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REMARKS PREPARED FOR DELIVERY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
HIGH SPEED GROUND TRANSPORTATION ASSOCIATION
1997 INTERNATIONAL CONVENTION AND EXPOSITION
LAS VEGAS, NEVADA
MAY 5, 1997

(Introduction to be made by Robert J. Dietz, Chairman of the High Speed Ground Transportation Association)

Thank you, Mr. Dietz, for that introduction -- and for your continuing hard work as chairman of the High Speed Ground Transportation Association.

I'm happy to join you all at your first meeting as the High Speed Ground Transportation Association -- a change which I assume will enable Craig Breedlove and his 700 mile-per-hour rocket car to apply for membership.

Seriously, I do want to congratulate you on a change which reflects the reality of the work you're doing to promote a balanced, intermodal transportation system -- one which is safer, more efficient, and less polluting.

That's President Clinton's overarching goal in transportation, and I'd like to begin my remarks this morning by bringing you greetings from him.

The President has demonstrated his support of high-speed ground transportation -- fighting for the funding Amtrak needs, upgrading the Northeast Corridor, making rail safety a national priority, and supporting high-speed rail.

Secretary Rodney Slater and Jolene Molitoris, our FRA Administrator, who is with us today, are working hard to carry out the President's commitment -- a commitment to making high-speed surface travel part of our national transportation system where it's viable.

They're building on a commitment which began with the U.S. Department of Transportation's founding 30 years ago. With work on the Northeast Corridor nearing completion over the next couple of years, we're closer to making full high-speed travel a reality than ever before.

Strong federal leadership is vital, but it can't by itself make high-speed ground transportation a reality in America. That's why this Association -- and this conference -- are so important.

You can help to create partnerships which bring together the private sector and all the levels of government -- federal, state, and local -- whose participation is necessary for us to achieve success.

We at the federal level are working hard to do our share, and this morning I want to talk about where we are and -- even more importantly -- where we want to go.

Some of you are familiar with our Commercial Feasibility Study of High-Speed Ground Transportation. The "overview" for this report was published last summer, and the main report is now being finalized.

The study focused on several technologies -- high-speed operations on existing railroads, such as the Northeast Corridor, electrified steel-wheel systems operating at up to 200 miles per hour, and MagLev systems operating at 300 miles per hour.

In essence, this study found that, for most of the corridors and technologies evaluated, future revenue streams could cover operating and maintenance expenses, continuing investment needs, and a portion of the initial capital investment.

Indeed, every technology had at least one feasible corridor, and every corridor had at least one feasible technology. We found that to be encouraging.

Of course, we're also doing more than studying: we're conducting technical research and supporting deployments. The core of these efforts is our Next Generation High-Speed Rail Program -- which -- after this conference -- we also may want to consider renaming.

This initiative is designed to lay the foundation for high-speed service in the future while we improve the safety and efficiency of today's operations.

For example, we're applying advanced information and communications technologies to transportation. Some of them -- such as the Air Force's Global Positioning Satellites -- originally were developed for defense purposes, but now guide civilian airliners and are being adapted for trains.

Other technologies are being created specifically for high-speed surface transportation.

Advanced train control systems such as positive train separation and speed control hold the promise of virtually eliminating collisions, overspeed derailments, and accidents involving rail workers and their equipment.

Their ability to brake trains to enforce speed restrictions or to avoid collisions will help to reduce the human factor in accidents, and that's a prerequisite for high-speed travel.

And -- while in the near term universal deployment of these systems may not be justified based on the high-speed safety benefits alone -- such systems could be invaluable today by increasing the effective carrying capacity of high-density passenger and freight corridors.

Prototypes of these technologies are being tested around the country using federal, state, and private funding.

In Michigan, regular hundred mile-per-hour service between Chicago and Detroit could begin later this year using an Incremental Train Control System.

In Illinois, a High Speed Positive Train Control system will be tested next year on a commuter rail line connecting to a Union Pacific corridor between Chicago and St. Louis.

Demonstration of Positive Train Separation technology on 800 miles of Union pacific and Burlington Northern Santa Fe track in the Pacific Northwest should be completed by the end of this year, and it's going to yield some valuable data. We're hoping to build on this test by linking Global Positioning Satellites with train locators.

And an interoperable Positive Train Control system is about to be tested by CSX, Norfolk Southern, and Conrail over an area covering parts of Pennsylvania, Maryland, and Virginia.

These projects exemplify the kind of partnerships that I mentioned earlier, bringing together not only the Department of Transportation but also Amtrak, freight railroads, state agencies, and high-tech companies.

Another area which is essential for high-speed service but which can yield benefits now is the reduction of highway-rail grade crossing hazards.

More than 600 Americans currently die in collisions at such intersections each year, and there's legitimate concern about how to conduct high-speed operations without eliminating grade crossings entirely.

That's what has been done on most of the Northeast Corridor, but it may not be feasible everywhere.

That's why we want to experiment with barrier systems that close crossings at the approach of a train, together with sensors that alert engineers if vehicles or other obstructions are on the tracks.

The information available from advanced train location and control systems can make these systems feasible and cost-effective, making travel safer and high-speed operations more likely to win the approval of the communities through which they must pass.

We're supporting several projects to test new approaches to reducing grade crossing hazards, such as North Carolina's "Sealed Corridor" concept, which uses innovative but low-cost techniques to identify risks at specific crossings.

Other initiatives have fewer direct benefits today, but are nonetheless vital as we prepare for high-speed operations tomorrow. We're focusing on research to produce a nonelectric, high-acceleration locomotive to run at high speeds without the cost of electrification.

The RTL-2 Turboliners operating at up to 125 miles per hour between Albany and New York are an example of this effort, as is the Advanced Locomotive Propulsion System being designed at the University of Texas through a joint federal-private venture and research on multiple flywheels being done at the University of Idaho.

Efforts to mitigate the effects of high-speed service on the environment and on neighboring communities are crucial: we have to ensure we don't substantially increase vibrations, noise, or pollution over the levels produced by conventional trains.

That's a part of each of the projects I've mentioned, as is work being done to produce "anti-noise" which offsets the noise waves produced by diesel engines.

Finally, our Next Generation program is focusing on tracks and signals, the infrastructure needed for high-speed operations: later this year we'll be demonstrating how such improvements can work through an upgrade of the Portland-Eugene Corridor in Oregon.

Almost all of these efforts are the result of partnerships, and such arrangements are the wave of the future. Our 1998 budget request continues our financial commitment to these efforts -- to the Next Generation program, to acquiring 150 mile-per-hour trainsets for Amtrak, to upgrading the Northeast Corridor.

The Northeast Corridor is, in fact, the most successful example of America's commitment to high-speed surface travel, accounting for about half of Amtrak's passengers nationwide.

We've invested about $3 billion in this corridor over the past two decades, upgrading deteriorated trackage, replacing signals, restoring the railbed, and purchasing new rolling stock.

The high-quality service that has resulted has enabled Amtrak to be competitive with air service in this heavily-traveled corridor, reducing the pressure on airports and air traffic control systems.

We're now in the process of continuing the Northeast Corridor's improvement, electrifying the final section to Boston and allowing Amtrak to use high-speed trainsets over the corridor's full length and to fully realize this technology's promise.

We also hope to continue our support of such new corridor initiatives as the Florida Overland Express, or FOX, which would establish high-speed rail connecting Orlando, Tampa, and Miami.

We've been helping the project sponsors to coordinate their efforts and to meet federal environmental and planning requirements.

Looking beyond the next year or so, we want to incorporate high-speed operations into the reauthorization of our federal surface transportation program.

The focus of this program has been on highways and transit, but it expires later this year, it needs to be reauthorized, and this is the opportunity to make it a truly intermodal program.

The President's proposal is called NEXTEA -- the National Economic Crossroads Transportation Efficiency Act -- and many of its provisions -- such as continued support of grade crossing improvements and eliminations and the Next Generation program -- support high-speed services.

NEXTEA would continue federal operating and capital assistance to Amtrak, and -- for the first time -- would provide that aid from a stable and continuing source, the Highway Trust Fund.

NEXTEA also would expand the flexibility of most of our funding programs to include publicly-owned high-speed rail infrastructure and other capital investments so that states could invest in projects which make sense for their own needs.

High-speed services also could benefit from the expansion of our existing state infrastructure bank programs.

SIBs, as these banks are known, use federal seed money to leverage private and other nonfederal resources for capital projects, and NEXTEA would establish a continuing source of funding -- $900 million over six years -- and allow all states to participate.

Finally, our proposed Infrastructure Credit Enhancement Program would offer credit support for major projects of national significance, especially those which cross state lines.

Under this program, NEXTEA funding could help private sponsors to lower the interest costs of construction-related debt, improving the economics of high-speed projects. Together, NEXTEA's proposals build on the foundation we've laid over the past several years.

I'd like to close my remarks by suggesting how you can help to make high-speed operations a reality.

First, I encourage you to follow our Next Generation High-Speed Rail Technology Development Program and how it's providing advanced technologies that can make such services more feasible in your own areas.

Second, I ask you to make your voices heard in the debates over NEXTEA, so that the federal government will be able to do its share in providing support for high-speed surface transportation into the next century.

All of this is so important. Americans long depended on the high-speed surface transportation epitomized by fast passenger and freight railroads to meet our mobility needs.

Sadly, the role of such first-generation high-speed services began to diminish at this century's midpoint, but we're now seeing its renaissance, and that's the foundation for the high-speed services of the new century.

We believe that rail operators, academics, and private entrepreneurs can -- *and should* -- work in partnership with government to ensure that we can meet our transportation challenges in the 21st century and beyond.

I congratulate you on coming together at this conference. Advocates like you can -- *and must* -- play an important role in this effort, helping us to develop the new high-speed services that will enhance America's mobility. We look to you to help us make this a reality.

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

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Christine McGoyer French EuBASS T 202 944.6097 F 202 944.6058

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REMARKS PREPARED FOR DELIVERY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
POTOMAC CONFERENCE IX
ANNAPOLIS, MARYLAND
MAY 6, 1997

(Introduction to be made by Susan J. Williams, President, Bracy Williams & Company)

Thank you, Ms. Williams, for that introduction -- and for your part in bringing together leaders from government and business to frame a vision for this region's future. I also want to thank Brit Kirwan and Michael Heyman for inviting me to speak to you this afternoon, and for their leadership of the Potomac Conference.

I'd like to start by bringing you greetings from President Clinton and Secretary Slater. The federal government has a clear interest in sustaining the prosperity and quality of life of this, our host region, and the President and Secretary are working hard to ensure that it's ready to meet the transportation challenges of the 21st century.

This afternoon I'd like to tell you about some of the things we have in mind to assist in maintaining the Potomac region's mobility and livability as we approach the new century.

Few -- if any -- of you doubt the importance of a comprehensive and efficient transportation system to this region: it's the key to prosperity and a high quality of life here, as in successful regions throughout the country.

As it has developed over nearly a generation, our multibillion dollar network of highways, HOV lanes, Metro, Amtrak and commuter rail, and bus services is the backbone of this region's transportation system -- the critical factor that saves us from gridlock most every day.

Even with the recent report that Washington ranks second nationally in congestion, this region -- and especially its core -- genuinely works from a transportation standpoint. However, the system does face severe challenges which threaten its long-term viability, and meeting those challenges is important to the region's agenda.

These problems go beyond just increases in population. Demographics and land use patterns are shifting. Changing lifestyles -- suburbanization -- and the shift of jobs from downtown Washington have combined to change travel patterns radically since our present transportation system was conceived a generation ago.

Some of the options laid out in the 1950s and '60s -- such as transit lines, highways, and arterials feeding into the central city -- aren't always the most efficient or cost-effective ways for people to get where they need to go in today's region.

When this happens, people are going to choose other options. In our cities, that can cause a spiral of falling transit ridership and declining revenues followed by fare increases and service cuts.

In our suburbs, it can mean congestion on arterials and residential streets which weren't designed to handle the levels of traffic they're now carrying.

Growing congestion on our streets and highways would strangle economic growth and devastate our quality of life. And an unraveling of the Metro system which every day carries hundreds of thousands of Washingtonians, Virginians, Marylanders, and visitors to the region would be a catastrophic loss.

The conventional answer to these problems -- new or bigger highways -- doesn't always work. And, at costs of up to $40 million a mile -- even more in urban settings -- it isn't always affordable in an era of limited public resources.

Nor is massive new highway construction likely from a public-policy standpoint. Many of the roads planned a generation ago weren't built not because freeway funds were reallocated to Metro construction but because strong local opposition stemming from environmental or other quality-of-life concerns made transit the viable solution.

And, as much as some may want to denounce these attitudes as "NIMBYism," we have to respect people's right to influence decisions which affect their lives. What we do need to assure is that all of the consequences of these decisions are understood.

Another concern is the continued success of our MetroRail system.

Even as we work to complete the core 103-mile system, Metro's infrastructure and rolling stock -- in service for two decades -- are aging and will need to be overhauled or replaced. That's also true of Metro's buses and the facilities that support them.

I can speak from experience when I say that failing to maintain a transit system's facilities and equipment is the quickest way to ensure poor performance and a drop-off in ridership. And as I found when I went to the MTA in New York in the early 1980s, rebuilding from such a decline is a long, slow process.

Metro's done a good job of keeping its system in repair, but you can only go so far without major reinvestment -- and parts of our system are approaching that point.

Road and rail problems of this magnitude may seem overwhelming, but other areas have faced them -- and are solving them.

In Portland, Oregon, state and local governments, supported by forward-thinking leaders in the business community, established an "urban growth boundary" in the 1970s to focus development in agreed-upon areas, forestalling sprawl.

They supported that by emphasizing a mix of uses and a pedestrian-friendly environment in the downtown, and by capping downtown parking and greatly expanding transit to provide alternatives. We've supported that decision with funding for Portland Metro extensions that are based on planned densities.

In San Diego, citizens' initiatives to prevent sprawl led to a growth management plan and guidelines for transit-oriented development supported by a ½ cent regional sales tax to support transportation.

San Diego also is experimenting with "HOV buy-ins" which enable single-occupant cars to use surplus HOV lane capacity -- with the proceeds going to support transit. We've supported this decision with changes to our long-standing policy on HOV lanes.

Phoenix established 11 urban villages focused on pedestrian access and passed a ½ cent sales tax to support highways and transit.

To enable Phoenix to better manage its existing capacity, we named it as one of four intelligent transportation systems model deployment sites. That will enable the region to use advanced information and communications technologies to make travel both safer and more efficient.

And in Houston, the Chamber of Commerce worked with government to put together a sound regional plan funded by bonds, local and state taxes, and toll roads, with a mobility agency at the core of implementation.

This plan's implementation dramatically reduced travel times and increased transit ridership, and has laid the foundation for the broad use of intelligent transportation systems. We've supported this plan with unusual flexibility in the use of transit and highway funds.

In addition to specific tactics, what can we learn from these areas' response to their transportation problems?

In each case, state and local officials -- together with business and community leaders -- recognized that a problem existed and were willing to provide strong direction by marshaling additional resources, implementing sometimes-controversial policies, and bringing about regional consensus.

Each region recognized that transportation problems are broader than simple congestion -- that land use and urban design are at the heart of transportation issues, along with access to jobs, employees, housing, education and health care, and air and water quality.

They recognized that capacity increases aren't the only solutions we need to consider. They realized that the existing transportation infrastructure needs to be better operated and managed through intelligent transportation systems and similar initiatives.

They were willing to provide strong state and local government and private sector financial support for solutions which work.

They adopted a regional -- intermodal -- and interdisciplinary perspective, understanding that congestion and other transportation problems can't be addressed in isolation.

Finally, they understood that we have to continue investing in our roads, but that construction can't be our only strategy.

They recognized that they had 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.

The need to address important questions led these areas to some creative thinking on methods of finance and institutions that can meet their needs -- much as the airport crisis here led to the Metropolitan Washington Airports Authority and the great promise of the expanded National and Dulles airports.

And the development of creative local solutions has brought parallel creativity in the application of federal resources, just as we've seen in the case of our airports.

Today and tomorrow you'll be discussing a variety of issues, and nothing will be settled overnight -- except, I hope, you do reach broad agreement that we face problems and that now isn't too soon -- or too late -- to begin solving them.

Under President Clinton's leadership, we stand ready to do our part.

We want to build on the federal-state-local-private partnership that, decades ago, started us on a path to build one of America's most outstanding regional transportation systems.

