

**TALKING POINTS  
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY  
SLSDC/USCG HAMMER AWARD EVENT  
MASSENA, NEW YORK  
OCTOBER 4, 1996**

*(Introduction to be made by Saint Lawrence Seaway  
Development Corporation Administrator Gail McDonald)*

- \* Thank you, Administrator McDonald, for that introduction. I'd like to congratulate you -- and Admiral Woolever -- and the men and women of the Seaway Development Corporation and the Coast Guard's Ninth District for winning this Hammer Award.
- \* Events like today's are fitting not just because they let us recognize the achievements of outstanding employee teams, but because they remind us of how far we've come in the last four years.
- \* When President Clinton established the National Performance Review and asked Vice President Gore to lead it, he said: "Our goal is to make the entire federal government both less expensive and more efficient ... we intend to redesign, to reinvent, to reinvigorate the entire national government."

- \* You accepted that challenge to improve how you serve the American people. I know it hasn't been easy, but I'm proud that you've succeeded and -- on behalf of Secretary Peña -- I thank you for making the Department of Transportation a leader in reinventing government.
- \* The Port State Control inspections you jointly carry out are vital to protecting the health and safety of our maritime communities and to safeguarding our marine environment on the Great Lakes -- America's fourth coast.
- \* Although these inspections make sense, the way we used to carry them out didn't always. For example, separate boardings by U.S. and Canadian officials wasted time and manpower. Ships which failed inspections often were forced to backtrack up the St. Lawrence to Montréal and the nearest repair facilities, causing further delays.
- \* Reinventing government is nothing more than applying common sense to the things that government needs to do everyday -- and that's what you've done with this inspection process.
- \* By shifting ship inspections outside of the Seaway to Massena and Montréal and focusing them on high-priority vessels and on the most serious hazards, you've brought common sense to your operations and improved them in three significant ways.



- \* *First* -- and most importantly -- you've improved safety by inspecting foreign vessels before they enter U.S. waters and by focusing on the high-risk vessels which pose the greatest potential threat to health and safety.
- \* *Second*, you've made inspections faster and more efficient, and enabled high-priority vessels to quickly make necessary repairs. When it costs a thousand dollars an hour to operate a ship, time really *is* money. Your reforms save shippers money and -- ultimately -- save money for producers and consumers on the Great Lakes.
- \* *Third*, by substituting Seaway Corporation inspectors -- who are paid through an independent trust fund -- for Coast Guard crews, you're saving the taxpayers money.
- \* These are achievements to be proud of, and today we're here to celebrate them -- and to challenge ourselves to keep moving forward.
- \* Continued success in reinventing our operations is going to come from the efforts of those closest to our work -- from you, and me, and every other member of the DOT team.
- \* The effort to "transform transportation" may seem slow: like many of the vessels we see on the Seaway, the ship of state doesn't turn on a dime.

- \* But it *is* happening -- not only here, but throughout your organizations. The Coast Guard is undertaking a streamlining which will cut costs while maintaining or improving service, and the Seaway Corporation is working hard to become a model performance-based organization.
- \* We have a once-in-a-generation opportunity to improve our operations *and* to make the federal government a better, more rewarding place to work.
- \* Together, we're creating a work environment which truly encourages leadership, teamwork, and service -- an environment that *will* transform transportation. You're showing us the way to continue doing that.
- \* As a former Coast Guard reserve officer, I'm familiar with its traditions -- and one of them is the flag signal "Bravo Zulu." It means "well done," and so to the men and women of the Seaway Development Corporation and the Coast Guard I say, "Bravo Zulu."
- \* Now, on behalf of Vice President Gore, it's my privilege to present a 1996 Hammer Award to the Saint Lawrence Seaway Development Corporation and to the United States Coast Guard. Administrator McDonald -- Admiral Woolever -- would you join me...?

# # # # #

**TALKING POINTS**  
**DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY**  
**SEAWAY TRAIL SCENIC BYWAYS GRANT AWARD**  
**MASSENA, NEW YORK**  
**OCTOBER 4, 1996**

- \* Good morning. I'm Deputy Secretary of Transportation Mortimer Downey. I'd like to begin today's event by introducing several people who have helped to make it possible.
- \* First, Gail McDonald, Administrator of the St. Lawrence Seaway Development Corporation, which cooperates with the Canadian government in managing the Seaway.
- \* Byron Gale, President of Seaway Trail, Inc., the non-profit agency which maintains the Seaway Trail, a 454-mile touring route along the St. Lawrence and Niagara Rivers and the Great Lakes.
- \* I also want to acknowledge two people with us today who have had a lot to do with making the Seaway Trail a success, Frank Alguire, the Vice President of Seaway Trail, and Theresa Mitchell, Seaway Trail's Executive Director.

- \* For nearly four decades the St. Lawrence Seaway has been an engine of prosperity, enabling the economical shipment of goods from America's heartland. The Seaway has enabled this region's ports to become more competitive in world markets, and that's truly made the Great Lakes into America's fourth coast.
- \* This waterway, though, is not just an important part of this region's economy -- it's also a national treasure, a magnificent natural and historic resource.
- \* It provides recreational opportunities for the millions of tourists from the United States, Canada, and around the world who come each year to view its scenic splendor and to learn of its vital role in North American history.
- \* That's important, because tourism already accounts for a tenth of consumer spending around the country and can produce good jobs and sustainable economic development.
- \* President Clinton understands the importance of protecting our natural and historic environments while supporting economic prosperity.
- \* One of the steps the President has taken to do that is to carry out the process of designating All-American Roads and National Scenic Byways. These designations will help to protect some of the most stunning vistas and picturesque roadways and trails in America.

- \* The first round of designations under this program was announced just two weeks ago, and the Seaway Trail is one of only 14 National Scenic Byways. We're proud that this designation makes it official, but it's actually the latest step in our continuing commitment to safeguarding and cherishing an important part of America's heritage.
- \* We've also been providing the resources needed to enable our state, local, and private partners to make the most of these roads and trails. Over the past few years we've awarded more than a million dollars in Federal Highway Administration funds to preserve the Seaway Trail and to make it more accessible to visitors.
- \* Today, I'm pleased to announce the next step. On behalf of President Clinton, I'm awarding \$396,000 to the New York State Department of Transportation for use by Seaway Trail, Inc. to develop education materials and programs that will increase public awareness of this quintessential part of America's legacy.
- \* The scenic byways designation and this grant will help us to protect this beautiful trail so that our children and grandchildren can share the same sense of pride and wonder we had as children -- and that we still have today.
- \* Now, I'd like to present Byron Gale with this check for \$396,000. (*Byron, you can spend this all in one place, as long it's the Seaway Trail!*) Congratulations!

# # # # #



# TRANSPORTATION TRENDS

---

**REMARKS AS PREPARED FOR DELIVERY  
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY  
ANNUAL MEETING OF THE AMERICAN ASSOCIATION  
OF STATE HIGHWAY AND TRANSPORTATION OFFICIALS  
BUFFALO, NEW YORK  
OCTOBER 7, 1996**

***MISSION POSSIBLE:  
REAUTHORIZING ISTEA FOR THE 21ST CENTURY***

Thank you, Bill, for that introduction, and for your leadership of AASHTO over the past year. I also want to thank Congressman Jack Quinn into how the Transportation Committee is planning to tackle the job ahead. And Lillian Borrone, a long-time friend, thank you for reminding us of the international implications of what we do.

Let me begin by bringing you greetings from Secretary Peña, who appreciates the support you've offered him on so many occasions. As you know, APTA is holding its meeting this week, so the Secretary and I tossed a coin to see who would go where. Even before I knew Bill Clinton would be advancing my trip to western New York State, I knew where *I* wanted to go. I won -- and I'm glad to be here.

Well, the support you've shown Secretary Peña and me isn't new. AASHTO and its member states have been the federal government's true partner in creating the transportation system America needs for more than three-quarters of a century.

That partnership has produced the largest, and best-performing nationwide road system in the world: the Interstate Highways. The Interstates and the other parts of the National Highway System are, as we've said so often, the backbone of America's intermodal transportation network. They keep America moving. We're right to be proud of them, and we owe it to the nation to keep them working well.

*(More)*

---

*U.S. Department of Transportation  
Office of the Secretary, Public Affairs  
(202) 366-4570*

Our action this year to endorse your proposed system of multi-modal connectors to the NHS only served to emphasize the strong relationship between highways and the other transportation modes.

We're looking forward to sustaining, and expanding, our partnership over the coming year, a year which will be one of extraordinary importance for all of us.

It is the year during which we're going to reauthorize ISTEA. You, more than anyone, know that ISTEA, the most innovative and far-reaching highway and transit legislation ever, expires in less than a year.

We used to talk about ISTEA reauthorization in an almost apologetic tone, as if it were way too early to even think about it. I know that a few of you shook your heads when I spoke about this two years ago in Albuquerque, and wondered: *why is he talking about reauthorization now?*

Well, when you're talking about legislation the size and scope of ISTEA, legislation that authorized more than \$150 billion in programs and projects, two years is a relatively short time and 358 days is practically tomorrow. That's why I'd like to spend my time this morning talking about ISTEA and its reauthorization.

It's why, at President Clinton's direction, we've been thinking about what direction the federal government's role in surface transportation should take under ISTEA's successor. I know you have been thinking about this too, and that there is as yet no consensus about the direction we will take or the point we will end up.

We must be prepared to move quickly on re-enactment next year so that there's no lapse in authority, and no delay in the transportation programs that keep America moving. Like the Year 2000 problem that looms for America's computers, we don't want a Year 1997 problem that stops America's transportation system.

Despite the need for quick action, we must consider carefully the legislation which will take our highway, transit, and safety programs into the new millennium. It's essential that we do so. As our national economy becomes more complex and more closely integrated, and as the global economy becomes a reality and not just a buzzword, a sound transportation system has never been more important.

Trade problems are no longer simple in today's world. A century ago, a transportation center like Buffalo performed simple, consistent functions like consolidating grain shipments for transshipment from rail to barge. Today, every city can be at the center of multi-national, multi-modal trade flows that can change at a moment's notice. Sourcing decisions, production prices,

(More)



exchange rates, and transportation costs drive ever-changing patterns of trade, and our transport system must be adaptive and flexible.

Even as our reliance on the transportation system increases, it faces severe challenges: growing travel demand, inadequate capacity, bottlenecks and poor connections between different forms of transportation, and an aging and deteriorating infrastructure. You know these challenges as well as I.

And those who doubt them need only drive on a road or take a bus or a train in almost any city or state in America.

Here in Buffalo, New York, a city, and a state, that have made a significant commitment to transportation improvements for all modes, the rehabilitation of I-190 and widening of I-90 have been scaled back or deferred because of a lack of funding. And, in another mode, the rail service John Daly works with Amtrak to provide in the Empire Corridor, while much improved, is not at the speed or frequency we *all* believe that it should be for commercial success.

And what we see here in Buffalo is only a microcosm of what we see in the rest of the nation. I know that there's not one of you who hasn't been forced to delay or even kill an important project because of funding shortfalls.

It's clear that if we don't meet these challenges our transportation system won't be up to the efficient movement of people and products if we are to be competitive. That's going to slow economic growth and reduce our quality of life in the coming decades.

Transportation investment can be a productive component in national economic growth, and we need to make that point again and again. For example, a new study we recently published established a strong link between good roads and economic performance.

It showed that, during the 1980s, highway investments contributed more than seven percent of our annual productivity growth, and produced a net social rate of return of 16 percent on non-local roads, significantly higher than the average rate of return on private capital and the long-term interest rate. These numbers, and others providing the basis of similar studies, show the importance of meeting the challenges I described earlier.

ISTEA was designed as a bipartisan response to give us the tools to meet them, and apply transportation investment as a tool to support a strong economy. It redefined the federal role in surface transportation and generated resources for rebuilding the infrastructure our economy depends upon, while ensuring a balance between our transportation system and our natural environment, improving transportation safety and preventing needless deaths and injuries, and developing new technologies that will increase our efficiency and global competitiveness.

(More)



ISTEA gave us the tools to do all of these things, and President Clinton, with support from Congress, has pushed the envelope to take full advantage of these opportunities.

Over the past four years we have increased transportation infrastructure investment to the highest levels ever, to more than \$25 billion a year, compared to less than \$18 billion at the beginning of the decade, before ISTEA was enacted. The budget passed by Congress and signed by the President last week increases this amount yet again, to more than \$26 billion in 1997, including more than \$20 billion for federal-aid highways.

Under ISTEA, the emphasis on transportation research and development has also increased. That's helped us to launch the Intelligent Transportation Infrastructure and new and better ways to build roads and bridges: advances like fiber composites and high-performance concrete to strengthen bridges and Superpave asphalt that will support heavier loads and last longer. Your technology fair, a great idea, is full of the products we have encouraged.

The 1997 budget also moves forward on another ISTEA initiative: innovative financing strategies that leverage federal funding. You've accepted our challenge to use these strategies as a way of cutting red tape to attract private sector investment and to speed projects up. 35 of you have already taken advantage of these strategies to move ahead \$4 billion worth of projects, and that's an accomplishment we're proud of.

