



U.S. Department of
Transportation

News:

Office of the Assistant Secretary for Public Affairs
Washington, D.C. 20590
<http://www.dot.gov/briefing.htm>

**REMARKS AS PREPARED FOR DELIVERY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
U.S.-INDIA BUSINESS COUNCIL "DESTINATION INDIA" MEETING
WASHINGTON, D.C.
SEPTEMBER 11, 1997**

Good afternoon. This is a sad time for the people of India, and for men and women of good faith throughout the world. With the passing of Mother Teresa of Calcutta, the world lost one of the giants of our time.

She served the poor, the suffering, and the dying in India and here in the United States, and in so doing she served as an inspiration and a challenge to all the rest of us. With the power of her humble and unconquerable faith, she touched the lives of millions of people throughout the world.

We in the United States share the Indian people's loss, and First Lady Hillary Clinton will lead the U.S. delegation to Mother Teresa's funeral this weekend to convey our respects. We know that her legacy of caring for the dispossessed will live on in the acts of the millions she touched around the world.

The India Mother Teresa leaves is a nation far different than the one she first ministered to so many decades ago. As India celebrates a half-century of independence and democracy this year, it looks back on an admirable record of progress, a record that is being extended through the efforts of the members of the U.S.-India Business Council.

For more than two decades you've worked to further cooperation between our nations, cooperation that has advanced our mutual interests, and that has contributed to a significant strengthening of relations.

I'm honored to join you, and Ambassador Chandra, as you host Minister of Industry Murasoli Maran during his visit to the U.S.

We recognize the vital role that Minister Maran plays in developing India's economy and in expanding its relations with other nations, and respect the depth of knowledge and experience he brings to that role.

Deputy Secretary of Transportation Mortimer Downey
U.S.-India Business Council "Destination India" Meeting
September 11, 1997

Secretary of Transportation Rodney Slater, who had to attend a meeting with fellow members of the U.S. Cabinet this afternoon, asked me to convey his personal regards to the Minister, and his hope that they will meet shortly.

The importance of Minister Maran's portfolio, and the scope of the relationship between our nations, is apparent from current economic statistics.

Today, the U.S. is both the largest investor in India and its biggest trading partner, with investments totaling about \$7 billion and imports from India exceeding \$6 billion annually.

Those numbers are expected to grow considerably over the next quarter-century, as India becomes the world's fourth-largest economy.

In fact, the U.S. Commerce Department has identified India as one of the big emerging markets, implicitly recognizing that closer economic ties between our nations are likely in coming years.

Those links will be strengthened by the political and cultural values we share, values held in common by the world's two largest democracies.

Those values include a commitment to economic reform, to building bridges, and not walls, between our countries.

As those bridges are built, we expect trade and investment to grow, strengthening our economies and the open political and social cultures they help to support.

However, this continued progress is by no means foreordained, either in the U.S. or in India.

Here in the U.S., we need to continue creating the institutional infrastructure, the economic and trade practices, needed to promote economic growth in the international arena.

That means continuing on the path President Clinton began with NAFTA and GATT and, in transportation, the liberalizing aviation accords.

We Americans also need to continue building our physical infrastructure of telecommunications and power systems, roads and railroads, and airports and seaports that enables the efficiency needed for trade growth.

President Clinton recently proposed a new, six-year plan for increased surface transportation investment, and we're engaged with the Congress to make it a reality.

Deputy Secretary of Transportation Mortimer Downey
U.S.-India Business Council "Destination India" Meeting
September 11, 1997

India is in much the same position as the U.S., needing to continue modernizing its economic regulations and its infrastructure. For instance, it's been estimated that, over the next five years, India will need \$200 billion in infrastructure investment.

Much of that must be in road, port, and railway investment. Over the next few years India will need to nearly double its system of national and state highways.

These roads, the equivalent of America's National Highway System, carry nearly 60 percent of India's freight and 80 percent of its passenger traffic. With traffic growing at 10 percent annually, upgrading these roads is a priority.

In addition, India's 11 major ports are operating 20 percent over their rated capacity of 200 million tons of cargo, and the Indian Railway has added only about 9,000 kilometers of new track over the past four decades, causing it to approach capacity.

These shortcomings are causing severe capacity constraints, lessening service quality, and imposing high costs on users, problems which are familiar to those who manage transport systems in the U.S. and around the world.

Competitive nations all over the world know that safe and efficient transportation is the backbone of their economies and the bridge to long-term growth.

How can we expect to grow if people can't get to work? And if companies can't ship their products to market? And if ports can't efficiently ship products overseas, or import needed supplies? And if global investors can't easily fly to and from India?

Minister Maran and the other members of his delegation understand this, and that's why they are preparing ambitious plans to upgrade India's infrastructure, plans as ambitious as the ones President Clinton is implementing here in the U.S.

Well-planned investments such as the ones now under consideration will integrate national economies with each other, deepen the ties between peoples, and better link all nations to global markets.

Such transport links are extremely important, as we Americans are learning from our experience with NAFTA, which links the economies of the U.S., Canada, and Mexico.

As India builds similar links with its economic partners, we in the U.S. have a wealth of experience to share, not only in planning and building transportation systems, but in the means of financing them, maintaining and upgrading them, and improving their safety and capacity with new technologies.

Deputy Secretary of Transportation Mortimer Downey
U.S.-India Business Council "Destination India" Meeting
September 11, 1997

That knowledge provides the basis for cooperation in our mutual interest that the U.S.-India Business Council has done so much to further.

Such international cooperation is not a new idea. Indeed, it calls to mind the role America played after World War II, when it helped to rebuild war-torn economies.

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

Whereas after World War II the rebuilding of Western Europe under the Marshall Plan was funded almost completely by the U.S. government, fiscal realities today dictate a greater role for business.

We look to private companies from the United States and throughout the world to make this happen, and to make it happen *efficiently*.

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

For instance, India, like most nations, including the U.S., is discovering that government resources alone can't build all the infrastructure a growing nation needs. More and more, we're relying on the private sector to finance key projects.

In the United States, we've learned that lesson and are developing financing techniques that combine public and private investment in innovative ways.

The result is we're building highways two to three years faster. And, in some cases, we're now able to move forward on projects that had been on the drawing board as long as 30 years.

India is also tapping private investment. India Railways uses build-own-lease-transfer arrangements for everything from acquiring train cars to electrifying train tracks. And similar arrangements are being used to modernize India's ports.

I'm pleased to say that a U.S. firm, Raytheon, along with its Indian partner recently won the right to design, build and run the new Bangalore International Airport.

This airport is the first in India to rely on private financing, and it's fitting that such innovation would be found in the "Silicon Valley" of the subcontinent.

Deputy Secretary of Transportation Mortimer Downey
U.S.-India Business Council "Destination India" Meeting
September 11, 1997

My point is that private direct investment is increasingly important. India will need a lot more investment, especially from overseas, to achieve its new infrastructure investment strategy.

And the new government has indicated a willingness to attract these capital flows. In fact, more than a third of the investment is expected to come from the private sector over the next five years

There are other areas in which U.S. companies can play a role. For instance, American businesses produce some of the best equipment in the world, airplanes, motor vehicles, rail rolling stock, and the apparatus which sustains them, everything from radar to rail signals to maintenance-of-way equipment.

We also can support growth by providing training and consulting services in fields as varied as the rationalization of unnecessary transportation connections, air traffic control systems, and cargo handling.

U.S. companies, in fact, are already active in cooperating with India on such projects.

The U.S. aerospace industry is the best in the world and has been a successful partner with India. It's competing with Airbus Industrie to supply Air India with 12 long-range aircraft. And General Electric and Pratt & Whitney are competing with Rolls Royce to supply engines for Air India's new fleet.

Our locomotive manufacturers are helping India to modernize vital railroads. A number of U.S. firms are actively involved in various aspects of toll road development. And U.S. automakers are in the process of setting up joint ventures with Indian firms.

Finally, several of our rail transit companies, ICF Kaiser, General Electric Transportation, and Transportation and Transit Associates, are part of a new consortium hired to build a 90 kilometer light-rail system in Bangalore.

So there are many opportunities for American and Indian business people. And we in government will follow your lead and help where and when we can.

Many federal agencies have worked with you in recent years: the State and Commerce Departments, the Export-Import Bank, the Trade Development Agency, and others.

We in the Department of Transportation have begun to look at technical cooperation that supports business activity in India. For example, the Federal Aviation Administration is providing technical assistance to the Delhi and Mumbai airports in their modernization of air traffic control.

Deputy Secretary of Transportation Mortimer Downey
U.S.-India Business Council "Destination India" Meeting
September 11, 1997

In addition, our Federal Highway Administration has sent delegations to India to offer technical advice on private financing and road surface technology.

These can help to efficiently advance the major investment projects India and its international partners are now contemplating.

They're another way of opening markets for the U.S. private sector, because they feature American expertise and technology. So we look forward to pursuing such efforts with our partners in India.

And I want to assure you that this commitment exists at the highest levels. During their meeting in June Cabinet Secretary Subramanian invited Secretary Slater to visit India, and we're hoping to see that visit scheduled soon.

In addition, William Daley, the U.S. Secretary of Commerce, will visit India from December 6 to 13, and I'm told that infrastructure investment will be one of his chief emphases.

The Secretary is expected to invite a number of private sector representatives to join him during his visit, and we hope that this visit will further our common interest in mutually-beneficial economic growth. So the commitment is there in both the U.S. public and private sectors.