Through federal-aid programs, the federal government supported the construction of interstate highways such as I-95, I-66, and I-270, and a network of linked local highways and arterials. Our highway investment has included what will become an integrated, 240-mile HOV system to promote ridesharing and transit use.

The federal government built -- and continues to operate and maintain -- the region's extensive system of parkways -- the Baltimore-Washington, George Washington, Suitland, Clara Barton, and Rock Creek parkways -- and we continue to improve them *as parkways* -- contributing to the safe movement of traffic without sacrificing the special qualities that make them a key part of this region's landscape.

The federal government, in a commitment made nowhere else in the nation, built the Woodrow Wilson Bridge.

And the federal government has supported the $10 billion MetroRail system, by far the largest amount invested in new transit capacity anywhere in the country.

We've stepped up to the plate before, and we're going to do it again. Let me tell you several things we in the federal government will do.

First, we'll work with Congress to sustain the federal commitment to fast-track completion of the 103-mile core MetroRail system. Now -- when this system is nearly finished -- is not the time to pinch pennies by stretching out construction.

Second, we'll work proactively to use the innovative financing techniques made possible by the President's Partnership for Transportation Investment.

These strategies have cut red tape and tapped new sources of funding to accelerate more than $4.5 billion in transportation projects around the country -- including more than a billion dollars of new financing over and above that available through conventional financing.

Other highway and transit agencies around the country are already using these strategies to cut red tape -- to attract private investment -- and to speed up projects, and we want the Potomac region to benefit from them as well so that we can stretch the available funds.

Although it wasn't an official part of the Partnership program, MetroRail's fast-track program was one of our first ventures in cooperative transportation finance and exemplifies the kind of result we want to achieve.

Third, we want to move forward with the President's proposal for an extraordinary level of assistance for the District of Columbia, essentially taking over responsibility for the construction and maintenance of the National Highway System within the District, just as states do in urban areas around the country.

We're already working with the D.C. government to develop a six-year plan for capital and operational improvements throughout the District.

Such a commitment is vital: as other areas have found, overall regional prosperity rises or falls with the fortunes of the central city. Even with post-war suburbanization, our cities and their suburbs are linked -- economically, culturally, and socially. One can't succeed without the other.

Fourth, we're working to help the region develop an integrated intelligent transportation system. By better managing today's infrastructure, these systems can cut by 35 percent the cost of providing the highway capacity we need over the next decade.

Some of this system's more basic elements are already in place around the region -- ramp metering, traffic information displays, synchronized traffic signals -- but not all jurisdictions have them, nor are they interoperable.

We need to have a system which includes the full range of transportation technologies, and which stretches across the entire Potomac region.

This isn't as far from reality as it may seem. In just two months, a basic regional traveler information project will open, and it'll provide real-time data on traffic conditions. We'll work with you to build on such early steps and implement a full, region-wide system.

Finally, we'll fight to continue the federal commitment to meeting this region's transportation needs as we reauthorize our federal highway and transit programs.

The President's proposal for reauthorization, the National Economic Crossroads Transportation Efficiency Act, or NEXTEA, will continue our support for the continuing capital needs of Metro, highways, and other key regional facilities.

We also want to give state and local officials the flexibility to use innovative strategies geared to today's realities. such as intelligent transportation systems and telecommuting.

This issue will be the subject of a great national debate as reauthorization moves ahead later this year, and I hope you'll make your voices heard in support of continuing the federal commitment to meeting this region's transportation needs.

But -- in transportation as in politics -- all issues ultimately are local, and we all have a responsibility to see that the nation's capital is a model of 21st-century mobility.

That's why we want to work with you to explore the range of options available and to carry out the ones selected. We'll do this through efforts such as this one -- the MetroBus study begun in January -- and through the metropolitan planning process conducted by the Washington Transportation Planning Board. We encourage you to become fully involved in all of these efforts.

Regardless of what specifics these analyses identify as making the most sense, it's an opportunity for a win-win proposition, and it's clear who the winners will be: the people of the Potomac region, who will have better transportation and more economic growth -- without congestion and pollution.

We're proud to have been your partners in making Washington one of America's model centers of transportation, and we look forward to creating the next generation of this partnership.

Our commitment is powerful evidence that President Clinton believes that -- when it comes to transportation -- this region is one that's on the right track. Thank you, and good luck.

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6.30

STATEMENT OF DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
BEFORE THE SENATE APPROPRIATIONS COMMITTEE
SUBCOMMITTEE ON TRANSPORTATION
WASHINGTON, D.C.
MAY 7, 1997

Mr. Chairman, Members of the subcommittee: thank you for the opportunity to testify on President Clinton's proposals for funding transportation infrastructure and services. I also have a written statement which, with your permission, I'd like to submit for the record.

Before I begin my testimony, I want to thank this subcommittee and the full Appropriations Committee for your prompt action on our request for emergency aid to the states devastated by this year's floods. The efforts we've made together in these and other disasters have provided vital relief to hundreds of thousands of Americans, and hastened their recovery.

Disasters such as this spring's floods make it clear how much we depend on sound transportation. That's why President Clinton has worked with Congress to increase federal investment in transportation infrastructure and services to record levels, even as we move towards a balanced budget.

However, the President also recognized that federal funding alone cannot meet all of our needs, and conceived a set of strategies to make the most of federal resources by cutting red tape and leveraging greater nonfederal investment.

The first step was the Partnership for Transportation Investment, which attracted new sources of funding and sped up project construction. This experimental program has accelerated 74 surface transportation projects by an average of 2.2 years and generated $1.2 billion in new, nonfederal investment.

The Partnership's success showed innovative financing's potential, and -- in the National Highway System Designation Act -- made many of its experimental strategies part of our routine way of doing business.

The NHS Act also made a reality of our proposal for State Infrastructure Banks, which will use federal seed money to provide loans and credit enhancements to highway and transit infrastructure projects. As these loans are repaid or the financial exposure implied by credit enhancements expires, funds will be available for additional cycles of projects.

Banks in the 10 pilot states are only now beginning operations, so there's limited experience with them, but we believe that they can leverage nonfederal funds at rates up to four-to-one. We're now considering applications from 29 states for additional banks, and expect to make decisions on them shortly.

The President's proposed 1998 budget and NEXTEA, his proposal for the reauthorization of federal surface transportation programs, carry us to the next generation of innovative financing.

They would continue supporting State Infrastructure Banks by providing $150 million annually in seed money, and would provide $100 million annually for a new Transportation Infrastructure Credit Enhancement Program to secure debt financing for nationally-significant projects.

Finally, NEXTEA would provide, for the first time, a stable source of funding for Amtrak as it moves towards operating self-sufficiency. We want to provide direct funding for Amtrak from the Highway Trust Fund, and give states the flexibility to use part of their federal funding apportionments for Amtrak infrastructure.

Our commitment to developing new ways to pay for infrastructure and services isn't limited to surface modes. We're also committed to adequately financing our aviation system's needs.

We want to work with Congress and with the new National Civil Aviation Review Commission to establish reliable, long-term funding for the FAA so it can continue to provide the services our aviation system needs.

In the meantime, Congress has authorized us to charge for air traffic services provided to those flying through our airspace but not using a U.S. airport, and these fees become effective on May 19.

I recognize that the Senate Appropriations Committee added language in the Emergency Supplemental Appropriations bill that would limit our authority to impose these fees, and we look forward to working with Congress on this issue.

We also propose to collect an additional $300 million in new fees next year under the President's 1998 budget.

We're also exploring new ways to fund airport infrastructure.

Last year, Congress authorized airport development projects using new financial techniques, much in the way that the Partnership for Transportation Investment set the stage for innovative finance in the surface modes.

We soon will select five innovative financing projects from around the country for formal applications under the Airport Improvement Program.

The proposed projects include the construction of a safety-related building -- new runways to provide additional capacity -- and mitigation of airport noise, and each of the three innovative financing mechanisms authorized -- payment of interest, credit enhancement, and flexible nonfederal share -- would be tested by at least one of the proposals.

Let me conclude my statement by reiterating our belief that these initiatives for surface transportation and aviation will help give us the infrastructure and the equitable and efficient funding of services we need for a world-class transportation system in the 21st century.

The partnership we've forged with Congress to make possible these innovations has been a successful one, and we look forward to continuing to work with Congress in the coming months to build on the progress we've made so far. Thank you.

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6.29

DRAFT

REMARKS PREPARED FOR DELIVERY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
ENO TRANSPORTATION FOUNDATION, INC.
FIFTH ANNUAL LEADERSHIP DEVELOPMENT CONFERENCE
WASHINGTON, D.C.
MAY 7, 1997

(Introduction to be made by Damian J. Kulash, President and Chief Executive Officer, Eno Transportation Foundation, Inc.)

Thank you, Damian, for that introduction. I also want to thank you -- and the Eno Foundation Board of Regents -- for inviting me. I've participated in this program several times, and it's always a pleasure to do so. It helps to develop tomorrow's pacesetters in transportation, and I'm happy to assist in any way I can.

This afternoon I'd like to talk about ISTEA and NEXTEA.

ISTEA, as you all know, is the Intermodal Surface Transportation Efficiency Act of 1991, which authorizes federal transit, highway, and safety programs through this October.

NEXTEA is the National Economic Crossroads Transportation Efficiency Act of 1997, and it's President Clinton's proposal to continue many of ISTEA's programs and introduce new ones to meet the challenges of the new century.

ISTEA was a landmark that redefined the federal role in surface transportation -- a bipartisan effort to rebuild infrastructure -- to develop new technologies -- and to improve safety.

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

From the colonial post roads -- to the canals that expanded our frontiers -- to the railroads and Interstate Highways that linked a growing country -- transportation has opened up new markets and enabled the quick, economical movement of people and goods that has powered America's growth.

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

Businesses, faced with growing competition at home and around the world, rely on effective transport to control costs and make possible such logistical innovations as intermodalism and "just-in-time" deliveries. They can't afford the expenses imposed by inefficient transportation.

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

Nor should we have to endure the costs and disruptions that inefficient transportation imposes on our own lives. We depend

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

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

Overcrowded roads and other deficiencies also risk our safety. More than 40,000 people die on our highways each year and millions more are injured at a societal cost of $150 billion annually.

Transportation, like all human activity, also affects the natural environment. Efforts to mitigate those impacts and improve air and water quality and protect open space have been remarkably successful, but have to be continued -- and, in some cases, expanded as we better understand how transportation affects the environment.

ISTEA gave us the tools to meet all of these challenges -- and President Clinton and the Department of Transportation -- first under Secretary Peña and now under Secretary Slater -- have pushed the envelope to fully take advantage of these opportunities. We want NEXTEA to build on these successes.

NEXTEA will continue the President's commitment to investing in our infrastructure, increasing overall transportation

funding by 11 percent over ISTEA's record levels. In fact, 49 of the 50 states would receive more funding under NEXTEA than under ISTEA.

That includes raising funding authorizations for new mass transit lines by 17 percent and expanding by 30 percent such core highway programs as Interstate maintenance.

NEXTEA also expands the federal commitment to implementing ITS -- the intelligent transportation systems program that was created by ISTEA.

In metropolitan areas, these advanced information and communications technologies can cut by 35 percent the cost of providing the highway capacity we need over the next decade.

NEXTEA includes a research component which would support ITS deployment through standards development, training, and technology transfer. We've proposed $678 million over the next six years for such initiatives.

In addition to making all ITS investments eligible in all relevant funding categories, we've also included a six-year, $600 million incentive program to promote the rapid *and integrated* deployment of ITS infrastructure technologies that are technically feasible and highly cost-effective.

These infrastructure and technology investments would reduce the $50 billion a year that congestion costs commuters

and freight shippers. There's also an even more direct economic benefit: the construction and other work generated by this plan would create nearly one million jobs over the next six years.

Our transportation system isn't just about moving people and products efficiently, as important as that is to our prosperity: it's also about enabling people to travel safely.

Travel is safer than it was at the beginning of the decade, but as traffic increases, so does the possibility of more highway crashes.

The President's proposal would increase highway safety funding authorizations by more than 25 percent, and support new programs targeted to the biggest safety payoffs: combating drunk and drugged driving and increasing proper use of safety belts and child restraints.

NEXTEA also would protect the environment. Together with cleaner vehicles, programs such as CMAQ -- the Congestion Mitigation and Air Quality Improvement Program -- have helped to improve air quality.

In 1990, 140 million Americans lived in areas which failed to meet standards for healthful air. That number dropped to 64 million last year -- still too many, but a big improvement.

However, as with highway safety, more traffic threatens the progress we've made. More cars -- even if they are cleaner cars

-- can mean more pollution. That's why we have to continue -- and even expand -- the efforts which have brought us this far.

NEXTEA increases by 30 percent funding for CMAQ, which helps communities use innovative transportation initiatives to clean up their air -- everything from high-speed ferries in Rhode Island to freight barges which take hundreds of trucks off of New York City's streets each day.

NEXTEA also continues investment in bicycle paths, scenic byways, recreational trails, and other programs which cost relatively little but which greatly improve the quality of our lives.

The President's plan would help to reduce the barriers faced by those moving from welfare rolls to payrolls by giving them affordable transportation to jobs, training, and support services such as child care. That's important, since two-thirds of new jobs are in the suburbs and few welfare recipients own cars.

So NEXTEA includes a six-year, $600 million program of flexible, innovative alternatives, such as vanpools, to get people to where the jobs are.

NEXTEA also continues the commitment to common-sense government we've been bringing to government over the past several years.

It expands our innovative financing program, which cuts red tape to speed up projects and attracts new sources of funding to supplement traditional federal grants.

Under ISTEA, the ground-breaking Partnership for Transportation Investment has advanced 74 projects an average of about two years ahead of schedule, and has generated more than a billion dollars in new capital investment directly attributable to this program.

NEXTEA builds on this by including $900 million in seed money for state infrastructure banks, which leverage private and other nonfederal resources, and opens this program up to all states.

It also dedicates $600 million to help leverage nonfederal resources for projects of national significance which individual states can't afford, such as interstate trade corridors. That's something which would have fallen between the cracks in the past, when we didn't try to coordinate transportation between states or between different transportation modes.

NEXTEA continues to cut federal bureaucracy -- simplifying planning processes -- streamlining programs -- and reducing project reporting and certification requirements.

We know that we've got to trust our partners in state and local government and the private sector instead of burdening them with red tape.

When we were developing NEXTEA, we asked our transportation partners and our constituents -- the American people -- what it should include.

In scores of public meetings around the country they told us that we should continue the many federal programs which are working -- refine those which haven't yet fully realized their promise -- and create new initiatives to meet the challenges of the new century.

We listened, and we learned, and in NEXTEA we've produced a plan which can take America's transportation system into the 21st century.

We're looking forward to working with Congress to make it a reality, and we're optimistic that we can sustain the bipartisan cooperation which gave us ISTEA.

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

I want to thank you for your attention. And now, I'd like to hear what you think about ISTEA and transportation more generally, and answer any questions you may have...

# # # # #

REMARKS PREPARED FOR DELIVERY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
WOMENS TRANSPORTATION SEMINAR 20TH ANNIVERSARY CONFERENCE
BALTIMORE, MARYLAND
MAY 8, 1997

(Introduction to be made by WTS National President Lucy Garliauskas)

Thank you, Lucy, for that introduction. You all probably know that Lucy is a key player in our DOT program, and we're proud that she's also found time to serve as WTS's President.

WTS, in fact, is just the kind of professional activity we strongly encourage our employees to participate in, since it improves their ability to do their job of serving the American people. 20 years of WTS's producing leaders in government and industry are solid evidence of its importance to our profession.

The value we attach to WTS is why I and other DOT officials -- such as Jane Garvey and Jolene Molitoris -- serve on your National Advisory Board. I've been a member of and personally worked with WTS for many years, and look forward to continuing that association in the years to come.

This afternoon I'm honored that you've invited me to speak to you, and I'd like to talk to you about the most significant legislative issue facing transportation today: ISTEA and NEXTEA.

ISTEA, as we all know, is the Intermodal Surface Transportation Efficiency Act of 1991, which authorizes federal transit, highway, and safety programs, but only through this October.

NEXTEA is the National Economic Crossroads Transportation Efficiency Act of 1997, and it's President Clinton's proposal to continue many of ISTEA's programs and introduce new ones to meet the challenges of the new century.