This year's budget puts real momentum behind our proposal for state infrastructure banks, providing \$150 million in *new money* to capitalize these institutions. The budget legislation also lifts the limit on the number of banks, allowing all states to apply to use federal seed money to attract other public and private funds.

The budget also fully funds the President's request for a federal loan to the Alameda Corridor, the highway-rail project that's going to cut congestion and pollution from the operations of the Ports of Los Angeles and Long Beach. As an example of leverage it's a real winner: major national benefits will come from a \$1.8 *billion* project with a direct federal payout of only \$53 *million*.

We all know that ISTEA did more than increase federal funding and provide new ways of paying for projects, as important as these things are. ISTEA also gave you far greater autonomy in how you use federal funds, and we've supported you as you've made the most of this new flexibility.

It's begun to level the playing field so that projects can be chosen on their merits, rather than on whether they happen to fall into some rigid category. Modal distinctions created at the beginning of this century ought not limit what we can do to meet our needs in the next. Our joint efforts have let you support projects such as carpool lanes, transit improvements, rail freight

(More)

terminal projects, and other initiatives that make sense, that you want and need to fulfill your recent multi-modal transportation plans, but which wouldn't have been eligible before.

For example, the Congestion Mitigation and Air Quality Improvement Program has paid for clean-fueled buses in Kenosha, electric vehicles in Boston, established the Clean Air Campaign in Phoenix, and funded inspection and maintenance programs in Indiana.

Each of these is a contribution to the attainment and maintenance of the Clean Air Act's standards that we are all committed to meeting as a matter of health, and as a matter of sound and balanced growth.

Intermodal projects in places like Stark County, Ohio and Blythe, California, and innovations like the Red Hook container barge service in New York and the Columbia Slough bridge in Oregon wouldn't have been permitted five years ago. Now they're on the cutting edge of our efforts to support the changes we see in transportation logistics and keep our regions economically viable.

Other programs authorized by ISTEA and supported in the 1997 budget make possible the small-scale improvements in community life that people really value. Frankly, they also help maintain the constituency that made ISTEA possible in the first place, and should support its re-enactment.

Programs like Transportation Enhancements, providing low-cost improvements and amenities such as bicycle and pedestrian ways.

The wildflower program, which is consistently praised from coast to coast for beautifying our highways.

And the National Scenic Byways program. Just three weeks ago we announced the first round of designations for the National Scenic Byways and the All-American Roads, and they'll not only protect parts of America's scenic and historic heritage but enable greater tourism for those areas.

ISTEA programs like these cost little but make a visible, much-appreciated difference in people's lives. That's an important factor when we ask their support for the resources we need.

ISTEA also revolutionized transportation decision-making, bringing new players into the process, enabling them to choose the best solutions for their needs, and breaking many of the logjams of controversy that traditionally blocked progress on more narrowly-constructed agendas.

The constructive engagement of traditional supporters of transportation investment, such as state DOTs and motor carriers, and *new* players, such as environmental groups and MPOs

*(More)*

helped make ISTEA a reality in the first place, and is giving new vitality to transportation planning today.

Florida is undertaking an intermodal Major Investment Study for Miami that's going to improve connections between the various modes, and Maryland is promoting earlier analysis of environmental considerations in its study of Route 301. This sort of progress is the result of ISTEA, and of *your* commitment to making new, inclusive processes work.

I want to say a word about that commitment. I know that there's been some concern about the regulations and processes that ISTEA's new programs have added. Some of them are necessary in order to ensure that we're accountable for achieving the national goals that ISTEA set forth and for the wise expenditure of public funds.

Others are not, and we're weeding them out as part of the President's broader effort to streamline the regulatory process. DOT has been a leader in that effort, exceeding our goals for eliminating and reinventing our regulations, both external and internal. We're acting to improve those processes that truly are necessary, to make them simpler and less burdensome.

That's what we're doing through changes to the CMAQ program, through revisions to the NEPA environmental review process, through the STP simplification pilot program, and through the joint transportation conformity pilot program with EPA.

These initiatives, and others like them, are making necessary processes simpler, and I want to thank you for working with us to make them work.

I hope that we can continue this particular partnership in the future, so that our regulatory and procedural processes accomplish what they need to do without being burdensome. Where changes in law are needed and can be accomplished without sacrificing key objectives, we will, *and have*, supported them.

I've spent quite a bit of time talking about ISTEA's successes, and, having done so, I hope I've made it clear that ISTEA *works*. In most cases it's either already accomplished what its authors set out to do, or has laid the foundation for future success, a success which we hope next year's legislation will make possible.

I know that you're all curious about what *we* plan to include in our reauthorization proposal, and, frankly, *so am I*. I'll be honest in saying that we haven't made final decisions yet about what programs, principles, and funding levels should be included. Nor have we fully engaged yet within the Administration. But that's not to say we've been ignoring the subject. Over the past year we've held 13 major outreach forums and met with close to a hundred focus groups to discuss ISTEA. We've participated in hearings before the House and Senate committees.

(More)

We've talked to literally thousands of people: I can assure you that I haven't yet met the head of a State DOT or any of your staffers who hasn't offered me his or her ideas. So we have a good sense of what state and local officials, the transportation community, and the general public think.

We're now in the process of distilling the input we've received, and formulating our proposal. I can assure you that, when it's ready, you'll be the first to hear. If Frank Francois is as effective as he usually is, you'll probably hear *before* I do.

But since I'm not prepared to discuss a proposal, I'd like to talk for a few minutes about something else: the stakes in ISTEA's reauthorization.

I hope no one *here* questions the need for sustained transportation investment. But a lot of people, including some in Congress, don't share that view. And that's not irrational. People look around and they see congested highways and deteriorating bridges and overaged buses, but they also see closed health clinics and crowded schools and undermanned police forces.

A lot of these perfectly reasonable and civic-minded people make value judgments of how they want their tax dollars spent, and transportation improvements aren't always at the top of the list. In fact, as someone said the other day, we're too often 11th on the top 10 list of issues.

That can be especially true in an era of budget-cutting, when we can't always expect to have more resources than in the past, or even to maintain today's levels. That's why it's so necessary that we work together over the coming year, and keep our sights high.

I don't mean just those of us in this room, or just we and our partners in Congress: I also mean transit and air quality advocates, community improvement groups, MPOs and regional councils, the whole range of people and organizations that came together to give us ISTEA, and whose support is necessary for reauthorization. We've got to persuade them that we want reauthorization to carry forward the values that moved ISTEA, values they share. If we don't, we're going to lose powerful allies.

It's important that we do more to link our concerns with issues of national significance. If we can make those connections with economic efficiency, with welfare reform, with urban revitalization, with an enhanced environment, then we can broaden the support for transportation. Otherwise, we risk being viewed as just another interest.

Let me also say that we can't allow ourselves to get caught up in the internecine warfare over funding allocations and other issues that John Daly spoke about earlier. And I think John's call for an effort to reach consensus is right on. I know that all of you have to go back to your Governors and legislatures and show that you've done all you could have for your state, but we need to focus as well on where we are all going.

(More)

Realistically, most of these bitter discussions are about how to allocate the last few percentage points of funds. These aren't differences that we should allow to divide us to the point where we are marginalized.

Nor should we allow ourselves to be tagged as simply interested in public works for public works' sake, or as modal advocates of policies that are aimed at handicapping competitors. *That's not the truth, and we shouldn't give the appearance that it is.* Framing the discussion around projects, or as a war between transport modes, is a sure way to be counted out of the national debate.

So, over the coming year, let's do two things as we work to reauthorize our highway, transit, and safety programs.

First, let's resolve our internal differences, and focus on what's important: showing the American people the vital role transportation plays in their lives and the threat that underinvestment poses, and then offering them solutions that make sense, solutions that balance sound policy and sound investment.

And second, let's maintain, and even expand, the unified constituency that gave us ISTEA in the first place, reconciling our sometimes-conflicting agendas and building a broad-based consensus about the future of transportation in America.

As we move towards reauthorization, it's vital, whatever our views, that we work together. In an age of competing demands for limited public funds, unity will be essential to ensuring that transportation investment receives the support it needs.

I know that all of *you*, as state officials and transportation professionals, *will* make your voices heard as we debate these issues over the coming year.

Together, we *can* put America's transportation systems on a sound footing for the 21st century. We can make the future one our children and grandchildren can be proud of. Thank you, and best wishes for a successful conference.

#####

*(In his remarks the Deputy Secretary referred to William Burnett, President of the American Association of State Highway and Transportation Officials, to Congressman Jack Quinn of New York; to Lillian Borrone of the Port Authority of New York and New Jersey; to U.S. Secretary of Transportation Federico Peña; to John Daly, Commissioner of the New York State Department of Transportation; and to Frank Francois, Executive Director of the American Association of State Highway and Transportation Officials.)*

TALKING POINTS  
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY  
BUFFALO FTA PLANNING GRANT  
BUFFALO, NEW YORK  
OCTOBER 7, 1996

*(Introduction to be made by FTA Regional Administrator Thomas Ryan)*

- \* Thank you, Tom, for that introduction -- and for your work in improving transit throughout New York State. I'd also like to thank County Executive Gorski -- Chairman Villani -- Mayor Masiello -- and Executive Director Swist for joining us.
- \* Let me start by bringing you congratulations from President Clinton and Secretary Peña for your success in creating one of America's cutting-edge, multi-modal transportation systems -- one that is taking advantage of new technologies like Global Positioning Satellite location systems.
- \* That success shows this region makes smart choices, and that's why this President has already awarded you more than \$50 million to support mass transportation programs.
- \* Now we need to look to the future. We all know that the conventional answer to congestion -- expensive new highways -- doesn't always work, nor -- at up to \$40 million a mile -- is it always affordable. Instead, we need to give people realistic alternatives to driving alone -- alternatives that make sense for busy lives in a more complex world -- multiple job holders in families, multiple job locations, and the like.



- \* That means services like your MetroRail and MetroBus. They -- and other alternatives to the single-occupant vehicle -- are the last line of defense against smog and gridlock -- they're taking thousands of cars off the roads every day -- and they're helping to revitalize the area around a strong core.
- \* However, as this region continues to grow, you need to determine how best to continue meeting its mobility needs. That's why we're awarding the Niagara Frontier Transportation Authority \$560,000 to decide which transportation alternatives will be the best choices for the 21st century.
- \* Regardless of what specific strategies this study identifies as making the most sense, this is a win-win proposition, and it's clear who the winners will be: the people of this region, who will have better transportation and more economic growth -- without congestion and pollution.
- \* We're proud to have been your partners in making this one of America's most innovative transit centers, and we look forward to continuing that partnership. That's powerful evidence President Clinton believes that -- when it comes to transportation -- Buffalo is on the right track.
- \* Now, on the President's behalf, I'd like to present this check for \$560,000 to Rick Swist. Administrator Ryan -- Executive Gorski -- Chairman Villani -- Mayor Masiello -- would you join us...?

# # # # #

5.25  
*final*

**REMARKS AS PREPARED FOR DELIVERY  
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY  
WORLD CONGRESS ON INTELLIGENT TRANSPORT SYSTEMS  
SPECIAL SESSION: ITS NATIONAL GOAL  
ORLANDO, FLORIDA  
OCTOBER 15, 1996**

Good morning. I'm Deputy U.S. Secretary of Transportation Mortimer Downey. I'd like to welcome you to this special session on America's Intelligent Transportation System National Goal.

This goal -- set collaboratively by the U.S. Department of Transportation, ITS America, and other public and private organizations -- is to complete the deployment of basic ITS services for consumers of passenger and freight transportation by the year 2005.

We have an outstanding panel to provide varied perspectives on our progress, and I want to introduce its members.

First, Jim Constantino, President of ITS America. ITS America is a non-profit, scientific and educational society that serves as our official advisory committee.

Second, Dick Landis, Vice President of the American Trucking Association, which advocates on behalf of the U.S. motor carrier industry. Dick's also a former Federal Highway Associate Administrator for Motor Carriers.



Next, Jim van Loben Sels, Director of the California Department of Transportation, which is responsible for much of California's statewide surface transportation program.

Finally, Tom Walker, Commissioner of the Chicago Department of Transportation, which administers the Windy City's programs.

We'll be hearing from all of them shortly, but I'm going to exercise my prerogative as moderator by first saying a few words about the industry's national goal for ITS -- what it is, and what the U.S. Department of Transportation is doing to help the ITS community achieve it.

As I noted, the goal, set by both the public and private sectors, is to complete the deployment of basic ITS services for consumers of passenger and freight transportation by the year 2005.

In order to do that, we've fostered a strong public-private alliance that make the most of each partner's strengths.

The private sector is leading by developing and bringing to market reliable and affordable intelligent transportation products and services.

The public sector is leading by deploying a core intelligent transportation infrastructure that will meet essential public needs and provide the basis for commercially-viable ITS products and services.

In all of these efforts, we recognize the need to form innovative partnerships -- among public agencies and with the business and academic community -- where appropriate.

State and local governments are deploying much of this core infrastructure by making smart decisions as they expand or replace their existing highway and transit networks.

We at the federal level are doing our part by aiding in standard-setting, including the creation of a national architecture that will avoid the uncoordinated development which could create a technological Tower of Babel.

We're beginning to make ITS part of transportation's mainstream by providing seed money for research and development, guidance, technical assistance, training, and planning aid to a variety of public and private entities.