Now, let me end on this note. As all of you know, our two nations have a great deal in common, even if we are half a world apart.

India is the world's largest democracy. And America is the world's oldest democracy. Both our nations fought revolutions to win independence.

And both are multicultural societies, which struggle at times with the tensions that diversity can bring, but are made stronger by the richness of that diversity.

By working together, we can create prosperity and opportunity for the people of India and the United States. And we will prepare our nations for the challenges of the 21st century by building bridges based on mutually beneficial relationships.

As Jawaharlal Nehru said on the eve of independence: "it is the future that beckons us now." Let us go forward, together, to meet it. Thank you.

#####



U.S. Department of
Transportation

News:

Office of the Assistant Secretary for Public Affairs
Washington, D.C. 20590
<http://www.dot.gov/briefing.htm>

**REMARKS PREPARED FOR DELIVERY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
AMERICAN PUBLIC TRANSIT ASSOCIATION ANNUAL MEETING
MINI-FORUM: *DOT, ISTEA, AND THE OUTLOOK FOR THE FUTURE*
CHICAGO, ILLINOIS
SEPTEMBER 22, 1997**

Thank you, Chris, for that introduction. After Rodney Slater as a warm-up, it's a pleasure to join you, Les, Hank, and Ann to talk about the issue which has dominated discussion in the transportation community for the past year, or two, or three, and who knows how long into the future.

And it's important that we keep our eye on the ball. Reauthorization, whether it goes by the name of ISTEA II or NEXTEA or BESTEA or even Nestea, is going to determine not only how scores of billions of dollars are spent but the role transportation will play in shaping America during the opening years of the next century. Let me take back one part of that: "Nestea" would involve a royalty payment on each grant.

ISTEA set the standard. It showed how transportation can be a positive influence on everything from economic development to environmental quality to urban revitalization.

President Clinton wants reauthorization to take up where ISTEA leaves off, and then go beyond. That means more funding for infrastructure and technology, more innovation, more state and local flexibility, and stronger links between transportation and other areas of national significance.

NEXTEA, the President's proposal, would raise transportation investment by 11 percent over ISTEA's record levels, including 17 percent more for transit new starts. Altogether, the \$18 billion in extra funding we propose would mean that 49 of the 50 states would receive more dollars under NEXTEA than under ISTEA.

NEXTEA's expansion of innovative financing, such as state infrastructure banks to leverage nonfederal investment, potentially further raises the total funding available. That would let us continue working towards a balanced, intermodal transportation system, and it would do so within the context of the balanced budget hammered out this summer between Congress and the President.

*Remarks Prepared for Delivery
Deputy Secretary of Transportation Mortimer Downey
American Public Transit Association 1997 Annual Meeting*

It also would enable us to continue making transportation a relevant partner in other national initiatives, and that's especially important for transit.

For instance, under CMAQ more than \$1.8 billion dollars thus far has been transferred to transit during the ISTEA era to help communities clean their air. We want CMAQ to grow by at least 30 percent, and we want to ensure its continued flexibility.

We want to continue improving safety, both on our roads and on the rails. We need more federal funding for effective programs, and we need more cooperative initiatives, such as the joint APTA-FRA effort to improve commuter rail equipment safety standards.

And we want transportation right in the middle of meeting one of the biggest challenges faced by state and local governments: helping those moving from welfare rolls to payrolls. As Secretary Slater says, transportation is the "to" in "welfare-to-work." So, we've proposed a \$600 million program to get people to where the jobs are and to provide support services, such as child care at transit stations.

These proposals are important to us. They're issues which define our commitment to making reauthorization go a genuine step beyond ISTEA. They 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 set out our proposal last March, and now the ball is in Congress's court. This month we saw its first few bounces, and we're encouraged by what we've seen.

We recognize that, with the introduction of the House and Senate bills, our proposal is, in a sense, off the table. But, unlike the debates of prior years, it is not dead on arrival. In fact, it's one measure of what other bills are doing.

Many substantive areas in the House and Senate bills appear to track with what the President called for in NEXTEA, so it looks as if there's a lot more that we'll agree on than disagree on.

In fact, every significant goal we set out in our NEXTEA proposal is contained in one bill or the other, and many are in both. This is a good start, but it's only a start because ISTEA expires next week, and reauthorization isn't going to happen overnight. Given this, it's only realistic to say that the prospects for timely reauthorization are effectively zero.

It does look as if we're going to be able to continue obligating previously-budgeted Highway Trust Fund monies after that date. That means that the spigot won't be completely shut off for those who have carry-over money from fiscal year 1997 and before, and a few hundred million dollars of 1998 general fund transit dollars will be available once the budget is passed.

However, absent reauthorization or some temporary authority, we won't be able to obligate new, 1998 Trust Fund monies even after the coming year's appropriations bill has been passed. So, while the world won't come to an end on October 1, it will begin to wind down. There could be disruptions fairly soon, and they'll become bigger and more harmful as time goes on. That's why we want reauthorization to take place as soon as possible.

This week the House Transportation and Infrastructure Committee, which Congressman Shuster chairs, may take up the bill he and Congressman Oberstar introduced and moved through the subcommittee led by Congressmen Petri and Rahall.

This is a three-year, \$103 billion plan covering both highways and transit, and you've heard a lot about it largely because of the concern that it exceeds the spending limits in the balanced budget agreement. There are various possibilities, including a bill in line with the budget agreement, but it appears that this issue has to be resolved, one way or another, for the House to move forward.

Last week the Senate Environment and Public Works Committee unanimously approved a counterpart to the House bill, one proposed by Senators Chafee, Warner, and Baucus. This is a six-year, \$145 billion highway plan which stays within the budget agreement.

Senate Majority Leader Lott has said that there will be time for the Senate to consider surface transportation legislation during early October, which is a very positive development at this late time in the session.

The bill marked up last week doesn't cover transit, because that comes under the jurisdiction of Senator D'Amato's Banking Committee. That committee reportedly is drafting a transit bill, and may mark it up this week. The Senate Commerce Committee is also gearing up to deal with their safety jurisdiction.

So we have what could be a controversial highway-transit bill in the House, and highway and transit bills moving forward in the Senate. The bills we've seen, as I said, have great merit, and, taken together, include almost everything we proposed under NEXTEA.

We're looking forward to working with Congress to resolve the concerns we have, for example, the House bill's dollar cap on preventive maintenance and its limits on the welfare-to-work initiative.

We're also working with Congress on a second legislative initiative that complements NEXTEA, one which would restructure Amtrak to reduce its statutory burdens and enable it to become more entrepreneurial as it works to survive. A vibrant, healthy Amtrak is in everyone's interest, especially the interest of the commuter rail agencies which contract with Amtrak or which operate over its tracks.

*Remarks Prepared for Delivery
Deputy Secretary of Transportation Mortimer Downey
American Public Transit Association 1997 Annual Meeting*

The House and Senate committees which oversee Amtrak have each reported out their versions of this legislation, and we have some concerns, especially about issues affecting labor and liability. We don't want to see the wholesale repeal of the worker and consumer protections developed over the years, but hope that ongoing reforms can achieve the same results.

We look forward to working with Congress to enact meaningful reform that puts Amtrak on the path to a stable future, and which respects the legitimate interests of its passengers and its employees.

In spite of our concerns, we're optimistic about both reauthorization and the Amtrak legislation. Secretary Slater was closely involved in the creation of our proposals, and has been in close contact with the congressional leadership as its bills have been drafted.

As they advance, the Secretary is looking forward to working with Congress to enact bills that draw on principles held by transportation advocates across the political spectrum and across the country. These are the principles we've heard from you as we crossed the country over the past few years in preparation for reauthorization.

There *is* much common ground between the President and Congress, and we want to remember how much we share. We don't want everything to deadlock over relatively small differences in priorities or funding formulas, small differences which ultimately could bring vital programs to a halt.

That's why, in the weeks ahead, we want to explore what problems unite us instead of belaboring those issues which divide us. We want to 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. Thank you.

#####

(In his remarks, the Deputy Secretary referred to Christopher P. Boylan, APTA Vice President, Government Affairs, and Deputy Executive Director, Corporate Affairs and Communications, New York Metropolitan Transportation Authority; APTA Chair Leslie R. White, Executive Director, Clark County (Washington) Public Transportation Benefit Area Authority; Hank Dittmar, Executive Director, Surface Transportation Policy Project; Ann Canby, Delaware Commissioner of Transportation; U.S. Secretary of Transportation Rodney E. Slater; Congressman Bud Shuster of Pennsylvania; Congressman James Oberstar of Minnesota; Congressman Thomas Petri of Wisconsin; Congressman Nick Rahall of West Virginia; Senator John Chafee of Rhode Island; Senator John Warner of Virginia; Senator Max Baucus of Montana; Senator Alfonse D'Amato of New York; and Senator Trent Lott of Mississippi.)



U.S. Department of
Transportation

News:

Office of the Assistant Secretary for Public Affairs
Washington, D.C. 20590
<http://www.dot.gov/briefing.htm>

**REMARKS PREPARED FOR DELIVERY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
AMERICAN ASSOCIATION OF PORT AUTHORITIES CONVENTION
JACKSONVILLE, FLORIDA
SEPTEMBER 23, 1997**

Good afternoon. I'd like to start by thanking Mike for that introduction, and for inviting me to speak to you today.

Many of you might know me from the last 20 years, all of which have been spent either at the Department of Transportation or at New York's Metropolitan Transportation Authority, and you might wonder what that has to do with ports.

