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STATEMENT OF DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
SENATE COMMITTEE ON GOVERNMENTAL AFFAIRS
HEARING ON FEDERAL AGENCY YEAR 2000 PREPAREDNESS
WASHINGTON, D.C.
APRIL 1, 1998

Mr. Chairman, Senator Glenn, Members of the Committee: thank you for this opportunity to report on the Department of Transportation's efforts to solve the Year 2000 problem. I have a written statement which I'd like to submit for the record.

This past New Year's Eve, two years before the millennium date, I visited the FAA's Year 2000 command center. And I can assure you that everyone there, from FAA Administrator Jane Garvey, who accompanied me, to the newest arrival from the field, understands the importance of their mission. They know that it's up to them to ensure that vital computer systems are functioning as well on January 1, 2000, as they were on the day before.

The same is true of our other operating administrations. Each of our ten administrators has been charged with leading the effort to fix the problems in their systems, and Secretary Slater and I are holding them *personally* accountable for their progress.

We're taking steps to ensure that the required progress is made. We've adopted the five-step approach suggested by GAO and OMB: awareness, assessment, renovation, validation, and implementation, to provide a comprehensive, effective, and timely solution. We also are working with on Inspector General on verification measures.

We also recognize OMB's accelerated milestones, which call for the completion of renovation by this September 30, of validation by January 31, 1999, and of implementation by March 31, 1999, in order to give us maximum real-time experience with the renovated systems in an operating environment.

Currently, about one in four of our 617 mission-critical systems is fully compliant with Year 2000 standards. When we add the 91 systems on which work has been completed to make them compliant, but which haven't yet been certified as such, it will bring our total up to 37 percent.

Each DOT operating administration has identified the partners whose computers interact with ours, and is working with those partners to ensure that they, too, are making the necessary progress. We're working through domestic organizations such as AASHTO, APTA, and ITE, and through international bodies such as ICAO and the IMO, to monitor problems and progress for the transportation sector as a whole.

Regardless of our progress, we must assume, and prepare for, the worst: system failures that disrupt vital services. We're developing comprehensive contingency plans for every mission-

critical system at DOT. Currently, there's disparity among our operating administrations in the quality of these contingency plans, but we're following the GAO plan to strengthen them and ensure that a plan will be available for every system.

Mr. Chairman, I mentioned contingency planning because I know that there's concern about whether we can solve all our Year 2000 problems in time. OMB has classified DOT as an agency that is making limited progress, and Congressional evaluations have ranked us near the bottom in government. I believe this reflects as much the critical nature of our systems as the state of our efforts to reach compliance.

We know that we face serious challenges: many of our systems are extraordinarily complex; many depend on other industries, such as telecommunications; many interact with those of private industry, other government agencies, or foreign entities.

In spite of this, Mr. Chairman, the challenge we ultimately face is *not* one of technology but, as you noted, one of project management. The deadlines *can* be met if we have the right people in place and the right resources available to them.

Let me assure you that, if progress *isn't* being made, we *will* act to put in charge people who *can* get the job done. If we find that they don't have adequate resources, we will work with John Koskinen, with OMB, and with the Congress to give them the tools they need. We already have obtained approval for necessary reprogramming at the FAA.

I will tell you now that every mission-critical system at DOT will be either repaired, replaced, or retired by the 2000 deadline. *Period.* Nothing less will be acceptable to me, or to Secretary Slater, or to the President.

We will do *whatever* is necessary to ensure that this happens. We also will act to ensure that back-ups or alternatives are available to handle contingencies and disruptions so that the public can be served with safety. And we will keep you and the public advised of our progress in the coming months.

Thank you. Now, I'd be happy to answer any questions you may have.

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**REMARKS PREPARED FOR DELIVERY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
E STREET CORRIDOR TRAFFIC RESTORATION
WASHINGTON, D.C.
APRIL 2, 1998**

Good morning. I'm Deputy Secretary of Transportation Mortimer Downey, and I'd like to welcome you to this morning's announcement of a new step in our partnership with the District of Columbia. I'm joined by Congresswoman Eleanor Holmes Norton and by Bob Stanton, Director of the National Park Service.

Three years ago this month, the tragic bombing in Oklahoma City served, unfortunately, to alert us to our vulnerability to terrorism. One of the many steps we took to protect federal buildings across America was to restrict traffic on sections of several streets near the White House.

The restrictions meant that E Street, right in front of us, had to become one-way. This and other traffic restrictions and realignments were, and are, necessary to protect the White House and its occupants from any possible harm.

However, Transportation Secretary Rodney Slater recognized the impact that these restrictions have had on downtown Washington. They've added to congestion and inconvenienced residents, commuters, and visitors to the national capital region.

The Secretary directed us to work with the District government and the National Park Service to find ways to improve mobility in this area, and we've come up with one.

We want to make this entire section of E Street two-way again, eliminating parking and widening the street's narrowest parts so that it can handle two lanes of traffic in each direction. That's going to help traffic flow throughout downtown.

Today, we're committing \$500,000 in federal funds for design and engineering work on this proposal, to conduct the necessary environmental reviews, and to evaluate its impacts on the area. Our Federal Lands Highway office will carry out these activities in partnership with the District, through its Public Works Department, and with the National Park Service.

They'll consult closely with other affected groups, including the National Capital Planning Commission, the Commission of Fine Arts, and the Secret Service, as well as our neighbors, the Red Cross and the Corcoran Museum.

Deputy Secretary of Transportation Mortimer Downey
E Street Corridor Traffic Restoration

Assuming this proposal receives the necessary approvals, we're ready to follow through with the approximately \$1.5 million it will take to make it a reality, everything from street widenings to signage to repaving to landscaping.

This commitment adds to other recent transportation improvements we've proposed here in the District, such as modifying the Mount Vernon Square Metro station to better serve the new Convention Center and providing the final installment of federal funding for construction of the 103-mile Metro Rail system.

Together, these examples of President Clinton's commitment to the District of Columbia will make possible a major step forward in the region's transportation network, serving District residents, commuters, and visitors to the national capital region.

Over the years one of our strongest partners, not just in the proposal to reopen E Street but in all of these transportation initiatives, has been Congresswoman Eleanor Holmes Norton. She's been instrumental in helping the Administration to shape the President's proposals, and I want to publicly thank her for her leadership and her many contributions to this partnership.

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REMARKS PREPARED FOR DELIVERY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
CENTER FOR TRANSPORTATION STUDIES LUNCHEON SEMINAR
CAMBRIDGE, MASSACHUSETTS
APRIL 3, 1998

Thank you, Yossi, for that introduction. The author Roscoe Drummond once said that "the mind is a wonderful thing: it starts working the moment you're born, and never stops until you get up to speak in public." Well, let's see if I can do a little better than that this afternoon!

I'd like to say that I'm glad to be here in Cambridge. I'm proud to be in Washington serving the Clinton-Gore Administration, but it's always a pleasure to return to one's roots. And *my* roots are planted deeply in Boston, where I spent much of my childhood.

It's especially nice to be here in early spring, in the opening days of the new baseball season. I hope I'm not dating myself *too* much, but my first exposure to the transportation world was riding the Boston & Maine and the T to see Ted Williams play at Fenway and Sibby Sisti at Braves Field. Braves Field, and the Boston Braves, are long gone, but Fenway is still there, and you still can ride the subway to get there, or you can walk, or bicycle, or ride the bus, or drive.

It may be hopelessly nostalgic to say so, but that's the way it should be. One of the strengths of our transportation system has been its balance, its flexibility, and its range of choices. These qualities meet the needs of people not only in our cities but, increasingly, in our suburbs, where people have come to realize how much they've lost in communities that are based exclusively on a single form of transportation.

My focus today is not on the need for balanced, livable communities. I hope there's some fundamental agreement on that point. Rather, I'd like to focus on *how* we're trying to achieve them, and how transportation can be part of that effort.

For the last six years, the foundation for our efforts has been ISTEA, the Intermodal Surface Transportation Efficiency Act. ISTEA was a landmark, revolutionizing the federal role in transportation, establishing new priorities and bringing in new players, and increasing funding to record levels.

Since taking office, President Clinton has worked with Congress to make the most of ISTEA, raising infrastructure investment to its highest levels ever, 42 percent above the previous Administration's average. That has helped us to work towards a balanced, intermodal system, as a nation, we're expanding transit and bicycle and pedestrian facilities while continuing to build and maintain our highways.

The President also has established record levels of funding for research and education, for safety, for the environment, and for other vital priorities.

Facing the upcoming expiration of ISTEA last year, the President and Vice President Gore proposed a comprehensive reauthorization package in March 1997, based on outreach and our analysis of how ISTEA had worked. We called this new bill NEXTEA, because it built on ISTEA's foundation while supporting record funding levels.

NEXTEA continued the many programs which have worked well, refined those which had not yet fully realized their promise, and created new initiatives which apply what we'd learned.

Our proposal was introduced in Congress, and became, we believe, the standard by which other bills were judged. Overall, we're pretty happy with what Congress has done so far, but, as I'll describe, we also have some major concerns.

The Senate passed its ISTEA II reauthorization bill by a 96-4 vote three weeks ago, and the House bill, called BESTEA, passed 337-80 on Wednesday night.

Both the House and Senate bills incorporate many of the Administration's NEXTEA provisions, maintaining the original ISTEA legislation's commitment to a balanced transportation system, continuing core highway programs while also strengthening support for transit and intermodal projects.

The Senate bill also supports continued protection of American's health and safety through a tough .08 BAC national standard for drunk driving, a law banning open alcohol containers in vehicles, and strong incentive programs to expand seat belt use.

Both bills expand proven strategies to protect public health and the environment, such as the Congestion Mitigation and Air Quality Improvement Program and the Transportation Enhancements program.