And we're trying to make possible the partnerships among state and local agencies and private companies that's essential for ITS development and deployment.

As we do this, we want to make sure that our ITS efforts result in programs, projects, and technologies that meet the 3-I test: they're integrated, interoperable, and intermodal.

We've also expanded the eligibility of the federal-aid highway program to include many ITS projects, and that's giving state and local governments some of the funding they need for their deployment of the core infrastructure.

That core infrastructure is the basis of Secretary Peña's Operation Timesaver.

Operation Timesaver set specific national goals to be achieved on a cooperative basis within a decade: deploying an intelligent transportation infrastructure in 75 metropolitan areas, in order to cut urban travel times by 15 percent.

At the same time, it would give us two-thirds of the needed increase in highway capacity in those areas -- but at less than a quarter of the cost, saving billions of taxpayer dollars.

Those goals are achievable using nine sets of existing technologies -- things like traffic control signalization -- incident and freeway management systems -- transit management programs -- and electronic toll collection and fare payment systems.

Almost every one of the 75 cities has at least some of these technologies, although none has all of them. Operation Timesaver is aimed at bringing all of them to these cities and linking them together to provide comprehensive solutions.

This is a landmark because it commits us at the federal level to an active role in the widespread deployment of the core ITS technologies -- the building blocks for the fully-integrated systems of the future.

Although Operation Timesaver focuses on metropolitan areas, we're also supporting initiatives to apply intelligent transportation technologies to meet the needs of rural areas and of commercial vehicles.

We have our CVISN initiative, the next step in a nationwide intelligent system serving commercial vehicles. CVISN stands for "Commercial Vehicle Information Systems and Networks."

It's going to bring the regulatory data and the information processes for trucking on-line by integrating existing ITS technologies and concepts to support and serve commercial vehicle operations throughout North America.

Ultimately, it's going to improve efficiency by combining things like inspection information, commercial vehicle credentials, and tax data -- cutting paperwork and ending frequent stops for weight checks and inspections without compromising our ability to fulfill safety and other public needs.

It's going to build on the progress already seen in Advantage 75, the longest ITS project in the world<sup>1</sup>.

Advantage 75 enables more than 2,000 trucks -- a number that's growing daily -- to travel from the Gulf Coast to the Great Lakes without stopping for inspections or weight checks.

The HELP Program is successfully providing comparable services on the West Coast, and I understand that these two leaders are moving towards interoperability.<sup>2</sup>

That's what we want to encourage further through CVISN. It's not a competitor to systems that are out there: it's an accelerator towards broader success at bringing ITS to the commercial vehicle industry.

We've also initiated a new rural initiative, because ITS's potential benefits are hardly limited to cities. Rural areas don't need the congestion reduction aspects of ITS, but have their own needs which can be met through these technologies.

---

<sup>1</sup> Chris Johnson said that "longest," not "largest," is the appropriate adjective.

<sup>2</sup> Chris Johnson prefers "interoperability" to "compatibility."

That includes everything from emergency services -- to roadway condition warnings -- to information for tourists -- to traffic and weather links -- the rural counterparts of all the same systems under development in urban areas.

By adapting these applications to the particular needs of rural travel, we can extend the benefits of ITS to all Americans.

These three initiatives -- Operation Timesaver for metropolitan areas, the new program for rural areas, and CVISIN for commercial vehicles in all areas -- are the federal government's efforts to support the early deployment and other actions needed to support the National Goal.

Let me close my remarks now by saying that I hope you -- as leaders in the worldwide ITS community -- will take up the challenge to make the most of the opportunities that these technologies offer -- not just in America, but around the world as well.

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

Let me close by thanking you for your attention, and by turning the platform over to our first speaker, Jim Constantino. Jim...?

# # # # #

TALKING POINTS  
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY  
MEETING WITH DICK BATCHELOR, ET AL.  
ORLANDO, FLORIDA  
OCTOBER 15, 1996

*(Introduction to be made by Dick Batchelor of DBMG, Inc.)*

- \* Dick, thank you very much for that introduction. It's good to be back in Orlando and seeing you all again. I'd like to spend most of our time together hearing your thoughts and answering your questions.
- \* Before we do that, I want to talk a bit about how President Clinton is working to ensure America's long-term prosperity, especially by providing the transportation improvements we need.
- \* Let me set the stage by reviewing the facts on the economy. The deficit is *down* -- by more than 60 percent, even more than the President promised four years ago -- from \$290 billion then to \$109 billion this past year.
- \* Unemployment is *down*, and we already have 10½ million new jobs, more than the President promised four years ago. And inflation is also *down*, with the combined unemployment and inflation rate -- the so-called "Misery Index" -- at its lowest level since the 1960s.

- \* President Clinton has kept his promise to turn the economy around -- but what's even more important is what he's doing to ensure our future prosperity.
- \* He's promoting open markets around the world, creating opportunities for American businesses that have helped to push exports to an all-time high.
- \* In aviation, for example, we have three dozen new bilateral agreements that increase access between U.S. and foreign cities -- cutting costs for travelers and encouraging tourism.
- \* We entered into an agreement with Canada last year, and travel between Canadian cities and Orlando grew by more than eight percent in the last half of 1995 compared with the previous year -- nearly tripling the historical growth rate.
- \* The President also has raised investment in research and development to support the new technologies we need to stay competitive. We already see benefits through such breakthroughs as global positioning satellites which allow safer and more efficient flight.
- \* Another example is intelligent transportation systems. This week Orlando is hosting the World Congress on Intelligent Transport Systems -- the first time this premier international conference has been held in the U.S.



- \* During the conference Secretary Peña and I will be talking about President Clinton's commitment to building the smart highways and transit systems that will cut congestion in Orlando and around the country.
- \* Finally, the President has proposed a balanced budget plan that ends the deficit in seven years -- but which still protects our investments in vital areas like Medicare, Medicaid, the environment, and education.
- \* It's crucial that we continue to support these priorities and others, such as a strong transportation system. Transportation's importance is why the President increased investment in our highways, airports, and transit systems by more than \$2 billion a year -- and why he's maintaining that commitment even as he cuts the deficit.
- \* Our 1997 Transportation budget sets federal infrastructure investment at an all-time high of \$26 billion, including more than \$20 billion for highways and bridges and \$3.8 billion for mass transit capital.
- \* That transit funding includes \$5 million for bus programs in the Orlando area and \$2 million to jump-start the rail component of your I-4 Master Plan. This is only the latest of \$20 million in federal funding LYNX has received since the President took office, and it'll continue the progress we've seen in the LYNX system and in such other areas as LYMMO and your Downtown Orlando Transit Project.

- \* These transit projects will improve traffic flows in the central city while supporting the free movement of people so vital to any region's economy -- especially one in which tourism plays such a major role. We're looking forward to the downtown circulator's opening next year.
- \* Although we've increased federal funding, there's a limit to what the federal government can do by itself. That's why we're using innovative financing techniques to cut red tape and attract private sector funds. We've already produced 74 projects -- in 35 states -- with a total value of \$4 billion.
- \* We hope that Orlando will benefit directly from state infrastructure banks, which are the next generation of these strategies. These SIBs, as we call them, will use federal seed money to leverage other public and private dollars, and this year's budget includes \$150 million for them.
- \* Florida is one of the first 10 states we selected to participate in this program, and the state is using loans from its SIB to complete the "Missing Link" of the Seminole Expressway -- which many of you may know as the Central Florida Greenway.
- \* Together with toll revenues and funds redirected from old appropriations, the SIB would enable this project to provide an alternative route for I-4 through traffic.

- \* Innovative financing, possibly through the SIB, may also prove to be the key to making a Western Beltway a reality in the future.
- \* The type of public-private partnerships innovative financing promotes are also seen in the effort Orlando's business community is making in support of the International Drive Transit System.
- \* You know, a few years ago I came down here and talked about a proposed bus system to be financed by the creation of a tax district.
- \* Gordon Linton, our Federal Transit Administrator, later came down to cut the ribbon when that bus service started. That service shows what can be accomplished through a strong private sector commitment to transportation, and it may be a model for International Drive.
- \* I'm looking forward to hearing your thoughts on this and other matters. Before we talk, let me close by saying that President Clinton's focus, like yours, is on the future. Optimistic, forward-looking, enthusiastic -- these words describe the President -- and they describe Orlando and its business community.

- \* The fact that Orlando has a 50-year transportation plan -- one grounded in realistic assumptions -- shows that you won't let the future take you by surprise. If any place can manage the challenges created by powerful economic growth, it's this one.
- \* We share your confidence, and we at the Department of Transportation are ready to work with you and the state on ways to build on the President's policies and ensure the long-term economic prosperity and continued high quality of life that the Orlando area and its people deserve.
- \* Now, I'd like to thank you for your attention -- hear your thoughts -- and take any questions you may have.

# # # # #



# ***TRANSPORTATION TRENDS***

---

**REMARKS AS PREPARED FOR DELIVERY  
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY  
WORLD CONGRESS ON INTELLIGENT TRANSPORT SYSTEMS  
ORLANDO, FLORIDA  
OCTOBER 16, 1996**

***CONVERGENCE OF ITS AND TELECOMMUNICATIONS:  
THE BRIDGE TO THE 21ST CENTURY***

Good morning. On behalf of President Clinton and Secretary Peña, I'd like to welcome our visitors from throughout the world to the United States. Both the President and the Secretary have a deep commitment to the transportation and information systems revolution you're leading, and extend their wishes for a productive Congress.

I'd also like to bring you greetings from Vice President Gore. The Vice President has been the strongest voice in the U.S. government for bringing the benefits of advanced technology to everyday life.

That commitment is reflected in the President's proposal last week to give every school and library in the United States free basic access to the Internet and to invest in the development of Internet II, which will operate at a hundred to a thousand times the speed of today's system. That's going to give Americans an express on-ramp to the information superhighway, enabling them to take advantage of its multitude of educational and cultural opportunities.

The Vice President has also been a strong supporter of our efforts to bring these same information and communications technologies to transportation. The Vice President had wanted to be here with you, but, as you can imagine, his schedule is a little bit difficult these days. He asked me to speak to you on his behalf, and I agreed, on the condition that I wouldn't have to do the Macarena for him.

*(More)*

---

*U.S. Department of Transportation  
Office of the Secretary, Public Affairs  
(202) 366-4570*

I'd like to thank Jim Constantino for his introduction and express my appreciation to Russell Shields and Robert Darbelnet of the World Congress for their leadership of this important effort.

I want to thank Minister Lowry for his informative presentation on the status of ITS in Europe, and Director Nakagawa for his instructive overview of ITS in the Asia-Pacific region.

Finally, I'd like to congratulate all of you for the outstanding work which has been done in the technical sessions over the past couple of days. The successes we've had lately come in great part from the efforts of ITS America, Ertico, and Vertis, and I appreciate the friendly competition reflected each year in this Congress. It's spurring innovation around the world.

As you know, we're in the midst of a Presidential election campaign here in the U.S., and, if there's one metaphor that has dominated that campaign, it's been the image of a bridge. Some speak of a bridge to the past, but President Clinton describes a bridge to the 21st century, a bridge to the future.

It's appropriate to use a transportation metaphor to describe our vision, because so much of America's, and the world's, prosperity and quality of life is dependent on transportation systems to move people, products, and, increasingly, information.

One of those metaphorical bridges to the future is, in fact, a literal part of transportation. We in the federal government, in partnership with state and local government and with the private sector, are working to build this span.

Picture it as a suspension bridge, supported by twin towers: think of the Golden Gate Bridge, or the George Washington Bridge. The towers of this bridge are, on one side, an intermodal transportation system and, on the other, the National Information Infrastructure. Linking them is our intelligent transportation systems community with its new products and services.

Two pieces of federal legislation have provided the blueprint for this bridge here in America: the Intermodal Surface Transportation Efficiency Act of 1991 and the Telecommunications Act of 1996.

Together, they're creating a system which integrates different forms of transportation and incorporates the advances produced through modern telecommunications to enhance that system's safety and efficiency. This is going to be increasingly important. Even as our reliance on our transportation system grows, it faces demanding challenges: expanded travel demand, inadequate capacity, bottlenecks and poor connections between different forms of transportation, and an aging and deteriorating infrastructure.

*(More)*

40 years ago, our Federal-Aid Highway Act, which gave this country its system of Interstate Highways, provided the solution to that era's problems: build new roads and bridges to link regions and cities across the continent.

That solution gave us enormous growth and prosperity, but not without problems. It can no longer be our only choice. Urban growth, the high cost of construction, concerns about our environment, and limits on public investment mean that we no longer can build our way out of congestion, if we ever really could.

Our Intermodal Surface Transportation Efficiency Act, or ISTEA, as it's better known, recognized this. Although ISTEA raised federal transportation investment to the highest levels ever, it changed the focus of that investment from new construction to maintaining the current transport system, integrating its components, and increasing its efficiency through better management.

And, as any manager knows, you can't do that job well without systems for good information and control. Providing that information and making it accessible through advanced communications is the role of intelligent transportation systems, and that brings us to the second tower of our bridge, the National Information Infrastructure.

Earlier this year President Clinton signed our Telecommunications Act of 1996, which overhauled America's laws for wire and wireless communications for the first time since they were enacted six decades ago.