On the other hand, much of my early career was spent at the Port Authority of New York and New Jersey, and I served a dozen years with the Coast Guard Reserve.

Those experiences gave me a good exposure to the issues which are important to America's ports, and a commitment to making sure that those concerns are heard at the highest levels. I've been helped in doing so by the strong relationship AAPA has had with the Clinton Administration through such leaders as Mike, Lillian Borone, Kurt Nagle, and Jean Godwin.

Today I'd like to tell you about two issues of special importance to President Clinton and Secretary Slater and, I hope, to you: trade legislation and ISTEA reauthorization.

Now, I know that good food and warm weather, combined with long speeches, can combine to deadly effect, so I'll try to keep my remarks brief. Let me start by talking about trade issues.

Over the past five years our economy has produced more jobs and more growth and more exports than ever before. And exports, in fact, are our economy's future: 96 percent of the world's consumers live outside the United States. If we have things to sell, that's certainly the place to sell them.

If we're to continue growing, and ensure long-term prosperity, then we need to expand overseas trade. You, as the leaders of our port and maritime industries, know this as well as anyone, and are in a position to say so.

The opportunities are there: many foreign markets, especially in the developing world, are growing rapidly, and their consumers and industries prize American goods and services. What stands in the way of increased trade between our nations are artificial trade barriers.

Over the past few years we've made real progress in breaking down barriers to American services and products around the world.

NAFTA and GATT are yielding benefits, as are the more than 40 aviation accords negotiated under President Clinton.

We're pushing for progress in other areas, too. For instance, the Caribbean Basin Trade Enhancement Act, which the President submitted to Congress in June, would serve as a step towards free trade throughout the Americas and economic revitalization of an area in which we have important interests.

There's interest in Congress in bringing this up for a vote this fall, and we hope they can act and bolster the economies of the entire region.

However, elsewhere around the world, many of the nations with the highest growth rates elsewhere impose high trade barriers.

We need to level the playing field with these countries, whose markets hold the greatest potential for American goods and services, and continue to shape and direct fair and open trading rules.

President Clinton took the latest step in this process last week when he submitted to Congress the "Export Expansion and Reciprocal Trade Agreements Act of 1997."

That's a long and technical name for something that's of vital importance to America's ports: the renewal of the standard procedures for effective trade agreements that require congressional approval.

The proposal reactivates a trade partnership between the President and Congress that dates back more than six decades.

Recognizing that high tariff walls had only worsened the Depression, Congress enacted the first reciprocal trade agreements act in 1934.

Congress gave the President authority to negotiate mutual tariff reductions with our trading partners. That authority was renewed repeatedly over the years, and successive Presidents used it to dramatically reduce tariff barriers.

The so-called "fast track" process, first put in place under President Ford, is a further expression of a continuing partnership between the President and Congress in bringing down barriers to American exports.

Under this process, Congress and the President work together to ensure that we can effectively and equitably negotiate away foreign tariff barriers to our products as well as the increasingly-significant non-tariff barriers.

These barriers include quotas, protectionist product standards, and subsidies which foreign governments have increasingly substituted for tariffs as a way of excluding our products and protecting theirs.

This negotiating process, in place for nearly 20 years and through five Presidencies, lapsed along with most of the President's tariff reduction authority three years ago.

The President's proposal would reunite Congress and the President in the trade liberalization process.

It would ensure that Congress is fully integrated into the formulation of American goals, strategies, and decision-making for each trade negotiation.

Because Congress and the President would be united, it tells our trading partners that we speak with one voice at the bargaining table, and that Congress won't reopen trade agreements after they're negotiated. Instead, Congress would consider agreements on a straight up-or-down vote.

The proposal calls for these procedures to remain in effect for four years, and then enables the President to request an up-or-down vote on an extension for a further four years.

Now, this President is committed to open trade, but he can't fully succeed without Congress. The United States must truly be united when we sit down at the negotiating table; our trading partners need to know that they are negotiating with one America -- not a tag-team match first with an American President and next with an American Congress. You can understand why that won't interest our potential trading partners.

The proposal the President sent Congress ensures that it will be a full partner in setting negotiating objectives, establishing trade priorities, and in gaining the greatest possible benefits through our trade agreements.

It expands on previous legislation to ensure that Congress is fully apprised and actively consulted throughout the negotiating process.

And it will help us to open markets in ways that preserve our other core interests, including protections for workers and for the environment. They've been vital factors in the negotiation of trade arrangements on President Clinton's watch, and are going to remain so.

The collaboration on trade between the President and Congress will strengthen both America's effectiveness and our leverage at the bargaining table, to the benefit of our export industries and those who make exports possible, our ports.

Ever since Franklin Roosevelt proposed and Congress enacted America's first reciprocal trade act in the depths of the Depression, Congress and the President have been united, on a bipartisan basis, in supporting fair and open trade.

We hope that Congress renews our longstanding partnership by approving the President's proposal.

The second issue I want to talk about today is ISTEA, not the drink, but the Intermodal Surface Transportation Efficiency Act of 1991, which authorizes federal highway, transit, and intermodal programs.

Over the past several years we've worked with state and local officials to increase direct rail access to ports for double-stack trains.

We've worked to provide separate access corridors for rail and highway freight, much as we're doing in the L.A.-Long Beach Alameda Corridor.

And we're trying to expand port and terminal capacity by transferring unneeded military bases and other government facilities.

We've also worked to increase investment in freight facilities, to invest in connections to intermodal facilities, to assist in financing privately-owned infrastructure, and to bring freight movement issues into the metropolitan planning process.

Much of that has been possible because of ISTEA. That legislation dramatically increased the emphasis on intermodalism, on freight movement, and on landside access to ports, all to our economy's advantage.

However, ISTEA expires in seven days, and its programs need to be reauthorized. Last March President Clinton announced a detailed reauthorization plan.

His proposal, called NEXTEA, would continue a national commitment to transportation investment, increasing that investment by 11 percent over ISTEA's record levels, including 30 percent more for our core infrastructure programs.

Altogether, \$18 billion in extra funding would mean that 49 of the 50 states would receive more dollars over the six years of NEXTEA as compared with ISTEA.

NEXTEA's expansion of innovative financing techniques to cut red tape and leverage private investment potentially further raises the total funding available.

This includes expansion of state infrastructure banks, which use federal seed money to make loans or provide credit enhancements to transportation projects, exactly the kind of thing which could benefit ports, which produce revenue streams to pay off such loans.

These advances would let us continue working towards a balanced, intermodal transportation system, and do so within the context of the balanced budget hammered out this summer between Congress and the President.

Although we thought very seriously about setting aside a specific pot of money for ports, we finally decided against it. We didn't want to have you fighting among yourselves over a relatively small piece of the pie.

Instead, the President's plan would make a variety of port facilities, such as intermodal freight terminals and land access to water ports, fully eligible for federal-aid across a number of categories.

That will help to level the playing field for ports as state and local governments allocate funding, putting their needs on the same footing as those of other transportation interests.

NEXTEA also would ensure that the concerns of shippers are heard in the state and local planning processes which help to drive transportation decision-making.

Finally, NEXTEA includes a special program to directly fund projects of national significance, such as those affecting trade facilities and corridors, which exceed the financing ability of any one state or locality. This is another way to help meet port's growing needs to connect to the rest of the nation.

You know, Secretary Slater likes to say that transportation is "about more than concrete, asphalt, and steel." It's about people, and it's about creating opportunities for them to ensure prosperity and a high quality of life.

NEXTEA recognizes this. It's a proposal which understands the role that transportation, through the nation's ports and maritime industries, plays in the movement of people and products on which our economy depends.

Congressmen Shuster and Oberstar and Senators Chafee, Warner, and Baucus have announced their own reauthorization proposals, and we're now reviewing them with NEXTEA as the measure.

We want to work with Congress so that, like the President's plan, the bill which is finally enacted supports the broad principles incorporated in ISTEA, principle held by transportation advocates across the political spectrum and across the country.

Our transportation system, after all, can only be as strong as its weakest link, and so we need to ensure sound access to our ports. The principles and programs of NEXTEA do that, and we want to see them incorporated into the final bill that Congress passes and implements, as well as by a DOT that has incorporated Secretary Slater's vision of a 21st century-transportation system that is international in reach, intermodal in form, intelligent in character, and inclusive in its service.

So Congress is in the process of considering two issues of vital importance to America's ports, trade legislation and ISTEA reauthorization. They're very different matters, but they have in common their impacts on trade and on those who make trade possible.

We think we have good proposals in both of these areas, and we hope that Congress agrees. We're looking forward to positive action on ISTEA reauthorization, the Export Expansion and Reciprocal Trade Agreements Act, and the Caribbean Basin Trade Enhancement Act.

But we also need to hear your views. We need the informed views of businesspeople and professionals such as yourselves if we're going to enact and carry out policies and programs which make sense in the real world beyond the Beltway.

We're looking forward to hearing your voices in the ongoing debates in the days and weeks ahead, advising us and reminding us of the importance of that which we're working towards.

Thank you, and best wishes for a successful convention.

#####

(In his remarks the Deputy Secretary referred to: American Association of Port Authorities (AAPA) Chair Mike Thorne; AAPA Chair-elect Lillian Borone, AAPA President Kurt J. Nagle; AAPA Senior Vice President Jean Godwin; U.S. Secretary of Transportation Rodney E. Slater; Congressman Bud Shuster of Pennsylvania; Congressman James Oberstar of Minnesota; Senator John Chafee of Rhode Island; Senator John Warner of Virginia; and Senator Max Baucus of Montana.)