ISTEA was a landmark that redefined the federal role in surface transportation -- a bipartisan effort to rebuild infrastructure -- to develop new technologies -- and to improve safety.

And while ISTEA was a major step forward, it actually was based on a long tradition of government support for transportation.

From the colonial post roads -- to the canals that expanded our frontiers -- to the railroads and Interstate Highways that linked a growing country -- and the air and maritime systems that link us to the world -- transportation has opened up new markets and enabled the quick, economical movement of people and goods that has powered America's growth.

Transportation's role will only increase in the future as the national economy becomes more fully integrated and as America plays its part as a leader in the larger global economy.

Smart businesses, faced with growing competition at home and around the world, rely on effective transport to control their costs and make possible such logistical innovations as intermodalism and "just-in-time" deliveries. They can't afford the expenses imposed by inefficient transportation.

But the systems they depend on face growing travel demand -- inadequate capacity -- bottlenecks and poor connections between different forms of transportation -- and an aging and deteriorating infrastructure. These conditions, if left unchecked, will slow economic growth and reduce our international competitiveness.

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

When these systems don't work the way we should, we pay the price in lost time -- higher prices -- or diminished opportunities. In fact, highway congestion in the nation's 50 largest cities alone costs us $50 billion a year.

Overcrowded roads and other deficiencies also risk our safety. While we have made great progress in reducing the rate of highway fatalities, we still have an unacceptable situation.

More than 40,000 people die on our highways each year and millions more are injured at a societal cost of $150 billion annually in medical care costs, lost wages, and other factors.

Transportation, like any human activity, has its effect on the natural environment. Efforts to mitigate those impacts and improve air and water quality and protect open space have been remarkably successful, but have to be continued -- and, in some cases, expanded as we better understand how transportation affects the environment.

ISTEA gave us tools to meet all of these challenges -- and President Clinton and the Department of Transportation -- first under Secretary Peña and now under Secretary Slater -- have pushed the envelope to fully take advantage of these opportunities. We want NEXTEA to build on these successes.

NEXTEA -- as submitted to the Congress -- would continue the President's commitment to investing in our infrastructure, increasing overall transportation funding by 11 percent over ISTEA's record levels.

Last week's budget agreement with Congress will further enhance these levels. In fact, 49 of the 50 states would receive more funding under NEXTEA than under ISTEA.

The NEXTEA proposal would raise funding authorizations for new mass transit lines by 17 percent and expands by 30 percent such core highway programs as Interstate maintenance.

NEXTEA also expands the federal commitment to implementing ITS -- the intelligent transportation systems program that was created by its predecessor.

In metropolitan areas, these advanced information and communications technologies can cut by 35 percent the cost of providing the highway capacity we need over the next decade.

NEXTEA includes a research component which would support ITS deployment through standards development, training, and technology transfer. We've proposed $678 million over the next six years for such initiatives.

In addition to making all ITS investments eligible in all relevant funding categories, we've also included a six-year, $600 million incentive program to promote the rapid *and integrated* deployment of ITS infrastructure technologies that are technically feasible and highly cost-effective.

These infrastructure and technology investments would reduce that $50 billion a year burden that congestion costs commuters and freight shippers.

And there's also an even more direct economic benefit: the construction and other work generated by this plan would create nearly one million jobs over the next six years, and we would expect the NEXTEA investment to continue stimulating economic growth in the way that our past investments have done.

For example, a recent FHWA study shows a 16 percent rate of return on our highway investments during the 1980s, measured in terms of reduced production costs for businesses. That's the kind of efficiency improvements we need if we're going to remain competitive.

Now, our transportation system isn't just about moving people and products efficiently, as important as that is to our prosperity: it's also about enabling people to travel safely.

Travel is safer in terms of fatality and injury rates than it was at the beginning of the decade -- or at the beginning of DOT's life in 1967 -- but as traffic increases, so does the possibility of more highway crashes.

The President's proposal would increase highway safety funding authorizations by more than 25 percent, and support new programs targeted to the biggest safety payoffs: combating drunk and drugged driving and increasing proper use of safety belts and child restraints.

NEXTEA also would protect the environment. Together with cleaner vehicles and cleaner fuels, programs such as CMAQ -- the Congestion Mitigation and Air Quality Improvement Program -- have helped to clean our air.

In 1990, 140 million Americans lived in areas which failed to meet standards for healthful air.

Our efforts under the Clean Air Act caused that number to drop to 79 million in 1995 -- still too many, but a big improvement.

However, as with highway safety, more traffic threatens the progress we've made. More cars -- even if they are cleaner cars -- can mean more pollution. That's why we have to continue -- and even expand -- the efforts which have brought us this far.

NEXTEA increases by 30 percent funding for CMAQ, which helps communities use innovative transportation initiatives to clean up their air -- everything from high-speed ferries in Rhode Island to freight barges which take hundreds of trucks off of New York City's streets each day.

NEXTEA also continues investment in bicycle paths, scenic byways, recreational trails, and other enhancement programs which cost relatively little but which greatly improve the quality of our lives.

The President's plan would help to reduce the barriers faced by those moving from welfare rolls to payrolls by giving them affordable transportation to jobs, training, and support services such as child care.

That's important, since two-thirds of new jobs are in the suburbs and few welfare recipients own the cars that would get them to those jobs.

So NEXTEA includes a six-year, $600 million program of flexible, innovative alternatives, such as vanpools, to get people to where the jobs are -- and to make transportation a relevant partner in this national commitment.

NEXTEA also continues the commitment to common-sense government we've been bringing to government over the past several years.

It expands our innovative financing program, which cuts red tape to speed up projects and attracts new sources of funding to supplement traditional federal grants.

Under ISTEA, the ground-breaking Partnership for Transportation Investment has advanced 74 projects an average of about two years ahead of schedule, and has generated more than a billion dollars in new capital investment directly attributable to this program.

NEXTEA builds on this success by including $900 million in seed money for state infrastructure banks, which leverage private and other nonfederal resources, and opens this program up to all states.

It also dedicates $600 million to help leverage nonfederal resources for projects of national significance which individual states can't afford, such as interstate trade corridors.

That's something which would have fallen between the cracks in the past, when we didn't try to coordinate transportation between states or between different transportation modes.

NEXTEA continues to cut federal bureaucracy -- simplifying planning processes -- streamlining programs -- and reducing project reporting and certification requirements.

We know that we've got to trust our partners in state and local government and the private sector instead of burdening them with red tape.

We want to enable them to use their federal funding apportionments in the ways that make sense for their own needs. For example, NEXTEA would allow them to invest in Amtrak infrastructure or in publicly-owned intercity rail terminals, supplementing the continued federal commitment.

When we were developing NEXTEA, we asked our transportation partners and our constituents -- the American people -- what it should include.

In scores of public meetings around the country they told us that we should continue the many federal programs which are working -- refine those which haven't yet fully realized their promise -- and create new initiatives to meet the challenges of the new century.

We listened, and we learned, and in NEXTEA we've produced a plan which can take America's transportation system into the 21st century.

We're looking forward to working with Congress to make it a reality, and we're optimistic that we can sustain the bipartisan cooperation which gave us ISTEA and the intermodal cooperation that made ISTEA work within the DOT and with its partners.

Let me close my remarks by hoping that all of you make your voices heard in the debates over ISTEA reauthorization.

We need the informed views of professionals such as yourselves if we're going to have policies and programs which can provide future generations with a transportation system which is even safer, more environmentally sound, and more efficient than today's. We're looking forward to hearing from you in the days and months ahead.

Thank you for your attention, and best wishes for a successful conference.

# # # # #

U.S. Department of Transportation

TRANSPORTATION TRENDS

REMARKS PREPARED FOR DELIVERY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
INTERNATIONAL CONFERENCE ON COMMUNICATIONS-BASED TRAIN CONTROL
WASHINGTON, D.C.
MAY 13, 1997

Thank you, Bob, for that introduction. I'd also like to thank you and *Railway Age* for joining with Bob O'Neill and De Leuw, Cather to sponsor what I view as a genuinely valuable conference.

When I spoke to this conference two years ago, another speaker posed the question: "communications-based train control -- evolution or revolution"? The title of this year's conference, "Implementing the Revolution," answers that question.

We're proud to be your partners in making this revolution a reality -- one which will make urban and intercity passenger and freight transportation safer and more efficient. Before I begin my remarks, I'd like to announce another step in this revolution.

I'd like to ask Joe Noffsinger of Conrail, R. M. Kadlick of CSX, and Gerry Sniffen of Norfolk Southern to join me.

Among the most promising technological initiatives are those classified as positive train control -- systems which use digital radio communications links, onboard computers, and automatic location systems to control the speed and spacing of trains.

These systems have enormous potential for improving both the safety and efficiency of train operations, and we've been forming partnerships with the rail industry to accelerate their development. This morning I'm pleased to announce another such partnership.

(More)

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

We're awarding $500,000 to Conrail for the first phase of a universally-compatible, cost-effective positive train control system between Harrisburg, Pennsylvania and Manassas, Virginia. This first phase of the project will design the locomotive-based technology needed for positive train control.

Although this grant is to Conrail, CSX and Norfolk Southern, which operate trains over this same corridor, will participate fully in this effort, and will equip some of their locomotives for testing. We're pleased that all three of the major eastern railroads will be part of this important project, and I thank them for their contributions.

I also want to acknowledge the efforts of Senator Arlen Specter and Congressman Frank Wolf, who were instrumental in providing the funding for this project.

Now, before I present Joe Noffsinger of Conrail with this check for $500,000, I'm going to sign it to make it official...

Joe, on behalf of President Clinton, I'd like to present you with this check for the first phase of the train control project. We're looking forward to working with you, with CSX, and with Norfolk Southern to make it happen.

Let me emphasize to you all the significance of the commitment that Conrail, CSX, and Norfolk Southern have made this morning. We're looking forward to seeing real progress over the coming months, progress that will improve safety and yield real business benefits for the industry.

Over the past four years we at the federal level have worked to develop and deploy the next generation of train control systems. All of our surface transportation modal administrators: Gordon Linton of the FTA; Ric Martinez of NHTSA; Jolene Molitoris of the FRA; and Jane Garvey, our acting FHWA administrator, have cooperated in an intermodal effort to move us towards achieving three national goals:

First, increasing safety.

Second, increasing our rail system's ability to meet demands for freight shipment.

Third, making possible high-density public transit and high-speed intercity passenger rail.

The first, and most important, of these goals is safety, our highest transportation priority. Over the past two decades rail safety has improved, even as we have seen growing traffic produced by freight rail's renaissance. As this growth continues, so too must improvements in safety. If we don't continue to ensure the safety of the traveling public, of transportation industry workers, and

of the residents of nearby communities, we risk losing the public consent which makes possible increases in operations.

We have to act now, so that the growth in rail traffic can benefit all of us, rather than increasing risks and safety hazards. We can make improvements through public education, through sensible, cooperatively-developed regulations, and through advances in technology.

Technological advances such as communications-based train control systems can virtually eliminate collisions and overspeed derailments, braking trains when necessary to enforce speed restrictions or to avoid collisions.

And, while in the near term deployment of these systems may not be justified everywhere based on the safety benefits alone, such systems could be invaluable in heavily-congested corridors, lines with hazardous materials shipping, or lines that share rights-of-way with passenger services.

Prototypes of these technologies are being tested around the country using federal, state, and private funding. I've already mentioned the interoperable positive train control system that will be tested by CSX, Norfolk Southern, and Conrail.

In Michigan, regular hundred mile-per-hour service between Chicago and Detroit could begin later this year using an incremental train control system.

In Illinois, a high-speed positive train control system will be tested next year on a commuter rail line connecting to a Union Pacific corridor between Chicago and St. Louis.

Demonstration of positive train separation technology on 800 miles of Union Pacific and Burlington Northern Santa Fe track in the Pacific Northwest should be completed by the end of this year, and it's going to yield some valuable data. We're hoping to build on this test by linking global positioning satellites with train locators.

And the Alaska Railroad will be the first to completely equip its service with positive train control, with completion in another two years.

We want to evaluate these projects to determine those situations in which communications-based control systems are most useful, and then developing, and promoting, standards for their deployment. The result will be safer railroads and the resulting potential for rail to do its part in meeting the growing demand for efficient freight and passenger operations.

The second reason for these systems is to help railroads to meet the growing need for freight movement. In the post-Staggers era, shippers are finding railroads to be an efficient way to move products. This demand is more than some railroads can handle after a half-century of service

rationalizations have reduced capacity. They're using every available strategy to manage this demand: using double-stack cars, adopting advanced car management techniques, and expanding trackage, passing sidings, and terminals.

Communications-based train control systems offer the potential to increase the rail system's effective capacity so it can continue to absorb growing traffic. It gives the rail industry a competitive response to the logistical flexibility that intelligent transportation systems are bringing to competitors in other modes.

For example, by eliminating the need for the fixed-length blocks and signals that have been the basis of rail traffic management for a century, positive train control systems can maintain flexible blocks, safely enabling more trains to operate.

The benefits of this aren't limited to freight. Indeed, increasing effective capacity is one of the reasons for work being done by San Francisco's BART using federal defense conversion funding. BART will be able to increase the number of trains it can operate on its rapid-rail system, providing better service to its customers.

Increases in effective capacity are also the reason for investment projects in older transit systems such as New York's, where reduced headways mean better service for riders. At the same time, modern technology can mean lower maintenance costs for operators.

The more advanced systems also are going to improve train management, letting dispatchers know exactly where a train, and its cargo, is at all times. That's going to enable more precise operations and better planning, improving everything from fleet utilization to customer service and improving efficiency for both shippers and carriers.

The final reason we support these new control systems is that they lay the foundation for the transit systems and high-speed passenger rail services of the future.

As with freight, the demand for passenger transportation is increasing rapidly, in some cities, beyond what roads and airports can handle. Expanding this capacity is extraordinarily expensive. Moreover, lack of public support, especially in urban areas, for more motor vehicle or airplane traffic is a significant obstacle to new construction. New or expanded passenger rail services on existing rights-of-way are a viable alternative, and we're strongly supporting them -- whether for transit, commuter, or intercity services.

These rights-of-way are priceless assets, and we need not only to preserve them, but to maximize their use.

(More)

And when we're speaking of intercity services, we mean not only today's Amtrak -- but tomorrow's high-speed rail as well. And I do mean tomorrow: RTL-2 Turboliners are operating at 125 miles per hour between Albany and New York, and 150 mile-per-hour American Flyers will be running between Washington and Boston in two years.

We've supported Amtrak's enhancement of its current automated train control system, recognizing that safely operating trains at these speeds in high-density, mixed-use corridors demands continuous, automatic oversight. Next-generation systems can provide the controls needed, and we're promoting research of how they can enable freight and high-speed passenger services to safely operate together.

For all three of the reasons I've described, communications-based train control systems are a sound investment. For us, they're the forerunners of a new generation of communications- and information-based technologies that will transform transportation.

Like other such systems -- intelligent transportation systems for highways and transit, global positioning systems for aviation, and maritime location determination systems -- communications-based control systems draw on modern technology to increase transportation's safety and efficiency.

That's important, because efficient freight movement is essential for national economic growth. Intercity rail service is indispensable to the relief of congested airports and Interstate Highways. And commuter rail and mass transit are necessary to reduce local road congestion and air pollution. Achieving these goals is vital to America's economic prosperity and quality of life, and we support the growth in rail service required to achieve them.

Communications-based control systems will ensure that rail can manage this increased traffic, and play a key role in the national transportation system of the future. We're committed to working with industry and with our state and local partners to make possible the widespread deployment of these systems. This conference is another step in doing this. Let me conclude this morning by thanking you for your efforts to make communications-based train control systems a reality and for your attention today, and by wishing you well in your work.

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(In his remarks, the Deputy Secretary referred to Robert P. DeMarco, Publisher of Railway Age*; Robert S. O'Neill, President of De Leuw Cather & Company; Joseph Noffsinger of Conrail; R. M. Kadlick of CSX; Gerard Sniffen of Norfolk Southern; Senator Arlen Specter of Pennsylvania; and Congressman Frank Wolf of Virginia; Gordon Linton, Administrator of the Federal Transit Administration; Dr. Ricardo Martinez, Administrator of the National Highway Traffic Safety Administration; Jolene Molitoris, Administrator of the Federal Railroad Administration; and Jane Garvey, acting Administrator of the Federal Highway Administration.)*

B. 6.25
FINAL

REMARKS PREPARED FOR DELIVERY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
ITS POLICY COUNCIL OF ASSOCIATIONS MEETING
WASHINGTON, D.C.
MAY 15, 1997

(Introduction to be made by ITS America President James Constantino)

Thank you, Jim, for that introduction -- and for your efforts in arranging this meeting.