When the President signed this bill, he emphasized the links between the transportation and information-communications systems by using the same pen that President Eisenhower used to enact the Federal-Aid Highway Act 40 years ago. And the symbolic link is made even closer by the fact that the Federal-Aid Highway Act was managed in the Senate by Albert Gore, Sr., father of Vice President Gore, who was one of the leading advocates of the new telecommunications law.

And, in fact, the Telecommunications Act will have an impact on the country comparable to that of the Interstate Highways, or that of the economic deregulation of transportation that began under President Carter and has been completed by President Clinton.

The National Information Infrastructure is not new, of course: it's been a reality ever since the first telegraph wires were strung 150 years ago. It's been evolving ever since then with each new advance in technology, the telephone, radio, television, satellites, computers, in fact, the whole range of electronic equipment for information collection and dissemination.

*(More)*



What's different today, and what the Telecommunications Act recognizes, is not only the accelerated speed of evolution but the growing recognition that these technologies can be integrated in ways in which the whole becomes more than the sum of the parts.

One of the ways that the Telecommunications Act is enabling the continued evolution of these technologies is by cutting layers of red tape and restrictions and ensuring that competition, and not regulation, will drive the future of telecommunications.

Reliance on the marketplace and its powerful incentives has unleashed enormous energy in the private sector, stimulating mergers and strategic partnerships between local and long-distance telephone providers, cable television companies, and others.

So what will the 1996 Act and its fast-paced changes in the telecommunications industry mean to those of us creating a transportation system for the 21st century?

The new competition and limited government regulations will benefit the intelligent transportation systems community by enabling more providers to offer existing and new services at lower cost. For example, state and local governments may no longer be required to lease circuits from local telephone monopolies, once national long-distance carriers move into local services. This will expand the options for those providing ITS services that require such circuits.

The Act will help to provide the bandwidth, the capacity for the transmission of information, that ITS requires, by increasing investment in fiber optic and wireless deployment. This also is going to result in more potential partners to deploy for ITS infrastructure. For example, local companies could bundle voice, data, and video capabilities to provide real-time information on traffic conditions.

The Telecommunications Act also exempts cable television providers from many regulations if they reserve a minimum of two-thirds of their capacity for open, unaffiliated programming. This capacity is a potential way to provide such customer-oriented services as traffic information.

The Act already has stimulated the creation of companies offering comprehensive communication services ranging from telephone to cable television to Internet access. Such services become the basis for the public to gain access to video, voice, and data traffic information services that ITS can generate. At the same time, these are resources which also can expand telecommuting's appeal as a transportation option, reducing congestion by reducing demand.

Let me now return to that other tower of our bridge, the Intermodal Surface Transportation Efficiency Act. ISTEA established the federal government's commitment to supporting intelligent transportation systems, to aiding in coordination and standard-setting, to

*(More)*



providing seed money for research, and to funding deployment through our existing federal-aid programs.

Many ITS technologies are already delivering benefits by increasing traffic flow, speeding emergency response times, and increasing effective roadway capacity. The future is even brighter.

Many of you know of Secretary Peña's Operation Timesaver, our effort to create a fully-deployed Intelligent Transportation Infrastructure in our 75 largest metropolitan areas within a decade, one that's going to cut travel times in those areas by 15 percent.

Our estimates also suggest that meeting this goal will also save money by creating two-thirds of the additional road capacity needed over the next decade at less than a quarter of the cost of new construction. Vehicles will be safer because they'll be equipped with crash avoidance capabilities linked to an intelligent transportation infrastructure, and that could prevent a million crashes annually, saving lives and dollars. And if crashes do occur, another linkage could call for medical services quickly and precisely.

Motor carrier operations will be much more efficient because information on matters like vehicle weight, tax data, safety information, and driver credentials will permit clearance at statelines and other checkpoints without delay. These commercial vehicles will operate more efficiently because such productivity improvements as mobile communication systems and navigation and tracking systems will be linked via satellite.

Rural areas will benefit by everything from being able to provide tourists with real-time information on traffic and services to being able to precisely track snow plows.

Finally, ITS can benefit the environment and conserve energy in a cost-effective way by improving traffic flow and capacity without adding lanes or new roads.

It's clear that, given the limits we face, intelligent transportation systems will be critical to improved mobility in the future. If these systems are going to be ready when we need them, we're going to have to continue, and even accelerate, their development and deployment. That means applying them to our 160,000-mile National Highway System, and giving travelers real-time information on traffic conditions, construction, safe speeds based on actual conditions, and other factors.

It means making borders transparent and travel seamless, not only within the U.S. but internationally as well, ending costly delays and unnecessary stops through the use of electronic clearances.

It means making our metropolitan areas part of a network of ITS services that will benefit tourists, give real-time information and options to commuters, and help to end gridlock.

*(More)*

And it means accelerating research on next-generation traffic management systems to improve the speed and effectiveness of emergency response.

The Telecommunications Act provides the means to make significant progress in achieving ISTEA's goal of improving the operation and management of our existing transportation system.

We in the transportation community will be addressing our nation's infrastructure needs, traditional and high-technology, during a period when the nation's information infrastructure will grow and change more rapidly than ever before.

It's vital that we link these transportation and information infrastructure initiatives now to maximize the benefits to both. The Information Superhighway shouldn't just run America's desktops. It should be connected to America's 200 million dashboards as well.

We also must establish other types of links that will be necessary, since the challenges to deployment aren't simply technical. If we're going to enable initiatives like traveler information and traffic management systems to work, we have to establish strong institutional connections among various jurisdictions, government agencies, and the private sector.

We also have to look at the financial side. Although ISTEA authorized a strong federal role, most of the actual deployment will have to be done through state and local governments and, especially, through the private sector. If we're going to attract investors to create and build systems that benefit the public, we have to ensure that they have the possibility of a sound return on their investment.

That means keeping an eye out for technologies that can provide revenue and make these systems profitable, even as the general public gains through less congestion and the other benefits I've described.

Our focus here, of course, is the National Information Infrastructure. Sparked by the deregulation and reform of America's telecommunications laws earlier this year, it's providing the enabling foundation to put ITS technologies in place faster, cheaper, and with even more focus on the customer.

It's up to us to make the most of the opportunities given us to create the transportation system's bridge to the 21st century. The continuing explosion of developments in the information, communication, and ITS arenas can at times be daunting. No one knows how all the pieces will fit together. The energies that have been released are enormous, the possibilities seem endless.

We need to recognize and promptly respond to the unique opportunities knocking at our door. Even though we can't clearly see the future, we can be clear about the transportation

*(More)*

problems the country faces, the stakes involved, what's been accomplished, and what must be done to achieve more.

ISTEA and the Telecommunication Acts have set the course. We need to pick up the pace, build on our successes, and make the right choices. I know that, under the leadership of President Clinton and Vice President Gore, we at the federal level will do our part.

We look forward to working with Congress, with our state and local partners, and with the private sector to realizing the potential of intelligent transportation systems, here and around the world.

During your sessions over the next couple of days you're going to be focusing on the policy-making aspects of ITS. As you do so, I hope you'll make progress in collaborating on standards, moving towards an agreement on an architecture that permits interoperability without sacrificing flexibility, and increasing sharing of research results.

The prize for success will be a journey, a journey to the transportation system of the 21st century. That journey will be more exciting than any trip we've ever taken, and I look forward to taking it with you. Thank you.

#####

*(In his remarks the Deputy Secretary referred to U.S. Secretary of Transportation Federico Peña; to ITS America President James Constantino; to T. Russell Shields, Chair, Board of Directors, World Congress on Intelligent Transport Systems; to Robert L. Darbelnet, President and Chief Executive Officer, American Automobile Association and Chair, World Congress on Intelligent Transport Systems; to Michael Lowry, Minister for Transport, Energy and Communications, Ireland, and President of the European Council; to Katsuhiro Nakagawa, Director General, Ministry of International Trade and Industry, Japan; to U.S. Senator Albert Gore, Sr.)*

**TALKING POINTS**  
**DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY**  
**OREGON POSITIVE TRAIN SEPARATION GRANT**  
**BEAVERTON, OREGON**  
**OCTOBER 22, 1996**

- \* Good morning. I'm here today on behalf of President Clinton and Secretary Peña to present the State of Oregon with \$5 million towards an advanced railroad signal and communications system.
- \* This system is going to make the Pacific Northwest's railroads safer and more efficient and more competitive for intercity passenger travel.
- \* Safety is President Clinton's highest transportation priority, and acting on that commitment has never been more important.
- \* That's because America's railroads have undergone a renaissance over the past two decades, building on the deregulation begun by President Carter and concluded by President Clinton. That deregulation has restored their efficiency and once again made them competitive.
- \* But if our railroads are to fully realize their promise of the efficient movement of people and goods that our economy depends on, then we have to ensure that they can safely handle the increased traffic.

- \* Here in the Northwest, two private railroads -- Burlington Northern Santa Fe and Union Pacific -- are working in partnership with the States of Oregon and Washington to upgrade the region's rail system. They're developing a positive train separation system that can do three things.
- \* *First*, it can increase safety for all who travel or work on our railroads or who live in nearby communities by preventing collisions, derailments, and accidents.
- \* *Second*, it can increase the effective capacity of these railroads so they can meet the growing demand for environmentally-sound freight shipment.
- \* *Third*, it lays the foundation for more advanced systems that will make possible future high-speed passenger rail service between the cities of the Pacific Northwest Corridor.
- \* We in the federal government have supported the outstanding job that's been done on this system's development, and provided technical support and assistance to BNSF and UP and funding to the states.
- \* Today we're taking the latest step in this partnership by providing the State of Oregon with \$5 million for a test of positive train separation in the Portland area.

- \* This funding also will upgrade the existing rail signal system in Portland to save Amtrak passenger trains as much as 30 minutes a trip. The result will be safer *and* faster rail service.
- \* This award is another example of President Clinton's support of a balanced and integrated national transportation system -- a system that supports national economic growth and cuts highway and airport congestion.
- \* We're proud of our partnership with BNSF and UP and with the States of Washington and Oregon, and look forward to continuing our support in the future.
- \* Now, I'd like to ask Congresswoman Furse and Mike Burton to join me as I present Grace Crunican with this check for \$5 million. (*Grace, you can spend this all in one place, as long as that place is the Pacific Northwest!*)

# # # # #

REMARKS PREPARED FOR DELIVERY  
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY  
TUALATIN<sup>1</sup> VALLEY TRANSPORTATION FORUM  
BEAVERTON, OREGON  
OCTOBER 22, 1996

*(Introduction to be made by Mike Burton, Executive Officer of Metro)*

Thank you, Mike, for that introduction -- and thank you for your efforts in making Metro America's best example of regional cooperation on the key issues of planning and development.

I'm also glad to see my friend Congresswoman Elizabeth Furse, who has worked closely with President Clinton to provide the Portland region with the funding it needs for the MAX light rail line and so many other transportation improvements.

The Congresswoman also is working with us to make the proposed Newberg-Dundee Bypass a reality. She's informed us of its importance to this area, and of the strong state and public support for it.

We're exploring funding options for the bypass, including innovative financing strategies pioneered through the President's Partnership for Transportation Investment. Secretary Peña is also sending a letter to the Oregon Department of Transportation pledging our cooperation not only on funding but also on other matters related to the bypass's development.

---

<sup>1</sup> Pronounced "Too-oll-uh-tin."



In this, as in so many other matters, Congresswoman Furse's efforts have been vital to this region's future. Like our national economy, the economy here is becoming more complex and more closely integrated. A sound transportation system has never been more important to our prosperity and quality of life.

That's especially true in the major regional transportation centers like Portland. The role these centers play in trade is no longer simple. A century ago, a city like Portland carried out simple, straight-forward transportation functions like transferring grain shipments from rail to ship.

Today, Portland -- like every city -- is at the center of multi-national, multi-modal trade flows that we all know can change at a moment's notice.

Sourcing decisions, production prices, exchange rates, and transportation costs drive ever-changing patterns of trade, and our transport system must be adaptive and flexible.

That's especially true in an era when businesses increasingly rely on "just-in-time" deliveries, converting our highway and railroad systems into inventories on wheels.

They can't have delays in getting raw materials and components into their manufacturing and distribution facilities.

That's increased our dependence on our system of roads and railroads, transit systems and airports.

Our recent survey of goods movement in America showed how these trends have developed, with nearly a tenth of all freight movement -- as measured by value -- using a time-sensitive service like air cargo express.

But even as our reliance on the transportation system increases, it faces severe challenges: growing travel demand -- inadequate capacity -- bottlenecks and poor connections between different forms of transportation -- and an aging and deteriorating infrastructure.

It's clear that if we don't meet these challenges our transportation system won't be up to the efficient movement of people and products if we are to be competitive.

Productivity is a key to continued economic growth in the coming decades, and transportation can be a key in providing that productivity boost.

In addition, the growth we've seen over the past half-century has created problems of its own: suburban sprawl, congestion, air and water pollution, the loss of open space and wildlife habitat. These problems reduce our quality of life.

You all know these problems just as well as other local officials and businesspeople around the country.

The difference is that you're doing something about it. You know, it's hard to think of a region anywhere with such forward-looking leaders -- local *and* national, public *and* private.