They also help to expand opportunity for all Americans, maintaining a strong disadvantaged business enterprise program, and creating a new program to help those who are making the transition from welfare rolls to payrolls get to where the jobs are.

These bills continue support for the university research and education programs that we see as truly critical for our transportation future. And the bills also continue funding for the development and deployment of intelligent transportation systems and for continued research on new materials for paving and for bridge construction. These are vital if we're going to make our systems more efficient and get the most out of our investments.

There is much good in these bills, but there also is reason for real concern. President Clinton, in partnership with Congress, has worked hard to raise transportation investment to record levels even as he has ended deficit spending.

That's a remarkable achievement. I think that one of this President's lasting legacies will have been that he put our fiscal house in order without neglecting the nation's needs. Whether anyone thought it was possible in 1993, these economic policies have created the context that led to the balanced budget in the current year.

We want to continue this progress, increasing transportation investment over the next half-dozen years, and still in the context of balance, a balanced budget, and balanced transportation.

However, we're concerned that the bills Congress approved go too far. The substantially higher spending they create threatens to undermine the historic, bipartisan balanced budget agreement that the President and Congress agreed to just last year.

Alternatively, the spending increases in the Congressional bills could starve other vital priorities, education, child care, and health care, and even other transportation programs, such as air traffic control modernization.

Similarly, we strongly oppose the House's plan to take the Highway Trust Fund off budget the federal budget books. This is an attempt to increase transportation investment by the back door, exempting it from the normal budget processes, circumventing efforts to maintain a balanced budget or forcing cuts in other key national priorities.

Finally, we oppose the House bill's inclusion of \$9 billion in specific, mandatory demonstration projects. States and communities, and not the federal government alone, are best able to determine which projects should be built, and demonstration projects could unnecessarily increase spending.

As the President said in a letter to the Congressional leadership last Saturday, "Transportation is an important domestic priority, but we must strike a balance so that we do not allow one priority to squeeze out other critical investments such as education or undermine our fiscal discipline."

Yes, we need more highway investment, no one knows that more than I do. Yes, we can afford even more than we've been spending over the past several years, that's why our NEXTEA proposal and the balanced budget agreement increased investment. But these increases shouldn't either bust the budget or starve everything else that government does. So, we're looking forward to a conference committee bill which fits within the balanced budget agreement while respecting the President's other priorities.

We also want the final bill to allocate funds in a balanced way, with funding going not only to build highways but also for transit, safety, and environmental programs. The House bill, in particular, has less balance between highways and transit, which could set back both large urban transit systems and smaller rural lifeline services.

And we expect the conference bill to address the priorities the President laid out when he proposed NEXTEA a year ago, such as expanding opportunity through a continued, strong disadvantaged business enterprise program and a new welfare-to-work initiative.

Now that both houses of Congress have acted, the focus shifts to the House-Senate conference committee. We are prepared to work with the conferees to preserve the important priorities established in both the House and Senate bills, and to address the serious concerns which have been raised.

We're looking forward to a strong bill which will keep our vital transportation programs operating, a bill which fits within a balanced budget, and which recognizes that our nation has a number of important priorities which must be honored.

I'm confident that, as the President said, "if we show a balance of our values as we reach a truly balanced budget, we can maintain fiscal discipline while maintaining strong investments in both our people and our physical infrastructure."

Before I take your questions this afternoon, I'd like to say a few words about an important initiative we started just a year ago.

When it comes to education and training, much of the transportation community's focus has, deservedly, been on universities. However, the growing body of knowledge and skills required for transportation professionals means it's never too early to start.

We need to make sure that all students have the academic background they need to handle the demanding curricula in our transportation programs. This is why Secretary Slater created the Garrett A. Morgan Technology and Transportation Futures Program.

This program has been a top priority of the Secretary's, and President Clinton felt so supportive of it that he announced it himself last April.

It's appropriate that this technology education program, which may make a greater difference in the lives of our children than any of our other initiatives, is named after the man who was truly the grandfather of transportation technology, the man who invented the automated traffic signal, Garrett Morgan.

*Deputy Secretary of Transportation Mortimer Downey
Center for Transportation Studies Luncheon Seminar*

This new initiative will challenge at least one million young students to develop their math, science, and technology skills to prepare for careers in transportation. It also will foster the lifetime learning that will keep those careers growing as the transportation system changes rapidly.

We've made a good start: the Garrett Morgan program, in its infancy, has already touched the lives of 250,000 children across America. That's impressive, but it's only a start. The responsibility of helping these students, especially the younger ones, belongs to all of us, not only to public officials, but also to those who currently are university professors and researchers, students, and supporters of institutions such as CTS.

I believe that you are especially well-equipped to help make the Garrett Morgan program a successful and continuing reality. I know that you're all busy with your own work, but I hope that you can also find the time to go out to elementary and high schools here in the Boston region or in your hometowns, and serve, for an hour a week, or whatever you can spare, as mentors, as role models, and as teachers. I think you'll find the rewards of giving to your communities well worth your time and effort.

Coordination of the Garrett Morgan program is a responsibility of the Research and Special Programs Administration in Washington, which, as you know, is also the home of our University Transportation Centers programs and related educational efforts. They can give you more information if you want to get involved, and I'd be happy to put you in touch with them.

This university's students are the immediate future of America's transportation industry, but all of us also can help, *now*, to prepare the following generation of professionals.

I hope you'll all consider doing what you can to inspire others to follow in your footsteps, and help to produce the CTS students of the next century. Now, I'd like to thank you for your attention, and listen to your questions and thoughts...

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(In his remarks, the Deputy Secretary referred to Yossi Sheffi, Director of the Center for Transportation Studies, and to U.S. Secretary of Transportation Rodney E. Slater.)



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**REMARKS PREPARED FOR DELIVERY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
INTERNATIONAL LAND SECURITY CONFERENCE
PLENARY SESSION ON TARGETS, THREATS, AND RISKS
ATLANTA, GEORGIA
APRIL 7, 1998**

Thank you, Admiral Pluta, for that introduction, and for your service as Director of the U.S. Department of Transportation's Office of Intelligence and Security. I'd also like to congratulate you, and wish you well, in your new assignment as Commander of the Coast Guard's 8th District in New Orleans. I'm happy to join you, Mr. Elbourne, and Mr. Peer for a most important conference.

Here in the U.S., security increasingly is a critical transportation concern. Transportation Secretary Rodney Slater, who hopes to be able to join us this evening, has made it one of his top priorities.

Last year the Secretary and I issued the Department's landmark strategic plan developed by the Department's senior staff, and, for the first time, one of its five major goals was national security. That's because *nothing* is more important to any of us than giving the America people the protection they expect and deserve, and there are few areas in which the job of protecting the public is more challenging than in transportation.

Our transportation system has a broad expanse that matches the size of America: four million miles of roads, seven thousand miles of transit lines, and thousands of bus, passenger rail, and subway stations. Half a billion passengers fly our skies each year out of 77 major airports, and hundreds of billions of dollars worth of freight travels on our freight railroads and cargo ships and through pipelines.

This is a transportation system so vast that it touches each of our lives every day. It's a system that powers our economy, that sustains our quality of life, and that symbolizes our nation's freedom of mobility throughout the world. We want it to continue to fulfill each of those tasks.

Our dependence on this system grows as our economy's need for efficiency increases and as the global economy becomes a reality and not just a buzzword. The system's very size and reach mean that, while using it, we're subject to many of the same risks we face in other aspects of our lives, the threats of crime and terrorism. This is true in the U.S. and around the world.

And so, this evening my fellow panelists and I have been asked to help set the stage for this conference by reporting to you about, and I quote, "Targets, Threats, and Risks" in our

Deputy Secretary of Transportation Mortimer Downey
International Land Security Conference
Plenary Session on Targets, Threats, and Risks

respective countries. I'd like to give you a factual account of what we face, so that others who will join you, such as our Federal Railroad Administrator, Jolene Molitoris, our Federal Transit Administrator, Gordon Linton, and Kelley Coyner, who heads the Research and Special Programs Administration, can tell you about what we're doing to meet these challenges here in the U.S.

We know that transportation is a prominent target of violent attacks worldwide, by both terrorist and criminal elements. In 1996, there were 702 violent incidents against transportation worldwide. And, while much of the concern has been about aviation, the fact is that 90 percent of attacks were against surface and maritime transportation.

U.S. interests worldwide remain a primary target for terrorist action. Our facilities at home and abroad were the targets of approximately 40 percent of international terrorist attacks in 1997, up from 25 percent in 1996. In fact, there were 11 incidents of international terrorism in the U.S. last year, compared to none in the previous two years.

As these attacks have increased, so have the casualties: we're seeing greater ruthlessness. In fact, terrorist attacks on transportation are sometimes intended to produce fear and disruption as much as to inflict casualties. That may be why the majority of these worldwide attacks were against civilian targets rather than against increasingly well-protected government and military installations.

The source of attacks against transportation, whether defined as "international," or "indigenous," or as "criminal" action, is far less significant than the effect such violence has on system users and other innocent victims and on the operation of transportation systems.

In the U.S., our citizens and property have become more attractive targets for both domestic and foreign terrorist attacks over the last several years. The Federal Bureau of Investigation has assessed the threat here as being still low, but states that the threat has both changed in its nature *and* increased in its severity.

A National Intelligence Estimate last year concluded that foreign terrorists could attempt a significant attack in the United States in the next year or two. The Estimate highlighted the attractiveness to terrorists of both transportation facilities and other places where large numbers of people freely congregate, such as office buildings, as potential targets.