Bringing together the many stakeholders in ITS is crucial if we're going to be successful in making these technologies a reality.

I also want to thank Norm Mineta and Bob Carr for their continuing contributions.

We all know the key role they played in making ISTEA -- and the federal commitment to ITS -- a reality, and I'm glad to see them sticking with the concept.

This morning I'd like to add my ideas to the debate on ISTEA and NEXTEA, which is the real opportunity we all have to move the ball on transportation issues this year.

ISTEA, we all know, is the Intermodal Surface Transportation Efficiency Act of 1991, which authorizes federal transit, highway, and safety programs, but only until September 30 -- a short 4½ months away.

NEXTEA is the National Economic Crossroads Transportation Efficiency Act of 1997, and it's President Clinton's proposal to continue many of ISTEA's programs and introduce the new ones we think are necessary to meet the challenges of the new century.

Let me start by speaking about NEXTEA's general provisions, then talk about what it means for ITS, and finally take your questions and comments.

ISTEA was a landmark piece of legislation. It did many things: redefine the federal role in surface transportation -- rebuild infrastructure -- develop new technologies -- improve safety -- and bring ITS and other technologies to the task of moving people and products.

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

From the colonial post roads -- to the canals that expanded our frontiers -- to the railroads and Interstate Highways that linked a growing country -- and the air and maritime systems that link us to the world -- transportation has always been at the forefront of opening up new markets and enabling the quick, economical movement of people and goods that has powered America's growth.

Transportation's role will only increase in the future as the national economy becomes more fully integrated and as America plays its part as a leader in the larger global economy.

Smart businesses, faced with growing competition at home and around the world, rely on effective transport to control their costs and make possible such logistical innovations as intermodalism and "just-in-time" deliveries. They can't afford -- and we shouldn't have to absorb -- the expenses imposed by inefficient transportation.

But the systems they depend on face growing travel demand -- inadequate capacity -- bottlenecks and poor connections between different forms of transportation -- and an aging and deteriorating infrastructure. These conditions, if we leave them unchecked, will slow economic growth and reduce our international competitiveness.

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

When these systems don't work the way we should, we pay the price in lost time -- higher prices -- or diminished opportunities. In fact, highway congestion in the nation's 50 largest cities alone costs us $50 billion a year.

Overcrowded roads and other deficiencies also risk our safety. While we have made great progress in reducing the rate of highway fatalities, we still have an unacceptable situation.

More than 40,000 people die on our highways each year and millions more are injured at a societal cost of $150 billion annually in medical care costs, lost wages, and other economic factors.

Transportation, like any human activity, has its effect on the natural environment. Efforts to mitigate those impacts and to improve air and water quality and protect open space have been remarkably successful: in 1990, 140 million Americans lived in areas which failed to meet standards for healthful air, but our efforts caused that number to drop to 79 million in 1995 -- a big improvement, but still too many.

ISTEA gave us tools to meet all of these challenges -- economic, safety, and environmental -- and President Clinton and the Department of Transportation -- first under Secretary Peña and now under Secretary Slater -- have pushed the envelope to fully take advantage of its opportunities. We want NEXTEA to build on these successes.

NEXTEA -- as submitted to the Congress -- would continue the President's commitment to investing in our infrastructure, increasing overall transportation funding by 11 percent over ISTEA's record levels.

The recent budget agreement with the Congressional leadership would further enhance these levels. In fact, 49 of the 50 states would receive more funding under NEXTEA as we've drafted it than they did under ISTEA.

Only Massachusetts -- which received extraordinarily high funding under ISTEA to pay for Boston's Central Artery project -- will receive less.

Nationwide, the NEXTEA proposal would raise funding authorizations for new mass transit lines by 17 percent and expands by 30 percent such core highway programs as Interstate maintenance.

These investments would reduce that $50 billion a year burden that congestion costs commuters and freight shippers.

And there's also an even more direct economic benefit: the construction and other work generated by this plan would create nearly one million jobs over the next six years, and we would expect the NEXTEA investment to continue stimulating economic growth in the way that our past investments have done.

For example, a recent FHWA study shows a 16 percent rate of return on our highway investments during the 1980s, measured in terms of reduced production costs for businesses. That's the kind of efficiency improvements we need from our transportation investments if we're going to remain competitive.

Now, our transportation system isn't just about moving people and products efficiently, as important as that is to our prosperity: it's also about enabling people to travel safely.

Travel is safer than it was at the beginning of the decade, or at the beginning of DOT's life in 1967. Fatalities, which were more than 50,000 annually during that era, are now down to about 40,000.

The progress on fatality rates is even greater: with increases in travel, we'd now be seeing *120,000* deaths a year without the safer cars, safer roads, and tougher traffic laws of the past generation.

But as traffic increases, so does the possibility of more highway crashes unless we continue cutting accident and fatality rates.

The President's proposal would increase highway safety funding authorizations by more than 25 percent, and it would support new programs targeted to the biggest safety payoffs: combating drunk and drugged driving and increasing proper use of safety belts and child restraints.

NEXTEA also would protect the environment. Together with cleaner vehicles and cleaner fuels, programs such as CMAQ -- the Congestion Mitigation and Air Quality Improvement Program -- have been the key elements in effective plans to help clean our air.

However, as with highway safety, more traffic threatens the progress we've made. More cars -- even if they are cleaner cars -- can mean more pollution. That's why we have to continue -- and even expand -- the efforts which have brought us this far.

NEXTEA increases by 30 percent funding for CMAQ, which helps communities use innovative transportation initiatives to clean up their air -- everything from high-speed ferries in Rhode Island to freight barges which take hundreds of trucks off of New York City's streets each day.

NEXTEA also continues investment in bicycle paths, scenic byways, recreational trails, and other enhancement programs which cost relatively little but which greatly improve the quality of our lives.

Our transportation system can be effective and efficient, but if it also speaks to our aesthetic sense it will gain far more public support.

The President's plan would help to reduce the barriers faced by those moving from welfare rolls to payrolls by giving them affordable transportation to jobs, training, and support services such as child care.

That's important as long as two-thirds of new jobs are in the suburbs and few welfare recipients own the cars that would get them to those jobs.

So NEXTEA includes a six-year, $600 million program of flexible, innovative alternatives, such as vanpools, to get people to where the jobs are -- and to make transportation a relevant partner in this national commitment.

NEXTEA also continues the commitment to common sense we've been bringing to government over the past several years.

It expands our innovative financing program, which cuts red tape to speed up projects and attracts new sources of funding to supplement traditional federal grants.

Under ISTEA, the ground-breaking Partnership for Transportation Investment has advanced 74 projects an average of about two years ahead of schedule, and has generated more than a billion dollars in new capital investment directly attributable to this program.

NEXTEA builds on this success by including $900 million in seed money for state infrastructure banks, which leverage private and other nonfederal resources, and opens this program up to all states.

It also dedicates $600 million to help leverage nonfederal resources for projects of national significance which individual states can't afford, such as interstate trade corridors.

NEXTEA continues to cut federal bureaucracy -- simplifying planning processes -- streamlining programs -- and reducing project reporting and certification requirements.

We know that we've got to trust our partners in state and local government and the private sector instead of burdening them with red tape.

We want to enable them to use their federal funding apportionments in common-sense ways that allow them to meet their own needs and goals.

For example, NEXTEA would allow them to invest in Amtrak infrastructure or in publicly-owned intercity rail terminals, supplementing the continued federal commitment.

NEXTEA also sustains the strong federal commitment to technology deployment and, in particular, to ITS.

After six years of research and more than 80 operational tests, ITS's potential is clear: in metropolitan areas, it can cut by 35 percent the cost of providing the highway capacity we need over the next decade, and I think it's clear that such cost savings can't be passed up in an era of limited resources.

It also can improve safety: if all vehicles were equipped with just three of the primary ITS crash avoidance systems -- rear-end, roadway departure, and lane change/merge -- we could avoid one out of every six crashes.

That would cut accidents by more than a million a year, saving thousands of lives and $26 billion annually. That's another gain we can't pass up.

Finally, ITS can save taxpayers money directly through improved government operations -- another imperative in today's environment.

For example, we estimate that transit agencies can save between $3.8 and $7.4 billion over the next decade using such ITS technologies as advanced fleet management systems and electronic fare payment.

States can also benefit from the various commercial vehicle applications of ITS: electronic clearances could save up to $160,000 annually per weigh station, and electronic tolls can cut collection costs by 90 percent.

Because of these potentials, we've made the most of ISTEA's support for ITS development and deployment.

Last year Secretary Peña launched Operation TimeSaver, with the goal of having a basic ITS infrastructure deployed across the nation within a decade.

In urbanized areas, our goal is to cut travel times by 15 percent.

I hope you agree that we've taken maximum advantage of ISTEA to support ITS -- providing seed money for deployment, supporting research, aiding in the setting of technical standards, and providing training and technical assistance to states and localities.

But now it's time to see that NEXTEA will sustain the federal commitment to ITS through a three-part program.

The first part component supports technology development and encourages ITS deployment through standards development, training, and technology transfer. It also will fund work in collision avoidance and vehicle control systems to reduce crashes.

We're proposing $678 million over the next six years for such initiatives, and we believe strongly that these are activities that only the federal government can carry out.

The second part is a six-year, $600 million incentive program that would promote the deployment of integrated ITS infrastructure technologies in metropolitan and rural areas and for commercial vehicle systems within states and at border crossings.

What's unique about this program is its emphasis on integration -- between technologies and among jurisdictions.

We know that we can't get the most out of ITS if adjacent cities and counties don't have interoperable systems -- if their traveler information and traffic management networks can't "talk" to each other.

We need regional cooperation, so that commuters and commercial drivers don't find themselves running into "black" zones in which ITS systems are incompatible.

Nor will we get the most out of ITS if the different technologies within areas are fragmented -- if they can't work together.

For instance, a city may be using an automatic vehicle locator to track transit buses and an advanced signalization control system to manage traffic flow.

Separately, these are good. Integrated, they're better. The transit bus location data can give a fuller picture of traffic flow, and traffic signals can be adjusted to help buses stay on schedule.

And linked to a travel information system, these two networks can give commuters a complete picture of their options.

These are the kinds of synergies we envision our ITS incentive grants promoting.

As with our innovative finance programs, we see these grants as leveraging other nonfederal investment to produce real public benefits.

Our third element is a series of proposed legislative changes that will give state officials enhanced flexibility to use existing federal-aid surface transportation funds to deploy the basic ITS infrastructure. Every dollar in every major program will be usable for ITS.

NEXTEA would make all of this possible, providing the funding and technologies needed to improve traffic flow, reduce congestion and accidents, and reduce the cost to public agencies of providing transportation services.

There is no magic bullet in transportation, but there is magic buckshot -- a range of strategies which, carefully coordinated, can make a difference.

ITS is part of that solution, and we want to help you make the most of the opportunities it offers.

When we were developing NEXTEA, we asked our transportation partners and our constituents -- the American people -- what it should include.

In scores of public meetings around the country they told us that we should continue the many federal programs which are working -- refine those which haven't yet fully realized their promise -- and create new initiatives to meet the challenges of the new century.

We listened, and I hope we learned, and in NEXTEA we've put forward a plan which can take America's transportation system into the 21st century.

We're looking forward to working with Congress to make it a reality, and we're optimistic that we can sustain the bipartisan cooperation which gave us ISTEA and the intermodal cooperation that made ISTEA work within the DOT and with its partners.

Let me close my remarks by hoping that all of you make your voices heard in the debates over ISTEA reauthorization.

We need the informed views of professionals such as yourselves if we're going to have policies and programs which can provide future generations with a transportation system which is even safer, more technologically-advanced, more environmentally sound, and more efficient than today's.

Thank you for your attention. Now, I'd like to hear your thoughts...

# # # # #

B-
Final

6.24

DRAFT

REMARKS PREPARED FOR DELIVERY
DEPUTY ASSISTANT SECRETARY OF TRANSPORTATION JOHN HORSLEY
TRANSPORTATION LAWYERS ASSOCIATION ANNUAL MEETING
NEW ORLEANS, LOUISIANA
MAY 15, 1997

(Introduction to be made by Carolyn Witherspoon of the TLA)

Thank you, Carolyn, for that introduction -- and for all of your work in helping to make this meeting such a success.

I'd like to start by bringing you greetings from Secretary Rodney Slater. He'd hoped to join you here but asked me to substitute for him when his schedule was forced to change.

I agreed, of course, but was a little uneasy: substitutions don't always work out.

Some years ago Bill Lear, of Lear Jet fame, invented a revolutionary new windshield. It was going to improve his planes' safety and cut costs, too. So he arranged for a press conference to demonstrate it, complete with a cut-away of one of his planes.

Part of the demonstration included what's called a "bird hit" test -- shooting a bird at the windshield from a cannon, to prove that a bird hitting the plane in flight wouldn't damage it.

Well, just before the bird test, the chief engineer ran up to Bill Lear and said, "Boss! We can't do the test! The bird didn't arrive!"

So Lear said, "Okay, I'll stall them -- you go out and get a bird. I don't care where you have to go, but bring me back a bird."

So the engineer finally returned and gave Lear the thumbs-up. With great fanfare, Lear pulled the cannon's trigger. The bird rocketed out, shattered the windshield, went all the way through the cockpit, and smashed into the bulkhead.

Lear turned to the engineer and said furiously, "What the hell kind of bird *was* that?!"

And his engineer said, "The only one I could find, boss -- a frozen chicken!"

Well, I hope that *this* substitution will work out better than *that* one did.

This afternoon I'd like to talk to you about the most significant legislative issue facing transportation today: ISTEA and NEXTEA.

ISTEA, as we all know, is the Intermodal Surface Transportation Efficiency Act of 1991, which authorizes federal transit, highway, and safety programs, but only through this October.

NEXTEA is the National Economic Crossroads Transportation Efficiency Act of 1997, and it's President

Clinton's proposal to continue many of ISTEA's programs and introduce new ones to meet the challenges of the new century.

ISTEA was a landmark that redefined the federal role in surface transportation -- a bipartisan effort to rebuild infrastructure -- to develop new technologies -- and to improve safety.

And while ISTEA was a major step forward, it actually was based on a long tradition of government support for transportation.

From the colonial post roads -- to the canals that expanded our frontiers -- to the railroads and Interstate Highways that linked a growing country -- and the air and maritime systems that link us to the world -- transportation has opened up new markets and enabled the quick, economical movement of people and goods that has powered America's growth.

Transportation's role will only increase in the future as the national economy becomes more fully integrated and as America plays its part as a leader in the larger global economy.

Smart businesses, faced with growing competition at home and around the world, rely on effective transport to control their costs and make possible such logistical innovations as intermodalism and "just-in-time" deliveries. They can't afford the expenses imposed by inefficient transportation.

But the systems they depend on face growing travel demand -- inadequate capacity -- bottlenecks and poor connections between different forms of transportation -- and an aging and deteriorating infrastructure. These conditions, if left unchecked, will slow economic growth and reduce our international competitiveness.

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

When these systems don't work the way we should, we pay the price in lost time -- higher prices -- or diminished opportunities. In fact, highway congestion in the nation's 50 largest cities alone costs us $50 billion a year.

Overcrowded roads and other deficiencies also risk our safety. While we have made great progress in reducing the rate of highway fatalities, we still have an unacceptable situation.

More than 40,000 people die on our highways each year and millions more are injured at a societal cost of $150 billion annually in medical care costs, lost wages, and other factors.

Transportation, like any human activity, has its effect on the natural environment. Efforts to mitigate those impacts and improve air and water quality and protect open space have been

remarkably successful: in 1990, 140 million Americans lived in areas which failed to meet standards for healthful air.

Programs authorized by ISTEA and the Clean Air Act dropped that number to 79 million in 1995 -- a big improvement, but still too many. Our efforts have to be continued -- and, in some cases, expanded -- as we better understand how transportation affects the environment.

ISTEA gave us tools to meet all of these challenges -- and President Clinton and the Department of Transportation -- first under Secretary Peña and now under Secretary Slater -- have pushed the envelope to fully take advantage of these opportunities. We want NEXTEA to build on these successes.