STATEMENT OF MORTIMER DOWNEY, DEPUTY UNDER SECRETARY,
DEPARTMENT OF TRANSPORTATION BEFORE THE SUBCOMMITTEE
ON TRANSPORTATION, AVIATION AND WEATHER, HOUSE COMMITTEE
ON SCIENCE AND TECHNOLOGY, SEPTEMBER 27, 1977.

Mr. Chairman, as you have requested, I will present DOT's views of the governmental efforts pertaining to navigation. The third edition of the National Plan for Navigation, for which DOT is the lead agency, is in the final stages of preparation. Its circulation has been approved by the Secretary and it has been coordinated with and approved by the Department of Defense, Department of Commerce and NASA, the other members of the navigation interagency task group. This plan, of necessity, is not very specific in relation to near term decisions on navigation systems R&D, planning and implementation. To fill this gap, DOT is now in the final stages of preparation of a detailed Action Plan. This plan will effectively identify the Department's responsibility, to be exercised through its constituent agencies for detailed navigation system planning under the National Plan for Navigation. The FAA testimony to be given today on this subject is in consonance with the draft of our overall DOT Action Plan.

Fully recognizing the existing forces for change, it is the navigation policy of the United States to serve the needs but limit governmental commitment according to the following principles:

To provide those resources necessary for implementation and operation of radio aids to navigation and services which

facilitate safe, expeditious, economic, and convenient domestic and international transportation required to serve the needs of air commerce, maritime commerce, land commerce and the armed forces of the United States.

To provide the framework for services related to precise determination of position which may have significant social or operational benefit to major segments of the public and private sectors of the United States.

To provide for the installation and operation of radio aids to navigation outside the United States and its coastal zones which are required for domestic and international navigation in accordance with international agreements.

There are a number of factors which influence the trends and changes in radionavigation on a worldwide basis. These include:

1. Incomplete Coverage. Vast areas of ocean and land have lacked signals necessary for safe and efficient movement or precise position determination. Highly developed nations are generally better supplied in this respect. However, even in the United States, remote areas lack low altitude area navigation signals and the coastal confluence zone is only now being systematically implemented with adequate navigation signals.

Satellite systems and very low frequency (VLF) technology have demonstrated their ability to provide worldwide coverage for certain applications. Extensions of their uses are being actively pursued.

2. Cost Reduction. Advances in electronic technology are having a major beneficial impact on the cost of user equipment and transmitting equipment. Lower production costs and the feasibility of inexpensive navigation computation capability are bringing existing systems within the economic reach of new users. Solid state design of transmitting station equipment promises to reduce operation and maintenance costs and increase system reliability.
3. Obsolescence. Improvements in basic system design do, in certain instances, offer major advantages from time to time. However, their introduction must be paced by our commitments to current systems and the need to recognize major investment in our user and Government facilities.
4. New Applications. From changing patterns in the exploitation of Earth's natural resources (e.g., offshore drilling, fishing), in governmental operations, and in our

commercial and recreational activities, a potentially large number of new applications for position locating systems is emerging. Many of these are still tentative, but it is expected that they will account for a growing fraction of the community of future users of radionavigation services.

These factors, when applied to the existing navigation system structure and the needs of the many user communities, has influenced our planning and R&D efforts.

As the FAA will testify they are now engaged in studying the alternative air navigation systems in support of the requirement for future decisions. The systems under active study include the DOD NAVSTAR, Loran C and Omega as well as continued use of the VOR/DME system.

I would like to spend a few moments discussing our views of the DOD proposals for NAVSTAR-GPS, the planned worldwide satellite based navigation system. Since DOT furnishes all of the civil navigation services in the United States it is essential that we consider the impact of such a proposed system on our plans.

This program is being monitored and evaluated as to its potential for possible civil applications, and its potential for replacement of existing radionavigation systems.

However, the achievement of competitively low-cost user equipment remains a serious technical challenge and could influence overall system design, inasmuch as the complexity of NAVSTAR-GPS signal receiving and processing appears to exceed that of other navigation systems by a significant amount. A second concern results from the primary military purpose of NAVSTAR-GPS.

Under peacetime conditions, the availability of its highest accuracy performance is expected to be controlled by DOD, but can be made available to selected civil users. In the time of national emergency, the military aspects would control the availability of all its system capabilities. Civil acceptance of NAVSTAR-GPS for U.S. and international civil applications will be inhibited by the military mission of this system.

If DOD makes both the developmental and implementing decisions, and should the military capabilities of NAVSTAR-GPS be realized, it is possible that program adjustments may be considered to optimize the potential civilian use. In any event, its general adoption in large numbers for civil use would be paced by such factors as new equipment costs and ongoing agreements and investments in existing user equipments, as well as any agreements for system control. The transition would require many years beyond the date of military implementation, which we see as falling between 1984 and 1987.

The eventual reduction of Government provided radionavigation systems is desirable for the Government and the users to achieve greater economy. However, the emergence of a dual system consisting of a combination of land based aids with a satellite system is seen as a possible result of differing user requirements.

Further reduction to a single universal system is unlikely because of the questionable ability of any single system to satisfy technically or economically the complex navigation requirements of the United States or international bodies. The broad diversity of requirements within the user communities would necessitate compromising technical and economic tradeoffs, with results that would be unacceptable to many users. Moreover, it appears unwise to place national or international dependency upon a single technology or system because of safety, reliability, and security considerations, even if the system could be achieved. Civil and military programs now underway will, by the mid-1980's, provide more complete technical, operational, and economic data upon which a total system implementation rationale for the long term future can be based.

Mr. Chairman that concludes my remarks. I will be happy to answer any questions you have following the testimony of the Federal Aviation Administration. At this time I would like to ask the FAA Administrator, Mr. Langhorn Bond, to continue to the testimony.

REMARKS PREPARED FOR DELIVERY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
ASSOCIATION OF METROPOLITAN PLANNING ORGANIZATIONS
SIXTH NATIONAL CONFERENCE ON
METROPOLITAN TRANSPORTATION PLANNING ISSUES
SARATOGA SPRINGS, NEW YORK
SEPTEMBER 4, 1997

*(Introduction to be made by Sharon Brown (San Pablo, California
Council member, MTC member, and AMPO chair)*

Thank you, Sharon, for that introduction. I want to start by bringing you all greetings from Secretary Slater. The Secretary's time with the FHWA helped him to appreciate the role of MPOs and their importance, and he sends you his best wishes for a successful conference.

ISTEA's passage greatly expanded the role of MPOs in transportation planning, and strengthened the partnership between MPOs and the federal government. I'd like to begin this morning by announcing another step in this partnership.

The passage of welfare reform last year was a landmark, but it was only the first step in a process of change. Now, we have to work together to make it a success, and to help people make the move from welfare rolls to payrolls.

If we don't succeed, your governors, mayors, and county commissioners will be faced with some monumental cost implications -- and that's not something we want to see happen.

Access to jobs, training, and support services is one of the biggest barriers welfare recipients face. As planning and transportation professionals, you know how hard it is for prospective workers to get to job sites: two-thirds of new jobs are in the suburbs, and only one in twenty welfare recipients owns a car to get to those jobs.

We need innovative strategies to help people overcome these barriers and make the connection to jobs. MPOs and other public agencies are central to this effort to develop regional solutions to the problem of job access.

So today I'm pleased to announce a new effort to help MPOs and other regional agencies address welfare-to-work issues. We're making \$20,000 grants to each of five agencies to supplement their ongoing jobs access planning.

These agencies include the Delaware Valley Regional Planning District Commission -- the San Luis Obispo Area Coordinating Council -- the transit agencies in Athens, Georgia and Flint, Michigan -- and the Alaska D.O.T.

They'll use these funds to identify the kinds of institutional partnerships and the technical analyses needed to develop viable strategies. That will give them the ability to integrate jobs access into their broader transportation planning activities.

We're looking forward to seeing the results of their efforts, and to sharing them with you through AMPO as best practices benchmarks.

I wanted to open my remarks by highlighting this initiative because it's important to establish transportation's broader relevance to prosperity and the quality of people's lives.

People look around and they see congested highways and deteriorating bridges and overaged buses, but they also see closed health clinics and crowded schools and undermanned police forces.

A lot of these perfectly reasonable and civic-minded people make value judgments of how they want their tax dollars spent, and transportation improvements aren't always at the top of the list.

In fact, as someone said the other day, we're too often 11th on the top 10 list.

That can be especially true in an era of budget-cutting, when we can't always expect to have more resources than in the past, or even to maintain today's levels.

That's why it's so necessary that we do more to spotlight the very real links our concerns have with other policy issues of national significance.

If we can make those connections with welfare reform, with economic efficiency, with urban revitalization, with an enhanced environment, then we can broaden the support for transportation.

And this year that's more important than ever.

When I spoke to you in St. Louis last year my topic was ISTEA reauthorization -- and that's also the subject of my remarks this year.

In fact, it sometimes seems as if we spent the first three years of ISTEA talking about how to implement it -- and the second three years talking about how to reauthorize it. If that's an indication of its importance, so be it.

President Clinton announced his reauthorization plan last spring, and called it NEXTEA -- the National Economic Crossroads Transportation Efficiency Act.

(We thought about calling it the National Economic Security Transportation Efficiency Act, but didn't want to pay royalties to the Nesté folks.)