Let me elaborate. Investigations since the bombings of the World Trade Center in New York and the Murrah federal building in Oklahoma City have revealed that the terrorist threat in the United States is more extensive and more serious than previously believed. The principal threats we're likely to confront come from state-sponsored terrorism, international terrorist groups, and violent extremist elements within the U.S. Foreign groups, including those comprised

of religious extremists, have been identified as operating in at least 66 U.S. cities. Domestic extremists, including the militia movement, conduct paramilitary training and stockpile illegal weapons. Their training manuals include rail sabotage as a recommended operation, so their potential for destructive action is clear.

Several factors are causing the terrorist threat in the United States to change and to increase. There seems to be an increasing willingness to turn to violence as a protest against specific U.S. policies and actions; the World Trade Center and Oklahoma City bombings may have been turning points in this regard for international and domestic terrorists, respectively.

Although the terrorists were captured by good police work in both of these instances, they sent out a message that the United States is vulnerable, that a great deal of damage can be done at little cost, and that such incidents will receive instantaneous worldwide publicity.

They also showed that it doesn't take a high degree of training, technical expertise, or sophisticated equipment to attack with devastating results. Many newer terrorist groups are more fluid and multinational than traditional state-sponsored groups, and more willing to take risks and act violently. Moreover, growing international support networks are enhancing the ability of extremists to operate in the U.S.

Messianic cults, like the Japanese Aum Shinrikyo which used sarin gas in its 1995 attack on the Tokyo subway, also may be a growing threat. Their attack crossed a threshold for use of chemical and biological weapons against civilian targets, and may serve as a model for other groups. They certainly raised the awareness of security officials and decision makers.

Technology has added to the terrorist threat. Terrorism is well suited to the technology of our era, which provides unprecedented individual mobility, coverage by 24-hour international media, and easy access to weapons and explosives.

The breakup of the Soviet Union has made sophisticated arms and weapons systems available. These go beyond the small arms and improvised explosive devices commonly used in the past, although great sophistication isn't necessary for devastation. Terrorist bombings in Saudi Arabia, Lebanon, Argentina, New York City, and Oklahoma City attest to the devastation that relatively simple devices can cause.

However, terrorists' ability to use more sophisticated weapons systems is improving. The new generation of terrorists favors smaller and much more difficult-to-detect plastic or liquid explosives detonated by miniaturized and benign-looking timers. Such devices are still capable of inflicting substantial destruction.

The likelihood also is increasing that terrorists will try to use weapons of mass destruction, chemical, biological, or nuclear. However, the overall probability will remain low for the immediate future because conventional weapons are inexpensive, easily available, familiar, and still extremely destructive.

Weapons of mass *disruption*, computer programs that can carry out cyber-attacks on information and communications systems, are another threat. Like the rest of society, terrorists are adapting advanced technologies: sophisticated computer networks, encryption technologies, electronic mail, technologies for creating high-quality, false documents and counterfeit money. They use these technologies to plan their operations and to avoid detection; they can be expected to adapt them to offensive action in the future.

As an open society, the U.S. is particularly vulnerable to terrorist attack. Terrorists have the advantage of an almost-unlimited number of targets, since they're willing to alter their tactics or to divert to softer targets as security improves elsewhere.

The most recent National Intelligence Estimate on terrorism in the United States identified several kinds of targets as being especially at risk to these groups.

In particular, governmental symbols, such as the White House and the Capitol, and symbols of capitalism, such as Wall Street. In addition, infrastructure, communications, power grids, transportation, is also seen as a vulnerable and tempting target.

Transportation vehicles and infrastructure are potential "soft" targets. There are several reasons for this: the number of vehicles and structures makes them nearly impossible to defend; the economic impact of destroying infrastructure could be significant; and the media impact of an incident would be tremendous.

All of these factors are important considerations. The sabotage of the Amtrak Sunset Limited in Arizona, bombings on the Paris subway, and terrorist gas attacks in the Tokyo subway are recent examples of the vulnerability of our transportation systems.

In the last several years a threshold has been crossed, and international terrorists and domestic groups now have few reservations about conducting attacks on U.S. soil. Counter-terrorist experts agree that the pressing question for the future is not *whether* there will be additional terrorist attacks in the U.S., but *when* and *where*.

Preventing such attacks demands that we take a systemic approach by looking at our transportation system in its entirety. That requires unprecedented levels of cooperation and

*Deputy Secretary of Transportation Mortimer Downey
International Land Security Conference
Plenary Session on Targets, Threats, and Risks*

coordination. We've learned from decades of experience here and abroad that practical, cost-effective, and flexible security measures *are* achievable.

Jolene Molitoris, Gordon Linton, Kelley Coyner, and other DOT speakers will provide you with details on the steps we're taking to improve security, but let me tell you a bit about some of our measures to enhance cooperation and coordination.

We've established a DOT Security Working Group to coordinate all intelligence and security measures, to develop contingency plans for every mode, to coordinate security research, and to share results with transportation and security agencies.

We're also strengthening links between DOT and the law enforcement and national intelligence communities, so that we can quickly share information on threats and how to combat them. That's important, because many terrorist groups operate on an unpredictable, ad hoc basis and are difficult to penetrate. However, when we do have the information we need, we can act effectively.

Let's remember that the Unabomber and the bombers of the World Trade Center and the Murrah Building all have been brought to justice, and that an extremist group which planned to bomb bridge and tunnels in New York was thwarted. We'll work with you, with our other partners within the U.S., and with governments overseas to make similar progress against all who threaten innocent lives.

We'll combat the threats we face so they're never a danger to our people, and so that our transportation system can serve its purpose of powering our economy and enhancing our quality of life. As I'm, sure you'll hear from Mr. Elbourne and Mr. Peer, we've been lucky in this country, so far. But there are people in this world who, for whatever reason, make a practice of terrorizing others.

Our transportation system can never meet its potential as long as they're a threat, and we look forward to working with you to ensure its security. Thank you.

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(In his remarks, the Deputy Secretary referred to Admiral Paul Pluta, Director of the U.S. Department of Transportation's Office of Intelligence and Security; to David Elbourne, Director of Transportation Security for the United Kingdom; to Avi Peer of the Israeli National Police; to Federal Railroad Administrator, Jolene Molitoris; to Federal Transit Administrator, Gordon Linton, to Kelley Coyner, Administrator of the Research and Special Programs Administration; and to U.S. Secretary of Transportation Rodney E. Slater.)



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**REMARKS PREPARED FOR DELIVERY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
PARTNERSHIP FOR THE ADVANCEMENT OF INFRASTRUCTURE
AND ITS RENEWAL IN TRANSPORTATION (PAIR-T)
WASHINGTON, D.C.
APRIL 7, 1998**

Thank you, Harvey, for that introduction. I'd like to thank you, and the Civil Engineering Research Foundation's Board, for inviting me to help launch this partnership to continue rebuilding America's transportation infrastructure.

The transportation element of PAIR has set forth an ambitious vision. Today, we can begin to forge a private-public partnership that will enable us to realize this vision, to produce products and programs that will create the infrastructure investment that works for the nation's economy and for the American people.

This is important because success calls for both a strategic outlook and a commitment to innovation and partnership. Nowhere is that more true than in transportation infrastructure renewal.

Over the past five years, President Clinton has worked with the Congress to increase transportation investment to record levels, to more than 40 percent above the previous Administration's average.

This investment is paying off: our report, "Performance and Condition Report: Status of the Nation's Surface Transportation System," shows that both the condition of our roads and bridges and transit systems and the way they are serving the American economy are improving.

In spite of this improvement, we still have significant needs. The President, through his ISTEA reauthorization proposal, called for even greater investment. But, in a time with so many competing demands, from education to health care to law enforcement, the available resources are never going to be all that we might dream of. So we have to carefully target our transportation investments, and ensure that we make the best use of the public's money.

The investments we make must be well thought-out for another reason: they'll be with us for a long time. The design lives for large projects are 30 to 50 years, but actual service lives are often 50 to 100 years. We have to consider not just today's needs, but those of a generation or two from now.

*Deputy Secretary of Transportation Mortimer Downey
Partnership for the Advancement of Infrastructure
And its Renewal in Transportation (Pair-T)*

Today, I'd like to talk about how we can do these things through research and technology development and deployment.

We've increased transportation R&D to record levels, and we want to increase it further. We especially want to focus on research which can leverage private-sector investments in areas from materials to computer modeling and simulations to communications technologies.

This emphasis on research isn't new. It was established as a priority in the President's "Technology for America's Economic Growth" policy statement, and by the National Science and Technology Council Committee on Transportation, which I chaired until it was recently merged into the Committee on Technology, which I'm also heading up.

In 1995, the NSTC performed the first crosscutting evaluation of federal infrastructure R&D investment, and identified strategic research priorities: deploying new materials and technologies; improving infrastructure performance; providing the technologies to better monitor infrastructure health; and, integrating technologies to better meet future demand.

In order to achieve these goals, the committee recommended increasing research on a wide variety of technologies to include: high-performance materials; automation; non-destructive testing and monitoring; cost-effective life cycle modeling tools; and intermodal hazards reduction and rapid disaster recovery.

Last November, the NSTC released the first-ever "Transportation Science and Technology Strategy." It emphasized partnerships, and outlined 11 of them, including one on "Monitoring, Maintenance, and Rapid Renewal of Physical Infrastructure."

This proposed private-public partnership initiative supports PAIR and its emphasis on innovative infrastructure designs, structures, materials, and methods. As a result of this, the NSTC asked CERF to help us develop this partnership, bringing together construction firms, manufacturers, and state and local transportation agencies. Today's workshop is the first step in this process. And so today we look to you to help us answer the question: how can we better use partnerships to stimulate transportation technology innovation?

We already have some clues. The Strategic Highway Research Program has taught us that the sustained implementation of research results is as important as the research itself. SHRP also has made it clear that research doesn't stop with the first published paper, or even with application: it continues through field testing and evaluation, and involves continuous product and process improvement.