That's why Portland has long been *the* national model for economic and transportation strategies that produce prosperity and also respect this region's special character.

We see that in the commitment to recycling -- to conservation -- and to sustainable land use development based on sound transportation.

Portland's pioneering efforts in land-use planning, like the 2040 Framework Plan, provide a sound basis not only for growth management but also for travel alternatives.

These strategies make mass transit and ridesharing more vital components of this region's transportation system, and provide viable alternatives to the single-occupant automobile.

Through efforts to develop extensive bus service, bicycling, pedestrian facilities, ridesharing, and -- especially -- the light rail initiative, Portland has shown that transportation can be compatible with the environment -- and that you can have *both* economic prosperity *and* a healthy environment.

[In fact, Portland is such a role model that a photograph of a light rail station on the Banfield Freeway is on the cover of our new brochure on transportation and air quality. (*Hold up.*)]

Indeed, light rail and the other alternatives you're promoting are *the* wave of the future in American transportation -- the cutting-edge solution to the traffic congestion and smog which choke so many of our cities.

Portland is truly a leader in this field, and is the inspiration for a new generation of transportation programs from coast to coast.

That's why we in the federal government are proud to be partners with you and with leaders like Congresswoman Furse and Mike Burton to make realities of the Westside light rail project -- the Hillsboro extension.

These projects are just the tip of the iceberg. Just since President Clinton took office, we've worked with you to purchase buses, to make improvements at Portland International, and to build the Columbia Slough railroad bridge.

And the 1997 federal budget includes funding for buses to replace overaged vehicles at Metro -- for a transit center and south transit mall extension at Portland State -- and for a streetcar line connecting downtown Portland with two close-in neighborhoods with opportunities to link new housing with transportation.

That's pretty powerful evidence of the Clinton Administration's belief that, when it comes to transportation, Portland is on the right track.

All of this shows our strong commitment to helping Portland meet the challenge of maintaining a high quality of life while promoting economic prosperity. That commitment to working together is more important than ever, and it's one that we want to continue.

It's vital that we do so, because we're now about to begin discussions which will determine the direction of the federal government's role in surface transportation well into the next century.

ISTEA -- the Intermodal Surface Transportation Efficiency Act -- authorizes federal highway and transit programs, including those which have provided so much support for transportation programs and projects here.

ISTEA was a bipartisan response to give us the tools to meet the transportation challenges we face, and apply transportation investment as a tool to support a strong economy.

It redefined the federal role in surface transportation and generated resources for rebuilding the infrastructure our economy depends upon, authorizing the highest levels of investment ever.

ISTEA ensured a balance between our transportation system and our natural environment.

It also created new initiatives like the Congestion Mitigation and Air Quality Improvement Program, which directs funds towards transit and other alternatives.

And it helped to develop new technologies that will increase our efficiency and global competitiveness. For example, ISTEA virtually created the federal role in Intelligent Transportation Systems.

These systems apply advanced information and communications technologies, especially highway and transit.

For example, Operation Timesaver -- which Secretary Peña announced earlier this year -- will cut travel times by 15 percent in the 75 largest cities over the next decade, including Portland.

That will give commuters more time with their families and friends, and help to boost productivity by cutting delays.

Portland already has some of the elements of Operation Timesaver -- incident management programs to clear freeway accidents quickly, computer-controlled traffic signals, and automatic locators for transit buses -- and we want to work with Portland to integrate them and to acquire others, like railroad grade crossing warning systems.

ISTEA has been an enormous success, but it expires next October.

We're preparing a proposal for its successor, and we've been asking people at forums around the country -- including one in Portland earlier this year -- what they think our proposal should include.

We haven't yet made any decisions yet about the specifics, but I can tell you that we want to sustain our commitment to the surface transportation policies and programs that have worked so well, and that will give us the tools we need to build that bridge to the 21st century that the President has talked about.

I know that no one here questions the need for a sustained commitment to transportation, but a lot of people don't share that view -- especially in an era of budget-cutting. As someone recently said, we're too often number 11 on the top 10 list of issues.

That's why it's so necessary that we in the transportation and business communities work together over the coming year, and keep our sights high.

We need to focus on what's important: showing the American people the vital role transportation plays in their lives and our economy, and the threat that underinvestment poses -- and then offering solutions that make sense, solutions that balance sound policy and sound investment.



If we do that, next year will see a surface transportation reauthorization bill that will continue the strong federal commitment we've seen over the past several years.

Now, I'd like to hear your thoughts -- your ideas -- about ISTEA, and about transportation more generally. When I return to Washington, we'll be able to work with Congresswoman Furse to make sure that your concerns will continue to be heard...

# # # # #

TALKING POINTS  
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY  
CITY UNIVERSITY OF NEW YORK UTC GRANT  
NEW YORK, NEW YORK  
OCTOBER 24, 1996

*(Introduction to be made by Dr. Robert E. Paaswell,  
Director, University Transportation Research Center)*

- \* Thank you, Buzz, for that introduction. It's a pleasure to join you and President Moses. I'm also glad to see Dr. Maher -- Dr. Parker -- and Dr. Falcocchio.<sup>1</sup>
- \* I'm happy to be back home here in New York, especially for an event that so fully symbolizes President Clinton's commitment to the future.
- \* The President understands that we can master our future if we give ourselves the tools we need. That's why -- over the past four years -- he has renewed America's commitment to education and to technology development and deployment.
- \* In transportation, the President has increased investment in research to record levels, enabling us to realize the promise these technologies hold for improved safety and efficiency and for economic prosperity.

---

<sup>1</sup> Attendees: Dr. Yolanda Moses, President, the City College of New York/CUNY; (following are all UTRC board members) Dr. John Falcocchio, Polytechnic University (Board chair); Dr. Robert Paaswell, Director, University Transportation Research Center; Dr. Neville Parker, The City College; Dr. M. H. Maher, Rutgers University.

- \* And the President has sustained our support of transportation education, especially the University Transportation Centers. When the UTC Program was created -- just a decade ago -- it responded to the need for efficiency in the movement of people and goods.
- \* The UTC Program helps to do that -- not just today, but in the years to come -- by attracting committed individuals to transportation education, research, and technology transfer.
- \* This program gives promising students the opportunity to work in our field, gain experience, and develop the foundations for careers in transportation.
- \* It also enables our universities to conduct important research and education topics. For example, the University Transportation Research Center here is studying issues as varied as pollution-control devices for locomotives, the use of recycled materials in pavement, and the use of advanced technologies for transit.
- \* You know, there was an old saying among the early American settlers: "don't eat the seed corn." If you do, you won't have the seed to start next year's crop -- and then you'll *surely* starve.

- \* Our investment in the University Transportation Research Center and institutions like it is our seed corn. We have to sustain it if we're going to benefit in the years to come, remembering that *you can't reap what you didn't sow*.
- \* That's why I'm proud to present you with this check for \$1 million to support your operations over the coming year. Your program's achievements, and its promise, are great. If you're the future of our field -- and you are -- then the future is bright.

# # # # #

TALKING POINTS  
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY  
THE COUNCIL ON TRANSPORTATION  
NEW YORK, NEW YORK  
OCTOBER 24, 1996

*(Introduction to be made by Constantine Sidamon-Eristoff)*

- \* Thank you, Connie, for that introduction. I want to thank you -- Steve Greenfield -- and Lee Sander for inviting me to join you tonight. I also want to thank Vice President Berne and NYU for hosting tonight's event, and for creating the Center for Transportation Policy and Management.
- \* It's wonderful, as always, to be back home in New York. I'd like to begin by congratulating this evening's honorees -- Larry Reuter, Chris Lynn, and Dick Maitino -- and by welcoming you to your new jobs in the greatest city in the world. We in the federal government are looking forward to working with you.
- \* We're also looking forward to working with the Council on Transportation. Those of you who knew me when I was with the MTA also know my belief in the importance of bringing together the diverse members of New York's transportation community.
- \* It's more important than ever that we do so. Our transport system faces enormous challenges: growing travel demand -- inadequate capacity -- bottlenecks and poor connections between different modes -- and an aging and deteriorating infrastructure. And we're trying to meet these challenges in an era of limited resources at all levels of government.

- \* It's vital that we do so, because this is a city which is dependent on unfettered mobility for its prosperity and quality of life. We *need* transportation policies and programs that actively promote economic, social, and environmental well-being.
- \* If we're going to succeed -- *and we must* -- we need to work together, and bring to the table new and inventive ways of providing the mobility our city needs.
- \* That means everything from innovative ways of financing projects -- to advanced technologies like Intelligent Transportation Systems -- to new partnerships which bring together diverse constituencies with common interests.
- \* The Council can help in two main ways. First, by supporting research and education. Second, by educating -- by serving as a forum for diverse views -- and by helping to build the kinds of alliances we need. The stakes are high, and it's vital that we succeed.
- \* As a way of getting you off to a good start, we have a little housewarming present from the Department of Transportation.
- \* I'd like to ask our fellow New Yorker, Deputy Federal Transit Administrator Janette Sadik-Khan, to present it to you -- and I'll close my remarks by following the advice of another New Yorker who went to Washington, Franklin Roosevelt: be sincere, be brief, be seated. Thank you, and best wishes for the future.

# # # # #

REMARKS PREPARED FOR DELIVERY  
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY  
COAST GUARD FOUNDATION  
16TH ANNUAL SALUTE TO THE COAST GUARD DINNER  
NEW YORK, NEW YORK  
OCTOBER 24, 1996

*(Introduction to be made by Coast Guard Foundation  
Vice President Peter Finnerty)*

Thank you, Mr. Finnerty, for that introduction -- and for your work in support of the Foundation's programs.

I also want to commend your Chairman, Richard Swig -- and your President, John Sargent -- for their leadership in carrying out the Foundation's programs, which help to maintain the high morale of Coast Guardsmen and women.

And I want to acknowledge Admiral Kramek, who has done so much to prepare Team Coast Guard for the 21st century.

When I'm in his company -- and that of the other distinguished admirals with us tonight -- I like to think it's pretty good company for a one-time Lieutenant Commander in the Coast Guard Reserve...

...especially one who probably holds the record for the longest Coast Guard service without receiving a single decoration. *That* used to cause some confusion when I'd show up for inspection at Yorktown without any ribbons!



Although my service may not have been quite as distinguished as that of Admiral Kramek, I can tell you that it left me with no less respect for the men and women of the Coast Guard -- or for the members of the Coast Guard Foundation.

That respect is shared by President Clinton and Secretary Peña, who deeply appreciate your support of the Coast Guard, and who send you special greetings.

Under their leadership, our nation is charting a new course, reinforcing America's heritage as a great maritime power and supporting our interests as the world's leading international trader.

Their policies are a return to our nation's hallowed nautical traditions, and to help sustain this heritage in a new age we look to the men and women of the Coast Guard.

We look to them to protect those traveling in American waters -- to safeguard our marine environment -- and to maintain our national security.

In the last few years the world has seen their selfless dedication time and again...

...in the Caribbean, where Coast Guard patrols rescued tens of thousands of Haitian and Cuban refugees in the largest such peacetime operation in Coast Guard history...

...during the terrible floods and hurricanes we've seen over the past few years, when the Coast Guard provided search and rescue services...

...and off the coast of Long Island this past summer, when the cutter *Juniper* was on the scene quickly at the TWA Flight 800 tragedy, and was soon joined by other Coast Guard vessels in the anguishing recovery efforts.

The Coast Guard's ability to respond to -- and master -- fast-changing conditions proved that the phrase "Semper Paratus" is more than a motto -- it exemplifies how these men and women live their lives.

All Americans admire the courage, the steadfastness, and the commitment to service of the men and women of the Coast Guard. The Foundation has our gratitude for recognizing -- and supporting -- the contributions and sacrifices of the Coast Guard.

All of you should know that the President and the Secretary deeply value the services you perform in support of the Coast Guard, and recognize their importance to our nation.

The Coast Guard Foundation's generous support for the men and women who carry out these missions adds greatly to the quality of their lives by providing for their education, morale, and welfare.

Coast Guardsmen and women on all four coasts benefit from facilities you've helped to build and from the programs and scholarships you offer.

In times of budget limits, you provide the margin of excellence that keeps the Coast Guard Academy among the finest colleges in the nation, and Coast Guardsmen and women among the fittest for duty.

I commend you, the members of the Foundation, for the support and friendship you've provided to the devoted men and women of the Coast Guard over the past 27 years, and wish you fair sailing in your future efforts. Thank you.

# # # # #

TALKING POINTS  
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY  
FREDERICK DOUGLASS CIRCLE  
NEW YORK, NEW YORK  
OCTOBER 24, 1996

*(Introduction to be made by Karen Putnam, President of the Central Park Conservancy)*

- \* Thank you, Ms. Putnam, for that introduction. I also want to thank you and Ira Millstein for your work here at the Central Park Conservancy, which has done so much over the past 15 years to rebuild the crown jewel of New York City's parks.
- \* I'd like to recognize Henry Stern for his contributions to making us proud of the city's parks system.
- \* I want to acknowledge Councilwoman Virginia Fields -- who's in the audience -- for her efforts on behalf of this community.
- \* Finally, I especially want to thank Congressman Rangel, whose support of the rebuilding of Frederick Douglass Circle has been crucial to moving this project forward.
- \* The Congressman has fought on behalf of New York's people for longer than either of us would like to remember -- and we in the Clinton Administration look forward to continuing to work with him in the years to come.

