chicago, where ozone and carbon monoxide levels are finally diminishing.

The strategies that have brought this progress about have to be continued -- and, in some cases, expanded -- as we better understand transportation's impacts on the environment and on our own health.

ISTEA gave us tools to meet all of these challenges -- and President Clinton and Secretary Peña have pushed the envelope to fully take advantage of these opportunities.

For instance, ISTEA authorized dramatic increases in infrastructure investment -- but we didn't make the most of this until President Clinton raised the transportation budget to record levels, giving state and local governments billions of dollars more for roads, bridges, and transit systems.

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

In fact, we want to see many of these principles expanded in the future -- principles such as the devolution of decision-

making authority to state and local officials and transportation professionals.

We trust you to make good decisions about which projects are best for your own areas, and we want to ensure you have the authority to make those decisions.

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Reauthorization should continue the progress towards intermodalism so that modal definitions that relate to the beginning of *this* century don't determine the transportation systems of the *next* one.

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Finally, we want to expand on the progress we've made through innovative financing and explore how we can continue to create new ways to pay for the infrastructure and technologies we need. ISTEA's successor legislation may be the place to do this.

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together. Those of you who participated in ISTEA's creation will remember how important cooperation 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 -- demands for such compelling needs as schools, law enforcement, and health care.

There will be some things -- like funding formulas -- that divide the transportation community, but if we bog down in those debates it's going work against *all* of our interests.

That's why we need to maintain -- and even expand -- the coalition of constituencies that gave us ISTEA. 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 constraint brought on by our successful efforts to balance the budget, we risk losing the broad support that has sustained our programs so far.

We're working to create this dialogue through a series of regional forums on ISTEA that Secretary Peña has directed us to hold around the country.

In fact, we held one here in Chicago just a couple of weeks ago. Mayor Daley and some of you participated in it, and I hope

that all of you will have the opportunity to attend at least one of these sessions.

These forums are one of the ways in which we can help the transportation community to 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.

Doing that will let us provide future generations with a transportation system that is even safer, more environmentally-sound, and more efficient than today's. Thank you.

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REMARKS PREPARED FOR DELIVERY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
RSPA/GAS RESEARCH INSTITUTE MOU SIGNING
WASHINGTON, D.C.
JUNE 20, 1996

Thank you, Dr. Sharma. I'm glad to join you -- and Steve Ban -- Dave Mitchell -- Tom Bubenik -- John Riordan -- and Richard Felder to mark a milestone in the effort to maintain the level of pipeline safety that the American people want and deserve.

More than 50 million Americans depend on natural gas to cook, to heat their houses, and to run their businesses. The nearly two million miles of pipelines that make up the nation's system are among *the* very safest ways to move natural gas and the other products that power our economy.

However, lots of pipelines were built decades ago, and are naturally subject to the deterioration that comes with age. Suburban growth is putting houses and shopping malls closer to pipelines, increasing the risk of pipeline breakage by careless excavations.

In fact, that's what happened in a well-publicized pipeline explosion in Edison, New Jersey two years ago. Although the number of such incidents *hasn't* been increasing, that explosion put us on notice that we can't take pipeline safety for granted. Lives and property are very definitely at risk, and people demand *active* protection by their government.

That's why we in DOT need to work in partnership with state and local officials and the pipeline industry to prevent these incidents in the future.

At the same time, concern for the cost of regulations -- and the need to use common sense in how we regulate -- demand that we be smarter in *how* we protect the public.

Our efforts have focused on several strategies. We've promoted one-call systems -- a single number that anyone can call to find out the location of pipelines or other utilities.

We've also given state and local pipeline safety programs the support they need -- such as funding and technical assistance -- so they can help us effectively oversee pipeline construction and inspect the condition of the existing system and the practices of the companies that operate them.

And we're supporting research and development of the latest technologies to test and -- where necessary -- to repair or upgrade pipelines to ensure their continued safety. We need to understand how pipelines age -- how they function -- and what measures can improve their performance.

We and industry have greatly expanded our research over the past couple of years. It's becoming more and more important that we coordinate our efforts -- both to reap the benefits of synergy and to avoid duplicating work.

We're doing that today by establishing a new research and development partnership between the Department of Transportation and the Gas Research Institute -- the natural gas pipeline industry's leading scientific research organization.

This arrangement will expand communications and information- and data-sharing between our organizations -- coordinate our ongoing research -- and let us explore opportunities for joint research projects in the future.

We need access to the industry's technical skills in order to do our job better, but we need it in a way that respects the concerns of industry and government.

Such mutually-beneficial partnerships between government and the private sector are what President Clinton means when he talks about reinventing government to better serve the American people.

I'm happy to say that the discussions leading up to this new partnership have already produced their first tangible result: a \$1.9 million research contract between the Department and a consortium of the Southwest Research Institute, Battelle, and Iowa State.