And we've seen that just creating new designs, materials, and technologies isn't enough: we need institutional and managerial innovations to match. We had the technologies to repair

*Deputy Secretary of Transportation Mortimer Downey
Partnership for the Advancement of Infrastructure
And its Renewal in Transportation (Pair-T)*

California's damaged freeways after the 1994 Northridge earthquake, but those roadways would still be rubble without the partnership we forged with CalTrans to cut red tape, use contractual incentives, and make the repairs in record time.

In fact, the way to renew our infrastructure isn't just to spend *more*, although more money won't hurt either, but to spend *smarter*, and to work together more effectively to do it. That's why our Intelligent Transportation Systems program, one of the most visible of our research and deployment initiatives, is also a *partnership*, bringing together federal, state, and local agencies and private businesses.

Such public-private partnerships are the most efficient way to move new technologies into the marketplace. We've recently been expanding our participation in such partnerships. For instance, we teamed with the Defense Department, CalTrans, and an industry-university consortium to develop carbon fiber composite reinforcement to earthquake-proof bridges.

We worked with Boeing to develop an advanced airport pavement test machine that will enable rapid runway condition assessment and ensure that jets can land and take off safely.

And we worked with Energy Department laboratories such as Oak Ridge to develop cheaper, lighter aluminum bridge decks.

We're exploring new kinds of partnerships, such as encouraging states to use their new infrastructure banks not only for new construction but also for rehabilitation. We've also proposed a National Technology Deployment Initiatives and Partnership Program to support PAIR-T and similar long-term partnerships for accelerating technology innovation.

These are just the start. The Highway Innovative Technology Evaluation Center is a successful partnership we've formed with CERF, academia, and industry to assess commercialization potential and to help remove barriers to deployment. Its early success has spawned other CERF centers to promote innovation through broad-based partnerships.

PAIR-T offers an excellent opportunity to forge new partnerships, and to involve the operators and users of infrastructure and the construction and materials industries.

You, as representatives of the building and construction industry and of advanced materials suppliers, have a vital role to play in these efforts.

You have the knowledge of value engineering best practices based on your efforts to win contracts.

*Deputy Secretary of Transportation Mortimer Downey
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You can help us to leverage our resources and to pool our knowledge and experience to more cost-effective and durable infrastructure. And you can help us to quantify their benefits. You can help us to, as Dr. Fenton Carey says, rebuild our infrastructure "faster, better, cheaper." And you can help us to ensure that government's focus will be where it should: on the system user.

After all, if our research efforts aren't ultimately helping to serve our customers better, then why are we doing them? Your advice will be taken seriously and used to refine our research agenda. It will help us to better focus the government's research programs on customer service, to ensure that they're able to maximize partnership opportunities, and to foster innovation.

Let me close by reminding you of what two great American thinkers said about innovation.

As Albert Einstein said, "The significant problems we face cannot be solved by the same level of thinking that created them."

And, as Yogi Berra said, "If you do what you always done, you'll get what you always got."

We can't meet the challenges of the new century if we "get what we always got," so let's think outside of the box, and be open to genuinely innovative solutions and arrangements. Thank you.

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(In his remarks, the Deputy Secretary referred to Harvey M. Bernstein, President of the Civil Engineering Research Foundation and to U.S. Secretary of Transportation Rodney E. Slater.)

**TALKING POINTS FOR SASHTO MEETING
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
ATLANTA, GEORGIA – APRIL 7, 1998**

Introduction. I'm happy to join you all. This is an important meeting, and that's why I and other senior DOT officials are here, and why Secretary Slater will join you later. I'd like to start by asking everyone to introduce themselves...

Building on ISTEA. One of our leading issues, of course, is ISTEA reauthorization. Both the House and the Senate have passed their bills, and they'll be going into conference later this month. Although we're currently evaluating these bills, they seem to retain most of ISTEA's principles and include much that's new and praiseworthy.

Investing in America. The bills retain ISTEA's proven core structure of highway, bridge, and transit programs to continue rebuilding America, and continue investments in ITS and other advanced technologies. They also include a continued strong focus on intermodalism and state and local flexibility and decision-making ability.

Protecting safety and the environment. The bills have programs to expand seat belt use and, in the Senate, a tough .08 BAC standard to fight drunk driving. They expand CMAQ to clean our air and Transportation Enhancements to improve our communities.

Creating opportunity. These bills expand opportunity through a continued strong disadvantaged business enterprise program and a new program to help those making the transition from welfare rolls to payrolls get to where the jobs are.

Concern about spending levels. However, the spending levels in these bills, the earmarked demonstration projects, and the effort to take the Highway Trust Fund off-budget threaten to undermine the bipartisan balanced budget agreement and starve other critical investments, such as the President's proposals for education and child care. They also could force cuts in other vital transportation programs, such as FAA modernization and the Coast Guard's national security mission.

Balancing the budget, balancing our values. The President, in partnership with Congress, has raised transportation investment to record levels while balancing the budget *and* honoring other critical national priorities. We need to continue such fiscal responsibility while investing for our future in a balanced way.

The House-Senate conference. As ISTEA reauthorization moves to the conference committee, we're going to work with the conferees to preserve the important priorities established in both bills, and to address the serious concerns which have been raised. Since we're still evaluating these bills, I can't really go into much more detail, but I'm interested in hearing your thoughts about their provisions for initiatives we've also supported: trade corridors and intermodal connectors. I'm also interested in hearing how we can better support international trade, especially with Latin America...



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**REMARKS PREPARED FOR DELIVERY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
AMERICAN SHORT LINE AND REGIONAL RAILROAD ASSOCIATION
PUBLIC POLICY MEETING
WASHINGTON, D.C.
APRIL 8, 1998**

I'd like to start by bringing you greetings from Secretary Slater. He'd wanted to be here, but is currently in Atlanta as part of his intermodal tour of the southeast. The Secretary asked me to extend to you his best wishes for a successful meeting, and to say that he hopes to have the opportunity to meet with you soon.

Let me start by congratulating you on your recent merger. By combining your two predecessor associations, you've created an even stronger voice for America's railroads. And yours is a voice we need to hear more from. You're an important part of this nation's railroad industry, accounting for sizable shares of everything from route mileage to industry revenues to employment.

You're also the lifeline for the economies of many communities. We need your continued growth and success to ensure prosperity throughout America.

Under the leadership of Secretary Slater and FRA Administrator Jolene Molitoris, the Clinton Administration has been a strong proponent of the rail industry. We've worked to enable you to make the most of the opportunities created by the Staggers Act. As implemented by the Surface Transportation Board and the ICC before it, this act has been the right foundation for rail revitalization.

In this light, we want to continue this progress by reauthorizing the STB. At the same time, after almost 20 years, and significant structural changes, it's time to review how the Staggers Act is being implemented to determine if the STB's regulations and procedures make sense today.

We want to make sure that we have the right framework to continue America's rail renaissance, so that in the 21st century this industry is as prosperous as it was in most of the 19th and 20th centuries. This morning, I'd like to talk about how we want to ensure this through the reauthorization of our rail safety and surface transportation programs.

The federal rail safety program expires at the end of the current fiscal year, and so last week we submitted to Congress our proposal for its reauthorization. Our proposal resulted from consultation with industry, labor, community groups, and the full range of stakeholders. We believe that our plan balances the interests of all while putting safety first.

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To do so, it asks for Congressional support for recent successful initiatives that Administrator Molitoris has championed, the Safety Assurance and Compliance Program and the Railroad Safety Advisory Committee, crucial partnerships that bring the spirit of Vice President Gore's reinvention efforts to our programs.

The four-year reauthorizing legislation has a number of vital elements. It attacks the most pervasive factor in safety: fatigue that hampers operating employee alertness.

It offers rail management and labor incentives to agree on ways to reduce on-the-job fatigue and fatigue-caused crashes. The industry's voluntary efforts already offer great promise, and we want to encourage, and expand, those efforts.

This provision would require Class I and Class II railroads, and affected employee groups, to jointly submit for FRA approval fatigue management plans with specific measures tailored to each railroad's operations. The plan would focus on such matters as training on fatigue issues, screening for sleep disorders, and scheduling practices.

If management and labor can't agree on a plan, then the railroad would submit one, with separate comments by labor. For the first two years after enactment plan compliance would be completely voluntary.

After that opportunity to identify what works best, the plan would become mandatory, and the FRA would be authorized to require Class III railroads to submit these plans.

The bill would make specific changes in the hours of service statute, to take effect immediately, such as covering everyone, and not just railroad employees, who maintains signal systems. The legislation also would establish strong protections for employees and others participating in crash investigations.

Finally, the bill also includes provisions to expand FRA's rulemaking and inspection authority, for instance, in monitoring rail communications for safety and to set noise standards for high-speed rail operations. These are common-sense changes which have received wide support.

This act will support FRA's efforts to fulfill its safety mission by focusing its limited resources in large part on reducing fatigue and on cooperating with the rail community to improve existing regulations. That's an approach that is consistent with our initiatives to make government work better and more efficiently, and we look forward to support from all quarters.

The other major piece of legislation affecting transportation and railroading this year is reauthorization of ISTEA, the Intermodal Surface Transportation Efficiency Act.

Facing ISTEA's upcoming expiration last year, the President and Vice President Gore proposed a comprehensive reauthorization package in March 1997, based on outreach and our analysis of how ISTEA had worked.

Our proposal was introduced in Congress, and became, we believe, the standard by which other bills were judged. Both houses have passed bills within the past month. Overall, we're pretty happy with what Congress has done so far, but, as I'll describe, we also have some major concerns.

Both the House and Senate bills incorporate many of the President's proposals and maintaining most of the original ISTEA legislation's intermodal principles.

Both bills expand proven strategies to protect the environment, such as the Congestion Mitigation and Air Quality Improvement Program. That program has helped to fund many intermodal projects in places ranging from Auburn, Maine to Portland, Oregon.

