



TRANSPORTATION TRENDS

**REMARKS PREPARED FOR DELIVERY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
WASHINGTON METROPOLITAN TRAVELER INFORMATION SERVICE INAUGURAL
WASHINGTON, D.C.
JULY 1, 1997**

On behalf of Secretary Rodney Slater, I want to congratulate Dave Mitchell, Steve Crosby, Commissioner Gehr, Secretary Winstead, Director Bernardino, and all of the businesses and public agencies you represent for the outstanding public-private partnership which has brought this traveler information service to the Washington area. It's about time, about the time we all need in our busy lives.

This service will enable people to make smart travel choices, to take transit or to go by alternate routes to avoid traffic jams, and to get to their destinations on time. Beginning this Fourth of July week, it's going to let travelers declare their independence from gridlock.

Beginning this Fourth of July week, this new system is going to let travelers declare their independence from gridlock.

This service is a big step forward, and it's also the first step towards a fully-integrated regional intelligent transportation system. Our vision of what such a system could mean for the Washington region is seen in Operation TimeSaver, which we launched last year.

Operation TimeSaver set a goal of deploying intelligent transportation technologies nationwide within a decade, using them to cut urban travel times by 15 percent, and offering those time savings to the American public, time to spend with their families, to spend on productive work activities, or just to enjoy.

We're fully committed to Operation TimeSaver, we're making progress on its goals, but we know that the federal government can't make it happen alone. It requires a partnership that pulls in state and local

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governments and that draws on the skills of the private sector, exactly the kind of partnership which you've put together to make this traveler information system possible.

We helped you to develop this traveler information system, and we're going to do our part in making all of Operation TimeSaver happen as well.

This spring Secretary Slater joined President Clinton in proposing the National Economic Crossroads Transportation Efficiency Act.

NEXTEA, as we call it, would reauthorize highway and transit programs which will expire very soon, including those which fund intelligent transportation systems. NEXTEA would do two big things for intelligent transportation systems.

First, it would provide nearly \$1.3 billion in new federal funds over the next six years to develop and deploy technologies such as this traveler information system, the technologies which will make Operation TimeSaver a success.

Second, it would give states and the District unprecedented flexibility to use their existing federal highway and transit funds to deploy these technologies.

Every dollar in every major NEXTEA program would be usable for these new technologies, so the \$1.7 billion in dedicated research and integration funding NEXTEA would authorize is really only the tip of the iceberg.

Now, there are skeptics out there, those who doubt that these systems will do the job, and think that the money might be better spent elsewhere.

The traveler information system we're inaugurating today answers those doubts. It's a resounding "yes!" to the idea that advanced technologies can help us to meet our transportation needs, and I hope the skeptics hear the message we're sending today.

Under NEXTEA, we'll work with you to create an integrated, intelligent transportation system, one which links different jurisdictions, different technologies, and different forms of transportation into a seamless system that will get people where they want to go when they need to be there. So, the future of transportation in the Washington region starts here, *now*, and I'm proud to be a part of it. Thank you, and, again, congratulations!

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(In his remarks the Deputy Secretary referred to U.S. Secretary of Transportation Rodney E. Slater; David Mitchell, Vice President and General Manager of the Battelle Memorial Institute Transportation Systems Division; Steve Crosby, Chairman and Chief Executive Officer, SmartRoute Systems; Virginia Commonwealth Transportation Commissioner David R. Gehr; Maryland Transportation Secretary David L. Winstead; and Acting Director of the District of Columbia Department of Public Works Cell Bernardino.)

