

**S-2 Address Before  
The Fifth Conference on U.S.-Japan Cooperation in Transportation  
June 2, 1998**

**Likely Questions & Answers**

**Sustainability and T-21**

**Q. What has the Department of Transportation been doing with respect to sustainable transportation, and global climate change?**

**A.** *Sustainability* has emerged as a public policy issue in the last 10-15 years. It changes how we frame transportation and land use questions. It elevates the questions from tactical issues of moving vehicles, passengers and freight to the broader, more strategic questions of how do we provide access to goods and services in a sustainable way.

As part of the NSTC Research work, a Sustainable Transportation project team has been formed, led jointly by FHWA and EPA. In Phase I, the team identified all the research that has gone into sustainable transportation by the Department (FHWA, FTA, OST) as well as EPA, HUD, COE, and DOE. This is an extensive list, and their report has been circulated widely. Now, in Phase II, the team is completing a framework for future research and development for FY 2000 that will be a Federal Investment plan. This will reduce fragmentation and duplication among these same agencies, and we intend to make an extensive effort to meet with all stakeholders to assure that we are on the right track.

T-21 includes \$120 million for transportation and community system preservation pilot studies. The funding is for grants to states and local governments for comprehensive, innovative efforts in research and planning for transportation and community preservation.

*Global Climate Change* is the highest profile and most immediate concern of sustainable development. Transportation contributes 1/3 of all of the nation's greenhouse gas emissions. The Department has been participating in the President's Climate Change Program and has formed an internal task force to develop a comprehensive approach to responding to this concern in the transportation area.

In addition to the program mentioned above, T-21 includes many features which provide resources for reducing greenhouse gases, including funding to support transit, railroads, bridge/pedestrian travel, parking cash-out, CMAQ and transportation enhancements.

**Q. Does T-21 provide the opportunity to increase the role of transportation in sustainability?**

**A.** Yes, there are two provisions in particular that will help focus our efforts on sustainability:

Section 1221 created the **Transportation and Community and System Preservation Pilot Program** in FHWA. The TCSP is a comprehensive initiative of research and grants to investigate the relationships between transportation and community and system preservation and private sector-based initiatives. States, local governments, and metropolitan planning organizations are eligible for discretionary grants to plan and implement strategies which improve the efficiency of the transportation system, reduce environmental impacts of transportation, reduce the need for costly future public infrastructure investments, ensure efficient access to jobs, services and centers of trade, and examine private sector development patterns and investments which support these goals. A total of \$120 million is authorized for this program for 1999 through 2003.

Section 5107 establishes the **Transportation and Environment Cooperative Research Program** on environmental and energy conservation research, technology, and technology transfer activities related to surface transportation. The section also provides for an advisory board to make recommendations for research and will include representatives of State transportation and environmental agencies, transportation and environmental scientists and engineers, and representatives of metropolitan planning organizations, transit operating agencies, and environmental organizations.

This research program and board will include activities that will directly support DOT's sustainability initiatives including: models to evaluate impacts of transportation control measures; identification of factors contributing to transportation demand, demographic change, land use planning, and technologies; performance indicators of transportation impacts on economic, social and environmental factors; and impacts and relationships of highway density on ecosystems.

**Q. There seems to be an increasing number of initiatives from various agencies on sustainability. Are these coordinated?**

**A.** Yes, I chair a Committee of the National Science and Technology Council's on transportation research and have established a team to do this. The Transportation and Sustainable Communities Team has drafted a strategic framework for Federal research in sustainability. The draft is being shared with the participating agencies including DOT, EPA, DOE, HUD, Army Corps, HHS, and others and offered as a resource for the development of their FY2000 research budgets.

- Q. T-21 includes provisions on implementation of the new particulate matter standards and proposed regional haze planning requirements. What is DOT's reaction to these provisions?**
- A.** Title VI of the new surface transportation act relates to EPA's responsibilities under the Clean Air Act. Generally, the requirements in TEA-21 on the new national ambient air quality standards (NAAQS) are consistent with the Administration approach outlined in the President's NAAQS implementation memorandum and EPA's coordinated approach to ozone, particulate matter and regional haze.
- Q. Does T-21 increase the overall share of resources available to urban areas?**
- A.** Under the federal program resources are not targeted directly to urban areas with the exception of the Surface Transportation Program and some transit funding. The Surface Transportation program provides a limited amount of funding to urbanized areas that may be invested in a number of ways. The remainder of the funding is primarily allocated by cooperative agreements among the States and their metropolitan planning organizations. Since, over 75% of the United States population tends to be in metropolitan areas, it is very likely these areas will be a principle focal point for investments.