And both bills continue funding Operation Lifesaver, a safety initiative with broad industry support.

There's much to praise in these bills, but there also are reasons for concern. For instance, neither bill adopted our proposal to enable federal funds to be used for publicly-owned rail freight projects, although the Senate includes some flexibility for passenger projects.

And neither bill adopted our proposal for a new Infrastructure Safety Program, although both do sustain a commitment to eliminating dangerous highway-rail grade crossings and other hazards.

Our greatest concern is with funding levels. President Clinton, in partnership with Congress, has worked hard to raise transportation investment to record levels even as he has ended deficit spending, and we want to continue this progress.

However, we're concerned that the bills Congress approved go too far. The substantially higher spending they authorize threatens to undermine the bipartisan balanced budget that the President and Congress agreed to just last year.

Alternatively, the spending increases in the Congressional bills could starve other vital priorities, education, child care, and health care, and even other transportation programs, such as FRA's non-trust fund programs.

Yes, we need more investment. Yes, we can afford even more than we've been spending over the past several years, that's why the President's reauthorization proposal and the balanced budget agreement increased transportation investment. But the increased spending shouldn't either bust the budget or starve everything else that government does.

So, we're looking forward to a conference committee bill which fits within the balanced budget agreement, that respects the President's other priorities, and that allocates transportation investment in a balanced way, with funding going not only to build highways but also for intermodal and other programs.

And we expect the conference bill to address the priorities the President laid out in his reauthorization plan, such as expanding opportunity through a continued, strong disadvantaged business enterprise program and a new welfare-to-work initiative.

Now that both houses of Congress have acted, the focus shifts to the House-Senate conference committee. We're prepared to work with the conferees to preserve the important priorities established in both the House and Senate bills, and to address the rail issues which have been raised.

We're looking forward to a strong bill which will keep our vital transportation programs operating, a bill which fits within a balanced budget, and which recognizes that our nation has a number of important priorities which must be honored.

We're in the midst of a great debate over the shape of our transportation system well into the next century, and I hope that you'll continue to make your voices heard in these debates.

Let me close now by expressing my appreciation for the continued support you've given Administrator Molitoris and the FRA on a wide range of issues.

Our shared commitment to improving safety, will be the foundation for a wide range of efforts to make America's railroads safer places, for travelers, for rail workers, and for the communities through which rail lines pass.

And our shared commitment to sustaining the railroading renaissance begun under President Carter will ensure that we continue to press for a balanced, intermodal transportation system.

Railroading has a rich history in America, and a bright future. We still have far to go, but it's a journey that we can make *together*. Over the coming months and years, Secretary Slater, Administrator Molitoris, and I look forward to making that journey with you. Thank you.

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(In his remarks, the Deputy Secretary referred to U.S. Secretary of Transportation Rodney E. Slater and to Federal Railroad Administrator Jolene Molitoris.)



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**REMARKS PREPARED FOR DELIVERY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
VICE PRESIDENT GORE'S WELFARE-TO-WORK CELEBRATION
WASHINGTON, D.C.
APRIL 9, 1998**

Secretary Slater couldn't be here today, but his key charge to us is to create opportunity in all the things we, and this includes helping those who are making the transition from welfare rolls to payrolls. To enable the transportation community to do our share, he's committed us to a series of initiatives.

Inside the Department, we're actively hiring former welfare recipients, and are already two-thirds of the way towards our 1998 goal. We're finding our new workers to be everything we would hope for and expect: well-qualified, hard-working, and committed to success.

Since transportation jobs are among America's best-paying, we also want to encourage private sector opportunities in these fields. Major transportation firms, such as United Airlines, have been national leaders, and many DOT contractors are following suit.

And this year we're promoting welfare-to-work measures as part of the transportation bill now making its way through Congress. Few welfare recipients own cars, so one of the biggest barriers they face is getting to jobs, training, and support services such as child care. We've proposed a program of flexible, alternative transportation services that get people to where the jobs are.

Both the House and Senate included this proposal in the bills they passed during the last month, along with expanded highway jobs training and tax-free transit benefits. We're working to see that these measures will become part of the bill that Congress will send to the President. Along with the flexible use of DOL/HHS resources for transportation services, they'd go a long way towards making transportation the "to" in welfare-to-work.

When we're successful at reducing barriers and finding jobs, we're not just helping the men and women who fill these jobs: we're also helping to strengthen our enterprises, our communities, and our nation.

But to make this effort succeed, we need the help of everyone here. Together, we *can* make a difference. And now, I'd like to introduce one leader who is making a difference: Jim Sines, of United Airlines...

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FEDERAL AGENCY WELFARE-TO-WORK INITIATIVES EVENT
QUESTIONS FOR DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
APRIL 9, 1998

1. **Q:** DOT has been among the leaders in hiring former welfare recipients. What's been the secret of your success?

A: We started with the full commitment of the Secretary and other senior officials. Through our field offices in every state, we encouraged our staff to work with local social service agencies to identify and recruit welfare recipients. Once hired, these new employees receive whatever orientations, training, and mentoring they need to succeed.

2. **Q:** How has DOT encouraged its contractors to hire former welfare recipients?

A: We approached our contractors around the country who could best advance this initiative, explaining the President's program and encouraging them to hire welfare recipients. We've also provided supporting mechanisms, such as a website with success stories, guidance on how to make these hirings succeed, and links to the President's welfare-to-work home page.

3. **Q:** What transportation challenges are faced by those making the transition from welfare-to-work?

A: Few welfare recipients own cars, so one of the biggest barriers they face is getting to jobs, training, and support services such as child care. Last year we proposed a program to create flexible transportation services that get people to where the jobs are. Both the House and Senate included this proposal in the transportation bills they passed during the last month, and we hope that it becomes part of the final bill that Congress sends to the President.

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DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
FEDERAL AGENCY WELFARE-TO-WORK INITIATIVES EVENT
WASHINGTON, D.C.
APRIL 9, 1998**

Good afternoon. I'm Deputy Transportation Secretary Mortimer Downey.

Creating opportunity in all the things we do is one of Secretary Slater's key priorities, and this includes helping those who are making the transition from welfare rolls to payrolls. To enable the transportation community to do our share, he's committed us to a series of initiatives.

At DOT, we're actively hiring former welfare recipients, and are already two-thirds of the way towards our 1998 goal.

We're finding these workers to be everything we would hope for and expect: well-qualified, hard-working, and committed to success.

Since transportation jobs are among America's best-paying, we also want to encourage private sector opportunities in these fields. Major transportation firms, such as United Airlines, have been national leaders in hiring welfare recipients, and many DOT contractors are following suit.

Today, we're hearing similar success stories -- stories that inspire us to redouble our efforts to help those making the transition from welfare to work.

This year we're promoting welfare reform measures as part of the transportation bill now making its way through Congress.

Few welfare recipients own cars, so one of the biggest barriers they face is getting to jobs, training, and support services such as child care. Last year we proposed a program of flexible, alternative transportation services that get people to where the jobs are.

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But to make this effort succeed, we need the help of everyone here. Together, we *can* make a difference. Let's get to work, helping Americans get to work. Thank you.

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**REMARKS PREPARED FOR DELIVERY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
18TH ANNUAL NEW YORK AIR FINANCE CONFERENCE
NEW YORK, NEW YORK
APRIL 15, 1998**

Opening

Over the past five years, one of President Clinton's foremost transportation goals has been to develop an aviation system that will enable us to meet the challenges of the emerging global economy.

We believe aviation will be as important to America's place in the international economy of the 21st century as transcontinental railroads and interstate highways were to our domestic economy in the 19th and 20th centuries.

The ability to move people and goods -- especially high-value products -- efficiently offers an enormous competitive advantage to any nation, and we've been enhancing that ability for two decades.

This path to progress started when President Carter worked with the Congress to deregulate civil aviation. Removing the controls that limited growth and kept fares artificially high was a vital step in creating today's aviation markets and today's highly-efficient air carriers.

President Clinton built on that first big step when he took office. In the uncertain economy of the early '90s U.S. carriers lost \$10 billion, and many of them were on the verge of bankruptcy. Action was needed.

One of the President's first steps was to get legislation creating the National Commission to Ensure a Strong and Competitive Airline Industry. The Commission was appointed quickly and did its work in 90 days.

We adopted most of its recommendations, ranging from expanded use of Global Positioning Satellite systems to general aviation liability reform to liberalizing global aviation trade.

The airline industry did its part, restructuring operations to cut costs and improve efficiency.

And the President's policies turned around America's economy. The strongest economy in a generation has created enormous demand for personal and business travel.

The results of all of this are clear.

Prices are a third lower, in real terms, than they were two decades ago. More frequent, more convenient service is generally available. Airline operating profits were \$8.5 billion last year -- the third record year in a row -- and based on the quarterly reports so far we hope to see another record this year.

And we are seeing the profitability of airlines, coupled with sound management decisions on fleet size translating to solid, predictable order books for the aerospace industry.

Better service and lower prices for consumers -- higher profits for airlines: these are the fruits of deregulation and the competition it inspired, and these are the outcomes we seek to continue through our policies.

Competition policy

Although deregulation has been broadly beneficial, it has not been perfect; there have been some problems which deregulation has not solved -- and perhaps even some which it has contributed to.

For instance, some smaller cities believe that they have fared worse under deregulation than before, with less -- or lesser -- service and higher prices. We're currently conducting a rural airfare study, and are continuing to monitor this issue closely.

There also is concern in markets of all sizes that some carriers occasionally sell so many seats at low fares that it's economically rational behavior only if their motive is to force out competition -- specifically, competition from low-fare airlines seeking to enter hub markets dominated by certain carriers.

Such carriers seem to be willing to lose money -- lots of it -- in the short run to drive off competition for the long run.