NEXTEA -- as submitted to the Congress -- would continue the President's commitment to investing in our infrastructure, increasing overall transportation funding by 11 percent over ISTEA's record levels.

The recent budget agreement with Congress will further enhance these levels. In fact, 49 of the 50 states would receive more funding under NEXTEA than under ISTEA.

The NEXTEA proposal would raise funding authorizations for new mass transit lines by 17 percent and expands by 30 percent such core highway programs as Interstate maintenance.

NEXTEA also expands the federal commitment to implementing ITS -- the intelligent transportation systems program that was created by its predecessor.

In metropolitan areas, these advanced information and communications technologies can cut by 35 percent the cost of providing the highway capacity we need over the next decade.

NEXTEA includes a research component which would support ITS deployment through standards development, training, and technology transfer. We've proposed $678 million over the next six years for such initiatives.

In addition to making all ITS investments eligible in all relevant funding categories, we've also included a six-year, $600 million incentive program to promote the rapid *and integrated* deployment of ITS infrastructure technologies that are technically feasible and highly cost-effective.

These infrastructure and technology investments would reduce that $50 billion a year burden that congestion costs commuters and freight shippers.

And there's also an even more direct economic benefit: the construction and other work generated by this plan would create nearly one million jobs over the next six years, and we would expect the NEXTEA investment to continue stimulating economic growth in the way that our past investments have done.

-- can mean more pollution. That's why we have to continue -- and even expand -- the efforts which have brought us this far.

NEXTEA increases by 30 percent funding for CMAQ, which helps communities use innovative transportation initiatives to clean up their air -- everything from high-speed ferries in Rhode Island to freight barges which take hundreds of trucks off of New York City's streets each day.

NEXTEA also continues investment in bicycle paths, scenic byways, recreational trails, and other enhancement programs which cost relatively little but which greatly improve the quality of our lives.

The President's plan would help to reduce the barriers faced by those moving from welfare rolls to payrolls by giving them affordable transportation to jobs, training, and support services such as child care.

That's important, since two-thirds of new jobs are in the suburbs and few welfare recipients own the cars that would get them to those jobs.

So NEXTEA includes a six-year, $600 million program of flexible, innovative alternatives, such as vanpools, to get people to where the jobs are -- and to make transportation a relevant partner in this national commitment.

NEXTEA also continues the commitment to common-sense government we've been bringing to government over the past several years.

It expands our innovative financing program, which cuts red tape to speed up projects and attracts new sources of funding to supplement traditional federal grants.

Under ISTEA, the ground-breaking Partnership for Transportation Investment has advanced 74 projects an average of about two years ahead of schedule, and has generated more than a billion dollars in new capital investment directly attributable to this program.

NEXTEA builds on this success by including $900 million in seed money for state infrastructure banks, which leverage private and other nonfederal resources, and opens this program up to all states.

It also dedicates $600 million to help leverage nonfederal resources for projects of national significance which individual states can't afford, such as interstate trade corridors.

That's something which would have fallen between the cracks in the past, when we didn't try to coordinate transportation between states or between different transportation modes.

NEXTEA continues to cut federal bureaucracy -- simplifying planning processes -- streamlining programs -- and reducing project reporting and certification requirements.

Those of us who have worked in other sectors -- from Bill Clinton, a former governor -- to Rodney Slater, a former state highway commissioner -- to myself, a former county commissioner -- know that we've got to trust our partners in state and local government and the private sector instead of burdening them with red tape.

We want to enable them to use their federal funding apportionments in the ways that make sense for their own needs. For example, NEXTEA would allow them to invest in Amtrak infrastructure or in publicly-owned intercity rail terminals, supplementing the continued federal commitment.

When we were developing NEXTEA, we asked our transportation partners and our constituents -- the American people -- what it should include.

In scores of public meetings around the country they told us that we should continue the many federal programs which are working -- refine those which haven't yet fully realized their promise -- and create new initiatives to meet the challenges of the new century.

We listened, and we learned, and in NEXTEA we've produced a plan which can take America's transportation system into the 21st century.

We're looking forward to working with Congress to make it a reality, and we're optimistic that we can sustain the bipartisan cooperation which gave us ISTEA and the intermodal cooperation that made ISTEA work within the DOT and with its partners.

Let me close my remarks by hoping that all of *you* make your voices heard in the debates over ISTEA reauthorization.

We need the informed views of professionals such as yourselves if we're going to have policies and programs which can provide future generations with a transportation system which is even safer, more environmentally sound, and more efficient than today's. We're looking forward to hearing from you in the days and months ahead.

Thank you for your attention, and best wishes for a successful conference. Now, I'd be happy to listen to your comments and take any questions you may have...

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5. FINAL 6-23

DRAFT

TALKING POINTS
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
NATIONAL ACADEMY OF PUBLIC ADMINISTRATION
WASHINGTON, D.C.
MAY 16, 1997

* American economy based on efficiency, but faces growing travel demand -- inadequate capacity -- bottlenecks and poor connections -- and aging infrastructure. Could slow economic growth and reduce competitiveness: congestion already wastes $50 billion annually.

* Other impacts: safety (40,000 deaths, $150 billion in costs) and environment (79 million live in areas not meeting air quality standards). Gains made, but more is needed as growth outstrips progress.

* ISTEA gave us tools to meet challenges, and we've made the most of them: rebuilt infrastructure -- developed new technologies -- improved safety -- protected environment. ISTEA expires September 30, but President proposed NEXTEA to build on its successes.

* NEXTEA increases overall funding by 11 percent: includes 17 percent more for new mass transit lines, 30 percent for core highway programs. Budget agreement could further enhance those levels. Results: will cut $50 billion congestion cost, support one million jobs, stimulate growth. (FHWA study: 16 percent return on '80s highway investment.)

* Improve safety: travel safer today, but growing traffic threatens progress. NEXTEA would increase highway safety funding by 25 percent-plus. Support new programs targeted to the biggest safety payoffs: combating drunk and drugged driving and increasing proper use of safety belts and child restraints.

* Protect the environment: CMAQ up 30 percent. Continues investment in bicycle paths, scenic byways, recreational trails, and other programs (Enhancements up 35 percent) with low costs, high quality-of-life benefits.

* Reduce the barriers faced by those moving from welfare rolls to payrolls: give them affordable transportation to jobs, training, and support services such as child care. $600 million program of flexible, innovative alternatives to get people to where the jobs are.

* Deploy ITS: $678 million for research (standards development, training, and technology transfer). $600 million incentive program to promote rapid and integrated deployment. Make ITS eligible in all relevant funding categories.

* More common-sense government: expand innovative financing with $900 million in SIB seed money, open them up to all states. Dedicate $600 million for projects of national significance, such as interstate trade corridors.

* Cut bureaucracy: simplify planning processes -- streamline programs -- and reduce project reporting and certification requirements. Give states more flexibility in the use of federal funding (Amtrak, intercity rail terminals).

* In outreach, heard we should continue the many federal programs which are working -- refine those which haven't yet fully realized their promise -- and create new initiatives to meet the challenges of the new century. We listened, and in NEXTEA put forward a plan which can take America's transportation system into the 21st century.

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G-22

DRAFT

TALKING POINTS
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
INTRODUCTION OF SECRETARY SLATER AT DOT OPEN HOUSE
WASHINGTON, D.C.
MAY 19, 1997

* Good afternoon. Three decades ago, the Department of Transportation opened its doors to serve our nation. In signing the legislation creating the Department, President Lyndon Johnson said that "transportation has truly emerged as a significant part of our national life. As a basic force in our society, its progress must be accelerated so that the quality of life can be improved."

* President Johnson's words are as true today as they were a generation ago, and continue to provide us with a sense of purpose: "serving America in the new century with vision and vigilance."

* To commemorate our 30th anniversary, we've been holding a series of events throughout the year which enables us to remember where we as a Department came from -- and to help set our path for the future.

* Today's event -- which is being replicated across America -- is an open house. Just as we opened our doors to the nation 30 years ago, today we're opening our doors to our transportation partners and to our customers -- the American people.

* This is an opportunity to highlight our accomplishments and programs, and to listen to our guests and invite suggestions from them on how we can better serve our country in the future.

* I'm looking forward to seeing the exhibits prepared by the various DOT offices and operating administrations -- and to hearing from our employees and guests.

* And now, I'd like to introduce the man President Clinton selected to lead the Department into the 21st century -- Secretary of Transportation Rodney Slater...

# # # # #

U.S. Department of Transportation

TRANSPORTATION TRENDS

REMARKS PREPARED FOR DELIVERY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
FOURTH CONFERENCE ON U.S.-JAPAN COOPERATION IN TRANSPORTATION
WASHINGTON, D.C.
MAY 20, 1997

Good afternoon. I'd like to open my remarks by bringing you greetings from President Clinton and Secretary of Transportation Rodney Slater.

As President Clinton has said, the relationship between the United States and Japan is "an alliance for the 21st century." This conference, like the others in this series, helps to strengthen the common understanding that is so important to fostering that alliance.

I want to thank Mr. (Hideaki) Mukaiyama for inviting me to speak to you this afternoon, and for his continued work with the Japan Transport Economics Research Center.

I welcome Mr. (Hiromichi) Toya of the Ministry of Transport, and thank him for the commitment to cooperation his ministry brings to its work with us in so many areas of mutual interest.

And I thank our other speakers -- Dr. (Ricardo) Martinez -- Dr. (Masayoshi) Aoki -- Dr. (Yasuhiro) Daisho -- and Mr. (Phillip) Karber -- for their contributions to today's forum.

The opportunity to take some time to think about what the future holds and about how we can shape it is all too rare in our crowded professional lives.

That's especially problematic for those of us concerned about transportation, because our decisions take so many years to implement and because our actions are interrelated with and affect so many other parts of life.

(More)

These forums, which look to the future -- which focus on broad areas of common interest -- and which emphasize collaboration -- provide a useful opportunity to reflect, and to share ideas about how to solve the transportation problems we are likely to face in both our nations.

I'd like to use my time today to set the stage for this afternoon's presentations on advanced automotive technology by outlining the relevant public policy issues as I see them. As we look to the future, we can see that America's transportation system is faced with a number of challenges -- many of which are shared with Japan.

Transportation already generates one-seventh of America's Gross Domestic Product and employs millions of our people: 500,000 of the 12 million jobs created since President Clinton took office are in transportation production and services, and millions more depend on a transportation system capable of moving people and goods effectively. Japan's just-in-time inventory system has been one of the most useful innovations in the past few decades.

However, the efficiency of America's system is at risk because of insufficient capacity. The costs of this are clear: highway congestion in America's largest cities already wastes $50 billion annually through lower wages, lower returns on investment, and higher prices.

In an era of limited resources, we know we can't simply build our way out of this problem through new or expanded roads, and so we have to look to other solutions -- such as new technologies -- to provide the effective capacity we need.

We face other challenges, such as increasing travel demand created partly by a growing population -- partly by an expanding economy -- and partly by changing land use patterns and evolving demographics.

This travel demand will only increase, since America's population continues to grow. Census projections call for 56 million more people within a quarter-century, with much of that growth coming in the groups most at risk for motor vehicle accidents -- newly-licensed drivers and older drivers. Their numbers are increasing dramatically, both in absolute terms and as a percentage of the total population.

The increases in higher-risk populations are a threat to strong performance by a transportation system which has been extraordinarily safe by historical or international standards. Through greater crashworthiness of our vehicles and countermeasures to achieve reductions in drunk driving and increases in seat belt use, we've made a great deal of progress in reducing traffic fatalities over the past generation.

Traffic safety concerns were one of the reasons the Department of Transportation was founded 30 years ago. Deaths have been reduced from more than 50,000 annually since that time to about 40,000 today. Because of the dramatic increases in traffic, this progress is even greater

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than those numbers show: if the fatality rate had remained the same as 30 years ago, 120,000 Americans would be dying in traffic accidents each year.

However, after years of sharp reductions, the fatality rate has plateaued over the past several years, and with growing traffic the number of Americans killed in accidents is on the upswing again. This growth, combined with increases in higher-risk groups, comprises a second major challenge.

We have a natural environment at risk from the unintended -- but still very real -- consequences of transportation: air and water pollution, the loss of open space, and the increasingly-real phenomena of greenhouse gases, ozone depletion, and global warming that will be the subject of this fall's international gathering in Kyoto.

Here, too, we have made much progress: in 1990, 140 million Americans lived in areas which failed to meet standards for healthful air. Five years later, our progress in taming the sources of pollution meant that only 79 million did. A big improvement -- but still too many. However, as with safety, traffic growth could increase pollution in the future -- our third great challenge.

Finally, the long era of cheap energy and consequent cheap transportation, which has contributed so greatly to prosperity, could end during the 21st century if fuel prices were to increase dramatically. The United States is in an especially precarious position, since half of our oil is imported and fuel efficiency has leveled off as trucks and larger cars increase their shares of the motor vehicle fleet. This -- the threat to prosperity posed by potential energy shortages -- is the fourth challenge we face in the new century.

I've painted a broad picture of several of the challenges we'll face during the coming century -- and this afternoon's speakers will get into both the detail of these challenges and the steps we should take to meet them.

Without preempting their remarks, I want to briefly review a few of the things we're doing in the U.S. to meet these challenges through improved automotive technology.

Probably the best-known example is the Partnership for a New Generation Vehicle, which President Clinton and Vice President Gore introduced nearly four years ago. PNGV, as it's called, brings together the three major American automobile manufacturers and the federal government to create the technology that will support a car with triple the fuel efficiency of today's automobiles -- over 80 miles per gallon -- and with virtually no emissions.

This initiative will produce a vehicle that in all other respects -- safety, performance, comfort, and cost -- matches existing mid-sized cars. The effort to create this vehicle includes everything from research on propulsion to structural materials to basic design. We see this as

creating a new world standard for the automobile, a particularly timely effort as many nations are moving into an era of much more widespread ownership and use of the motor vehicle.

On an essentially parallel track, we're working to create a "smart" car through our Intelligent Transportation Systems program. Some ITS initiatives -- such as traffic signalization and ramp metering -- focus on the roadway and require interfaces only with the driver to add to his or her convenience and control. Many of these systems are already being deployed around our country, as they are in Japan, and are increasing the efficiency and effective capacity of our existing infrastructure. In fact, we believe that such systems can cut by 35 percent the cost of providing the highway capacity our cities need over the next decade.

Increasingly, some of these ITS initiatives focus on the vehicle itself. For instance, we're supporting public-private partnerships to create collision avoidance systems and intelligent cruise control, both of which can reduce the driver errors which are a factor in nine of ten accidents. These safety-oriented systems could be available for general use early in the new century.

Other systems, such as the automated highways we'll be demonstrating in San Diego this August, link the vehicle and the roadway, virtually eliminating the driver as a factor under limited, controlled circumstances. Their implementation is more long-term, but the technology they inspire will add to our short-term goals.

I mentioned that these initiatives -- PNGV and ITS -- have been proceeding on largely parallel tracks. Ultimately, we expect them to merge together, producing a vehicle which is smart -- safe -- environmentally-efficient -- and energy-efficient, a vehicle which helps to improve our transportation system's efficiency.

The challenges I described earlier -- the challenges of efficiency, of safety, of the environment and of energy -- *must* be met. The economic security and the quality of life in each of our nations depends on it. These problems are not limited to each nation's borders. Ineffective or congested transportation can affect other nations by limiting the opportunities for efficient trade. Moreover, the environmental problems stemming from inefficient transportation, such as global warming, can affect all nations. That's why we need to explore ways of working together to ensure that the benefits of these technologies can be brought to nations throughout the world.

The question is not *whether* -- but *how* -- and *when* -- we develop the transportation systems and vehicles we'll need in the next century -- and *how* we define the research and the technological development that will help us to get there. This forum is another step forward in the cooperative effort we need to make the efforts we're undertaking truly international in their scope. I hope that it can help to advance collaboration in areas of mutual interest, and help us to solve the common transportation problems we will face in the 21st century. Thank you for your attention.

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U.S. Department of Transportation

TRANSPORTATION TRENDS

REMARKS PREPARED FOR DELIVERY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
FOURTH CONFERENCE ON U.S.-JAPAN COOPERATION IN TRANSPORTATION
WASHINGTON, D.C.
MAY 20, 1997

Good afternoon. I'd like to open my remarks by bringing you greetings from President Clinton and Secretary of Transportation Rodney Slater.