## **Intelligent Transportation Systems**

- Q. How much money does the new legislation provide for ITS?**
- A.** T-21 has made ITS infrastructure deployment clearly eligible for two major categories of regular federal aid funding --National Highway System and Surface Transportation Program.
- T-21 also continued the ITS research program at a level of \$1.3 billion over the next 6 year period. \$603 million is targeted to research, training, and standards development, and \$666 million is targeted to deployment incentive grants.
- Q. What kind of activity do you see on the horizon for standards and architecture?**
- A.** We are currently engaged in supporting the development of National standards and participating in the international ITS standards setting activities.
- T-21 was explicit in expressing Congressional urgency in developing standards that will allow us to implement ITS in compatible, interoperable manner. They have required the secretary to set interim standards, if the industry has not reached consensus by 2001. They have also required all federally funded ITS projects to be consistent with the national architecture and with standards.

**Q. Where are you with the Intelligent Vehicle Initiative. How much money will it receive?**

**A.** We are in the process of working with industry in a series of "platform groups" to solicit their advice and agreement on key next steps in the program. We anticipate issuing a broad area announcement this fall soliciting partners to develop one or more platforms with first level crash avoidance technology.

We are disappointed in the funding levels provided by T-21 for ITS research. The level of funding provided by the legislation will allow us to invest about \$30 million per year in this effort.

**Q. How will the provisions of T-21 affect the U.S. commitment to the deployment of technology in transportation systems?**

**A.** The Administration has committed to the rapid deployment of technology as a means of improving the performance of current and future transportation systems across all surface transportation modes. While direct funding for ITS is limited to approximately \$1.3 billion much of the funding available under TEA 21 categories can be used to support technology based improvements. The challenge will be effectively mainstream ITS investments by encouraging and supporting State and local decision makers investments in technology as they consider transportation alternatives.

More broadly, however, the Act makes provision for encouraging the inclusion of operations and management of the transportation system as part of the transportation planning process. The utilization of technology is only one aspect of this general activity which can include pricing strategies and demand management. The tradition in the United States has focused more on new capacity than effectively managing the performance of the system. Building the effective utilization of management and operation strategies will be a significant challenge for all levels of government.

## **Air Quality Standards**

**Q. What is DOT doing to address the impact on transportation of EPA's ozone and particulate matter standards issued in 1997?**

**A.** Implementation of the standards will require national regional and local emission controls. In issuing the new standards, President Clinton directed EPA to ensure that implementation of the standards maximize flexibility and cost-effectiveness; avoid additional burdens; and recognize that pollution is transported over long distances.



- DOT will work with EPA to ensure environmental and economic goals are met in implementing the new standards.
- Vehicles are among major sources of ozone, and diesel combustion contributes to particulate matter and ozone pollution. EPA sets vehicle emission standards at the national level to address reductions, and is studying future tailpipe standards. EPA has also set standards for locomotives, and DOT and EPA have cooperated in international organizations on standards for aircraft and marine engines.
- DOT works closely with EPA to ensure coordination of air quality and transportation planning in metropolitan areas, to reduce transportation's contribution to air pollution. We are also pleased that TEA-21 continues the Congestion Mitigation and Air Quality Improvement program to help areas, including newly designated nonattainment areas, meet air quality standards.
- Some areas may seek controls on truck operations, vessel or port operations, and cleaner fuels.
- DOT will cooperate with EPA on research on particulate matter and predictive models for transportation emissions.

**Q. What do you foresee in the way of cleaner, more fuel efficient vehicles?**

- A.** The U.S. has set increasingly stringent standards for vehicle emissions to reduce transportation's contribution to air pollution. Since EPA first put vehicle standards in place in the early 1970's we have made significant progress.
- EPA and the automakers have reached agreement on a "national low emission vehicle" for model year 1999 autos that are 70 percent cleaner the current models.
  - EPA has recently released a draft of the so-called "tier 2" study required by the 1990 Clean Air Act Amendments. This study concludes that new tailpipe standards are both technically feasible and cost effective, but does not recommend specific new standards. The study calls attention to the growing number of sport-utility vehicles, vans and light duty trucks in the U.S. fleet.
  - Increased fuel efficiency will be important in reducing greenhouse gas emissions and improving energy security. NHTSA's Corporate Average Fuel Economy program has set fuel economy standards since the mid 1970's. In recent years, Congress has prohibited action to make these standards more fuel efficient.