- \* Today marks another milestone in the effort to return Central Park to its full glory, so that New Yorkers of the 21st century will be able to enjoy it as much as we do.
- \* We in the federal government are proud to be your partners in this effort -- one that wouldn't have been possible just a few short years ago. What made it possible was President Clinton's National Partnership for Transportation and Livable Communities.
- \* This program recognizes that transportation is about more than asphalt and steel and concrete. *It's about people's lives.*
- \* It recognizes that transportation services and facilities can have a significant impact on communities -- for better or for worse -- and gives local officials the ability to invest in transportation projects which are *for the better* and which improve the quality of life in their localities.
- \* And it recognizes that we can make transportation work better for people through initiatives that emphasize the right of localities to make their own decisions about what's best for themselves.
- \* We see the wisdom of one such decision here today. We're providing \$140,000 towards the redesign of Frederick Douglass Circle, an important gateway to Harlem and other northern Manhattan communities.

- \* This grant shows how the partnership of government, business, and non-profit organizations that the Livable Communities program makes possible can enhance the quality of life for all of our citizens -- not only those using the transportation system but all who live here. It's a partnership that we're looking forward to continuing in coming years.
  
- \* I know that you'll want to hear from Rodney Slater and Janette Sadik-Khan -- two 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.

# # # # #

5-10

**TALKING POINTS**  
**DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY**  
**RSPA SURPLUS COMPUTERS EVENT**  
**MEMPHIS, TENNESSEE**  
**OCTOBER 28, 1996**

*(Introduction to be made by Debra Brown, interim Director  
of Housing and Community Development)*

- \* Thank you, Ms. Brown. I'd like to thank you -- Mayor Herenton -- Councilwoman Holt -- Dr. House -- and Marte Daniels for the warm welcome I've received here in the City on the Bluffs. I also want to thank Myra Whitney and Douglass Elementary for hosting this morning's event.
- \* I'd like to start by bringing you all greetings from President Clinton and your fellow Tennessean, Vice President Gore. They want to give you -- the students here at Douglass, Hanley, and Cummings -- the chance to make the most of yourselves.
- \* You know, many people have called this the American Century, because America has dominated the world -- not through our army or our navy, but through an idea.
- \* We call that idea the American dream, and -- basically -- it's the idea that everyone should have the freedom and the opportunity to make the most of his or her abilities. All around the world people want to share this dream, and that desire has overthrown dictatorships and tyrannies from the Soviet Union to South Africa.



- \* Although the dream remains the same, we're now in a period that's changing how we realize its promise. Much of this change is because of the advances made possible through science and technology.
- \* The rate at which our scientific knowledge is advancing is amazing. Did you know that the Ford Taurus your parents may drive has more computer power than the Apollo spacecraft that went to the moon?
- \* And now we're working with IBM to create a supercomputer that'll be able to do more arithmetic in a single second than a pocket calculator can do in 30,000 *years*.
- \* Today people everywhere are using this same computer power to learn and to work and -- through the Internet -- to connect with other people all over the world. That's progress, and that's opportunity.
- \* It's important that all Americans be able to share in this opportunity. In the 19th century people realized that education was important, and so they created public schools so that everyone could have a chance to realize his own dreams -- so that no one would be left behind.

- \* As President Clinton says, education is more important than ever, and *what* you learn is important, too. It's vital that you learn about things like computers and the Internet, and that you have the chance to take advantage of them.
- \* That's why President Clinton wants to give every school and every library in America an on-ramp to the Information Highway, giving them the computers and software they need, and connecting every one of them to the Internet.
- \* Back in April he ordered that federal agencies like the Department of Transportation give computers we no longer need to schools, so that they can be used by their students and -- in fact -- by the entire community.
- \* That's why today in Memphis we're able to donate 52 computers to Douglass Elementary -- Hanley Elementary -- and Cummings Elementary. I hope that you'll use these computers to learn -- to explore and -- well -- *to have fun!*
- \* We're just four years away from the beginning of a new century, and -- like you -- I can *feel* its possibilities. Let's take advantage of them, and make the 21st century another century in which everyone can realize his or her own American dream.

# # # # #

5-15

REMARKS PREPARED FOR DELIVERY  
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY  
TRANSPORTATION EDUCATION CONFERENCE: RECEPTION  
KNOXVILLE, TENNESSEE  
OCTOBER 28, 1996

*(Introduction to be made by Knoxville Mayor Victor Ashe)*

Thank you, Mayor Ashe (*Yale '67*), for that introduction -- and for hosting tonight's reception.

On behalf of President Clinton -- Tennessee's own, Vice President Al Gore -- and Secretary Peña, I'd like to thank you all for participating in our National Transportation Education Conference.

The title of this conference is "Building Transportation's Bridges to the 21st Century," and it's going to help us build bridges *for* the new century -- bridges, and transit lines -- airports -- seaports -- and all of the other transportation facilities and products and services our economy and quality of life depend on.

If we're going to have the transportation system we need in an era of rapidly-growing travel demand and limited resources, we need well-educated, highly-trained professionals.

This conference is focused on ensuring that we have such a work force. Tomorrow we'd like you to help us answer three vital questions.

*First*, what challenges will be faced by transportation professionals in the future, and how can we help to prepare them to meet those challenges?

*Second*, what are we doing *today* to prepare these professionals? What are the outstanding programs being carried out -- not only by academia, but also by the private sector and government agencies at all levels?

*Third*, how can the transportation profession continue to attract the best and the brightest of America's students? And what types of outreach programs and other initiatives can we use to ensure the diversity our profession needs?

Answering these questions is essential if we're to build and operate the transportation systems we need to ensure our continued prosperity and quality of life in the new century.

Tomorrow we're going to showcase educational successes -- share current best practices in education and training -- and identify what we at the federal level can do to help colleges and other institutions sustain the quality of their work. I know that -- together -- we're going to find the answers we need.

We have a long day's work ahead of us, so tonight I hope that you'll enjoy the hospitality of Mayor Ashe and our hosts here in the Volunteer State. Thanks for your attention tonight, and I look forward to hearing what you have to say tomorrow.

# # # # #

TALKING POINTS  
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY  
TRANSPORTATION EDUCATION CONFERENCE: CLOSING  
KNOXVILLE, TENNESSEE  
OCTOBER 29, 1996

- \* On behalf of President Clinton and Secretary Peña, I'd like to thank you all for participating, and I also want to thank Kelley Coyner and the other DOT staff who put this conference together.
- \* Today we've heard about successes and current best practices and identified what we at the federal level should do to help colleges and other institutions sustain this quality.
- \* This conference has been highly informative and productive, and carries on the continuing effort to improve how we prepare transportation professionals to meet the challenges of the new century.
- \* Transportation has a rich history in America, and a bright future. It's critical to our prosperity and quality of life, and that's why President Clinton is committed to promoting *all* forms of transportation and to ensuring we have the resources we need to realize its promise.
- \* But doing that in a rapidly-changing world depends on sustaining, *and increasing*, our commitment to education. As we heard, much progress has been made -- especially over the past several years -- and is continuing to be made today.

- \* But the progress to date doesn't mean that we can't make substantial further improvements -- through public and private educational and training programs and through advances in technology research and development.
- \* Under Secretary Peña's leadership we're committed to moving forward on *all* of these fronts. You've helped us today in several areas.
- \* *First*, you've helped us to better understand what we're doing *today* to prepare the professionals of tomorrow.
- \* We have a better sense of today's outstanding programs in academia -- in the private sector -- and in government agencies. That's going to give us solid benchmarks to base our efforts on.
- \* As Charles Raymond said, we need to expand our emphasis on a holistic approach to transportation, looking at a continuum from origin to destination, both for goods movement and for passengers.
- \* The focus has to be less on traditional modal concerns than on meeting the needs of our customers -- the emphasis that's the basis of the shift to logistics. That's also the basis of intermodalism, and it's the wave of the future.
- \* We have to build on the work that's being done today in information technologies, international goods and passenger movement, and multimodalism.

- \* Stephen Richards talked about how successful programs like the University of Tennessee's UTC focus on attracting students -- using a multidisciplinary, multimedia approach to learning -- integrating experience into learning -- and building a team comprised of government, business, and academia.
- \* And Dave Albright made the important point that the education community needs to be out front in the effort to ensure that transportation providers always adhere to the highest ethical standards, especially in an era of rapid change.
- \* By ethics, we don't just mean honesty, but the entire effort to understand how transportation affects people's lives, and our obligation to ensure that it does so beneficially.
- \* Each of these speakers offered important insights into what we're doing today, and pointed the way to building on it in the future.
- \* *Second*, today's speakers have given us ideas on how the transportation profession can continue to attract the best and the brightest of America's students. I say "*continue* to attract" because it's clear from listening to Naomi, Martine, Jennifer, and Michael that we're attracting the best today.
- \* Several of the points our speakers made bear repeating, because they're ideas we can act on. We have to broaden the scope of what we think of as transportation education. In the past, the emphasis has been on engineering and other traditional technical fields.



- \* We have to continue preparing future professionals in those fields, but we also have to look to such disciplines as the information and communications technologies used for ITS -- to environmental sciences -- and to the social sciences for the solutions we need in an era when the construction of new transportation facilities isn't the only way to maintain mobility.
- \* We have to continue, and maybe even expand, the support we provide to students. I don't mean just financial aid -- important as that is -- but also opportunities for career guidance -- for mentoring -- for internships -- for the type of real-world exposure to our profession that not only helps to prepare students for the future but also shows them the opportunities and challenges that are available.
- \* *Third*, you've helped us to identify the challenges that the transportation professionals of the future will face, and given us some ideas of how can we help prepare them to meet those challenges.
- \* As Gary Nichols implied, the world is growing smaller and more integrated, and transportation professionals must adapt if America is going to be competitive.
- \* It's clear that everything from foreign language training to an understanding of local cultures and regulatory requirements is necessary if we're going to be able to respond to international market needs.

- \* Moreover, the transportation professional of tomorrow, as Larry Dahms said, must have the breadth to address the multiple and varied issues that shape transportation concerns.
- \* Larry's points about understanding cultural differences and the use of advanced systems to improve the reliability and efficiency of the transportation system are well-taken.
- \* Finally, I also thought significant the points Lester Hoel made about academic curricula -- about keeping curricula up-to-date -- about ensuring that we have a seamless and integrated transportation curriculum -- about the differences between learning and teaching -- and about keeping practitioners closely involved in curriculum development.
- \* I just hope that Professor Hoel's comment about education being the transfer of material from the notebook of the teacher to the notebook of the student without it going through the heads of either isn't also applicable to my speeches at this conference!
- \* During today's panels it became clear that different sectors of the transportation community have different views about some of the specifics of these strategies. Such diversity of opinion is hardly unexpected, given the different perspectives each participant brings to the table.
- \* However, what's more important -- and even somewhat surprising -- was the amount of common ground *all* parties share -- the number of issues people agree on.

- \* There's a consensus that the "I's" have it -- that *intermodalism*, an *interdisciplinary* approach, and *internationalism* are going to be essential to our success in a rapidly-changing global economy that is focused on meeting customers' needs.
- \* This agreement -- together with a shared commitment to improving education -- will be the foundation for a wide range of efforts to enhance our programs and initiatives.
- \* The dialogue held today demonstrates not only that we've recognized the links between education and transportation -- and that we still have far to go -- but that we can make that journey *together*.
- \* I'd like to thank all of you -- and especially the moderators and speakers on our three panels -- for your contributions to today's conference, and for your efforts to improve education every day.
- \* This meeting was a landmark for the transportation education community -- a renewal of our common dedication to preparing the capable professionals we need.
- \* Over the coming weeks and months and years, I look forward to building on the partnerships begun today as we try to make a good system even better. Thank you.

# # # # #

5.12

**REMARKS PREPARED FOR DELIVERY  
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY  
TRANSPORTATION EDUCATION CONFERENCE: OPENING  
KNOXVILLE, TENNESSEE  
OCTOBER 29, 1996**

*(Introduction to be made by Dr. William Snyder,  
Chancellor of the University of Tennessee)*

Thank you, Dr. Snyder, for that introduction. I also want to thank you and the University of Tennessee for serving as our host.

I also want to thank Dr. Steven Richards, director of the University Transportation Center here, which has helped to organize this conference. It's one of the nation's finest UTCs, and I'm glad that so many education professionals will have the opportunity to see it during their visit to Knoxville.

Let me start by wishing you all a good morning. On behalf of President Clinton -- Vice President Al Gore -- and Secretary Peña, I'd like to welcome you all to the first-ever National Transportation Education Conference.

I also want to offer greetings to the member universities of the American Indian Higher Education Consortium -- the Hispanic Educational Telecommunications System -- and the International Telecommunications Consortium, who are joining us through satellite connections made possible by our Distance Learning Project.

And I'd like to welcome everyone joining us from the mountain states through the Tel 8 interactive telecommunications system created through the University Transportation Center at North Dakota State University.

I was at the Tel 8 system's inaugural last year, and it's going to reduce the need for physical travel in the same way the telegraph replaced the Pony Express.