NEXTEA is based on some sound principles that we've learned from our implementation experience: more funding, more innovation, more local authority and flexibility, less red tape, and a strong commitment to effective planning.

NEXTEA's commitment to giving you what you need starts with greater funding. It raises overall transportation funding by 11 percent over ISTEA's record levels -- including increases of 30 percent for CMAQ -- 17 percent for new transit starts -- and 30 percent for our core highway programs.

That'll enable us to continue working towards a balanced, intermodal transportation system without compromising our highway network.

Altogether, NEXTEA's \$18 billion in additional funding means that 49 of the 50 states would receive more dollars under our proposal than they did under ISTEA.

The budget agreement we've reached with the Congress has further enhanced those investment levels with increased obligation ceilings to permit the agreement's higher outlays.

The FY '98 appropriations bills now moving through Congress reflect this substantially-increased ceiling. We'll see what the Congress does with funding in their reauthorization bills, but the budget agreement is still the controlling reality.

We're not only increasing funding, but also increasing flexibility so that you can invest in programs -- such as new technologies -- which make sense for your own situations.

NEXTEA's Intelligent Transportation Systems initiative is one of the best examples of what this expanded flexibility is all about.

It's about tools for transportation investment and local autonomy in using those tools.

In metropolitan areas, ITS can cut by 35 percent the cost of providing the highway capacity we need over the next decade. NEXTEA makes all ITS investments eligible in every major funding category, and authorizes an additional \$1.3 billion in dedicated ITS funding.

That \$1.3 billion would pay for training and technology transfer and for an incentive program to deploy cost-effective ITS technologies in ways that integrate them for maximum results.

NEXTEA also continues the innovative financing program that was a feature of our implementation efforts, cutting red tape to speed up projects and to attract new sources of funding to supplement traditional federal grants.

As a pilot program under ISTEA, it advanced 74 projects two years ahead of schedule and generated more than a billion dollars in new investment, and it's now part of our routine way of doing business.

We also started the first state infrastructure banks, which leverage nonfederal 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 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 can reduce the barriers faced by those moving from welfare rolls to payrolls. Earlier I mentioned the challenges we face in this area, and told you about the planning grants we're already making.

NEXTEA expands this effort, including a six-year, \$600 million program of flexible, innovative alternatives to get people to where the jobs are.

These grants would be used for a wide range of purposes, including operating and capital costs for services -- promotion of employer-provided transportation -- and planning and developing support facilities, such as child care, at transit stations.

Together with renewed support of transit and other travel alternatives, this program will help make transportation a relevant partner in this national commitment, as I mentioned earlier.

And we shouldn't lose sight of the fact that the construction and other work generated by NEXTEA will help to reduce welfare rolls by creating and sustaining a million jobs over the next six years.

Even that doesn't fully reflect how NEXTEA could stimulate economic growth: a recent study showed a 16 percent rate of return on our highway investments during the 1980s, as their improved service actually reduced costs of production in the world's most productive economy.

We also want NEXTEA to continue ISTEA's commitment to safety. That's more important than ever, because the progress we've seen over the past generation is endangered.

Growing travel fueled by a strong economy has caused improvements in highway safety to level off. Drunk and drugged driving remain persistent problems. At least a third of all motorists still don't use seat belts. And, aggressive driving is on the rise.

These trends threaten an unacceptable increase in highway deaths, but NEXTEA focuses on the three key areas involved in safety: driver behavior, road design, and vehicle standards.

Our proposal would increase highway traffic safety funding by 11 percent -- to \$333 million -- and fund incentive programs to reduce drugged and drunken driving -- to increase safety belt use -- and to ensure proper use of child restraints.

Much progress on safety has been the result of vehicle design aimed at protecting motorists in crashes. NEXTEA would build on this progress with a \$45 million annual research program targeted at improving crash avoidance and crash worthiness.

In addition, more than a third of intelligent transportation systems research would be focused on collision avoidance systems and other "smart vehicle" technologies to prevent crashes.

I want to add that NEXTEA offers states and localities unprecedented flexibility so they can target funds to meet their most pressing safety needs.

That includes more than \$1 billion in Section 402 safety funds that states may use for such initiatives as community-based seat belt enforcement and education programs and anti-drunk driving campaigns.

In addition, traditional safety funding may be transferred to these behavioral programs.

Finally, we want tougher penalties for truckers who violate safety laws -- broader investigative powers to detect systematic violations -- and the power to completely shut down problem trucking companies.

NEXTEA, in short, takes the strong steps we need to ensure safe highways.

NEXTEA not only increases investment and supports innovative programs, but it expands ISTEA's increased flexibility and streamlined program delivery. Nowhere is that truer than in planning.

ISTEA's heart has been its requirement for transportation planning focused on inclusiveness and public involvement -- on realistic financial planning -- on intermodalism -- and on links across policy concerns, such as air quality. By all accounts the new planning requirements have been a success, and we want to continue them.

At the same time, we want to make the planning process simpler and smoother.

In NEXTEA we call for streamlining the 23 statewide and 16 metropolitan planning factors into seven broad goals that states and localities can use as appropriate to guide their planning.

We want to cut back on reporting, certifications, and other paperwork exercises that especially burden smaller MPOs: we've got to trust our partners to do the right thing.

We also want to emphasize system operations and management so that planning considers a complete range of transportation options, including the use of intelligent transportation systems.

We have to expand planning's inclusiveness by ensuring that the concerns of freight shippers are heard.

And we need to give states and localities greater flexibility so that you -- and not Washington -- make the decisions on how to best spend your funds.

These proposals are important to us. They're issues which will help to define our commitment to continue bringing common sense to government's operations, and we want reauthorization to incorporate them while still maintaining a strong planning process.

These are some of the provisions which make NEXTEA a balanced, comprehensive plan that's a genuine step beyond ISTEA. It's not surprising that it has drawn broad support, because it's the product of one of the most extensive federal outreach efforts ever. During that process 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.

The ball is now in Congress's court, and today we're seeing its first bounce. As I speak Congressman Shuster and Congressman Oberstar -- the chair and ranking minority member of the House Transportation and Infrastructure Committee -- are planning to introduce their bill.

We're still awaiting the Senate's bill, of course, but we're encouraged by what we've heard about the House bill.

Many areas -- including planning -- appear to track with what the President called for in NEXTEA. Of course, we need to review the precise language, including the key sections on funding levels and allocations, but it looks as if there's a lot more that we'll agree on than disagree on.

As reauthorization advances in both houses we hope to work with Congress to enact a bipartisan bill -- one that draws on the broad principles held by transportation advocates across the political spectrum and across the country.

As this process moves forward, I hope that all of you make your voices heard in the debates over reauthorization. We need the informed views of MPO members, elected officials, and professionals such as yourselves if we're going to 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, there is *much* common ground between the President and Congress.

However, we're concerned that people will forget about 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.

We're all working to avoid a Year 2000 problem with our computer systems, and we don't want a Year 1997 problem with our transportation systems -- a problem which would disrupt \$25 billion worth of programs.

So, in the coming weeks and months, 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.

#

TALKING POINTS
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
AWARD PROGRAM FOR OUTSTANDING RESULTS FROM CONTRACTING
WASHINGTON, D.C.
SEPTEMBER 8, 1997

- * The Blair House Papers defined the President's and Vice-President's vision of a high-performance government work force. Today, this pledge ceremony represents another step in the continued implementation of that vision.
- * The road leading to this ceremony traces from the Federal Acquisition Streamlining Act of 1994 which called for "enhanced performance incentives" for procurement officials, recognizing that quality results in the procurement area are a key to making our agencies work better.
- * Driving forward with this initiative, the President's Management Council Procurement Task Force actively promoted and encouraged global improvements and excellence in results from the government's acquisition work force.
- * For example, as chair of the PMC Task Force, I signed a memorandum, jointly with Dr. Kelman on March 31, 1997, urging each Council member "to consider a next step forward in moving towards results-based accountability for the procurement system."

- * To continue making progress and improvements, we need to identify and acknowledge those who exceed the norm -- those who take risks and achieve results in their pursuit of excellence. We need to make it known that outstanding acquisition results will be promoted and rewarded.
- * This pledge ceremony offers all agencies the opportunity, and honor, of "signing-up" and providing results-based incentives for outstanding acquisition performance -- within their own agency.
- * Without hesitation, the Secretary of Transportation and I have implemented the Department of Transportation (DOT) Acquisition Incentive Awards Program.
- * Our program highlights that each operating element, such as the United States Coast Guard, will recognize their top performers based on criteria that embrace measurement, "teaming," and acquisition excellence and innovation.
- * The program will provide "substantial" monetary awards and allow the Department to ceremonially recognize the awardees of each operating element on an annual basis.
- * Dr. Kelman has continuously reminded us that the days of "business as usual" in the government acquisition process are over.

- * This pledge, and its results, will continue to broadcast to our acquisition professionals that "results count" and that they will be directly, publicly, and monetarily rewarded when acquisition excellence or innovation is achieved.
- * Since this is one of Steve's last public appearances, it is only fitting to recognize that he has exemplified the essence of outstanding performance in contracting. He has reshaped tools to provide the public with improved mission accomplishment and lower prices.
- * In fact, if he was at DOT, it's possible he would at least make the "short list" for a DOT acquisition award.
- * Seriously, Steve has helped people get on board the acquisition train that's bound for reform. Rather than "force-down" changes and policy, Steve has worked with us collegially. Uniquely, he has encouraged us to help him sell procurement reform.
- * Steve's enthusiasm, his "can-do" attitude, and his brilliant insights into what makes for better procurement management have produced results -- and today this pledge is another piece of his legacy left to inspire us to even greater results.