- The U.S. government has engaged in a partnership with domestic auto manufacturers, which has set a goal of developing a prototype auto which is cleaner and gets 80 miles per gallon by 2004, and 100 mpg by 2011.

**Q. How can the United States effectively deal with congestion?**

- A.** The issue is more directly how can we effectively manage existing congestion and minimize it in the future. We know that we can't build our way out of congestion. We also know that the maintenance of current infrastructure will require an increasing share of resources. New highway capacity is not always the best or appropriate approach for ensuring mobility. The resources made available under T-21 will be used in part for new capacity across all modes. However, State and local decision makers faced with limited resources, despite the increases under reauthorization, will need to carefully evaluate options and seek investments that achieve higher mobility and access while minimizing undesirable social, economic and environmental impacts.

**Japanese Port Restrictions**

**Q. What is the status of the agreement on reform of Japanese port practices concluded in October of 1997 by the Government of the United States and Japan?**

- A.** I am concerned that implementation of our agreement is not being fully pursued by Japan. If fully implemented, the agreement will significantly liberalize port operations in Japan, particularly the "prior consultation" systems through which the Japan Harbor Transport Association (JHTA) has exerted virtual monopoly control over these operations. However, U.S. carriers remain reluctant to proceed with license applications or the alternatives to prior consultation because of concern over union actions against foreign companies that attempt to implement the agreement. Clearly, leadership by the Ministry of Transport is needed to move the process forward.

**Q. Do you have any comment on FMC Chairman Creel's recent remarks on Japan during his March 18 speech to the South Carolina International Trade Conference?**

- A.** With respect to Chairman Creel's remarks, I believe he is expressing our common concern that Japan has not acted to implement the October agreement.

## Aviation Agreement

- Q.** The aviation agreement that was reached with Japan earlier this year permits new services to be operated to Narita Airport. Given the severe congestion at that airport and the lack of available landing slots, how can new routes authorized by the agreement to Narita be implemented?
- A.** It is certainly true that Narita is a very congested airport. Nevertheless, in early May American Airlines was able to begin a new service from Chicago to Narita and tomorrow, on June 3, Delta is expected to begin new nonstop service from Atlanta to Tokyo's Narita Airport. I am optimistic that other services to Narita will be able to start up in the months ahead.



U.S. Department of  
Transportation

# News:

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

---

**REMARKS PREPARED FOR DELIVERY**  
**DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY**  
**CONFERENCE ON THE NEW PRINCIPLES OF MANAGEMENT AND BUDGETING**  
**CRYSTAL CITY, VIRGINIA**  
**JUNE 2, 1998**

---

Good afternoon. I'm pleased to join you for what I hope is turning out to be a very valuable conference. When he invited me to speak today, Carl DeMaio asked, among other things, what convinced us that change was important. The short answer is that I became convinced when Al Gore *told* me it was going to be important...

...I say that jokingly, but the process of reinventing government, like any exercise of leadership, does start at the top. President Clinton and Vice President Gore felt from the beginning that running a trillion-dollar business, the world's largest enterprise, which is what the U.S. government really is, requires the same disciplines applied by leading private sector firms if we are to expect the same degree of success.

Of course, the circumstances aren't precisely the same: we in government don't have the disciplines imposed by competition or the financial markets. However, government has other forms of accountability, those imposed by elections. If those of us in elected or appointed leadership positions don't pay attention to the public, and do our jobs, and do them well, we can lose our jobs just as surely as any corporate executive who doesn't meet his business's bottom line. I learned that lesson in 1981, when my golden parachute out of the Carter Administration was a trip to the D.C. unemployment office.

In government, our bottom line is service: providing people with the kinds of things that markets can't or won't produce, and focusing on doing it faster, better, cheaper. Obviously, this hasn't always been the case, government at all levels started to get into the business of serving special, and not national, interests, of continuing to offer obsolete or duplicative programs.