As President Clinton has said, the relationship between the United States and Japan is "an alliance for the 21st century." This conference, like the others in this series, helps to strengthen the common understanding that is so important to fostering that alliance.

I want to thank Mr. (Hideaki) Mukaiyama for inviting me to speak to you this afternoon, and for his continued work with the Japan Transport Economics Research Center.

I welcome Mr. (Hiromichi) Toya of the Ministry of Transport, and thank him for the commitment to cooperation his ministry brings to its work with us in so many areas of mutual interest.

And I thank our other speakers -- Dr. (Ricardo) Martinez -- Dr. (Masayoshi) Aoki -- Dr. (Yasuhiro) Daisho -- and Mr. (Phillip) Karber -- for their contributions to today's forum.

The opportunity to take some time to think about what the future holds and about how we can shape it is all too rare in our crowded professional lives.

That's especially problematic for those of us concerned about transportation, because our decisions take so many years to implement and because our actions are interrelated with and affect so many other parts of life.

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These forums, which look to the future -- which focus on broad areas of common interest -- and which emphasize collaboration -- provide a useful opportunity to reflect, and to share ideas about how to solve the transportation problems we are likely to face in both our nations.

I'd like to use my time today to set the stage for this afternoon's presentations on advanced automotive technology by outlining the relevant public policy issues as I see them. As we look to the future, we can see that America's transportation system is faced with a number of challenges -- many of which are shared with Japan.

Transportation already generates one-seventh of America's Gross Domestic Product and employs millions of our people: 500,000 of the 12 million jobs created since President Clinton took office are in transportation production and services, and millions more depend on a transportation system capable of moving people and goods effectively. Japan's just-in-time inventory system has been one of the most useful innovations in the past few decades.

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STATEMENT OF DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
SENATE COMMITTEE ON COMMERCE, SCIENCE AND TRANSPORTATION
WASHINGTON, D.C.
MAY 21, 1997

Mr. Chairman, Members of the Committee: thank you for the opportunity to testify on management issues at the Department of Transportation. I also have a written statement which, with your permission, I'd like to submit for the record.

This is my first appearance before this Committee since my confirmation hearing, four years ago almost to the day, and it's appropriate that today's subject is one I spoke about at that hearing: effective management of the Department.

Through such Clinton Administration initiatives as Vice President Gore's National Performance Review and through authority granted by Congress, we've been improving management of the federal government to ensure that we're making the best possible use of taxpayer dollars.

Common-sense management systems which focus on customer service and employee accountability -- and which empower employees to get the job done -- are producing real results.

This approach is seen throughout operations as varied as safety inspections, regulations, and allocations of personnel and resources.

We follow a process in which we carefully define the issues -- set our priorities -- develop effective strategies -- focus our resources -- and then implement those decisions.

Our focus is on what makes sense -- on outcomes, not output. That, to us, is what management decision-making is all about, and it's produced many success stories.

Now, I'd like to review three areas in which we've made significant managerial progress, recognizing that solid management is, in fact, necessary if we're to deal effectively with programmatic issues such as those raised by the General Accounting Office and the Inspector General.

First, we're preparing the FAA to meet the challenge of maintaining safety in a period of dynamic growth.

Using special authority granted by Congress, we're reforming FAA personnel and procurement systems which had slowed hiring, raised costs, and delayed deployment of new technologies.

We've cut hiring times for air traffic controllers and safety inspectors from seven months to six weeks, and reduced the FAA's 155,000 job descriptions to fewer than 2,000.

We've tightened management of air traffic control system modernization.

The Advanced Automation System was four years late and faced $3 billion in cost overruns; we replaced it with carefully-tailored enroute and terminal automation programs that have remained on schedule and on budget.

And our new Acquisition Management System enables the FAA to prequalify vendors and test equipment, speeding contract awards -- cutting costs -- and improving performance. We are buying off-the-shelf equipment and software, cutting in half the time it takes to give our workers the technology they need.

Second, we're streamlining DOT's organization to control costs and improve service.

As just one example, the Coast Guard is restructuring its headquarters and field commands, eliminating 3,500 positions and saving $400 million in overhead even as it steps up its safety, environmental protection, and drug interdiction efforts.

Department-wide, we've reduced employment by more than 12,000 even while increasing our inspectors and front-line operating personnel in several modes.

Our surface transportation administrations are consolidating field offices to reduce costs while offering their customers one-stop service. The FHWA and NHTSA are co-locating offices in Baltimore -- joint FHWA and FTA offices are being opened to serve major customer concentrations in Los Angeles, New York, Philadelphia, and Chicago -- and 60 other offices are being evaluated for consolidation.

And last year we established the Transportation Administrative Service Center to provide consolidated backoffice services for the Department.

In addition to reducing costs, TASC is improving customer service: it recently consolidated our nine separate docket operations into one automated system, and is moving to make it fully interactive through the Internet.

Third, we're improving our internal processes and procedures -- the nuts and bolts of government.

We're examining all of our operations to find ways we can eliminate unnecessary requirements, cut paperwork, and improve service.

We've cut or rewritten half of our internal regulations -- the FAA replaced a foot-thick stack of personnel rules with a 41-page booklet -- and we've eliminated or revised more than 4,200 pages in the Code of Federal Regulations.

The FHWA and FTA are using "electronic signatures" to cut grant payment processing times by 75 percent.

We've closed nearly 600 imprest funds and reduced the amount of cash held outside the Treasury by almost $5 million.

Our cross-cutting Procurement Reinvention Lab is finding ways to waive red tape and to try new approaches for purchasing goods and services, focusing on simplifying systems and giving employees authority to make quick, sensible purchases.

One of its first products is the Information Technology Omnibus Procurement, which is using oral proposals and limiting source selection criteria to deliver computer services in record time to DOT and other federal agencies.

New technologies, such as automated accounting reports and paperless travel records systems, are helping us to control costs and improve our financial management.

We're working closely with our agencies to use these systems to assure that DOT can produce accurate and certifiable financial statements, and we've made substantial progress.

I've touched on only a few of the managerial highlights which are detailed in my written statement, but I think they give a good picture of the improvements we've made in partnership with Congress.

We look forward to working with Congress to build on these successes, and to give the American people a government which works better and costs less. Thank you for your attention. Now, I'd be pleased to answer your questions.

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STATEMENT OF MORTIMER L. DOWNEY
DEPUTY SECRETARY OF TRANSPORTATION

ON MANAGEMENT ISSUES IN THE DEPARTMENT OF TRANSPORTATION

BEFORE THE
COMMITTEE ON COMMERCE, SCIENCE AND TRANSPORTATION
UNITED STATES SENATE

May 21, 1997

Mr. Chairman, Members of the Committee. Thank you for the opportunity to testify on management issues, challenges and accomplishments of the Department of Transportation.

Overview

In the 21st century, Americans will compete in a global marketplace. This marketplace is developing to be fiercely competitive, and our success as a Nation will be determined in part on how safely, reliably and cost-effectively we can move people, goods and information.

As we look to the future, we can see that our nation's transportation system is faced with a number of challenges.

- We face rapidly-growing travel demand. One measure of this demand is that the Federal Aviation Administration forecasts that, by the year 2002, the number of commercial aircraft operations will grow by over 12 percent. This growth will significantly increase the demands on the FAA's surveillance workforce, even as we seek to find added efficiencies and productivity improvements. Virtually every segment and activity in aviation will grow correspondingly, placing similar demands on FAA's safety and operational programs.

- Despite the progress we have already made, we see increasing needs for efficiency. For example, larger numbers of businesses seek to make our national transportation infrastructure part of their assembly lines with "just in time" inventory techniques.

- Our nation's population continues to grow. The Bureau of the Census estimates that by 2020, less than 25 years away, 56 million more Americans -- and the goods needed to support them -- will be competing for space on our transportation systems.

- The populations most at risk for highway-related fatalities and injuries -- the number of new drivers and the older drivers -- are growing.

The Clinton Administration has made management of the Federal Government a top priority. In creating the National Performance Review (NPR) the Administration assured that all areas of management were critically examined and then took action to make change. We in DOT strive to be excellent managers of DOT's resources, ensuring that we deliver the Department's programs with maximum efficiency, and that we manage for results -- the mandate of the Government Performance and Results Act. The Department has been aggressively implementing that Act since 1994, first with four GPRA pilots -- two of which were cited by OMB as exemplars -- and then by providing support to program managers throughout the Department as we required them to identify performance measures for their programs. We are nearing completion of the first draft of our departmental strategic plan, on which we will begin consultations with Congress and our stakeholders next month. We are confident that this plan and our FY 1999 budget will show significant progress toward identification of the outcomes we seek to effect and of how we use our resources to achieve those outcomes.

The Department has aggressively implemented the recommendations of the NPR. As part of this Administration's emphasis on good management, the NPR recommendations focused on putting customers first, cutting red tape and empowering employees. As an example of the

Department's NPR successes the FAA, utilizing special authorities granted by the Congress, has cut hiring times for critical air traffic controllers and safety inspectors from seven months to six weeks and reduced 155,000 job descriptions at the FAA to fewer than 2,000. While the Department's structure emphasizes strong operating administrations with the Office of the Secretary providing oversight and coordination, the Department has also focused on improving management throughout the transportation system by encouraging intermodal solutions to problems. We put management of the Department front and center. Our nation's transportation system encompasses all the transportation modes, and so should the efforts of the Department.

In his confirmation testimony before this Committee last January, Secretary Slater set three priorities for the Department of Transportation: higher levels of safety, common-sense government and strategic investment in transportation infrastructure. By focusing on our management activities, this hearing touches on each of these priorities.

Safety

Transportation safety is, and should be, the Department's number one priority. Safe and efficient transportation systems are critical to our economic security and our quality of life. Although our transportation system is already the safest in the world, much of what we do is aimed at making it safer, as travel continues to grow. In managing a myriad of safety programs in conjunction with the states as well as directly through enforcement, we must constantly focus on strategies that will ensure that these programs are effective. We must leverage our resources to focus on outcomes. Following are descriptions of the efforts we are directing towards safety programs.

Highway Safety

A major focus of the management of our safety effort is reducing highway crashes, which account for more than nine out of every ten transportation fatalities. Last year nearly 42,000

Americans died and over 3.4 million were injured on our roads. Highway crashes are the leading cause of death for children, teenagers and young adults. In addition to the tragic toll on our families, crashes cost our economy $150.5 billion annually, including $17 billion in medical costs. Unless we begin again to lower the fatality *rate*, due to the growth in travel created by our expanding economy, the number of deaths will begin increasing. To cut the fatality rate, we must focus on all three components of the safety equation: safer roads, safer vehicles and safer drivers.

The top priority to improve safety is simple -- seat belts and child safety seats work! A person is twice as likely to die or sustain a serious injury in a crash if unbelted. Today, seat belts save 9,500 lives annually. We can do better, however, and so on April 16th the President set a new national goal of achieving an 85 percent use rate by 2000 and a 90 percent use rate by 2005 and a goal of reducing child fatalities in motor vehicle crashes by 15 percent by 2000 and 25 percent by 2005. To help our state partners reach these goals, we have included in our National Economic Crossroads Transportation Efficiency Act (NEXTEA) proposal $124 million over six years in financial incentives for state programs to increase seat belt use. In addition, NEXTEA allows the states to use the multi billion dollar Surface Transportation Program for any safety enforcement, education, or motor carrier safety initiatives they determine to be a priority to improve safety.

Ensuring safe motor carrier transportation is an important part of our overall efforts to improve highway safety. Healthy economic growth and logistical innovations like just-in-time delivery have spurred significant increases in truck travel and been a boon for the trucking industry. Despite growth in traffic, the number of large truck crash fatalities decreased almost 5 percent, from 5,144 in 1994 to 4,903 in 1995. But, despite these gains, the current level of truck-related fatalities is still unacceptable and there is concern that our safety gains may be leveling off.

Federal motor carrier safety programs must be more focused and strategic, and channel

resources to strategies that give us the highest payoff in reducing crashes. The Inspector General recommended that FHWA replace its system for prioritizing carriers with a system that defines problem carriers based upon on-the-road performance. In response, FHWA implemented what is known as SafeStat risk assessment criteria, a more results-oriented, performance-based algorithm for the identification of "high risk" motor carriers in order to get best results from on-site compliance reviews.

In NEXTEA we propose to continue to emphasize results, rather than the number of activities performed, to strengthen our basic motor carrier enforcement programs, which include roadside inspections, carrier reviews, enforcement, education and outreach. Under this performance-based approach, we will ask the states to identify their most significant safety problems, and we will create incentives for them to address these problems. In our reauthorization proposal, the Department is seeking $100 million annually for the National Motor Carrier Safety Program. Also, we cannot identify our most significant safety problems and measure our progress without improving our information systems and analysis. In the past, fiscal support for these activities has been drawn from a variety of sources, but the Department is now seeking a separate, dedicated source of funding at $17 million per year.

Aviation Safety

First of all, Mr. Chairman, we would like to emphasize the substantial benefit we will derive from the FAA authorization legislation that this Committee and the House Transportation and Infrastructure Committee developed with the Administration last fall. Its significant safety and security provisions, and the National Civil Aviation Review Commission mandate now being fulfilled, will do much to address the management and financing issues that confront us in aviation.

While our aviation system is safe, better management of the process can make it safer. That is one of the reasons that the Administration proposed to hire an additional 273 safety

inspectors and certification staffers -- bringing this workforce to over 4,100 people. This is 1,200 more than FAA had at the end of FY 1994. We have also established a new National Certification Team, which was the centerpiece of last summer's 90-day Safety Review. New entrant airlines will now have a heightened level of inspection for at least their first five years of operations. In addition, training of safety inspectors has been beefed-up so that training deficiencies identified by GAO are addressed; technical training of these safety personnel is critical and the FY 1998 budget includes a 70 percent increase in such training. We are also implementing the 90-day Safety Review recommendation to upgrade and accelerate the deployment of the On-line Aviation Safety Inspection System, which is an electronic performance system for aviation safety inspectors that facilitates field data collection, information management and provides on-line references. The FAA estimates that it takes less than five minutes to research regulatory questions on this system as compared to two to three days to research it manually.

In response to the White House Commission on Aviation Safety and Security's recommendation, the FAA is working in partnership with NASA in an endeavor to identify and implement strategies that can reduce the aviation fatal accident rate by a factor of five within ten years.

Rail Safety

FRA has set a goal of zero accidents, injuries, and deaths resulting from railroad operations. It is an ambitious goal, but one that emphasizes that safety should be our first priority. To achieve this goal FRA has fundamentally transformed the railroad safety program -- focusing on root causes and solutions across entire railroad systems instead of only the traditional "one inspection at a time" approach. The new program, the Safety Assurance and Compliance Program (SACP), which FRA instituted in 1995, builds upon FRA's traditional safety inspection and enforcement program with a partnership approach including rail labor and management. SACP requires railroads to correct systemic safety issues through implementation

of a safety management plan developed with FRA in this partnership process. FRA's new approach also emphasizes site-based inspections as part of the safety audit process, followed by use of enforcement tools, as appropriate.

While the Inspector General identified in its 1996 audit a number of shortcoming in FRA's safety program, the Inspector General also acknowledged that the audit did not reflect FRA's new SACP process, which the IG noted has "the potential of becoming an effective railroad safety program." Accordingly, the IG noted that its recommendations were considered resolved, subject to routine follow-up action.

The Department believes that the new rail safety program represents an effective management tool as measured by actual safety performance. For example, between 1993 and 1996, rail-related fatalities decreased 20 percent; the train accident rate declined 16 percent; and, employ on-duty casualties dropped more than 40 percent. These numbers show that the SACP approach of partnerships focusing on systemic safety issues works.

In order to continue the necessary support for these efforts, in FY 1998 railroad safety spending as proposed in the President's budget would increase by 12 percent, to $57 million. This additional rail safety funding would also support the FRA's efforts to transform its rulemaking process through its Railroad Safety Advisory Committee (RSAC) and support acquisition of a new automated track inspection vehicle. The RSAC uses partnerships with rail industry management, labor and other stakeholders to produce rules that are more fact-based, less intrusive, less adversarial and ultimately more effective in promoting safety.