#

REMARKS PREPARED FOR DELIVERY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
"CONGRESSIONAL QUARTERLY" POLICY BRIEFING -- NAVIGATING
TRANSPORTATION POLICY: THE FUTURE OF ISTEA AND HIGHWAY FUNDING
WASHINGTON, D.C.
SEPTEMBER 8, 1997

(Introduction to be made by Michele Rappaport of "Congressional Quarterly")

Good afternoon. I'd like to thank Michele and *Congressional Quarterly* for inviting me to speak on today's leading surface transportation issue: ISTEA reauthorization.

ISTEA's passage six years ago was a landmark -- the first attempt at the federal level to take a broader view of transportation -- its links to other concerns, its impacts on other aspects of life -- and that has made ISTEA's impacts extend far beyond the traditional transportation community.

That's because transportation is central to so many issues of current national significance, ranging from welfare reform to economic competitiveness to urban revitalization to the environment. How we design, build, and operate our transportation systems plays a major role in our ability to achieve our goals in these areas.

Through innovative policies and programs and record levels of funding, ISTEA enabled us not only to look at transportation's place in the big picture, but to make transportation a relevant partner in the effort to achieve these broader national goals.

Over the past several years President Clinton has worked with Congress to make the most of ISTEA's opportunities.

That has included record levels of infrastructure investment -- 20 percent greater than under the previous administration. And it has included new programs to protect the environment and initiatives to use technology to make travel safer and more efficient.

ISTEA expires at the end of this month, and President Clinton announced his reauthorization plan last winter: NEXTEA -- the National Economic Crossroads Transportation Efficiency Act.

We based NEXTEA on the sound principles that we learned from our experience implementing ISTEA, and it included more funding -- more innovation -- more state and local authority and flexibility -- and less red tape.

Our commitment to giving transportation what it needs starts with greater funding. NEXTEA would raise overall transportation investment by 11 percent over ISTEA's record levels -- including increases of 30 percent for environmental programs -- 17 percent for new transit lines -- and 30 percent for our core highway programs.

Such growth would enable us to continue working towards a balanced, intermodal transportation system without compromising our highway network.

Altogether, the \$18 billion in additional funding would mean that 49 of the 50 states would receive more dollars under our proposal than they did under ISTEA.

And we would do this within the context of the balanced budget hammered out this summer between Congress and the Administration.

That has further enhanced investment levels with increased obligation ceilings based on the agreement's higher outlays. The FY '98 appropriations bills now moving through Congress reflect this substantially-increased ceiling.

We also want to supplement the traditional source of most federal funding -- project grants -- by building on the innovative financing program that was a feature of ISTEA.

As a pilot program under ISTEA, innovative financing cut red tape to speed up projects and attract new sources of funding.

In its two pilot years, innovative financing advanced 74 projects two years ahead of schedule and generated more than a billion dollars in new investment, and it's now part of our routine way of doing business.

Over the last two years we've also started the first state infrastructure banks -- or SIBs -- which leverage nonfederal 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.

We want to build on this early progress by proposing \$900 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. That should leverage several billion dollars in private and other new investment.

We're not only increasing funding, but also increasing flexibility so that state and local officials can invest in programs -- such as new technologies -- which make sense for their own situations.

Intelligent Transportation Systems are one of the best examples of what this expanded flexibility is all about. It's about tools for transportation investment and about local innovation in using those tools.

ITS is everything from coordinated traffic signals to the ultimate -- the automated highway we tested in San Diego last month -- and it can cut by 35 percent the cost of providing the highway capacity we need over the next decade.

We want to make all ITS investments eligible in every major funding category, and authorize an additional \$1.3 billion in dedicated ITS funding.

The passage of welfare reform last year was a landmark, but it was only the first step in a process of change. Now, we have to work together to make it a success, and to help people make the transition to the working world.

Access to jobs, training, and support services is one of the biggest barriers welfare recipients face: two-thirds of new jobs are in the suburbs, and only one in 20 welfare recipients owns a car to get to those jobs. We need innovative strategies to help people overcome these barriers and make the connection to jobs.

NEXTEA included a six-year, \$600 million program of flexible, innovative alternatives to get people to where the jobs are and to provide support services such as child care at transit stations.

Together with renewed support of transit and other travel alternatives, this kind of program would help to make transportation a relevant partner in this national commitment.

And we shouldn't lose sight of the fact that the construction and other work generated by the funding levels in NEXTEA will help to reduce welfare rolls by creating and sustaining a million jobs over the next six years.

Finally, we want reauthorization to continue ISTEA's commitment to safety. That's more important than ever, because the past generation's progress is endangered.

Growing travel has caused improvements in highway safety to level off. Drunk and drugged driving remain persistent problems. At least a third of all motorists still don't use seat belts. And aggressive driving is on the rise.

These trends threaten an unacceptable increase in highway deaths, so we have to focus on the three key areas involved in safety: driver behavior, road design, and vehicle standards.

We want to increase highway traffic safety funding by 11 percent -- to \$333 million a year -- and fund incentive programs to reduce drugged and drunken driving -- to increase safety belt use -- and to ensure proper use of child restraints. We also want to increase flexibility, so states and localities can transfer funds to meet their most pressing safety needs.

Much progress on safety has been the result of vehicle design aimed at protecting motorists in crashes. We should build on this progress with research targeted at improving crash avoidance and crash worthiness.

We also have to focus on collision avoidance systems and other new technologies to prevent crashes in the first place. Reauthorization must, in short, take strong steps to ensure safety on our highways.

The proposals I've mentioned are important to us. They're the issues which define our commitment to making reauthorization go a genuine step beyond ISTEA.

They 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 set out our proposal last March, and now the ball is in Congress's court. Last week we saw its first bounce as Congressman Shuster -- Congressman Oberstar -- Congressman Petri -- and Congressman Rahall introduced their bill.

We're still awaiting the Senate's bill, of course, but we're encouraged by what we're seeing in the House bill. Many substantive areas appear to track with what the President called for in NEXTEA.

Of course, we need to finish reviewing the precise language -- and we need to recognize the budgetary context into which it will have to fit -- but it looks as if there's a lot more that we'll agree on than disagree on.

As reauthorization advances in both houses we want to work with Congress to enact a bipartisan bill -- one that draws on the broad principles incorporated in ISTEA and held by transportation advocates across the political spectrum and across the country.

There *is* much common ground between the President and Congress. However, we're concerned that people will forget about that -- will forget how much we 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.

We're all working to avoid a Year 2000 problem with our computer systems, and we don't want a Year 1997 problem with our transportation systems -- a problem which would disrupt billions of dollars' worth of programs.

So, in the weeks ahead, 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. Thank you.

#

REMARKS PREPARED FOR DELIVERY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
MARITIME TRADES DEPARTMENT, AFL-CIO
1997 BIENNIAL CONVENTION
PITTSBURGH, PENNSYLVANIA
SEPTEMBER 18, 1997

(Introduction to be made by Maritime Trades Department President Michael Sacco)

Thank you, Mike, for that introduction, and for your successful leadership in revitalizing America's labor movement.

I'm pleased to join you and the Maritime Trades Department here at your biennial meeting. You express the concerns of America's maritime industry and its workers -- a commitment that is shared by President Clinton and all of us in his administration.

When I met with you in Bal Harbour a year and a half ago, we had an ambitious, but unfulfilled, agenda. This morning I'd like to talk about what we've now gotten done to support maritime transportation -- and some more things we hope to do in the coming months.

Since taking office in 1993, President Clinton has initiated -- and fought for -- a series of steps to revive American shipbuilding -- to maintain a U.S.-flag merchant fleet -- and to ensure that our ports can handle growing trade.

Five years ago, America's shipyards -- the keys to victory in World War II and the Cold War -- were suffering from declining naval orders, unfair competition from foreign yards, and financial conditions that prevented them getting capital to upgrade aging facilities and technology.

Only one commercial ship had been built by an American yard in the previous four years, and none for export in 40 years. Nearly 80,000 jobs had been lost since the 1980s.

The irony was, that with merchant fleets aging and new environmental and safety standards coming into place, a worldwide market of up to ten thousand ships was on the horizon -- if only American shipbuilders could take advantage of it.

Five years ago, candidate Bill Clinton understood that opportunity, and he promised America's shipbuilders that he'd develop a maritime strategy to help them help themselves -- and he's kept that promise.

As President, he has implemented a plan to revive shipbuilding

. . .by adapting new technologies to make our yards more efficient and more competitive. . . .

. . .by cutting red tape and unnecessary regulations. . . .

. . .and, by providing guarantees for long-term, fixed-rate loans to buyers of ships.

We're seeing the results of these strategies: last year alone MARAD approved 18 Title XI financing guarantees valued at more than \$1.1 billion.

And U.S. shipyards have added hundreds of vessels to their order books, including 19 ocean-going commercial ships at a combined value of more than \$750 million.

Five years ago, domestic shipyards produced none of these vessels; all of this business was being done overseas, in Japan, Korea, and elsewhere.

Your industry's recovery proves that American yards and American workers -- given a fair opportunity -- can compete with anyone in the world.

We want to continue the efforts we started under the shipbuilding initiative, including the MARITECH program, which enables shipyards to invest in technological process changes to become more competitive.