New entrants say that anti-competitive actions -- such as the practice of "dumping" -- are driving them out of markets, especially at the Nation's busiest airports. And if this is true, it's a problem for consumers because it's the discipline of market entry that holds air fares at reasonable levels --- levels that in fact grow the market, increasing opportunity for all the carriers in it.

The new entrants' assertions have been echoed by local officials, consumer advocates, and business travelers from around the country.

We listened to these concerns, analyzed them, and agreed that there *is* a problem.

We've developed a policy statement to define what kinds of competitive practices are unfair and exclusionary.

This standard lays the foundation for action to prevent predatory conduct. It's not intended to ensure -- or to prevent -- the success of any carrier, but rather to ensure a level playing field for all.

Let me tell you a little more about this standard.

A carrier would be engaging in unfair practices if it unduly cuts price or increases capacity in response to a new carrier's entry into its hub markets, to the extent that this makes sense only as an attempt to limit competition.

We'll deem these strategies exclusionary if they cause the incumbent carrier to give up more revenue than all of the new entrant's capacity could possibly have diverted from it.

We also will consider them to be exclusionary if they result in substantially lower short-run profits -- or higher losses -- than would a reasonable, alternative competitive strategy.

We'll examine assertions of unfair practices on a case-by-case basis, and we'll take the necessary enforcement actions, such as hearings before administrative law judges, to ensure fair competition.

We've issued this statement for a 60-day public comment period, and will actively seek reactions from all sides as we develop a policy that preserves the benefits of competition while protecting the interests of consumers.

Let me be clear: this *isn't* an effort to re-regulate commercial aviation, but rather to preserve the competitive benefits of deregulation. As Alfred Kahn, the architect of deregulation, said: "The eggs have been scrambled and cannot be put back together."

We agree: but now some carriers are also saying that you can't make an omelet without breaking eggs. That may be true in the kitchen, but it shouldn't be true in aviation.

So our new policy deals with anti-competitive situations that have arisen in the era in which carriers have moved to organize around hub markets -- but it does it in a way that's flexible and that preserves the open, competitive stance that the federal government has supported over the past twenty years and that has stimulated market growth.

We're looking forward to hearing from all sides in this discussion, and then to adopting a statement that gets the job done.

Liberalization

Competition is crucial, whether we're looking at domestic aviation or international. Over the past five years, we've made more progress opening international aviation markets than at any time since the 1945 Chicago Convention.

President Clinton's vision -- as Secretaries Peña and Slater have been carrying it out -- is to abandon protectionism in favor of an open market, entering into open skies agreements wherever we can and setting the stage for them where our partners aren't yet ready.

We want markets where airlines have greater opportunities to increase passenger and cargo services -- to offer new services -- to create competitive networks -- and to lower their prices.

Our goal is free and unrestricted trade in international aviation services --in other words, open skies. But we've been willing to work with our partners on incremental improvements that are made in a genuine spirit of cooperation.

That spirit has produced 62 aviation pacts since 1993 -- 28 of them full open skies agreements. These agreements are generating billions of dollars in revenues for airlines and better, cheaper service for consumers.

The benefits of liberalization are clear: even with phased implementation that protected services to Toronto and Vancouver until recently, the 1994 U.S.-Canadian open borders agreement increased U.S. - Canada passenger traffic 37 percent in three years, as compared with only 4 percent in the three years before the agreement. And both countries benefitted both from traffic on their airlines and increased travel and tourism.

The recent market-opening agreement with Japan -- one of our biggest trading partners -- could boost U.S. airline revenues by more than \$1 billion a year.

And the agreement we signed with France last week will make April in Paris a reality, instead of a prohibitively-costly dream.

We hope we can go beyond the progress we've made with these nations, to encourage them to sign agreements between and among themselves, so all passengers can see the benefits of open skies.

Aviation can be "the tie that binds" in the global economy of the 21st century. The opportunities for efficiency -- the opportunities to take people beyond their borders -- the opportunities to turn this into a truly global society -- are remarkable.

As we enter the 21st century, we pledge to continue opening skies across regions, and to invite every region of the world to be our partner.

We need to make progress in talks that are underway with China, with Italy, the Dominican Republic, Peru, Ethiopia, Ghana, Senegal and others. We're convinced we will have major breakthroughs among these nations this year.

And, as always, we're ready to work with our friends in the United Kingdom to reform the anachronistic Bermuda II agreement that dates back to the regulated era.

Today, open skies is the gateway to our democracy. And the only cost is the cost you would expect from democracy: the cost of competing freely.

No nation should ever be afraid to become a world-class competitor. No nation should ever be afraid to use transportation as the means to provide opportunity for of all her people in the 21st century.

As Secretary Slater says, transportation is about more than concrete, asphalt, and steel. It's more than landing rights and routes. It's about people, and about providing them with opportunity. That's what aviation liberalization does, and that's why we support it so strongly.

Aviation system improvements

We will be successful in these efforts, but that raises the question of what we're doing to handle the growth we expect from these expanded opportunities.

About 600 million travelers fly within the U.S. today: that number could increase to a billion within a dozen years. I'll tell you now that today's aviation infrastructure -- our airports, our air traffic control system -- can't effectively handle that amount of future travel.

To ensure safety, we'd have to implement travel restrictions that would artificially push up prices and cap the growth which has sustained this industry's recent prosperity. Everyone agrees this would be unacceptable.

We need to deal with the aging technologies -- the inadequate capacity at some airports -- and the poor connections with other forms of transportation that could slow economic growth and reduce our competitiveness.

Today, air system congestion costs airlines -- and their passengers -- \$3 billion annually.

Additional costs are borne by air freight carriers, and are passed on to consumers and businesses in the form of lost time or higher prices.

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

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

We're trying to improve the physical links between airports and the communities they serve, including links by highways, railroads, and transit systems.

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

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

We've already taken significant steps, such as setting a single level of safety for all carriers including commuters -- increasing our scrutiny of airlines and strengthening the restrictions on transporting hazardous materials -- and implementing new security measures, such as explosive detection devices at major airports.

And only yesterday, Vice President Gore -- joined by Secretary Slater and Jane Garvey, our FAA Administrator -- announced a new aviation safety initiative.

We're using special FAA - NASA teams of technical experts to zero in on the leading causes of aviation disasters and recommend safety measures tailored to eliminate these problems. These teams will focus on a limited number of crash causes in commercial aviation, general aviation, and cabin safety.

In partnership with industry, we'll spotlight specific problems such as controlled flight into terrain, runway incursions, engine explosions and then move ahead with solutions -- expanded engine inspections and improved pilot warning and detection systems to mention just a few.

We're providing the resources we need for this and other steps, having budgeted \$5.6 billion for FAA operations in the coming fiscal year. That will bring us 185 new additional air traffic controllers -- 150 more maintenance technicians -- and 45 new safety inspectors.

We've asked for \$2.1 billion to carry forward our program to modernize FAA facilities and equipment -- 14 percent more than this year.

We've also included \$290 million for FAA research, 45 percent above this year's level, including \$90 million for Flight 2000, our "free flight" initiative.

Maintaining -- much less improving -- the finest aviation system in the world is expensive, and we have to decide how to fairly and efficiently finance these needs.

We're already starting to do this. The National Civil Aviation Review Commission recommended ways to meet the aviation system's safety, airport capital, and air traffic operational needs.

We're readying legislation to implement these recommendations for stable and sufficient FAA funding, making the FAA's air traffic services a business-like performance-based organization beginning in 1999.

We'd link revenues to spending, and create a system of phased-in user fees linked to specific services provided. General aviation would continue to be funded through an aviation fuel tax, not user fees. Together, these would give us a reliable, flexible funding system.

We're also preparing legislation to reauthorize the FAA's safety, security, and R&D programs for 1999-2003, building on the personnel and procurement flexibility already granted by Congress.

We'll seek similar flexibility to assure that spending on our air traffic control system keeps pace with the need.

Closing

Together, these strategies -- securing the funding we need to upgrade our aviation system's capacity -- opening up markets internationally -- and promoting competition domestically -- are the keys to aviation prosperity in the 21st century.

Nor can our aviation system reach its full potential without the flying public's confidence that travel is safe. That's why we're continually raising safety standards and dedicating the resources needed to achieve those standards.

Safety clearly comes first but we also want an aviation system that minimizes the impact on our environment. That's why we're committed to meeting the Stage III noise standards by

the year 2000 deadline which will likely prove to be a stimulus for new aircraft purchases.

We're looking forward to working with state and local governments here in the U.S. -- with our aviation industry -- and with the governments of other nations to make the most of the opportunities these strategies will make possible.

These strategies will greatly stimulate growth in travel. Handling that growth will require tremendous investment -- not only in our air traffic control system, but also in our airports and in airlines and air cargo companies.

This demand for investment, especially for capital, is one that we're optimistic will be justified by future growth.

We're committed to policies that will sustain this growth, not only today -- not only tomorrow -- but well into the new century.

Let me close by repeating you of the words of the English poet Wordsworth: he wrote that we should "live, and act, to serve the future hour."

That's what we in the Clinton-Gore Administration are doing in aviation: I hope that, through your own work, you'll be a part of this effort. Thank you.

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TALKING POINTS FOR DEPUTY SECRETARY MORTIMER L. DOWNEY

TAKE OUR CHILDREN TO WORK DAY

APRIL 24, 1998, 1 P.M.