This contract will fund the development of new technologies to detect exterior damage to pipelines by excavators -- the type of damage which caused the Edison explosion.

We hope it will be only the first of many cooperative initiatives between us, the pipeline industry, and our state and local partners.

We aren't ceding our responsibility to regulate in the public interest, but we are recognizing that knowledge-sharing improves our ability to do this task efficiently.

We're doing this because Americans' lives -- the future of a vital American industry -- our economic prosperity -- and our national security depend on strengthening our commitment to pipeline safety.

Although much remains to be done, today is a landmark in the effort to keep America's pipelines as the world's safest in the years to come, and we look forward to building upon it.

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REMARKS PREPARED FOR DELIVERY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
APTA POLICE/SECURITY WORKSHOP LUNCHEON
WASHINGTON, D.C.
JUNE 26, 1996

Good afternoon. I'm happy to join you all here today, because nothing is more important than ensuring the safety and security of the America people -- and the work that you're all doing is so vital to that.

Yours is a respected profession, and the way in which you carry out its responsibilities it is something for which all of us who depend on your efforts are grateful.

In fact, there are few areas in which the job of protecting the public is more challenging than in transportation. Our transportation system has four million miles of roads -- seven thousand miles of transit lines -- and thousands of bus, rail, and subway stations. It's so vast that it touches all of our lives every day.

Our system's very size and reach mean that, while using it, we're subject to many of the same risks we face in other aspects of our lives -- the threats of crime and terrorism.

From the beginning of his administration President Clinton has recognized this, and has committed himself to giving America's police and security forces the tools they need to do their jobs.

He gave our cities the ability to hire more police -- as many as 100,000 of them -- and to do more community policing.

The Brady law the President fought so hard for kept 44,000 felons from buying firearms last year alone.

The assault weapons ban is keeping these same criminals from buying destructive firepower to terrorize our streets.

In transportation, we've been holding informative workshops and conferences and publishing guides to the latest strategies -- offering training through the Transportation Safety Institute -- and beginning a central security information exchange.¹ We're also continuing our research and development into anti-terrorism technology.

We're already seeing the fruits of the President's initiatives. Together with changing demographics and innovative policies and programs by America's police forces, the President's anti-crime policies are helping to lift the siege on our cities.

The number of serious crimes dropped by two percent last year -- the fourth consecutive year that crime has fallen.

These decreases are even more dramatic in our biggest cities, where the crime rate dropped by six percent.

¹ Accessible through (800) 231-2061 or through the FTA home page, <http://www.fta.dot.gov>

Violent crime is down as well -- with murders down eight percent across the country and robberies down by seven percent.

This progress is vital to reclaiming our public spaces, especially our streets and transit systems.

I can tell you from my experience with the MTA in New York that the climate of fear created by crime can be ruinous our efforts to rebuild to public transportation ridership.

Surveys there showed that many people avoided the subways because they were afraid of being assaulted or robbed. In fact, it was only when subway crime began to fall in New York that subway ridership rebounded.

While the President has been disturbed by crime on the streets, he's been equally concerned with the threat of terrorism.

Last year, after the Oklahoma City bombing, he directed the entire federal government to make sure our offices and other facilities were protected by stronger security measures.

He also asked us in DOT to reduce our vulnerabilities in transportation. So today I want to lay out the security problems that we face in transportation, and then offer some solutions.

Our problem is a big one. And the very biggest mistake we could make is to think Americans are immune from terrorism. We're no more inherently immune from suicide bombs on buses

or gas attacks in subways than were the innocent people in Paris or Tokyo or Jerusalem.

We only have to ask those injured on that derailed Amtrak train in the Arizona desert -- or those whose commuting was disrupted when the World Trade Center bombing interrupted PATH train service -- if this country is immune from the effects of sabotage and terrorism.

The reality is that, worldwide, transportation -- with its high visibility -- is a primary terrorist target -- the objective of one in five terrorist attacks -- 170 last year alone.

What's more disturbing is that -- even as these attacks have increased in number -- they also have changed in nature.

Historically, terrorists attacked international transportation modes and facilities, such as airliners and airports.

But, as security has strengthened in those forms of transportation over the past two decades, terrorists are now targeting trains, buses, and subways.

In fact, last year there were four times as many terrorist attacks on surface transportation modes as on aircraft or airports.²

Transit systems are attractive targets for a number of reasons. They carry large numbers of people within concentrated, predictable areas and time frames.

They're open systems that are relatively accessible. And they often cover extensive geographic areas. These factors can make it hard to develop countermeasures.

Rail-based systems are especially attractive to terrorists. They're highly visible -- they carry many people in a confined space -- and there are many ways to terrorize rail systems -- through attacks on stations, rail cars, tracks, switches, signals, bridges, and tunnels.