American shipbuilders are making the most of this, investing \$282 million last year for yard upgrades targeted at greater competitiveness -- the highest level of investment since the middle of the 1980s defense build-up.

MARITECH expires at the end of 1998, and we think it would be a terrible mistake for that to happen.

It's a true government-industry partnership that directly produces jobs and also benefits taxpayers by producing cost savings on government contracts.

We'll work with the Department of Defense and the Congress to continue this small, but highly-effective, program.

We all know how the President has acted to maintain a modern U.S. merchant fleet that can serve our growing trade and maintain the sealift capacity that is so vital to our security.

He proposed -- and Congress has enacted -- a Maritime Security Program which -- as the President says -- "sets the course for America's merchant marine into the 21st century."

This program ensures America will continue to have American-flag ships, crewed by well-trained, loyal American citizens, to crew government and commercial ships when they are needed, as they were during Desert Storm and in Bosnia.

It also give seafarers the basic reemployment rights that apply to armed forces reservists.

Mariners have always responded in times of crisis, and reemployment rights provide them with the protection they deserve. It's another step towards sustaining permanent, professional merchant crews for peacetime and wartime needs.

By contracting with U.S.-flag vessels, we also gain access to a fleet of modern commercial ships. And we gain access to the sophisticated intermodal transportation system supporting it -- the trains, trucks, and cargo handling equipment.

The program will help these ships to make the transition to upgrade, enabling them to enhance their international competitiveness.

The Maritime Security Program also includes the Voluntary Intermodal Sealift Agreement, which is the plan between the public and private sectors on how everything works during an emergency to give the Department of Defense the access to the network.

I want to assure you that we plan to continue our full support of the Maritime Security Program, and that we'll continue to ask Congress for the maximum amount of funding authorized by law. America's seafarers and America's military who keep support deserve no less.

Of course, many of the people in the maritime trades are neither shipbuilders nor seafarers. Thousands of workers are in the Nation's ports, moving cargo on and off of vessels.

They're not going to be able to do their jobs -- and our economy will stall -- if our ports don't have the capacity to handle incoming ships.

That's why President Clinton endorsed the National Dredging Policy, and why we formed a team of federal agencies to ensure that dredging is done quickly, cost-effectively and in an environmentally-sound manner.

We want to increase direct rail access to ports for double-stack trains, to provide separate access corridors for rail and highway freight -- much as we're doing in the L.A.-Long Beach Alameda Corridor -- and to expand ports and terminal capacity by transferring unneeded military bases and other government facilities.

We also want to increase investment in freight facilities -- to invest in connections to intermodal facilities -- and to assist in financing privately-owned infrastructure.

One of the best tools for carrying out such connection projects has been what's called ISTEA -- the Intermodal Surface Transportation Efficiency Act, which authorizes federal highway and transit programs.

Some of ISTEA's funding can be directed to freight projects, and we've worked with ports to make the most of this opportunity.

For instance, the Port of Oakland is developing a joint intermodal cargo terminal that will improve access to the port for railroads and truckers, and ISTEA will provide much of the funding. Projects like this will ensure that ports have the landside access they need for maximum competitiveness.

ISTEA expires at the end of this month, and last March President Clinton announced a plan to reauthorize its programs.

His plan, called NEXTEA, would continue a national commitment to infrastructure investment, expanding funding for our core infrastructure programs by 30 percent.

Although we thought about setting aside money for ports, we decided against it. We didn't want to have the nation's ports fighting among themselves over a relatively small piece of the pie.

Instead, the President's plan would make a variety of port facilities -- such as intermodal freight terminals and access to water ports -- fully eligible for federal aid across categories.

That will help to level the playing field for them as state and local governments allocate funding.

NEXTEA also included a special program to directly fund projects of national significance, such as those affecting trade facilities and corridors, which exceed the financing ability of any one state or locality. This is another way to help meet port's growing needs to connect to the Nation.

NEXTEA, in short, is a proposal which recognizes the role that the nation's maritime industry plays in the overall movement of people and products on which our economy depends.

Congressmen Shuster and Oberstar and Senators Chafee and Baucus have announced their own reauthorization proposals, and we're now reviewing them.

We want to work with Congress so that -- like the President's plan -- the bill which is finally enacted supports the principles of intermodalism.

Our transportation system, after all, can only be as strong as its weakest link, and so we need to ensure sound access to our ports.

Over the coming year we want to continue our support of shipbuilding -- fully implement the Maritime Security Program -- and reauthorize ISTEPA and make it more supportive of port and freight access projects.

We also want to move ahead in two other major areas -- one involving domestic shipping and one involving international trade.

First, we believe we need a strong U.S.-flag fleet within our own shores, but there are those who would repeal the Jones Act and the 75 years of economic growth it has enabled.

We believe this is wrong. 40 nations reserve their domestic trade exclusively to their own flag fleet. None has ever conceded the right to regulate its own domestic commerce.

As the greatest industrialized and trading nation in the world, America should do the same -- *and will do no less*. So, we'll work with Congress to make sure that America continues to affirm its commitment to a vigorous domestic maritime industry.

Second, we want to work to achieve reciprocity in international maritime services. We've been very successful in signing open skies agreements with other countries, allowing for unrestricted air service.

We can do more with maritime services. We welcome business from other nations to our shores -- and we want their ports open to us on the same terms.

We want unrestricted access for America's maritime industry, and we will fight for that access and the jobs that will come with it.

You've seen that commitment in our efforts to help carriers do business with the state-controlled maritime sector in China, and our effort to ensure equal access to government cargoes in Brazil.

And you've seen it in our dispute with the Japanese over their arbitrary and costly system of port practices.

Our goal has been to promote the reform of these restrictive and anti-competitive practices without the imposition of sanctions, and last April we signed a memorandum with the Japanese setting up a process to do exactly that.

But, the Japanese Ministry of Transportation couldn't bring the affected parties together to make this reform possible, so

Two weeks ago we began to impose a per-voyage fee of \$100,000 every time a liner vessel owned or operated by Japan's three largest shipping companies enters a U.S. port from abroad.

What happens next is up to the Japanese government, and we'll continue to be in contact with them.

We want to settle this matter amicably, but we're committed to protecting the rights of the American maritime industry.

Let me assure you that this is a principle we'll hold to around the world in the coming months and years.

Each of these initiatives, each of these actions is part of President Clinton's comprehensive commitment to America's maritime industry and its workers.

This President's initiatives have placed an important industry on a course to recovery, reclaiming our heritage as a maritime power and supporting our position as the world's leading international trader.

It's a return to our nautical traditions -- but it's also a key step for our future.

Last year our foreign trade in goods and services totaled \$1.8 trillion.

That's likely to quadruple over the next quarter-century, even as our domestic economy only doubles in size.

95 percent of international trade today moves on ships, and this Administration believes that our economy and our national security will be weakened if we don't have a U.S. maritime industry to carry that trade in the 21st century.

We're committed to strengthening this industry -- and to securing the role of the working men and women in it.

President Clinton respects the long and proud tradition of standing with working Americans, and today's relationship between the labor community and his Administration builds on that history.

Over the past few years we've stood together in other areas of transportation, and we've turned back assaults on the Davis-Bacon Act -- on the 13(c) protections for transit workers -- and on the collective bargaining rights of Amtrak employees.

Even with the adverse circumstances we've faced over the past few years, our success in protecting worker rights shows that we can still accomplish things if we work together -- just as it shows that there are risks if disagreements between us open wedges for those who would roll back generations of progress.

The ways in which we sustain the prosperity of America's workers are changing as we make the transition from a heavy-industry economy to a high-technology, information-based, global economy.

We can't turn back the tides that are changing our world -- but we *can* make the passage smoother for working Americans.

That's in the best tradition of organized labor -- a tradition that fought to create and to preserve workers' rights as America industrialized during the first half of the 20th century. It's that tradition which we look forward to sustaining as we move together into the 21st century.

Thank you very much.

#

TALKING POINTS ON MPOS AND REAUTHORIZATION
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
MEETING WITH SOUTHWESTERN PENNSYLVANIA REGIONAL PLANNING COMMISSION
PITTSBURGH, PENNSYLVANIA
SEPTEMBER 19, 1997

- * **ISTEA: expanded MPOs' role in transportation planning**; strengthened the partnership between MPOs and the federal government; emphasized **inclusiveness and public involvement, realistic financial planning, flexibility, intermodalism, and links to air quality and other concerns.**
- * **NEXTEA: continue major ISTEA planning provisions. Simplify planning process by streamlining** the 23 statewide and 16 metropolitan planning factors into seven broad goals that states and localities can *consider* as appropriate.
- * **NEXTEA: cut back on reporting and other paperwork exercises** that especially burden smaller MPOs; **emphasize system operations and management** so that planning considers the full range of transportation options, including ITS. Expand planning's inclusiveness to **ensure that the concerns of freight shippers are heard.** Ensure strong links to air quality.
- * **Senate: concerned that Chafee-Baucus weakens fiscal constraint**; detailed project funding sources wouldn't have to be identified in state TIPs and metropolitan TIPs and plans. Senate **doesn't include particulate matter** in spite of the new air quality standards (House also doesn't).
- * **House: concerned that Shuster-Oberstar weakens planning by no longer requiring (only allowing) planners to consider national goals and objectives.** House potentially would **weaken fiscal constraint by including "illustrative" projects** without demonstrable financial support in long-range plans. House enables **transfer of up to 50 percent of planning funds to other Title 23 programs, weakening planning processes.**
- * Overall, all three proposals -- NEXTEA, Senate, House -- continue most ISTEA planning principles. However, we want to strengthen the role of planning in transportation decision-making and ensure a strong, continuing role for MPOs. Need the informed views of MPO members, elected officials, and professionals in the reauthorization debate.