DRAFT

TALKING POINTS
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
CONGRESSIONAL BRIEFING ON AIR QUALITY STANDARDS AND NEXTEA
WASHINGTON, D.C.
JULY 21, 1997

- * Strong EPA-DOT partnership within the Clinton-Gore Administration. Worked closely with EPA on strategies which protect our environment and public health without limiting mobility or economic prosperity.
- * Since 1993: conformity and two (soon three) rounds of modifications to make it work in the real world. Cooperation on statewide and metropolitan planning regs -- research on air quality modeling, vehicle and fuel issues -- stakeholder technical aid and training -- public education.
- * Much progress, but much still to be done: pollution still a serious problem -- last week's D.C. "ozone red alerts."
- * In the future, growing traffic could threaten progress. Moreover, research demonstrates the harm air pollution does to health today, especially to the most vulnerable: children, the elderly, and the infirm.
- * President Clinton: strengthening air quality standards to protect people's health -- without sacrificing mobility and prosperity. We *can* do this -- we *can* have it all -- a healthy environment *and* a healthy economy.

- * The key: common-sense, cost-effective approach to achieving the new standards. Give communities and businesses flexibility and ample time to reduce pollution; tap into our nation's genius for innovation.
- * That's the approach we've taken in transportation over the past generation: catalytic converters, cleaner gasoline, transit and other travel alternatives have cut pollution without imposing excessive costs.
- * Recent progress through ISTEA: CMAQ authorized \$1 billion annually. Unprecedented flexibility enables state and local officials to use federal funds for the projects which best meet their needs. Already producing benefits.
- * Transit: 54 percent of CMAQ funds -- nearly \$1.6 billion -- used for transit. L.A. transit and rideshare improvements eliminated 1.3 million annual vehicle miles traveled.
- * Intermodalism: the "T" in ISTEA. Seattle and Portland, Oregon improved rail and truck access to seaports, speeding freight and reducing emissions. NY freight barge daily takes hundreds of trucks off city streets; Auburn, Maine truck-rail facility takes 12,000 trucks a year off I-95.
- * New technologies: cleaner natural gas buses in Cleveland, Boise, Kenosha, Wisconsin; inspection and maintenance programs in Indiana and Rhode Island.

- * Innovative programs: helping working Americans -- San Jose transit station's child care center, telecommuting in Pennsylvania and Virginia.
- * Traffic flow improvements: to cut congestion and pollution. Synchronized traffic signals in Denver reduced delays by 34,000 hours over 18 months; freeway incident patrol in San Francisco cut delays by 90,000 hours since 1992.
- * ISTEA -- and CMAQ -- expire later this year, and President Clinton has proposed a successor: NEXTEA, the National Economic Crossroads Transportation Efficiency Act.
- * Reauthorization the biggest transportation issue facing Congress. But -- as President said -- NEXTEA is also "one of the most important pieces of environmental legislation that will be considered by Congress in the next two years."
- * NEXTEA continues CMAQ, increases funding by 30 percent, to \$1.3 billion annually.
- * NEXTEA expands CMAQ funding eligibility to include common-sense initiatives such as scrappage of dirtier pre-1980 vehicles and programs to reduce extreme cold starts.
- * NEXTEA meets the dangers of particulate matter -- soot -- by allowing areas that don't meet health standards for this pollutant to receive CMAQ funds.

- * NEXTEA ensures funding equity: no state would lose CMAQ funds because of enhanced air quality standards, and states with clean air won't lose funds to states which don't meet standards.
- * CMAQ would continue cutting pollution nationally. Makes the Clean Air Act a funded federal mandate.
- * We'll work closely with EPA and our state-local-private partners to implement the next generation of transportation programs in ways which make sense, and which won't detour us off the road to prosperity.
- * The record proves we can do this. Past concerns over the cost of cleaning the air proved unfounded. New technologies, new ways of doing business cut pollution, and along the way created new industries and efficiencies.
- * We can do the same thing again, improving mobility and strengthening our economy while protecting our health and our natural environment.
- * Look forward to working with Congress to make possible the principles and programs which are NEXTEA's foundation.
- * Look forward to cooperating with our state-local-private partners to implement strategies which make sense in fact as well as in theory. Thank you.