Maritime Safety

Finally, we're proposing to increase maritime safety funding to $797 million -- including Coast Guard programs to improve vessel and recreational boating safety. Coast Guard's Government Performance and Results Act pilot program shows the improvements that can be

made when we start thinking in a results-oriented manner. For example, the performance goal to "reduce worker fatalities from maritime accidents" prompted an analysis that revealed an inordinately high towing vessel fatality rate. The Coast Guard shared this information with industry and formed a partnership to determine the primary casualty causes, resulting in specific voluntary preventive actions on the part of industry and the Coast Guard. This effort contributed to a significant decline in the towing industry fatality rate, from 91 per 100,000 workers in 1990 to 36 per 100,000 workers in 1995. This effort has been cited by GAO and others as an example of what the GPRA process can achieve.

Aviation Security

This past year, consistent with the recommendations of the White House Commission and the FY 1997 appropriations, the FAA initiated planning for new measures to strengthen airport security, including the purchase of a significant number of explosive detection devices, upgraded x-ray equipment, and the hiring of 300 security personnel over two years. Let me review for you some accomplishments to date on the progress made by the Department and the FAA on the implementation of these strengthened security measures. Management of the implementation of these strengthened security measures involves partnership with industry, stepped up procurement, and close cooperation with other government agencies.

Airport consortia, the foundation of our new call to partnership, have been established at all of the 41 major airports where FAA security personnel are permanently deployed, and they have submitted action plans to the FAA for review. These will serve as a model for formalizing 152 additional consortia at airports nationwide.

Through its streamlined procurement system, the FAA ordered 54 certified explosives detection systems (EDS) and all of them should be deployed by early 1998, at the rate of two to three a month. As you know, units have already been deployed at airports in New York, Chicago, San Francisco and Atlanta.

The Screener Proficiency Evaluation and Reporting system, known as SPEARS, includes computer based, multi-media screener training, as well as on-line, threat image projection. Computer-based training for x-ray machines and the threat image projection component is now available and installed at the Seattle, Miami and Chicago O'Hare Airports.

Deployment of explosives trace detection devices began with the installation of two units in November 1996 in Atlanta and continues today at Chicago, New York and Washington area airports. Contracts have been awarded to purchase up to 190 trace explosives detection devices and additional contracts will be awarded for an additional 299 trace explosives detection devices, as well as 20 automated x-ray devices and several quadrupole resonance detection devices. All of the systems will be in place by December 31, 1997.

The FAA is expanding the K-9 program, the deployment of police officers with bomb-sniffing dogs at large airports. In cooperation with the Department of Defense, the first training class concluded March 25th and three more classes are now underway for students from three major airports.

Aviation Financing

Just as the Interstate highway system expanded the potential of our national economy in this century, so aviation is tying us to an expanded global economy as we enter the 21st century. Aviation has not only brought Americans closer to each other, it has brought us closer to the rest of the world. Our aviation system is vital to our domestic economy and to our nation's global economic competitiveness. I can assure you that the Department will use the leverage provided by access to the vast United States market to urge our aviation partners to adopt more open markets -- and to ensure expanded access to their markets for United States carriers.

Financing all of our aviation system's needs -- airports, airway facilities, security, and FAA operations -- is a critical priority for us and has been recognized by this Committee as a

problem that must be dealt with. We want to work with Congress to establish a reliable, *long-term* funding base so that the FAA can provide the services our aviation system needs. As you know, members have been appointed to the new National Civil Aviation Review Commission, and they are beginning their work to analyze FAA financing requirements and ways to fund them and to help reach a consensus on what course to take.

We have been proposing for some time to change the financing structure for FAA from aviation excise taxes to cost-based user fees. In the long run, we believe that is an effective way to promote efficiency in both the provision and consumption of FAA services and ensure that FAA will continue to receive the resources it needs to be able to provide the services that aviation users demand. In the Federal Aviation Reauthorization Act of 1996, Congress gave us specific new authority to charge for the air traffic services provided to those flying through our airspace but not taking off or landing at a U.S. airport and FAA has begun to charge these fees.

Just as we have pursued different financing mechanisms, we have also pursued financing efficiency. The 1996 Act permitted us to select ten airport development projects to demonstrate innovative financing techniques that were not otherwise permitted by statute. In response to its invitation, FAA has received 12 written expressions of interest that contained sufficient detail on which to base a preliminary concept decision. A panel with expertise in airport financing has reviewed the proposals and recommended that five be advanced to the next step. Five applicants will be invited to provide additional detail to support formal applications for Airport Improvement Program funds.

The proposed projects include construction of a safety-related building, new runways to provide additional airport capacity, and mitigation of airport noise impacts. In addition, each of the three innovative financing mechanisms authorized under the 1996 Act -- payment of interest, credit enhancement, and flexible non-Federal share -- would be tested by at least one of the proposals.

Air Traffic Control Modernization

While over the last 15 years FAA has replaced many of the large surveillance radars and built new terminal control facilities at four large hubs, clearly a good deal of the air traffic control modernization that FAA was planning for did not occur. Several lessons have been learned. Most projects were two to three years behind schedule and costs exceeded estimates on average by 20 percent. The Advanced Automation System had the biggest problems with a potential $3 billion cost overrun and a four year schedule slip. Action was taken early in the life of this Administration to rectify the problems, and I am proud to say that the enroute and terminal automation programs that replaced the AAS have remained on schedule and within cost. This required sound application of management techniques.

The Acquisition Management System that was developed with procurement reform allows FAA to prequalify vendors and test potential equipment before awarding a contract. This minimizes the probability of inadequate performance, reduces the time it takes to award contracts, and saves the FAA and suppliers significant amounts of money in the process. Two internal steps have also been taken to improve the procurement process. One is a much tighter management of cost and schedule baselines. The second is increasing the purchase of commercial off-the-shelf equipment and software. The Standard Terminal Automation Program is an example of how this can work. Because FAA limited the scope of this procurement to existing terminal automation systems, they were able to award a contract in six months instead of 12-18 months, and first delivery is scheduled to occur in less than two years, compared to the four years under previous contracts for custom designed systems.

Amtrak Financing

As a private sector railroad, Amtrak has the opportunity to manage effectively -- what it needs is funding. We have proposed changes in the financing for Amtrak -- to provide more stability in its direct funding by requesting contract authority (beginning in FY 1999) and

funding from the Highway Trust Fund. Also we propose to permit states to help meet Amtrak's financial needs from state apportionments of National Highway System and Surface Transportation Program funds where state officials see Amtrak as a key part of their transportation systems. Amtrak is a key part of the Nation's intercity transportation system and that a combination of cost savings, revenue generation, and capital support is essential if Amtrak is to achieve eventual operating self-sufficiency. The total level of capital support for Amtrak in our NEXTEA proposal is directly tied to Amtrak's ability to reduce spending and increase revenues so as to reduce its reliance on Federal operating grants. The intent of this arrangement is to encourage Amtrak to operate in the most efficient and effective manner. Our NEXTEA proposal would also let states, for the first time, use their National Highway System and Surface Transportation Program funds for Amtrak infrastructure. We believe that is the right kind of expansion of the flexibility ISTEA provided six years ago. Each transportation mode is an important element in contributing to a seamless transportation system. Permitting state officials to use Federal funds in the most effective way to meet their needs will help ensure the full realization of this goal.

Common Sense Government

As we look to the challenges of the 21st Century we must focus our attention on what the Department can and should provide and how we can do that in the most efficient and effective way. We have developed a common sense approach to all that we do, which has six elements:

- We have developed a customer focus to provide the users of the system with services and outcomes which they need and want.

- We have used performance based goal setting to identify what we must accomplish and we have identified important management strategies to accomplish the work.

- We have invested in our workforce to make sure we have highly skilled and diverse employees capable of meeting the new challenges of the global society and information age.

- We have developed strong alliances and partnerships with other government agencies, the transportation related industries and the users of the system.

- We have streamlined our internal structures to ensure that the resources we have are meeting the needs of the American public.

- We have streamlined our processes to make them work better and harnessed new technologies to better serve us in our work.

DOT Organization Structure

One of the best examples anywhere of the new way of doing business is the reinvention of the United States Coast Guard. They are pursuing an aggressive streamlining plan to restructure headquarters and the major field commands. They have cut overhead expenses, a cumulative $400 million by 1998, and are trimming their workforce by 3,500 people, even as they step up their efforts in safety, environment and drug enforcement.

The Department has been focusing on ways to best utilize its field structure so that we can continue to improve service delivery to our customers through a restructured field operation. One of our key objectives as we consider field office consolidation is how to enhance safety. A Co-Location Task Force with representatives of each operating administration will identify opportunities, via sensible space sharing, to improve customer service, reduce costs, and increase efficiency. The Task Force has identified potential co-locations for further review and analysis and is now in the process of conducting such analysis. Last summer as a result of this focus on field operations, FHWA and NHTSA decided to co-locate their offices in Baltimore. This co-

location provided space saving, savings in technology investments and best of all improved service to the customers and sharing of planning and safety information. The Task Force has recently worked with several modes and finalized plans for the co-location of offices in Kansas City. Approximately sixty other offices are under review for consolidation. Also, we have begun to open metropolitan offices in Los Angeles, New York, Philadelphia and Chicago to combine the resources of FHWA and FTA to meet specific local needs.

Another example of our efforts in this areas is the formation of the Transportation Administrative Service Center (TASC). In FY 1996, TASC was created as a business enterprise operating in the competitive marketplace to provide common administrative services for the DOT operating administrations and OST, and to serve as the locus for consolidation of administrative functions in the Department. TASC has used state-of-the-art technology to consolidate administrative services and provide the American public with easier access to important transportation information. For example, TASC has consolidated the Department's nine separate dockets operations into one fully automated TASC Dockets Management System. DOT rulemaking and adjudicatory information is electronically available to stakeholders, partners, customers and to the general public. This information will be available on the Internet later this year and in FY 1998 we will begin accepting public comments and filings via the Internet.

Process Improvements

As you know, the Department has been aggressive in implementing the recommendations of the National Performance Review. For just one example, we are delivering Federal assistance faster than in the past: FHWA and FTA are now offering the States and transit agencies "electronic signature" on grants, which can cut payment processing time from four days to one. And the Department has achieved its goals of eliminating over 1,000 pages -- 13 percent -- of DOT's external regulations and cutting our internal directives and orders by more than 50 percent. Just one example of this is that the FAA replaced a foot thick stack of personnel rules

with a 41-page booklet.

The Department has completely revamped our procurement systems. We have established a Procurement Reinvention Lab to waive red tape and try new approaches to procurement, focusing on simplifying the system and giving line employees greater authority to make quick, sensible purchasing.

The Information Technology Omnibus Procurement (ITOP) program is a good example of this reinvention. ITOP is delivering a wide range of information technology services in record time and providing highly qualified, proven support to DOT and other federal agencies. ITOP has streamlined procurement by allowing the use of oral proposals, limiting source selection criteria, and reducing the amount of paperwork for technical proposals. ITOP is also creating a database of references to assist customers in evaluating contractors' past performance when making a decision on future contracts.

DOT's Financial Accounting

The Department is also continuing to implement improvements to its financial management systems through technological advances. For example, we are making innovative use of commercial-off-the-shelf software to implement a "paperless" travel management system that ties to our accounting system. We have automated accounting reports so that managers have current information. We have closed almost 600 imprest funds and reduced the amount of cash held outside Treasury by almost $5 million.

We have made good progress in developing our financial statements as evidenced by the number of our financial statements certified by the OIG in FY 1995. The OIG has identified some problems that largely center around weaknesses associated with accounting for property and equipment and operating materials and supplies. Even though these problems are complex

in nature and long standing, we are addressing them. Although many assets have been in our possession for long periods of time, historical cost records are often incomplete or nonexistent.

The Department currently depends on a manual review processes and incompatible (or nonexistent) subsidiary systems to process transactions associated with both property and equipment (P&E) and operating materials and supplies (OM&S). Without modern systems, we are finding it difficult to properly classify (capitalize or expense) these assets at time of purchase. Our accounting system (DAFIS) depends on the data captured by these subsidiary asset management systems to generate asset balances for the financial statements.

We are taking a sound, comprehensive approach to correct all of these deficiencies. This approach requires us to work in a collaborative manner with Departmental program offices and accounting offices. The OIG is also playing an important consultative role in this process. Although some of our corrective actions will be completed within the next six months, resolving all of the deficiencies will require more time. Significant actions already underway relate to conducting physical inventories that will establish the basis for assigning proper values to the assets on hand. Concurrently, we will be reconciling this information to the General Ledger accounts contained in DAFIS. In July 1997, procedures will be in place to give better visibility to assets at the time of purchase to ensure that they are properly classified as either capital assets or expenses.

New systems will also be necessary to sustain the corrective actions outlined above. The Department is employing a coherent strategy with regard to acquiring and implementing these new systems. For example, we will use commercial-off-the-shelf (COTS) software that is able to integrate with other financial management system applications. These COTS applications will comply with the standards issued by applicable authorities.

Information Resources

In the Information Resources section of their report, GAO concludes that the Department's information resources and databases are not adequately managed and that this hinders efforts to achieve our mission. Examples cited include problems in FAA, Coast Guard, FHWA and NHTSA.

The problems cited by GAO are not new. In fact, the Clinger-Cohen Act was enacted to address these kinds of technology shortcomings. It recognized the importance for an integrated technology architecture and assigned the responsibility for its implementation to Departmental Chief Information Officer. We now have formalized the Chief Information Officer organization within the Department with a reporting link directly to Secretary Slater. The Department is conducting a search for a Departmental Chief Information Officer who will be part of the Department's senior management team. In addition to the Department's technology architecture, a priority of the CIO will be to establish processes to support effective technology investment decisions and to ensure we are achieving the performance we expect from those investments. I am very optimistic that through the CIO the Department will see stronger management of all aspects of the Department's information technology program.

GAO also was critical of our efforts to address the Year 2000 computer problem. I can assure you that the senior management of the Department is aware of the implications if we do not solve this problem. We are making progress addressing requirements in our automated systems, equipment with embedded microchips and with the industries we regulate. Certainly the most visible concern is with the air traffic control systems. FAA has a strong program in place and will complete an assessment of a portion of the air traffic control system in June.

The IG has pointed out that the data in Coast Guard's Marine Safety Information System

(MSIS) is not current or reliable to identify vessels overdue for inspection and the Department agrees with the IG's assessment. Coast Guard's MSIS is technologically obsolete, difficult to maintain and unable to support Coast Guard missions. MSIS is currently being replaced by a new system, the Marine Information for Safety and Law Enforcement, that will not have the problems of the MSIS.

Compliance with Existing Requirements

Both the IG and the GAO have identified areas where the Department should have been more aggressive in its enforcement or requirements. One of these areas is suspected unapproved parts (SUPS) in aviation. I am glad to say that the FAA and OIG have come to recognize that success requires cooperation between FAA's regulatory and the OIG's law enforcement responsibilities. Because of this, the FAA has taken 178 regulatory enforcement actions against parts violators in the past five years and OIG criminal investigations have resulted in 173 indictments and almost $50 million in fines, restitution and recoveries.

This Committee held a hearing on airport revenue diversion almost one year ago and I am pleased to report that the Department has taken steps on a number of issues to resolve revenue diversion matters. While there are still airport revenue diversion matters before the Department, the Department has focused efforts on high profile diversion matters in an effort to highlight the Department's commitment to enforcing prohibitions against revenue diversion. Actions taken by the Department since that hearing have resulted in the return of over $95 million to airports, and the FAA has informed the OIG that it will request the return of an additional $28 million to an airport from its sponsor. The Department is now focusing its efforts on finalizing a national airport revenue diversion policy to ensure that Congressional mandates are met.

Effective and Efficient Use of Surface Transportation Investment Funds

Strategic investment in the nation's transportation infrastructure is critical to this nation's economic prosperity and quality of life. We must make these investments strategically and smarter, as has been recommended by both GAO and the IG. As Secretary Slater discussed with you, working with the Congress, over the past four years (FY 1994-97) we have increased Federal investment in highways, transit systems, and other infrastructure to an average of $25.5 billion, more than 20 percent higher than the average during the previous four years. Our investment is producing results, even with many of these projects still under construction. For example, the latest data on the National Highway System shows us that the condition of bridges and pavement has improved significantly. System performance -- as measured by peak hour congestion, which had been deteriorating -- has now stabilized.