In fact, the communications and information technologies that are enabling so many from around the country to join us this morning are just some of the advances that can improve both transportation and education, and I'm sure we'll hear more about them today.

We've called today's conference "Building Transportation's Bridges to the 21st Century," and we hope that it'll help us to literally build bridges *for* the new century -- and not just bridges, but the entire transportation system we need to ensure our prosperity and well-being.

That's because education is essential to giving us the transportation professionals we need to design, build, and operate that transportation system.

Under Secretary Peña's leadership over the past several years, we've dramatically increased our commitment to the education programs we need to maintain America's world-class transportation system.

We have 14 University Transportation Centers, including the one here in Knoxville, which are focused on advancing American technology and knowledge through specialized education programs.

We have six University Research Institutes which carry out transportation research and development and technology transfer, laying the foundation for the new century's innovations.

And we have four National Maritime Enhancement Institutes at American colleges to foster our competitiveness in shipping technologies and operations.

Our Maritime Administration supports the Inland Waterways Studies Institute, which brings together the Universities of Tennessee and Kentucky and Memphis State to improve the performance of our carriers on our lakes and rivers.

The Maritime Administration also operates the Merchant Marine Academy, which gives America the professional seafarers needed to man a U.S.-flag fleet.

And this year the Coast Guard Academy celebrated 120 years of preparing officers to lead the only uniformed service dedicated to protecting man from the sea, and the sea from man.

We also have a wide variety of specialized programs to directly support young students.

We have our Eisenhower Fellowships administered by the National Highway Institute -- our Summer Transportation Institute -- the Summer Transportation Internship Program -- the FAA's Aviation Career Education Academy -- our safety internship program with the Morgan State University -- and our Historically Black College and Universities Partnerships.

These programs and partnerships are only part of our effort at the Department of Transportation to give us the trained and educated workforce we need.

They mirror President Clinton's commitment to education. Over the past four years the President has worked hard to expand educational opportunities, increasing Head Start...

...creating the Goals 2000 program to give schools more tools for the students to meet higher standards...

...pushing through the biggest increase in Pell Grants in 20 years...

...creating the direct student loan program to cut the cost of college...

...and creating AmeriCorps, the national service program which allows people to work in their communities and earn their way through college.



The President is building on this record by proposing the steps we need to ensure we have a first-rate education system open to all Americans in the new century.

He's called for a million volunteers -- using programs like AmeriCorps -- to go into schools -- to work with parents -- to tutor children and give them first-rate reading skills.

He's called for a program to lower interest rates -- and the costs to taxpayers -- of building or repairing schools, so children can have the facilities they need.

He's called for using targeted tax cuts to give all Americans the chance to get a college education.

And here in Knoxville just a couple of weeks ago he called for us to connect every classroom and library in America to the information highway.

These are the building blocks of the educational system America needs in the new century.

Today we want to explore how we can apply these same principles of excellence -- of accessibility -- and of inclusiveness to transportation education.

We want to identify what challenges transportation professionals will face in the future -- a future that is going to be dominated by concepts we already see, like intermodalism and intelligent transportation systems.

We need to find ways to prepare transportation professionals to meet those challenges -- to give them the skills and knowledge they need to master the accelerating change we all face.

We also want to review what we're doing today to prepare transportation professionals -- to benchmark outstanding programs, not only in our colleges, but also in the private sector and in government agencies.

Finally, we need to find ways to ensure that the transportation profession continues to attract the best and the brightest of America's students, and that we have the diversity that's so important -- not only in transportation, but in any field.

Doing these things is essential if we're to design, to build, and to operate the transportation systems we need to for our continued prosperity and quality of life.

Today we're going to showcase educational successes -- share current best practices in education and training -- and identify what we at the federal level can do to help colleges and other institutions sustain the quality of their work. I know that -- together -- we're going to find the answers we need.

I'm looking forward to participating in your sessions, and hearing your ideas and thoughts. Let me close now by again thanking you for taking part in this most important conference, and wishing you good luck in your deliberations.

# # # # #



# TRANSPORTATION TRENDS

---

**REMARKS PREPARED FOR DELIVERY  
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY  
NATIONAL TRANSPORTATION EDUCATION CONFERENCE LUNCHEON  
KNOXVILLE, TENNESSEE  
OCTOBER 29, 1996**

Thank you, Kelley, for that introduction. This afternoon I'd like to talk about ISTEA; not the drink, but the Intermodal Surface Transportation Efficiency Act which authorizes federal highway, transit, and safety programs.

ISTEA was designed as a bipartisan response to give us in transportation the tools to meet the challenges we face on the eve of the 21st century.

It enabled us to apply and target transportation investment to support a strong economy, and it redefined the federal role in surface transportation, generating resources for rebuilding the infrastructure our economy depends upon.

ISTEA helped to ensure a balance between our transportation system and our natural environment, to improve transportation safety and prevent needless deaths and injuries, and to develop new technologies that will increase our efficiency and global competitiveness.

ISTEA gave us the tools to do all of these things, and President Clinton has pushed the envelope to take full advantage of these opportunities.

Over the past four years we've increased transportation infrastructure investment to its highest levels ever, and we have increased the emphasis on transportation research and development and on education.

That's helped us to launch Intelligent Transportation Systems and to test new and better ways to build roads and bridges, like fiber composites or high-performance asphalt and concrete.

*(More)*

---

*U.S. Department of Transportation  
Office of the Secretary, Public Affairs  
(202) 366-4570*

ISTEA also authorized a landmark surface transportation research and development plan which has been successful in stimulating and coordinating our research efforts for surface transportation.

We've built on this by establishing a transportation research coordination process through National Science and Technology Council to improve communication among the nation's transportation and research communities and to define key research investment areas.

ISTEA has not only enabled us to pursue a wide range of research activities but also to expand our support of transportation education.

We've added four new University Transportation Centers and created six University Research Institutes.

ISTEA has enabled us to make great strides, but it isn't as comprehensive as it might be. For example, it doesn't include our aviation and maritime programs, which are authorized separately. It doesn't yet address all the critical intermodal interfaces, such as maritime terminals, airports, and rail facilities.

To be sure that we take advantage of opportunities for leveraging, developing, and advancing intermodal, multi-modal transportation research and development, we need to do more.

We need a process and an aggressive intermodal research program that enables us, in partnership with other federal agencies and private and other public organizations, to define transportation system requirements and performance measures, to support long-term and unconventional intermodal transportation research, to leverage government-wide transportation-related research investments, to address critical physical interfaces, and to measure the impact of government research on the nation's transportation system.

Such a process and program would enable us to improve our understanding of key transportation research policy and system-level issues, such as human factors, security, or intermodal operations.

I want to take a moment now to introduce Fenton Carey of the Research and Special Programs Administration, who is coordinating our research activities, and who is working to help us develop our proposal for ISTFA's reauthorization.

ISTFA expires next October. Although most of the difficult decisions related to reauthorization of ISTFA lie ahead, we're working now and considering the policy principles which could provide a framework for deliberations.

*(More)*

Should we broaden ISTEA's scope to address intermodal research for critical physical interfaces, especially with the non-surface transportation modes?

How can we institutionalize a strategic process for transportation research in the Department of Transportation and across the federal government?

Should we reauthorize the University Transportation Centers Program, and in what form?

And how should we address the University Research Institutes Program to further their role in advancing the horizons of transportation research?

This afternoon I hope we'll hear your ideas about these possible directions, and your thoughts about how ISTEA's successor can prepare us for success in our research and education programs.

As we work to reauthorize ISTEA over the coming year, we want to resolve the differences between the different forms of transportation and their constituencies.

We have to focus on what's important: showing the American people the vital role transportation plays in their lives and the threat posed by underinvestment, whether in infrastructure, in research, or in education.

We have to offer the American people solutions that make sense, solutions that balance sound policy and sound investment.

We also need to maintain, and even expand, the unified constituency that gave us ISTEA in the first place, reconciling our sometimes-conflicting agendas and building a broad-based consensus about the future of transportation in America.

As we move towards reauthorization, it's vital, whatever our views, that we work together. In an age of competing demands for limited public funds, unity will be essential to ensuring that transportation receives the support it needs.

I hope that all of *you*, as members of the transportation education community, will make *your* voices heard as we debate these issues over the coming year. Together, we *can* put America's transportation systems on a sound footing for the 21st century. We can make the future one our children and grandchildren can be proud of. Thank you.

#####

*(In his remarks, the Deputy Secretary referred to Kelley S. Coyner, Deputy Administrator of the Research and Special Programs Administration, and to Fenton Carey, Associate Administrator of the Research and Special Programs Administration.)*



# **TRANSPORTATION TRENDS**

---

**REMARKS PREPARED FOR DELIVERY  
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY  
BLUE RIDGE PARKWAY ALL-AMERICAN ROAD DESIGNATION  
ASHEVILLE, NORTH CAROLINA  
OCTOBER 30, 1996**

Good morning. I'd like to start by bringing you greetings from President Clinton and Secretary Peña, who have made protecting America's heritage one of their top transportation priorities.

Last month the Secretary announced the first round of designations for All-American Roads and National Scenic Byways.

One of only six All-American Roads, the best of the best, is right here in North Carolina: the Blue Ridge Parkway.

The Blue Ridge Parkway is exactly the type of road these programs were created to protect. In safeguarding it, we're acting in accord with President Clinton's commitment to protecting our environment and our heritage while supporting economic prosperity, a commitment I know you all share.

The Blue Ridge Parkway uniquely illustrates the rich scenic and recreational qualities possessed by only a few such highways across the country.

It also has a special historical factor that we should recognize. This month, without much notice, has been designated as Roosevelt Historical Month, in remembrance of our most famous 20th-century president.

As one who was about nine years old before I learned that the name President Roosevelt consisted of two words, I have a special feeling about this month. And, as one who spent a

*(More)*

---

*U.S. Department of Transportation  
Office of the Secretary, Public Affairs  
(202) 366-4570*

number of years in the Hudson River Valley, a few miles south of Hyde Park, I have a real appreciation of President Roosevelt's contributions to the transportation system.

In the years he held office in New York State, especially as Governor, he spurred the development of a parkway system, with roads like the Taconic State Parkway, one of the first roadways that fully respected its environment and still ranks as an outstanding scenic roadway connecting New York City and Albany.

And, as President, he saw opportunities in the development of this grand byway we honor today, realizing the potential of roadways to open up America while still preserving this magnificent scenic environment and creating jobs at the same time.

And, if my historical memory is correct, his wife Eleanor took special pains to assure that the folkways of the Appalachian community were preserved even as that community's isolation was ended.

Our designations of roadway like the Blue Ridge Parkway are only the beginning of our continuing effort to cherish an important part of America's heritage. In fact, we're already accepting nominations for the *second* round of these designations, although they'll be a tough act to follow.

In doing these designations we're protecting some of the most beautiful roadways in America so that our children and grandchildren can share the same sense of pride and wonder we had as children, and still have today.

Preserving highways like this and the others in these programs is vital not only because they're located in areas that are part of our heritage and because they provide access to our parks and our monuments, our forests, our seashores, and other valued treasures.

They also support tourism, which already accounts for a tenth of consumer spending and is a significant engine of prosperity around the country. The tourism these designations will help to generate is going to produce good jobs and sustainable economic development. I understand that the tourism aspect of this parkway exceeds a billion dollars a year in economic contributions to this region.

The All-American Roads are part of the National Scenic Byways Program, which was made possible by ISTEA, the Intermodal Surface Transportation Efficiency Act.

ISTEA was a bipartisan effort authorizing federal highway and transit programs for six years. ISTEA expires next year, and we're getting ready to propose its reauthorization to Congress next year.

(More)



The core of this legislation is in things like the National Highway System and our support for public transportation, but I don't think I'm revealing any secrets by telling you that we'd also like the National Scenic Byways Program to continue.

We think this program, which has supported improvements like scenic overlooks and tourist information displays in 37 states, is part of the success of ISTEA and part of our obligation to give America a sustainable transportation system.

There are few investments we could make that will pay for themselves in so many ways, and we want ISTEA's successor to continue making them possible. We look forward to working with Congress to make that a reality.

I'd like to close my remarks now by congratulating you all on a great achievement. You can be proud of the high level of cooperation among communities and among federal agencies that helped to earn this road its special designation.

Let's continue working together. Let's move forward with the additional rounds of designations, and let's continue to have a surface transportation program which enables us to protect America's legacy.

Now, I'd like to present Gary Everhardt with a plaque commemorating the Blue Ridge Parkway's designation as an All-American Road.

#####

*(In his remarks the Deputy Secretary referred to U.S. Secretary of Transportation Federico Peña and to Gary Everhardt, superintendent of the Blue Ridge Parkway.)*

REMARKS PREPARED FOR DELIVERY  
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY  
ARTBA PUBLIC-PRIVATE VENTURES IN TRANSPORTATION  
WASHINGTON, D.C.  
OCTOBER 31, 1996

*(Introduction to be made by Steve Lockwood, Conference Co-Chair)*

Thank you, Steve, for that introduction -- and I'd like to thank you -- Suzanne Sale -- and the ARTBA staff for all of your work in making this year's conference a reality.

It's appropriate that this year's conference is being held on Halloween, because this is the witching hour -- some might even say the triple witching hour -- over at DOT.