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**REMARKS PREPARED FOR DELIVERY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
WESTERN ASSOCIATION OF STATE HIGHWAY AND TRANSPORTATION OFFICIALS
SUN VALLEY, IDAHO
JULY 28, 1997**

I'd like to bring you all greetings from Secretary Slater. The Secretary is leaving today to represent the President in Haiti, and so couldn't join us, but he sends you his best wishes for a successful conference.

I also want to thank Lieutenant Governor Otter, Dwight Bower, and Vicky Jewell Guerra for their generous hospitality. Those of us from the east coast are always impressed by the natural beauty of the west and the friendliness of its people, and it's always a pleasure to come out here.

The main topic of this year's meeting, like a lot of meetings I've been to lately, is ISTEA reauthorization, and so I'd like to make that my subject as well. Many of you were involved, as I was, in ISTEA's creation six years ago.

At the AASHTO meeting in Albuquerque nearly three years ago we talked about the fact that it was time to begin thinking about reauthorization, even before the NHS bill had passed. And a year ago we were finishing up our months of outreach around the country and were beginning to draft the Administration's bill.

All of this seems so recent that it's hard to believe that ISTEA expires in just 65 days, and with it almost every single federal highway, transit, and safety program. Now, most of you, like me, are working hard to avoid the Year 2000 problem with your computer systems. Well, we face a Year 1997 problem with our transportation system: if ISTEA expires, more than \$25 billion a year in highway and transit investment programs would be disrupted.

And, as state transportation officials and professionals, you grasp this better than anyone: your programs would run out of spending authority, perhaps even out of cash to pay bills or repay advance construction commitments. We understand this, and we share your view of reauthorization as *the* most significant issue facing

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the transportation community this year. As Senator Kempthorne indicated earlier, we've been working close with Congress to make an on-time reauthorization a reality.

The formal legislative process started in March, when President Clinton announced his proposal for reauthorization: NEXTEA, the National Economic Crossroads Transportation Efficiency Act. In addition to NEXTEA, there are several other major plans before Congress: "ISTEA Works," Step 21, and STARS 2000. Each of these plans has its virtues, and, within this room, its supporters.

Senator Moynihan's and Congresswoman Molinari's "ISTEA Works" bill, as its title indicates, retains the basic structure of ISTEA, preserving programs which get the job done. It increases the emphasis on sound planning, and also focuses attention, and resources, on concerns such as environmental protection and intermodal transportation, especially intercity rail.

The Step 21 bill sponsored by Senator Warner in the Senate and Congressman DeLay in the House, like all of the bills, retains ISTEA's emphasis on comprehensive planning. Senator Warner's Step 21 bill also continues the set-aside for the enhancements program, which is one of our priorities as well.

And Senator Baucus's STARS 2000 bill, although it doesn't include a CMAQ program, does include an air quality formula factor and requires the funding of projects to improve air quality in non-attainment areas.

Like NEXTEA, all of the other major bills increase overall investment to greater or lesser degrees and continue ISTEA's emphasis on eligibility for intermodal projects and for environmental projects. And, although these bills don't address transit, safety, or research, we've heard no opposition from their authors and support to the ISTEA principles which increased the federal emphasis in each of these important areas.

Similarly, these bills build on the progress we've made in innovative financing and improved federal-state-local partnerships. Other bills currently in consideration are addressing these matters.

On close examination, all of these bills draw on the broad principles held in common by transportation advocates across the political spectrum and across the country. Their commitments to adequate funding, innovation, intermodalism, greater local authority, more flexibility, less red tape, and strong state and local planning are what that new century demands.

We believe that NEXTEA, by virtue of its comprehensive approach -- can serve as common ground for all who are committed to a sound transportation system that can help us to meet the challenges of the new century. These challenges: growing traffic; inadequate capacity; bottlenecks and poor connections between different forms of transportation; and an aging and deteriorating infrastructure, could threaten our prosperity and our quality of life.