Moreover, public transportation also represents government authority. While the cause is still under investigation, notes left near the site of the derailed Amtrak train in Arizona suggested that the sabotage was in retaliation against the federal agencies and local police.

These factors have led to increases in attacks on buses and railroads, to the point now where more than 40 percent of

² Source: From S-60 using "CIA's Data Base on International and Indigenous Terrorist Attacks" (for 1995).

worldwide terrorist attacks against transportation are directed towards them.

The costs of transportation attacks are not limited to their devastating human impact and damage to property.

For instance, last year French railways and subways were the target of five bombings or attempted bombings by Algerian Islamic extremists. The French government had to deploy 12,000 extra police officers and 5,400 additional soldiers, increasing their security costs tenfold.

And those bombings were also costly in terms of public confidence. There was a substantial decrease in subway ridership, because people were afraid. Tourism fell. If people feel vulnerable, they'll find other ways to travel.

* This summer we face an enormous challenge at the Centennial Olympics in Atlanta. As we discovered in Munich two decades ago, the Olympics can be a tremendous attraction for terrorists.

So many of the elements there will make it attractive: a large international media presence would ensure enormous publicity -- as many as 40 heads of state could be there -- and there will be several hundred thousand daily visitors, most of them dependent on mass transit.

That's the challenge we face, and it's a formidable one -- but we have the tools we need to meet it and protect the lives of Americans and our foreign guests.

Some of those tools are reserved to federal authority. For example, Secretary Peña has already ordered increases in the level of security at airports and we're cooperating in special measures to control Atlanta's air space.

But when it comes to security measures for rail -- or highways -- or mass transit, the responsibility is shared among federal, state, county, and local governments and such private sector agents as railroad police. It's a local job, just as policing neighborhoods is a local job.

But I want you to know that we at the Department of Transportation will do everything possible to work with Atlanta and with other American cities which may be at a higher risk because of the attention focused on America during the Olympics.

Ensuring the safety and security of Atlanta's transportation systems is a massive job, and it's being coordinated within the Department by Admiral Paul Busick, who leads our Office of Intelligence and Security. He's been working in partnership with our Federal Transit Administration security office.

The efforts they've helped us put together include sharing intelligence -- supplying technical assistance and training -- and helping with planning and other preparations.

We're also increasing our presence with additional FAA security and Coast Guard personnel. We're putting into place strategies ranging from new explosive detection systems to reductions in hazardous materials shipments in the Atlanta area.

Obviously we can't talk about the details of these and other strategies, but I can assure you that we and our state and local partners are doing everything we can to make certain that these are the safest and most secure Olympics ever.

We're going to do it in ways that won't be unduly invasive for Olympics participants, visitors, and area residents.

In short, we're taking the deterrent measures that will prevent terrorism *before* it happens.

In the longer term, we're going to learn lessons from the Olympics that will be applied to everyday crimefighting and to anti-terrorism initiatives around the country. We'll see new strategies, new programs, and new technologies that will make America a safer and more secure place.

That's why I'm pleased that you're holding this workshop. The biggest benefit of this week's sessions will be sharing knowledge and experiences, and expanding communications and

information links between police and security forces around the country.

They'll provide you with ideas on how to include security considerations when you're preparing the designs to construct or renovate your systems -- and the FTA stands ready to assist you when you do so.

I also encourage you to review your security measures, based on intelligence information Admiral Busick and our FTA security staff are collecting and disseminating.

That's become easier, because over the past year we've beefed up our intelligence efforts so we can better anticipate problems.

We've developed information circulars concerning intelligence and threat-related information. Every time we think you need to know something, we'll fax you these circulars. And if you have information you'd like *us* to disseminate, please tell us.

We've also found it's sometimes easier to get data on overseas threats and incidents than it is to get a handle on the threats around this country, so we've set up a hotline³ so you can report significant security emergencies and share that information with your counterparts around the nation.

³ Accessible through (800) 424-0201.

We're also providing funding. For instance, FTA funds can be used for security improvements, and we're directly funding the prototype of a chemical gas detector for use in subways.

And we're looking to the future. Increasingly, our transportation systems will be made safer and more efficient through the application of new information and communications technologies -- the advances we're helping to develop and deploy through our Intelligent Transportation Systems programs.

These systems have enormous potential, but there also is the risk that they could be sabotaged by high-tech terrorists. In a sense, this is nothing new: the electronic systems we use today in everything from traffic lights to railroad signals also are vulnerable.

However, the systems that are now being created often are both more centralized and more extensive than their predecessors, and could provide tempting targets.

As we develop these new technologies, we need to build in the relatively simple measures we need to ensure their security -- and the safety of the traveling public. We'll do our part in this effort.