We're stirring our cauldron of witch's brew in preparation for ISTEA reauthorization. I'm personally taking responsibility to add in the Eye of Newt!

ISTEA introduced concepts like flexible use of federal funds -- making loans or providing credit assistance to projects with potential revenue streams -- and encouraging transit agencies to experiment with cross-border leases -- turnkey developments -- and other means of generating capital.

Under President Clinton, we started the move to innovative financing -- the idea of cutting red tape to move projects ahead faster and attracting private and nontraditional public sector resources to leverage federal funding.

Two years ago, as I have regularly told you, we announced the President's Partnership for Transportation Investment, and asked our state and local partners for ideas on how we could work with existing law to promote new financing techniques.

This initiative used Title 23's experimental provisions to move forward such strategies as toll credits for state matching funds, and toll revenue-backed bonds.

And it went beyond ISTEA to include new strategies such as dedicated revenue-backed bonds and the federal reimbursement of bond financing costs.

We've now seen 74 new projects in 31 states with a construction value of more than \$4.5 billion -- including more than a billion dollars in new capital directly attributable to this program. Many of these projects are advancing to construction an average of two years ahead of schedule.

When I spoke at the last edition of this conference a year ago, we were looking forward to the National Highway System designation act and the 1996 budget bill.

These bills wisely made permanent some of the experimental innovative financing provisions -- endorsed others we'd pursued under the Partnership for Transportation Investment -- and created state infrastructure banks.

The 1997 DOT budget bill that the President signed several weeks ago expanded the state infrastructure bank program from the original 10 pilot states and provided \$150 million in new, general-fund seed capital to help get these banks underway.

Finally, we've worked outside of the envelope in such initiatives as providing standby lines of credit for toll roads in Orange County, California and a direct loan to the Alameda Corridor in Los Angeles County.

We're looking forward to building on these successes, and we want to use ISTEA's reauthorization as the way to do so.

It's essential that we do so. In the future we're going to depend more and more on private sector capital to help build the roads and bridges and transit systems we need. That's why this conference's theme of public-private cooperation continues to be so appropriate.

This morning I'd like to share with you our current thinking on reauthorization.

Although ISTEA doesn't expire for 335 days, that's practically tomorrow when you're talking about legislation of its size and scope -- legislation that authorized more than \$150 billion in programs and projects and that revolutionized the federal government's role in transportation.

In fact, we need to make our key decisions on reauthorization within the next couple of months so they can be reflected in the President's budget message in February, and become part of a productive dialogue with the Congress next spring.

That will enable Congress to conclude its deliberations by next summer, so that the new reauthorization bill will be in place before ISTEA expires -- and avoid any delay in the programs and projects that keep America moving.

If you've read the press lately, you know that we're already facing a Year 2000 problem with our computers, and we don't want a Year 1997 problem with our transportation system!

Most of you here are particularly interested in innovative financing and contracting practices, so I want to start by reviewing some recent steps we've taken to promote these concepts.

It wasn't so long ago that federal assistance came with the same degree of flexibility as the Ford Model T -- any color as long as it's black -- any form of funding as long as it's a grant.

That's no longer enough. In an era of just-in-time production and concern over clean air, our economy and our quality of life are more dependent than ever on an effective transportation system.

However, that system faces severe challenges: growing travel demand, inadequate capacity, bottlenecks and poor connections between different forms of transportation, and -- above all -- an aging and deteriorating infrastructure.

At the same time, our continuing effort to balance the budget means that federal funding is going to be limited -- even with the substantial success announced this week -- and state and local governments face the same constraints.

Given this, the traditional 80 percent federal grants -- with their implicit leverage factor of only 1.2 to 1 -- can't keep pace by itself with our transportation investment needs. It needs to be supplemented with greater nonfederal resources.

At the same time, the marketplace has been telling us that certain types of projects -- especially infrastructure facilities with measurable revenue streams -- are suitable for public-private ventures.

In light of all this, let's look at what the future may hold. I want to caution you that these ideas are preliminary -- "the views *expressed here* by the Deputy Secretary do not necessarily reflect the views that will ultimately *be held by* the Deputy Secretary."

Still -- as the title of this morning's panel session implies -- I think it would be helpful to "think out loud" with you.

I hope to toss out some ideas which can be discussed in greater depth during that panel.

One of the areas with significant potential is what we might call a "federal credit program."

Federal credit involves the provision of direct loans, standby loans, and lines of credit -- similar to the role we're playing in the California projects I mentioned earlier.

We see a real benefit to the sponsors of such projects in our acting as a sort of co-investor along with the private sector -- especially if we can help fill gaps that private markets can't.

What we could do is to systematize the provision of federal credit into a carefully-targeted program. For example, we could structure a program with explicit eligibility criteria -- a defined approval process -- and uniform budgetary rules.

In this way, projects -- particularly those of national significance -- can use federal credit support to assist them in arranging private financing.

We'd like to explore an incremental approach, drawing upon credit principles which have proven successful in the past for other types of federal programs.

At the same time, we need to avoid the pitfalls that have plagued less well-designed programs.



In this respect, we'd want to be fully consistent both with the Congressional appropriations process and with the budget scoring rules which are used on other federal credit assistance programs.

We're also committed to giving as much of the decision-making authority as possible to state and local authorities and the private sector, which have the best understanding of these projects and their market conditions.

Let me outline what we see as the desirable features of a federal credit program, and then describe some of the possible mechanisms which could be used.

First, a primary objective of any federal credit program -- in fact, of innovative financing more generally -- is that it attract incremental private sector involvement.

In an era of budget limits that's a promising way to expand the resources available to infrastructure investment -- and certainly a more promising way than efforts to plug up direct federal programs.

Second, we want to encourage states and localities to look to the beneficiaries of these projects to help finance them.

It makes sense -- from the standpoints of both political equity and economic efficiency -- to draw upon system users' willingness to pay for direct benefits through tolls, fares, and special assessments.

Third, we believe that federal credit should be designed to fill market gaps, to be guided by what the marketplace tells us it needs to function efficiently, and to use those market signals to select projects.

Fourth, we believe that federal credit should be predicated upon shared risk by project participants. We must establish strict parameters for federal participation, and rely on market discipline rather than political power to identify feasible candidates.

Fifth, we want to minimize the budgetary impact of a federal credit program in order to stretch our limited resources further.

The budgetary rules for federal credit assign a cost -- known as "scoring" -- based not on the nominal amount of the loan or credit amount, but upon its implicit default risk and degree of interest rate subsidy.

Some credit programs have shown the ability to extend assistance at a multiple of perhaps ten times or more of the actual subsidy cost which must be appropriated.

Sixth, a federal credit program should operate in some fashion through state and local grantees. One possible scenario would have us offer federal credit through the new state infrastructure banks.

Finally, we believe that federal credit is most suitable for larger projects not readily accommodated through traditional funding mechanisms -- especially such projects of national significance such as bi-state bridges or border ports of entry.

Let me turn to what specific mechanisms we could use to make this program a reality.

One could be long-term, flexible payment loans as a source of project capitalization. We could help project sponsors attract private capital by fulfilling the role of the patient investor, in essence elevating the creditworthiness of the balance of the project's debt.

A federal loan on what's called a flexible pay-junior lien basis could be a powerful tool in helping a project's "senior" debt attain investment grade ratings without putting the federal government in a position of undue risk.

A second role could have us serving as a standby credit provider during the early phases of a project, similar to the role we played in the two Orange County toll road projects.

The standby line could have a finite term -- perhaps up to 10 years after construction -- a finite amount -- and a specific term-out or repayment period.

While there are some thorny federal tax issues associated with our participation in municipal financing, we believe we can fashion a role which would enhance these transactions as well as the less-traditional privatized projects.

Finally, we could consider providing development risk insurance to project sponsors in the pre-construction phase.

Development teams can invest literally millions of dollars in the proposal and pre-construction phase, yet still be vulnerable to risk because of delays from environmental reviews, litigation, and governmental policy changes.

We could provide a mechanism which could allow project sponsors -- with the concurrence of state participants -- to recover a portion of the developmental expenses in the event a project fails because of such specific types of risks.

That, in summary, are some of our thoughts on a possible federal credit program. I hope they help stimulate both your own thinking in this area and discussion in today's panel.

As I said earlier, we encourage you to give us your ideas in helping us to refine these ideas in coming weeks, and throughout the reauthorization process next year.

I hope you will also give thought to how we at DOT and in the federal government could be of greater assistance in your efforts to globalize our industry through participation in worldwide infrastructure development projects.

On this Halloween, I hope I've been able to offer you the possibility of some treats which you can add to the bag of tricks needed to give America the transportation system it needs to ensure our prosperity and quality of life in the 21st century. Thank you.

# # # # #

5-

**TALKING POINTS**  
**DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY**  
**PRESIDENTIAL RANK AWARDS**  
**WASHINGTON, D.C.**  
**OCTOBER 31, 1996**

*(This is an informal event which will take place in your office with the winners and their administrators, so these talking points are informational only. You are to speak to them, and then pose for photographs. Information on the winners' achievements included in these talking points is also included on the rear of the facsimile checks.)*

- \* Good afternoon. On behalf of Secretary Peña, I'd like to welcome you to this afternoon's award presentation. The Presidential Rank Awards are the most prestigious recognition of managerial excellence made by the federal government, and reward senior career executives based on their long-term achievements.
- \* This year -- based on nominations by the Department and a review by a private sector panel, four DOT officials have earned the rank of "Distinguished Executive" and eight the rank of "Meritorious Executive."
- \* These twelve members of the DOT team are the best of the best, managers who by dint of their excellence have set an example for their peers.

- \* I'd like to congratulate you for your special devotion, efforts, and outstanding achievements in public service.
- \* I'd like to present each of you with a facsimile of the monetary award associated with this honor, an award that recognizes your demonstrated leadership and the skills that have done so much to advance the goals of a better, safer transportation system.
- \* *[The following are from the introductions provided by the TASC.]*

### *DISTINGUISHED EXECUTIVES*

- \* DANIEL F. SHEEHAN OF THE COAST GUARD. *Director, Coast Guard National Pollution Funds Center.* "For his outstanding management of the National Pollution Funds Center and exceptional skill in directing the development of the Certificate of Financial Responsibility Regulation. For his sustained superior leadership within the international maritime community."
- \* ANTHONY R. KANE OF THE FHWA. *FHWA Executive Director.* "For his extraordinary leadership and dedication in managing and directing surface transportation programs critical to the nation. For his innovative leadership in the development and implementation of initiatives for reshaping the nation's highway programs."



- \* ROBERT A. KNISELY OF THE BUREAU OF TRANSPORTATION STATISTICS. *Deputy Director, Bureau of Transportation Statistics.* "For his long and accomplished career in the civil service, including his tour as a Deputy Director of Vice President Gore's National Performance Review."
- \* RAYMOND J. DECARLI OF THE OFFICE OF THE INSPECTOR GENERAL. *Assistant Inspector General for Auditing.* "For dedicating his entire career towards reinventing government. Audits and programs under his direction and management have yielded actual savings, and increased services to the public, totaling over \$5 billion."

### *MERITORIOUS EXECUTIVES*

- \* ANDRES ZELLWEGER OF THE FAA. *Director, Office of Aviation Research.* "For his phenomenal leadership in forging a new organizational structure and for the conduct of aviation safety and security-related research."
- \* NICHOLAS SABATINI OF THE FAA. *Manager, Flight Standards Division, Eastern Region.* "For his extraordinary leadership in the Harmonization/Bilateral Maintenance Agreement Project and the Suspected Unapproved Parts (SUPS) Task Force."

- \* EUGENE W. CLECKLEY OF THE FHWA. *Chief, Environmental Operations Division.* "For consistently providing national and international leadership on social, economic, and environmental issues involving transportation and highway decision-making. For significant contributions in the area of interagency coordination."
- \* STANLEY GORDON OF THE FHWA. *Chief, Bridge Division.* "For consistently delivering outstanding engineering services in support of the nation's Bridge Program administered by the Federal Highway Administration. As a nationally and internationally-recognized authority in his field, he provides leadership to bridge engineers across the United States."
- \* MICHAEL F. TRENTACOSTE OF THE FHWA. *Director, Office of Program Management.* "Has continuously planned, organized, and formed coalitions with other government agencies and the private sector to successfully implement highway and commercial vehicle initiatives in support of the safety and mobility mission of the Federal Highway Administration."

- \* BRUCE M. FINE OF THE FRA. *Associate Administrator for Safety*. "For designing and implementing a new approach to improve the safety of the nation's railroads. For reengineering the Office of Safety's methods of doing business with its customers to the degree that 1994 became the safest year in railroad history."
- \* HIRAM J. WALKER OF THE FTA. *Associate Administrator for Program Management*. "For his vigorous customer service program of paperless electronic grantmaking and management, grant oversight, and risk assessment. For expert negotiations to make intergovernmental programs involving the Federal Transit Administration more effective, all at lower resource cost."
- \* FRANK F. TUNG OF THE RSPA. *Deputy Director, Volpe National Transportation Systems Center*. "For his 25 years of superb technical and managerial leadership in air, ground, and marine transportation systems which has advanced safety, communications, navigation, and surveillance. For achieving exceptional organizational productivity at the Volpe Center."

# # # # #