ISTEA, as it was enacted in 1991, and especially as we've used it over the past four years, gave us tools to meet these challenges.

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President Clinton has pushed the envelope to fully take advantage of those opportunities, increasing infrastructure investment by more than 20 percent, to a record \$25 billion annually. We have continued our commitment to a national highway system while beginning to give us a balanced, intermodal transportation system, exactly as ISTEA promised.

NEXTEA continues the President's commitment to investing in our infrastructure, increasing overall transportation funding by 11 percent over ISTEA's record levels.

That includes expanding our core highway programs by 30 percent and raising authorizations for the Federal Lands Highway Program and for new mass transit lines by 17 percent each. It also expands by 30 percent ISTEA's successful CMAQ and enhancements programs. Altogether, NEXTEA's \$18 billion in additional funding means that 49 of the 50 states, including every state west of the Mississippi, would receive more dollars under our proposal than they did under ISTEA.

The budget agreement we've reached with the Congress and are now putting into place has further enhanced those investment levels with increased obligation ceilings to permit that agreement's higher outlays. The FY '98 appropriations bills now moving through Congress reflect this substantially-increased ceiling.

We're not only increasing funding, but also increasing flexibility so that you can design the programs that make sense for each of your very unique circumstances. This flexibility would enable states to decide where best to spend their federal funds, and the Intelligent Transportation Systems initiative is one of the best examples.

In metropolitan areas, ITS can cut by 35 percent the cost of providing the highway capacity we need over the next decade. In rural areas, these programs are also important. They can provide information on weather and road conditions, Mayday services for faster and more precise emergency responses on isolated roads, and rural transit dispatching, using global positioning satellite systems.

NEXTEA makes all ITS investments eligible in every major funding category, as well as authorizing nearly \$1.3 billion in funding dedicated to ITS. The \$1.3 billion includes funding for research, training, and technology transfer, and an incentive program to promote the rapid and integrated deployment of feasible, cost-effective ITS infrastructure technologies.

NEXTEA also continues our innovative financing program, which cuts red tape to speed up projects and attracts new sources of funding to supplement traditional federal grants. As a pilot program under ISTEA, this effort advanced 74 projects two years ahead of schedule and generated more than a billion dollars in new capital investment, and it's now part of our routine way of doing business.

ISTEA also started the first state infrastructure banks, which can leverage nonfederal transportation investment by loaning seed money and providing credit assistance. Recently, Vice President Gore and Secretary Slater announced the second round of SIBs, which expanded the program to a total of 39 states, as well as the first allocation of \$150 million in direct funding. NEXTEA builds on this early progress by proposing \$900

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million in dedicated seed money for SIBs, and by continuing to enable states to use up to 10 percent of their regular federal-aid funds to capitalize them.

NEXTEA also has special programs targeted at supporting the trade flows which are so vital to economic growth in the west. That includes \$600 million to leverage funding for large projects of national significance which individual states can't afford, such as interstate trade corridors, and \$270 million for border gateways and other corridor projects.

And, in the context of economics, let me also mention how NEXTEA could help to reduce the barriers faced by those moving from welfare rolls to payrolls. This is something your governors are going to be faced with over the next couple of years. They asked for state discretion in reforming welfare, they have it, and we need to make the process a success.

You know how hard it is for prospective workers to get to job sites: two-thirds of new jobs are in the suburbs and few welfare recipients own the cars that would get them to those jobs. NEXTEA includes a six-year, \$600 million program of such flexible, innovative alternatives to get people to where the jobs are, and to make transportation a relevant partner in this national commitment.

And we should not lose sight of the fact that the construction and other work generated by NEXTEA will create and sustain nearly one million jobs over the next six years, including close to 300,000 in WASHTO's member states.