The Department is committed to a long-term infrastructure investment program and has taken steps to bring the management of large dollar infrastructure projects under control.

At a cost of over $1 billion per mile, the Central Artery/Tunnel project is the nation's largest and most expensive highway project. This project has received substantial attention largely due to concerns over the cost, project scheduling, State financing ability and project oversight. The Federal Highway Administration has continually adjusted its staffing locally to recognize the challenges in oversight of this project and currently has a staff of thirteen professionals including engineers and other program specialists dedicated exclusively to the project. Local upper management receive monthly management briefings on the project, with FHWA headquarter's management, including the Executive Director, participating in the briefings at least once every quarter. With the state's completion and FHWA's acceptance of an initial and updated financial plan for the project, cost, scheduling and other concerns are continuing to be addressed. FHWA and the Massachusetts Highway Department are currently developing plans for producing a technology sharing program that would share best practices or lessons learned on the Central Artery project in both technological and in management areas.

The areas of emphasis would be those that would promise a high payoff in cost or schedule control or in the avoidance of problems for other large and small projects throughout the nation.

Concern has also been raised about the management and costs of the Los Angeles Red Line transit project. The Federal Transit Administration has taken aggressive steps to deal with these concerns. FTA tasked an independent contractor to conduct a financial capacity analysis of the Los Angeles County Metropolitan Transportation Authority's (MTA) transportation program. This financial analysis, completed in April 1997, confirmed our concerns about the MTA's ability to finance the Red Line project within existing financing constraints. The FTA Administrator then wrote to the MTA Board Chairman and stressed the difficult, but inevitable, decisions the MTA Board must make in prioritizing its many projects to fit within a financially constrained long-range transportation plan. He questioned the optimistic financial assumptions of MTA's recovery plan, particularly in light of all of the commitments into which the MTA Board has entered -- the Red Line subway project, the Blue Line light rail project, the bus program, and the consent decree. On May 13-14, FTA officials met in Los Angeles with MTA officials to ensure that the MTA's revised recovery plan is based upon realistic revenue and expense assumptions and enhances their ability to manage this critical large-dollar construction project. FTA is in the process of restructuring the entire MOS-3 Red Line Full Funding Grant Agreement, and expects to have a restructured North Hollywood component executed within the next few weeks. Other segments are dependent on the MTA's final recovery plan.

In the past, the Federal Transit Administration's grant management was on both the GAO and OIG high risk list because, until 1993, those agencies found that FTA focused more on awarding grants than on ensuring their proper use. Oversight was found to be superficial and inconsistent. Since that time, FTA has made substantial improvements in its process to oversee its grants program, including organizational changes, increased oversight staff levels and better training. FTA has now gone from relying primarily on grantee certifications of compliance to an active approach to its grant management, oversight and enforcement responsibilities. FTA's philosophy is to assist grantees to identify and correct deficiencies or problems before they

become significant. In the major construction arena, for example, FTA has been sponsoring Construction Roundtables where the Chief Engineers/Administrative Officers of our largest grantees undertaking major new fixed guideway transit construction projects convene semi-annually. These Roundtables have been extremely successful forum for face to face exchange of technical information, and to establish a network for advice when problems develop.

In addition, our management of infrastructure investment must include new thinking and new techniques. President Clinton early on recognized that the only way to lay the foundation for renewed American prosperity is to spur both public and private investment. In response to the President's direction, the Department initiated the Partnership for Transportation Investment. Through that Partnership, we have supplemented our traditional surface transportation grant programs with innovative financing, stretching our transportation investments further. Our efforts, which have focused on public-private partnerships, have accelerated more than 74 projects with a total value exceeding $4.5 billion.

State Infrastructure Banks, now being established in 10 pilot states, are beginning to offer new financing tools for a variety of transportation improvements -- such as toll roads and intermodal terminals. The FY 1997 Transportation Appropriations Act gave us authority to select additional states to participate in the SIBs. We have received 26 applications from 29 states, including two multi-state applications, for additional SIBs and expect to make announcements on those applications shortly. Since projects are just being initiated under the new SIBs, and experience is limited, some have suggested a potential for as much as a 4-to-1 leveraging factor from funds deposited in SIBs.

In addition to stretching our dollars further, the Department is also using technology to expand our transportation system. DOT has made substantial progress with Intelligent Transportation Systems (ITS) - applying computer technology to improve transportation system safety and throughput. DOT's program of ITS research, testing, and technology transfer is aimed at simultaneously solving congestion and safety problems, eliminating operating inefficiencies in

transit and commercial vehicles, and reducing the environmental impact of growing travel demand. Since 1991, the accomplishments of the ITS Program have included a long-term basic research program, tests of numerous technology applications, development of a national architecture and initiation of an unprecedented standards development program. We have already taken the first steps with model deployments of integrated travel management systems in four metropolitan areas, and commercial vehicle intelligent systems in eight states. We have established a baseline of deployment to date and will report progress in reaching this goal on an annual basis. We believe ITS infrastructure will provide for our surface modes, in many respects, what air traffic control has provided for aviation -- an ability to manage operations -- for improved safety, greater efficiency within the same infrastructure, less environmental impact, and greater predictability for the customer.

We are also actively promoting use of advanced materials to cut installation costs, reduce maintenance needs, and stretch infrastructure lifetimes. The first high performance concrete bridge -- the Louetta Road overpass in the Houston, Texas area -- is now being installed, and will serve as a showcase for this technology. High performance steel offers improved corrosion resistance, easier repair, and eliminates the need for repainting. Carbon-fiber column wrappings can be used to strengthen existing bridges, and improve their ability to survive earthquakes. We view technology as a key element in our strategy to assure infrastructure availability.

Conclusion

As I mentioned earlier, the Department's priorities are addressing the challenges and issues raised by the GAO and the IG. The Department has made good progress in making management a top priority as evidenced by the material previously discussed. We look forward to working with the GAO, the IG, this Committee and the Congress on these and other issues. The shape of transportation in this nation and the quality of life of all Americans depends upon our vigilance in this effort.

FINAL 6.16

U.S. Department of Transportation

TRANSPORTATION TRENDS

REMARKS AS PREPARED FOR DELIVERY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
NATIONAL MARITIME DAY MEMORIAL SERVICE
WASHINGTON, D.C.
MAY 22, 1997

Members of Congress, honored veterans, members of the U.S. Merchant Marine, distinguished guests: I want to begin my remarks on a personal note. As you know, Admiral Al Herberger is retiring as Maritime Administrator, bringing to a close four decades of service to his nation and to the maritime community.

Much will be said about his contributions in the coming weeks and months, but on this, his final Maritime Day in office, I want to thank Admiral Herberger for a career which began four decades ago with his graduation from the U.S. Merchant Marine Academy.

Our nation, and our maritime community, are stronger for his dedicated service, and I trust that, even in retirement, we will continue to benefit from his wisdom and vision.

Even as we act to make a reality of Admiral Herberger's vision of a maritime industry for the 21st century, it's vital that we remember this industry's inspiring heritage. And so, as we do on each National Maritime Day, we join together to honor America's seafarers and the contributions they have made to building our nation and to keeping it strong. President Clinton's proclamation, which you can see at your right, spells out that history.

Our seafarers have served us well, since the very beginning, and never more dramatically than during our wars overseas. The victories we have celebrated could not have been won without the arms and ammunition, the food and fuel, brought across the seas by the courage and sacrifice of Merchant Mariners like Mr. Brooks and his shipmates. Their victory at sea made all of America's other victories possible.

Today's challenges are primarily those of a time of peace, but the Merchant Marine's role is no less crucial. America remains a maritime nation, bounded by two great oceans and dependent on blue-water ships to carry most of our trade in an increasingly-competitive global economy. We also continue to rely on seapower to transport and supply our armed forces, and, increasingly, to provide support for humanitarian missions around the world.

(More)

Recognizing that need, President Clinton launched a dual maritime initiative -- a plan to strengthen the American shipbuilding industry and our Maritime Security Act, which will sustain a viable U.S.-flag merchant fleet. Good friends of the maritime community, such as Senator Breaux, Congressman Livingston, and Congressman Gilchrest, joined with us to make these initiatives a reality.

They are proof that our nation is charting a new course, reinforcing our heritage as a great maritime power, returning to our honored nautical traditions.

And so, on this National Maritime Day, let us join together to salute the work of America's merchant mariners, its shipbuilders, and its great shipping enterprises in maintaining our seafaring heritage.

Together, let us remember those mariners who gave their lives to save the world that we have inherited. Let us honor their memory, and let us hope that young Americans will always "go down to the sea in ships." Thank you.

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(In his remarks the Deputy Secretary referred to Admiral Albert J. Herberger, Administrator of the Maritime Administration; Booker Brooks, an honored merchant mariner who served during World War II; Senator John B. Breaux of Louisiana; Congressman Bob Livingston of Louisiana; and Congressman Wayne T. Gilchrest of Maryland.)

FINAL 6.15

REMARKS PREPARED FOR DELIVERY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
FOURTH NORTH AMERICAN AVIATION TRILATERAL
WASHINGTON, D.C.
MAY 28, 1997

(Introduction to be made by acting FAA Administrator Barry Valentine)

Thank you, Barry, for that introduction -- and for so ably serving as acting FAA Administrator. (*I promise you we'll be sending in reinforcements soon!*)

On behalf of President Clinton and Secretary Slater, I'd like to welcome you all to the fourth North American Aviation Trilateral meeting. The work you'll be doing today and tomorrow is vital to the safety, security, and efficiency of the continent's air transportation system.

That's important, because a sound aviation system is the key to the prosperity of our economies in the 21st century. Here in the U.S., air travel has linked us to the Americas and to the world, opening up new markets and enabling the quick, economical movement of people and goods that powers our growth.

Transportation's role will only increase in the future as our three economies become more fully integrated and as trade grows -- among ourselves, and with the rest of the world.

The potential for such growth is greater in our three economies, which already are so closely linked.

Canada and the U.S. serve as the largest market for each other's goods, with nearly a billion dollars a day in trade. Mexico was the U.S.'s third-ranked trading partner last year, accounting for nearly a tenth of our trade -- nearly equal to that of Japan.

In transportation, these links are especially strong: U.S.-Canadian air travel increased by more than 28 percent in the two years after the bilateral agreement liberalizing air commerce between our nations, and a number of international airlines link Mexico with most major U.S. cities.

These relationships are only going to strengthen in the future: last year the U.S. provided 60 percent of all direct foreign investment in Mexico, and about 65 percent of Canada's.

The early success of NAFTA will increase these linkages dramatically, further integrating our economies. And transportation will help us to continue making the most of NAFTA.

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

Measured by value, 36 percent of our freight moves by air, and the businesses shipping it can't afford the expenses imposed by inefficient transportation.

Nor can other attributes of the modern international economy -- global sourcing, technical support, technology transfer, and multinational management -- reach their full potential without extensive and efficient air transport for passengers and cargo.

But the aviation system our economies depend upon faces growing travel demand -- aging technologies -- inadequate capacity at some airports -- and poor connections with other forms of transportation. These conditions, if left unchecked, will slow economic growth and reduce the competitiveness of our three nations.

In the U.S. today, air system congestion costs airlines -- and their passengers -- $3 billion annually. Additional costs are borne by air freight carriers, and passed on to consumers and businesses in the form of lost time -- higher prices -- or diminished opportunities.

This is why we're so committed to upgrading our own aviation system. We're investing in new and expanded airports and in an upgraded air traffic control system that can safely manage the dynamic growth we face in coming years.

New technologies, such as global positioning satellites and the wide area and local area augmentation systems, are going to increase safety and effective capacity in our skies.

We're trying to improve the physical links between airports and highways, railroads, and transit systems, and we want to ensure that we also make the technological links between them as well.

Improving system efficiency, as important as it is, has not been our highest goal: that has been, and remains, ensuring the highest possible levels of safety and security.

We understand that our aviation system can't reach its full potential without the flying public's confidence that travel is safe. That's why we're continually raising safety standards and dedicating the resources needed to achieve those standards.

We laid the groundwork for doing more with the Gore Commission's report, which set a goal of increasing the safety rate by a factor of five over the next decade. It's an ambitious goal, but we *can* achieve it.

We've already taken significant steps, such as setting a single level of safety -- increasing our scrutiny of start-up airlines and strengthening the restrictions on transporting hazardous materials -- and implementing new security measures, such as the 54 new explosive detection devices we're deploying at major airports.

But these improvements we're making in the U.S. -- and the investments that you, our partners, are making in Mexico and in Canada -- cannot reach their full potential without being coordinated with each other.

We need to create the institutional and regulatory frameworks, the technical arrangements and technological harmonization, that enable us to function in a partnership that is greater than the sum of its parts, a partnership that emphasizes safety and security.

We're committed to working with you to do this in every area of transportation -- highways, railroads, maritime and, of course, aviation.

We must work together to build a fully-integrated continental transportation system -- one that moves people and goods safely and efficiently -- because, without it, our economies would have little chance of continuing the dynamic growth we've seen over the past few years.

So, when our leaders ask us to make certain, as you will this week, to harmonize and integrate our aviation systems -- when our businesses ask us to help them do more business with each other, as they have -- when travelers ask us to reduce costs and make connections easier, as they have -- I ask that, in the work you do, you remember that you are far more than transportation policy makers.

In your hands is the opportunity to help create a transportation network that will create millions of jobs, and support millions more. Not many people ever have that chance, but you can help us to build a new and better future for our people, in all three of our economies.

So, even as we work on the intermediate steps, let's agree on our final destination: a harmonious and coherent aviation system that creates opportunities for all of our peoples and that deepens the growing cooperation between our economies and that strengthens the competitive position of each country in the 21st century.

Let me conclude by urging you -- as you go about your work this week -- to keep in mind that you hold the key to providing opportunity for all of our citizens. And, keep in mind that the NAFTA vision is no substitute for work plans that produce real results.

Thank you, and good luck in your work over the next two days.

# # # # #

6.14

Final

REMARKS PREPARED FOR DELIVERY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
COAST GUARD LIFESAVING AWARDS
FORT LAUDERDALE, FLORIDA
MAY 29, 1997

Good afternoon. On behalf of Secretary Slater, I've come to join you in commending five Coast Guardsmen for acts of extraordinary courage and distinction.

In Washington, where we use up words so quickly as to blur them, we can easily forget the meaning of words such as "hero" and "courage." On April 6, we were reminded that these are not just words, but qualities that can genuinely affect people's lives.

Admiral Kramek often says that the Coast Guard's missions are protecting man from the sea, and the sea from man. Rarely has your ability to carry out the first of these missions been shown as dramatically as in that day's events.

When a sinking rental boat in the Intracoastal Waterway was forced against a moored barge -- threatening the lives of the 11 passengers aboard -- the crew of Coast Guard Utility Boat 41351 alertly responded. Members of the crew -- at considerable risk to their own lives -- dove into the swift currents to rescue the passengers.

Tragically, two passengers perished -- but almost all of them certainly would have died had the crew members not acted

speedily and with valor in the face of dangerous and chaotic conditions.

The crew's swift, decisive action saved nine lives -- and gave new proof of the dedication and devotion to duty which defines the men and women of the United States Coast Guard. They demonstrated not only courage but also impressive professionalism and teamwork, and coolness under extreme pressure.

I also want to note that one of those we honor today is a member of the Coast Guard Auxiliary. In an age of limits on government, we increasingly depend on auxiliarists to augment our resources and protect boaters. I hope that his example will encourage more Americans to participate in the Coast Guard Auxiliary, and provide an added measure of safety on our waterways.

He, and all those we honor today, showed that *Semper Paratus* is not just a motto, but a living reality, and in doing so added their names to a roll of heroism that began with the Coast Guard's founding two centuries ago.

On behalf of Secretary Slater and the entire Department of Transportation, let me say Bravo Zulu!

And now I would like to recognize the members of Coast Guard Utility Boat 41351 for their service to the nation...

(Your speaking role ends at this point, and Lt. Jim Fitton would call the honorees forward.)

FYI, the order is: Coast Guard Auxiliarist Frank R. Mauro (Gold Lifesaving Medal); Seaman Apprentice Dwight S. Hagins (Meritorious Service Medal); Boatswain's Mate Third Class Matthew L. Goodnow (Coast Guard Commendation Medal); Seaman Apprentice Richard K. Young (Coast Guard Achievement Medal); and Fireman Apprentice Tammy R. McLendon (Coast Guard Achievement Medal).

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