MEDIA CENTER - ROOM 2201

- *Transportation* affects each of us – everyday!
- Helps us move safely and quickly from one place to another, by air, land and sea – trains, planes, automobiles, boats, metro-rail, buses, bicycles, ...
- Moves food from the farm to the supermarket to your dinnertable.
- Impacts how all of the things you buy get from raw materials to the finished products in the stores:
 - For example, take your shoes. Where are they made? Mexico? China? How could we get them here from there? [Tractor-trailer may take the finished shoes from the factory to an airplane or to a train or boat. Then, they may be transported by truck or van to the shoestore and you brought them home in a car, bus or metrorail]

- Transportation even affects communication - from mail delivery over our highways , seaways, and airways, to telephones, television, and computer e-mail using satelites placed in orbit through commercial space transportation.
- The world in which we live would not be possible without today's modern transportation system. And transportation will be even more important in tomorrow's global community.
- Almost 10 million people, or about 7 percent of u.s. workers are employees in the many careers of transportation:
 - People who are truck drivers, pilots, and locomotive engineers;
 - People who ensure our systems is safe— air traffic controllers, safety inspectors, environmentalists.
 - Designers and builders of the system—the engineers,urban planners, construction workers
 - And the people who assemble and maintain the vehicles. As well as all of the “behind the scenes” people who support the transportation network.

- The films you have viewed today provide a brief look into the many different and exciting functions and jobs in transportation and especially careers in the Department of Transportation.
- The intelligent transportation systems of the future will require intelligent, well educated people to plan them, build them, and manage and maintain them.
- The films may have given you some ideas on things that you'd like to do in the transportation field. Great!
- DOT has established the Garrett A. Morgan Technology and Transportation futures program to make sure that we have the best prepared transportation workforce in the 21st century.
- We have an excellent booklet on careers in transportation in the back of the room.
- I encourage all of you to continue your education and, when considering your career options, to remember the exciting careers available in transportation.

- Ask for questions; comments on what the children have learned from their visit to DOT; what they think is the most exciting thing DOT does, personal insights into the impact of transportation; career aspirations in transportation, etc.

TALKING POINTS FOR THE ENTRANCE OF VINCE AND LARRY:

- Well, for the last two hours, you've been looking at film and talking with Officials about what we do here at DOT.
- To end today's program on a high note, we have two other DOT officials We would like you to meet---and Oh, they just happen to also be television stars. But to remind you of how they became stars, I have a one-minute television commercial I'd like to show you-----and then you'll meet the ever famous VINCE AND LARRY!!!!
- So let's roll that footage.

8.105

STATEMENT OF THE HONORABLE MORTIMER L. DOWNEY
DEPUTY SECRETARY
U.S. DEPARTMENT OF TRANSPORTATION
BEFORE THE SENATE COMMITTEE ON
COMMERCE, SCIENCE, AND TRANSPORTATION
HEARING ON YEAR 2000 COMPUTER PROBLEM
APRIL 28, 1998

Chairman McCain and Committee Members:

I am pleased to have the opportunity to discuss with you the Department of Transportation's progress in managing its Year 2000 problem, and to provide you with a picture of our management strategy for dealing internally and externally with this issue. I am confident that our strategy will bring us to the point we need to reach.

The Year 2000 issue is being given the highest priority within the Department of Transportation. The Secretary and I, supported by the Acting Chief Information Officer (CIO), are leading the Department's Year 2000 efforts by providing guidance and oversight for the Year 2000 programs in each of our operating administrations. The CIO's office is tracking and reporting on the Department's Year 2000 project status with help from internal entities including our Inspector General and Acting Assistant Secretary for Budget and Programs, and is working with external entities (Office of Management and Budget, General Accounting Office, etc.) that are monitoring efforts within the federal community. In addition, I represent the Department on the President's Council on Year 2000 Conversion, and we are prepared to provide whatever assistance is necessary to the Senate Special Committee on the Year 2000 Technology Problem, recently established under Senate Resolution 208.

The Secretary has assigned direct responsibility for updating systems assessed to have Year 2000 problems to the Administrator of each operating administration within the Department. I have personally met individually with each Administrator to assure that they are putting top priority on the Year 2000 problem and will continue to do so. Most are now making reasonable progress, but I have required them to accelerate their efforts to comply with the revised OMB and CIO Council target dates for the remaining phases of work (Renovation phase - 9/98, Validation phase - 1/99, and Implementation phase - 3/99). While the revised OMB target dates present a significant challenge, the operating administrations are examining and adjusting their project schedules, advancing deadlines to ensure that there is time available at the end should it be needed to address any last minute details. In October, the Secretary directed each Administrator to appoint a senior executive, who reports directly to him/her, to be the sponsor of their organization's Year 2000 remediation efforts. The Secretary has also required both the Administrator and the senior executive sponsor to include Year 2000 responsibilities in their respective performance agreements.

Within the Department, most of the public attention, and much of our management effort, is being focused on the Federal Aviation Administration (FAA), due in large part to the size and complexity of the Air Traffic Control (ATC) System and its myriad supporting systems. FAA Administrator Jane Garvey has taken aggressive action to strengthen the FAA's program and improve the probability of Year 2000 success. She has centralized management of the FAA-wide Year 2000 program and has staffed it with people who understand the intricacies of the ATC System and have solid project management experience. The FAA has instituted a rigorous

approach to corrective efforts which includes independent validation of the quality of work being done. I will not attempt to minimize the size of the challenge that lies before Administrator Garvey. The FAA has a very difficult task ahead of it and time is running out. It will take continued attention by the Department, Administrator Garvey, and her team to complete this effort, but we recognize that we must be successful.

While the assessment of Year 2000 compliance has been completed within the Department for all but a small percentage of mission critical systems, we understand the concerns and issues that the Department's Year 2000 problems may present to the rest of the federal government and to our worldwide business partners. The Department has been working with its federal, state, and local government partners to identify and resolve interface and data exchange issues that might impact our automated systems. This work continues because our business partners must experience the same levels of success as our own organization, if our business processes are to be expected to operate come the Year 2000. We also rely heavily on domestic and international telecommunications, public utilities, and private sector products and services in conducting our missions. If these underpinnings of the infrastructure are not available, the best of plans will not assure success.

Further, we recognize our responsibility to the traveling public and the need for us to reach out to all areas of the transportation infrastructure, beyond those specific entities with which we have regulatory or daily business contact. We are already working with many of our partners in the air, sea, and surface transportation industries in an effort to raise awareness of the Year 2000 problem

and its potential global impacts. However, there is much more to be done.

It has been troubling for us to learn that in many other countries, the Year 2000 problem is not being addressed with the same sense of urgency as in this country. Airborne and waterborne commerce are at risk if automated infrastructures worldwide fail to operate. The Department will continue working with domestic and international commercial and governmental organizations in the aviation, maritime and surface transportation communities in order to identify specific areas of concern, but these efforts require support at the highest levels in order to minimize the domestic and international consequences of unresolved Year 2000 problems.

I am pleased that the President's Council on the Year 2000 Conversion Problem has recognized the need for increased domestic and international awareness of the issue, and the need for aggressive corrective action to occur. The President's Council has issued a survey to its member agencies to determine the current level of Federal involvement in a variety of key domestic and international areas (or sectors) and the current status of Year 2000 corrective efforts in those sectors. Secretary Slater has agreed that the Department of Transportation will be the lead agency in carrying out the Council's responsibilities within the transportation sector.

As we work aggressively in DOT to resolve Year 2000 problems in our automated systems, we recognize that responsible risk management also requires us to be prepared to ensure the continuity of vital mission and program operations, should unexpected problems arise.

Consequently, we are requiring all mission-critical systems within our operating administrations to

have contingency plans prepared and ready to implement should Year 2000 remediation efforts not be completed in time, or should shortfalls by others affect our operations. In some instances a new plan is necessary; however, in many others the operating administrations are re-examining existing contingency and continuity of operations plans for applicability to potential Year 2000 problems. For example, FAA's ATC System has always had contingency plans to mitigate situations where the normal means of conducting ATC activities are affected, be it due to a lightning strike or a power loss to a system. FAA is reviewing these plans and making any necessary modifications to address potential Year 2000 malfunctions.

The FAA's very visible HOST computer system is an excellent case in point. While the FAA plans call for pursuing replacement of the aging hardware and software that currently control HOST system operations, the contingency calls for ensuring the existing systems still operate where replacement will not occur in time. If the new HOST capability cannot be brought online in time, the old systems must work.

With respect to resources devoted to Year 2000 within the Department of Transportation, we have a dedicated workforce of talented professionals putting forth their best efforts to ensure that we are successful. While several of the operating administrations have made significant progress in resolving their Year 2000 challenges, there are some who have a great deal of work left to do. The Department has funded Year 2000 efforts to date primarily within existing budgets and we plan to continue in this same manner. Reliance on outside contractors for Year 2000 remediation has been mainly limited to contractors currently performing under existing contracts within the

operating administrations to assure continuity and familiarity with our systems. Several of our operating administrations are using technical expertise available within their organizations to perform independent verification and validation (IV&V) of Year 2000 remediation work, some are contracting for this work with outside providers, and others are still working on determining the most feasible approach to accomplish IV&V within current fiscal and time constraints.

While much good work has already been accomplished, much remains to be done before we can ensure the Year 2000 challenge is resolved. I will conclude my testimony by saying that both the Secretary and I, the Acting CIO, the Administrators, and all the Department's personnel involved in this challenge will put forth our best efforts to ensure that the systems and services that the Department provides to this country and our global partners are not adversely impacted with the changing of the century.

Thank you for this opportunity to address you, and I would be happy to answer any of your questions at this time.

STATEMENT OF DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION
HEARING ON YEAR 2000 COMPUTER PROBLEM
WASHINGTON, D.C.
APRIL 28, 1998

Mr. Chairman, Members of the Committee: thank you for this opportunity to report on the Department of Transportation's efforts to solve the Year 2000 problem. I have a written statement which I'd like to submit for the record.

This past New Year's Eve, two years before the millennium date, I visited the FAA's Year 2000 command center. And I can assure you that everyone there -- from FAA Administrator Jane Garvey, who accompanied me, to the newest arrival from the field -- understands the importance of their mission.