REMARKS PREPARED FOR DELIVERY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
COMBINED FEDERAL CAMPAIGN KICKOFF RALLY
WASHINGTON, D.C.
SEPTEMBER 24, 1997

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

Thank you, Jolene, for that introduction. I'd like to welcome all of you to our annual Combined Federal Campaign kickoff rally.

I'm pleased to see Norm Taylor, the CFC's Washington area director, is with us today. Joining us too are Charlene Jathoo and Richelle Harrison, who have been detailed by the CFC to help out with DOT's campaign.

I want to thank Melissa Spillenkothen, our Assistant Secretary for Administration, who is serving as the CFC's Vice Chairman. And I'd also like to express my appreciation of the efforts of Nadine Rawls, who once again is our departmental coordinator, and who organized today's event.

Finally, I want to thank EPA's Dixieland Band -- Barbara Pollard -- and Dr. Bear from Children's Hospital for being with us.

I'd like to bring you greetings from Secretary Slater, who was unable to join us today. The Secretary is serving as this year's chairman for the government-wide Combined Federal Campaign in the Washington area, and he's committed to making this the CFC's best year yet -- not just at DOT, but throughout the government.

Secretary Slater often says that transportation is about more than concrete, asphalt, and steel -- it's about people. And we know the Department of Transportation is about more than policies and programs -- it's about people helping people. So this year's CFC campaign is a chance to show that the Secretary is right.

We've certainly seen that here at DOT. Over the years, the employees here have earned a solid reputation for public service. Many of you demonstrate your commitment to these ideals by giving time or money to the relief of those who suffer in natural disasters.

Others donate blood regularly, or contribute time to CFC beneficiaries such as the Greenleaf Senior Citizens or Sarah's Circle. Others of you work in your home communities.

Your dedication to helping others is an inspiration, and the Secretary and I take personal pride in the example DOT sets for the entire federal government.

And that's why I'm here today -- to ask you to once more make a difference by contributing to one or many of the hundreds of charities supported by the Combined Federal Campaign.

The DOT family has always been generous. This year, the needs -- and the challenges -- are greater. The goal for the National Capital Area, which includes Washington, is \$38 million.

We need everyone's participation to meet our target, so let me encourage everyone to take a few minutes this afternoon to meet with the service representatives and volunteers with us today. You'll learn first-hand what your contributions are doing -- and what they can do.

This is an opportunity for you to make choices -- you can decide which of the 2,500 CFC charities in the *Catalogue of Caring* you'd like to contribute to.

And DOT's payroll deduction plan permits you to provide help throughout the year while staying within your personal budget -- and you'll be surprised how much of an impact you can have by the end of the year!

I'm sure that, with your help, this will be the most successful CFC campaign ever. Thanks -- in advance -- for your contributions, both to CFC and to our communities.

#

**TALKING POINTS
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
HOUSE LIVABLE COMMUNITIES TASK FORCE
WASHINGTON, D.C.
SEPTEMBER 26, 1997**

- * As Secretary Slater says, transportation about more than asphalt & steel & concrete: it's about people's lives. Transportation doesn't solve anything if it doesn't take people where they want to go; economic development can't achieve its promise if people can't get there. **Need smart decisions targeted at sustainable prosperity and a sound quality of life in communities.**
- * These **decisions need to be made by communities** themselves. Want to do three things: **expand people's choices** for travel -- **level the playing field** between different travel options -- and **give state and local officials greater flexibility** to choose options that best meet their communities' needs.
- * **ISTEA: inclusive, comprehensive planning** with strong public involvement, connections to livability, air quality -- **flexible funding** (CMAQ, STP) -- **quality-of-life programs** (Enhancements, Scenic Byways, Rec Trails, Wildflowers) -- **emphasis on mobility alternatives** (bike-ped, transit) -- **flexible highway design** ('97 FHWA guidebook).
- * **FTA Livable Communities program:** centers development around transportation hubs that combine multiple uses to create instant destinations. **Reduce auto trips by 18%** without inconvenience, **raise transit ridership by 4%-plus.** L.A. Neighborhood Initiative, NY Frederick Douglass Circle.
- * **National Partnership for Transportation and Livable Communities:** DOT and non-profits (inc. STPP, IDA, PPS, EPA's Transportation Partners, others). Focus on **community livability, transit as community development tool.** Promote **coordination/cooperation.** **5 regional workshops, technical aid** to FTA demos in L.A., NYC, San Francisco.
- * **ISTEA reauthorization:** greater state-local **flexibility, stronger but streamlined planning,** \$600 million **welfare-to-work, more CMAQ & Enhancements funding.** Beyond ISTEA: **equalize transit/parking benefits** (Blumenauer, others) -- **climate change initiative** and its opportunities for transportation alternatives -- **National Brownfields Initiative** -- sustainable transportation pilots, interagency sustainable transportation R&D effort.

TALKING POINTS
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
GOVERNMENT PERFORMANCE PROJECT LEARNING CONFERENCE
WASHINGTON, D.C.
SEPTEMBER 29, 1997

(Introduction to be made by Admiral Thad Allen, USCG)

- * Thank you, Admiral, for that introduction. One of the privileges of my current job is the occasional opportunity to be introduced by Coast Guard officers of flag rank. That means a lot to someone who spent a dozen years in the Coast Guard Reserve -- *especially* someone who probably holds the record for the longest Coast Guard service without receiving a single decoration.
- * Seriously, my time in the Coast Guard Reserve gave me enormous respect for the professionalism of that service's men and women. I'm proud -- but not surprised -- that they were among those selected for this project on the basis of their reputation for effective management.
- * The quality of management we see in the Coast Guard -- and in each of the agencies participating in the evaluation project -- DLA, NASA, the FDA, and the VHA -- is something we need throughout all levels of government. Those of us who serve the public have an obligation to do so effectively -- efficiently -- and at the least possible cost to the taxpayers.

- * Ensuring that this happens has been among President Clinton's and Vice President Gore's highest priorities since they first took office.
- * Initiatives ranging from implementing the Government Performance and Results Act and the Chief Financial Officers Act to the Vice President's National Performance Review are evidence of this administration's commitment to a government which works better and costs less.
- * All of these initiatives are geared to improving federal performance and accountability, and if they are successful they can help to rekindle the American people's confidence in their government. That's essential if we're to have public support for the many vital things government does day-in and day-out.
- * I'm confident that we've made a great deal of progress in improving the federal government's operations over the past 4½ years -- but it's not always easy to prove that things are better. And it's no excuse to say that we can't quantify results. The best organizations -- public or private -- find ways to measure how well they're doing, and to act on those evaluations.
- * On Wednesday we'll reach an important milestone in our implementation of GPRA. Federal agencies are required to have strategic plans by the start of the new fiscal year, and to have performance plans which will accompany the President's fiscal 1999 budget submission in January.

- * Because of this, government is more customer-focused, more effective, and more efficient. However, this is just the start, and much more needs to be done to refine the process and strengthen the measurements.
- * This is why the work of the Maxwell School and the five pilot agencies is so important to me and to the PMC. I know that an enormous amount of time has been invested in the management surveys and other studies done in connection with this project.
- * This project has come up with sound measurement instruments and methodologies, and we're looking forward to seeing them tested further and applied to other federal, state, and local agencies.
- * I can assure all of you from the pilot agencies not only that we appreciate the enormous staff time and expertise you've contributed, but that all of the hard work is going to be worthwhile. What you've done will create realistic measures that will help all government agencies to improve their performance.
- * We can benefit from that at DOT. When the Vice President swore in Secretary Slater last February, the Secretary made taking a common-sense approach to government one of his three highest priorities. And he's acted on that by directing the Department's agencies to identify ways to do their jobs better at less cost while pursuing our strategic objectives.

- * In DOT's case, a review at this time is especially relevant: virtually every major transportation program is up for reauthorization or revision over the next couple of years -- highway, transit, and road safety, the FAA, rail safety, Amtrak, ocean shipping regulation, and others.
- * It's an opportunity to rationalize our programs and policies -- to integrate our transportation system -- and to put it on a sound financial footing.
- * The outcomes-based initiatives this project and our other reinvention efforts are making possible will help us to achieve results not possible through conventional, incremental processes. That's going to enable us to shape a transportation system that genuinely meets the needs of our customers.
- * In spite of the difficulties, this is the way to go. Setting goals -- measuring performance -- and allocating resources based on outcomes is more than just common sense, it's the right thing to do.
- * So we appreciate the contributions of everyone involved in this initiative -- Pat Ingraham and the Maxwell School, who are conducting the study -- the Pew Charitable Trusts, whose grant made it possible -- and the OMB and GAO staff who have been involved.

- * I also want to thank *Government Executive* and *Governing* magazines for agreeing to participate in the evaluations over the next three years and then to publish the study's results. Getting the word out on what works is important, and these highly-respected publications are excellent mediums for doing so.
- * Let me close by again thanking the five pilot agencies -- FDA, DLA, NASA, the VHA, and the Coast Guard -- for their efforts. You've pioneered what we expect will be a landmark initiative to make government more successful at achieving its goals, and more accountable to those whom it serves. Thank you, and good luck with the next three years of this project. We look forward to seeing the results.

#