We also expect NEXTEA's projects to continue stimulating economic growth in the way that our past investments have done. For example, a recent study shows a 16 percent rate of return on our highway investments during the 1980s, measured in terms of continuing reduced production costs for businesses. That's the kind of efficiency improvement we need as a nation if we're going to remain competitive internationally.

NEXTEA not only increases investment and supports innovative programs, but it expands ISTEA's initiatives to increase the flexibility of federal programs and to streamline their delivery. That's in the spirit of Vice President Gore's National Performance Review, which is cutting red tape and promoting better customer service throughout the federal government.

Our NEXTEA proposal cuts from 23 to seven the factors that states and localities must consider in their transportation planning, not only simplifying this process but also focusing it on what's really important to the people we all serve.

NEXTEA also simplifies program management and delivery. For instance, it enables states to report on non-NHS STP projects on an annual, program-wide basis instead of the current quarterly, project-by-project basis.

It also empowers states to help determine the appropriate level of federal oversight on NHS projects, and it turns Title 23 oversight responsibilities on non-NHS projects over to the states. NEXTEA permits the merger

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of PS&E approval and project agreement execution and provides for federal share obligation once the agreement is executed, both of which would speed up projects. And NEXTEA allows states to use property sale proceeds for Title 23 purposes, instead of turning them into the federal government. That could significantly increase the funds available to you.

These changes may sound pretty technical, but that's what they are: the nuts-and-bolts of what we do, and you who manage these programs know how these sorts of technical changes have a real impact on day-to-day operations. They're just a few of the ways we're responding to your call for simplifying federal-aid programs.

NEXTEA, in fact, is a balanced, sensible plan. It's a genuine step beyond ISTEA, and which seeks to meet the needs of every part of our country: north, south, east, and west. It's not surprising that NEXTEA has drawn broad support, because it's the product of one of the most extensive federal outreach efforts ever. When we were developing NEXTEA, we held major forums around the country, including ones in San Diego, Portland, and Missoula, and we asked you, our partners, what it should include.

You told us that we should continue the many federal programs which are working, we should refine those which haven't yet fully realized their promise, and we should create new initiatives to meet the challenges of the new century.

We listened, and -- *I hope!* -- 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 the Congress to make reauthorization 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.

I hope that all of you make your voices heard in the debates over ISTEA reauthorization. We need the informed views of state transportation officials and 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 and more efficient than today's.

We also need you to remind those of us in Washington of the importance of what we're all doing. As I said earlier, all of the major proposals now before Congress share many principles. There is *much* common ground.

And the reality is that the combination of budgetary realities and the diverse priorities of different regions and different constituencies means that *none* of the bills is going to be passed exactly as proposed. There *will* be compromise.

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However, we fear that people will forget that, will forget how much we in the transportation community share. It's possible that the discussions over reauthorization could deadlock over relatively small differences in priorities or funding formulas, and that these differences could bring our programs to a halt.

Those of us in Washington well remember the government closing two years ago, and we hope that our transportation system won't be similarly shut down because of differences which are small indeed.

So, in the coming weeks, let's explore what problems unite us instead of belaboring those issues which divide us, and let's work together, remembering that we share a common commitment to a transportation system which meets the needs of those we all serve: the American people.

We're looking forward to hearing your voices in the debate in the days and weeks ahead, reminding us of the importance of that which we're working towards. Thank you, and best wishes for a productive conference.

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(In his remarks, the Deputy Secretary referred to U.S. Secretary of Transportation Rodney E. Slater; Idaho Lieutenant Governor C. L. Otter; WASHTO President and Idaho Secretary of Transportation Dwight M. Bower; WASHTO conference program chair Vicky Jewell Guerra; U.S. Senator Dirk A. Kempthorne of Idaho; U.S. Senator Daniel P. Moynihan of New York; Congresswoman Susan Molinari of New York; U.S. Senator John W. Warner of Virginia; Congressman Thomas D. DeLay of Texas; U.S. Senator Max Baucus of Montana.)