They know that it's up to them to ensure that vital computer systems are functioning just as well on January 1, 2000, as they were on the day before.

The same is true for each of our other operating administrations. Each of our ten administrators has been charged with leading the effort to fix the problems in their systems, and Secretary Slater and I are holding them *personally* accountable for their progress.

We're taking steps to ensure that the required progress is made.

We've adopted the five-step approach suggested by GAO and OMB: awareness, assessment, renovation, validation, and implementation, to provide a comprehensive, effective, and timely solution.

We're also working with our Inspector General to assure proper verification.

Currently, about one in four of our mission-critical systems is fully compliant with Year 2000 standards.

When we add the systems on which work has been completed to make them compliant, but which haven't yet been certified as such, it will bring our total up to about 37 percent.

We expect these compliance numbers to rise when we next report to OMB in May.

Each DOT operating administration has identified the partners whose computers and data interact with ours, and is working with those partners to ensure that they, too, are making the necessary progress.

We recognize, too, our responsibility to reach out to transportation sectors and service providers in air, sea, and surface modes, domestic and international.

We're working through domestic organizations such as AASHTO, APTA, ATA, and ITE, and through international bodies such as ICAO, IATA, and the IMO, to monitor problems and progress for the transportation sector as a whole.

I'm a member of the President's Council on Year 2000 Conversion, which is focusing on these broader issues, and we look forward to assuming a lead role in the Council's activities regarding the transportation sector.

Regardless of our progress, we must prepare for the worst: system failures that could disrupt vital services.

We're developing comprehensive contingency plans for every mission-critical system at DOT.

Currently, there's disparity among our operating administrations in the quality of these contingency plans. We're working to strengthen them and to ensure that a viable plan will be available for every system.

Mr. Chairman, I mentioned contingency planning because I know that there's concern about whether we can solve all our Year 2000 problems in time.

OMB has classified DOT as an agency that is making limited progress, and Congressional evaluations have ranked us near the bottom in government.

I believe this reflects as much the critical nature of our systems as the state of our efforts to reach compliance.

We know that we face serious challenges: many of our systems are extraordinarily complex; many depend on other industries, such as telecommunications; many interact with those of private industry, other government agencies, or foreign entities.

In spite of this, Mr. Chairman, the challenge we ultimately face is *not* one of technology but one of management.

The internal deadlines *can* be met if we have the right people in place and the right resources available to them.

External systems will be ready if we take this time now to alert the transportation community.

Let me assure you that, if progress *isn't* being made, we *will* act to put in charge people who *can* get the job done.

If we find that they don't have adequate resources, we'll work with John Koskinen, with OMB, and with the Congress to give them the tools they need. We've already obtained approval for necessary reprogramming at the FAA.

I will tell you now that every mission-critical system at DOT will be either repaired, replaced, or retired by the 2000 deadline. *Period.* Nothing less will be acceptable to me, or to Secretary Slater, or to the President.

We'll do *whatever* is necessary to ensure that this happens. We'll also act to ensure that back-ups or alternatives are available to handle contingencies and disruptions so that the public can be served with safety.

And we will keep you and the public advised of our progress in the coming months.

The Department is prepared to provide whatever assistance is necessary to the Senate Special Committee on the Year 2000 Technology Problem, recently established under Senate Resolution 208.

Further, we recognize our responsibility to the traveling public and the need for us to reach out to all areas of the transportation infrastructure

Thank you. Now, I'd be happy to answer any questions you may have.

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REMARKS PREPARED FOR DELIVERY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
DOT 30TH ANNIVERSARY CLOSING & STRATEGIC PLAN ROLLOUT
WASHINGTON, D.C.
APRIL 28, 1998

Good morning. I'm Deputy Secretary Mort Downey, and I'm pleased to welcome all of you to our program.

Today's event represents both an ending and a beginning for the Department of Transportation. (I can assure you, however, it's *not* the beginning of the end.)

Over the last year, we've been engaged in a variety of activities to mark our 30th anniversary.

Today's event officially closes these celebrations, and it also represents the beginning of the implementation phase of our strategic planning effort.

There's a connection between the end of our 30th anniversary celebration and the beginning of our strategic plan.

The anniversary theme of "Serving America in the New Century with Vision and Vigilance" set the tone for the strategic plan.

And the strategic plan will lead us into the new century and serve as the foundation for the next 30 years. We know that we have the best-rated plan in government -- now it's time to use that plan to become the best department in government.

Now, I'd like to turn the program over to the man who is going to lead this Department into the new century, Secretary Rodney Slater. Secretary Slater...

After the Secretary speaks, you will invite staff involved in the strategic planning process to come forward.

Thank you, Secretary Slater.

The strategic plan was the result of contributions of hundreds of DOT employees from every mode and from every office.

Mr. Secretary, we'd like to take a moment now to acknowledge the efforts of those employees who were most closely involved.

I'd like to ask the following employees to come forward to join the Secretary and me, standing to my right here...

Dale Andrews -- Jane Bachner -- Marylou Batt -- Madeline Bloom -- Kim Bowen...

...Joe Capuano -- Fenton Carey -- Bruce Carlton -- John Daly -- Chuck Dennis -- Jane Dion -- George Fields -- Evelyn Fierro...

...Bill Freed -- Stacey Gerard -- Yvonne Griffin -- Ellen Heup -- Liz Hoefer -- Nancy Horkan -- Terance Keenan -- Bob Knisley...

...Dayton Lehman -- Diane Litman -- Admiral Jim Loy -- Craig Middlebrook -- Sam Neill -- Jim New -- Deborah Parker...

...Susan Pinciario -- Vonnie Robinson -- Ray Rogers --
Thomas Sechler -- Nan Shellabarger -- John Spencer -- Melissa
Spillenkothen...

...Norma Jean Sponaugle -- Glenda Tate -- Bill Walsh -- Ray
Weil -- George Whitney -- Gerry Williams -- and Dani Brzezinska.
I also want to recognize Michael Huerta, who started the strategic
planning process.

Mr. Secretary, these employees, representing a cross-section
of our Department, were the core team behind our strategic plan --
the plan ranked the best in government.

Their commitment to excellence in public service reflects that
of the other hundred thousand DOT employees -- the men and
women who will implement our strategic plan.

Mr. Secretary, I'd like to invite you to join me in personally
congratulating each of them...

After the acknowledgments, you will close the event.

Again, congratulations to you all on a job well done.

I'd like to thank you all for coming this morning, and extend
a special thanks to the Coast Guard Cutters who provided the
warmup music this morning. They'll play a few more selections --
we hope you'll stay -- enjoy the music -- and have some food.

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TALKING POINTS
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
INTERAGENCY FORUM ON SUSTAINABLE COMMUNITIES AND REGIONS
WHITE HOUSE CONFERENCE CENTER, WASHINGTON, D.C.
APRIL 29, 1998

- * Much has been achieved in the effort to protect our natural heritage -- but much more needs to be done. As President Clinton has said, we must commit ourselves to sustainable ways of life to ensure a healthy economy *and* a healthy environment for *all* Americans.
- * We need not choose between prosperity and a sound quality of life: after all, environmental problems come not from growth, but from *thoughtless* growth. Sensible growth need not have adverse impacts, but will be sustainable.
- * This is true of transportation. We need the benefits of mobility -- but we must mitigate the impacts which often accompany it: sprawl, energy waste, congestion, pollution. Doing so is harder than it was years ago: many easy, technological steps already have been taken.
- * We must remember that transportation is only a means to an end: getting people, products, and information where they need to go. We need to measure transportation's performance in new ways, in terms of effectiveness in serving needs, not just in terms of volumes of traffic handled. Balanced, efficient systems can cut pollution and save energy while actually enhancing mobility.
- * We must promote balanced, equitable transportation which improves mobility without harming the environment -- balancing cars and trucks with transit, rail, carpooling, bicycles, walking, and telecommuting. Under President Clinton's leadership, we've made record investments in all of these alternatives.
- * We're looking to continue these investments through the pending surface transportation bill. We also want to implement complementary strategies, such as expanded tax benefits for those who ride transit or vanpools.
- * We also want to continue initiatives to support transit-friendly development, including our Livable Communities program, which promotes housing and business development near transit stations.

- * We've seen many successes: improvements at three **Atlanta MARTA** stations to enhance security and encourage reinvestment -- Head Start and day care facilities at **Cleveland's Windermere** transit station -- improvements at **St. Louis's Wellston** transit station linked to retailing and job training -- and the **Los Angeles Neighborhood Initiative**, which has used community empowerment to create jobs and cut local crime by 19 percent.
- * Other possible strategies to directly promote sustainable development include better integration of transportation and land use planning -- mixed-use zoning -- tax incentives -- and location-efficient home mortgages. We're also studying "smart growth" initiatives such as Oregon's successful effort.
- * At the federal level, we need expanded cooperation, starting with more research and outreach. For instance, we want to create an interagency training course on sustainability, to be offered around the country -- not just to educate, but to build partnerships among attendees -- federal as well as local.
- * President Clinton's National Science and Technology Council is preparing a report on sustainable development, especially what the federal government can do. It's expected to recommend coordinated research on sustainable development, as well as expanded outreach through academia and the transportation profession, and sharing of best practices with state and local officials. It's a sound next step.
- * Let me close by saying that there is no silver bullet for our problems, but there is "silver buckshot": many small strategies which, taken together, and mixed appropriately to local conditions, can produce real progress. The keys are to leverage private investment -- to involve communities in decision-making -- and to establish public-private partnerships with the full support of senior leaders.
- * This is what we need to produce the healthier environment we seek without compromising prosperity or quality of life -- for today's Americans and for generations to come. It's our responsibility, as the poet Wordsworth wrote, "to live, and act, and serve the future hour." I'm confident that, working together, we'll meet our responsibility to serve the future. Thank you.

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