Let me end by saying that we've been lucky in this country -- so far. But there are people in this world who -- for whatever

reason -- make a practice out of terrorizing others. Our transportation system can never meet its potential as long as they're a threat.

We'll work with you to combat that threat so it's never a danger to Americans, and so that our transportation system can serve its purpose of powering our economy and enhancing our quality of life.

Thank you for your time and attention, and good luck in your work over the next couple of days.

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**REMARKS PREPARED FOR DELIVERY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
RETIREMENT OF ADMIRAL ARTHUR HENN
WASHINGTON, D.C.
JUNE 27, 1996**

(Introduction to be made by Mistress of Ceremonies Captain Vivien Crea)

Thank you, Captain Crea. Admiral Kramek -- Admiral Henn -- distinguished guests -- I'm pleased to join you this morning.

You know, when I was walking over here with Admiral Kramek and Admiral Henn, I thought to myself that this isn't bad company for a Junior Reservist!

Before I begin my remark, I'd like to bring you special greetings from Secretary Peña, who had wanted to join us but instead had to represent the United States Government at the ICAO sessions in Montréal.

The Secretary wrote a letter to Admiral Henn, and I hope he won't mind if I share it with you:

"Dear Vice Admiral Henn: I regret that I cannot be with you today, because knowing you, you're probably telling a few Ensign Henn stories, and making everyone around you laugh.

"If I were there, I'd relay one Ensign Peña story. Early in my tenure as Secretary, I held a retreat for the senior staff of the Transportation Department. Of course you were there relaying your early experiences in the Coast Guard, explaining one disaster after another that you had created. It was all extremely funny, except for the fact that you had just been promoted to Vice Admiral, and right then and there I began to have second thoughts about that promotion!

But watching you, as I have for the past few years, I have come to admire greatly the Coast Guard's 600-pound gorilla, as you call yourself. The real truth is you are a caring gentleman, who is admired by all in the Coast Guard.

"I always noticed when you would brief me, you would cut through all the pages of technicalities and get right down to the point. You were straight-forward, and I appreciated that. And your observations and advice I trusted.

"You have been an outstanding Vice Commandant. You have always been on top of things, and able to step in at a moment's notice. In my eyes, you distinguished yourself because you had a vision for the future, and you could superbly execute.

"The President has asked all of us in the Cabinet to produce a government that works better and costs less, and today all of government looks to the Coast Guard's maritime safety programs that you initiated as our model for good government.

"I know that you're one Vice Admiral who will never fade away. Sincerely, Federico Peña."

Admiral, it's not often that one gets such praise from a superior, so we thought you'd like to have the Secretary's words preserved for posterity.

[Present framed letter to Admiral Henn]

You know, the Admiral and I are both second-in-command in our organizations, and we both know that the first rule of deputies is not to overshadow one's superior.

Well, Admiral Henn has been so self-effacing that -- with Admiral Kramek's permission -- I'd like to break that rule and put Admiral Henn's achievements front and center.

His current command has spanned one of the most momentous periods in the Coast Guard's long history -- a period of challenge unmatched in peacetime. He has been at the center of the Coast Guard's efforts to meet those challenges.

They included an extraordinary array of natural and man-made disasters ranging from floods and earthquakes to hurricanes and oil spills.

And they included accelerating new demands, from drug interdiction to the deployment of advanced technologies such as global positioning systems.

The leadership team of which Admiral Henn has been such a vital part has answered the call of duty fully and met all of those challenges, and has done so during a time in which the Coast Guard is undergoing the greatest internal changes in its history.

(INSERT: Ad-lib about Cuba)

Because I've been so involved in the President's efforts to reinvent the federal government, I can also speak first-hand of Admiral Henn's role in that area.

He has been a leader in the effort to restructure and downsize the Coast Guard in ways which actually enhance its ability to carry out its missions.

He initiated the Coast Guard's regulatory reform project, which is reducing the burden on the marine community without compromising the industry's safety or competitiveness.

And -- most notably -- he led the revamping of the antiquated Merchant Mariner Licensing and Documentation System, which has been recognized by Vice President Gore as one of his Reinvention Laboratories.

His work on building the Coast Guard of the 21st century culminates a career of continuous achievement in which he met the test of every command he assumed.

He has been the very model of a seafarer -- a man who both loved and respected the sea. In his long career he's been a leader in carrying out the Coast Guard's primary missions: protecting man from the sea, and protecting the sea from man.

Through all of this he has been steadfast in his dedication to the Coast Guard's core values of honor -- respect -- and devotion to duty.

As he's so often said, "Just do the best job you can in the job you got." Well, we can say of Admiral Gene Henn, "He did the best job he could in the job he got."

Admiral, on behalf of Secretary Peña and the entire Department of Transportation, let me say "Bravo Zulu"!

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