As it did more, government also began to lose its edge, emphasizing process over substance, too much red tape, too many regulations, too little focus on results, and, for all the process, too little real accountability.

The result was government which often worked poorly and cost too much. It didn't take advantage of the opportunities that managerial and technological innovation were bringing to the private sector, and it ignored its greatest resource: its own knowledgeable employees.



When they took office, the President and Vice President committed themselves to a course of what popularly became known as reinvention, the same kind of self-examination that American businesses and some public agencies went through during the late 1980s and early '90s.

The National Performance Review process, as it first came to be known, was driven by several forces, the President's experiences as Governor of Arkansas, constraints imposed by the budget deficit, and legislation such as the Government Performance and Results Act, the Clinger-Cohen Act for improved information systems, the procurement reform acts, and the Chief Financial Officers' Act.

Then-Secretary of Transportation Federico Peña and I didn't need any convincing of this initiative's importance for our operations. The Secretary had served as Mayor of Denver, and I'd been Executive Director of the MTA in New York. We both believed in government's mission, and understood that to sustain public trust and support it needed change.

At DOT, we benefitted from an organization with strong, mission-oriented agencies, such as the Federal Highway Administration and the Coast Guard that are responsive to enlightened leadership. Together with strong management commitment, that helped us to gain designation for four GPRA pilot projects within DOT.

Successful in their own right, they also gave us early experience in identifying core missions, analyzing processes, and determining what works. This meant we had practical understanding of what reinvention meant in the governmental context, and, even more importantly, a core group of resident staff who knew the process. They've been indispensable in spreading their knowledge, and their commitment, to other operating units within the Department.

As I noted, we also had Secretarial commitment, first under Secretary Peña and then under Secretary Rodney Slater, to shift to a focus on outcomes rather than on process or outputs. That commitment is an outgrowth of an understanding of how our business, transportation, is changing.

There's an ongoing progression towards greater cooperation between the different forms of transportation, and that in turn is just part of a broader shift towards the measurement of results, rather than the focus on inputs.

People want to get themselves and the products they ship to their destinations as safely, as quickly, and as cheaply as possible. They're less concerned about how the trip is made than whether the service meets their needs. This emphasis on outcomes reflects the real world and how it works, and we need to adapt to it.

We built on this understanding through our GPRA strategic planning process, itself a replay of an earlier, self-generated planning process. This produced common agreement on our department-level shared mission and on goals that reach across all of our operating units, agencies

as diverse as the FAA, with 50,000 employees, and the Bureau of Transportation Statistics, with 50.

Although the initial impetus for change came from the top, we recognized that we couldn't be successful unless the actual change was driven by our own employees. This vision was given internal credibility through an inclusive, collaborative, consensus-based process that directly involved more than two hundred senior staffers, both career and appointed, over several months.

Of course, our senior leadership, from the Secretary on down, was heavily involved in this process. We continue to be committed, on a day-to-day basis, to managing our operations with the objective of achieving the outcomes identified in a strategic plan and a complementary performance plan.

Each of these is organized around five strategic goals: improving safety, protecting our environment, enhancing mobility, promoting economic growth and trade, and supporting national security.

Our follow-on performance plan emphasized how we were to achieve these goals, and it's been fully integrated into our budget process and the most recent round of performance agreements which our senior officials have entered into with the Secretary since 1993.

This integration, in turn, helped us to produce a product that has external credibility as well: while there is controversy over the value of a precise grading system, we are proud to say that Congress did rate both our strategic and performance plans as the best in government.

These plans' focus on outcomes has highlighted the need for cross-cutting efforts that transcend the traditional organization boundaries, since many programs within the Department typically contribute to each major result. We still need to improve our ability to identify the trade-offs and synergies that result from multi-dimensional efforts, but the performance planning process is helping us to do that.

We also need to look beyond departmental boundaries to ways of achieving cross-cutting results across government. I think, as we move forward on it, that the ONDCP effort in managing multiple agencies on a multi-faceted strategy with a single purpose will prove to be a useful model. Certainly, it has helped us to understand our contributions to the larger effort.

Within the organization, we supplemented our plan for achieving strategic goals with a set of management strategies, the most important of which we call ONE DOT, representing a unified Department, capable of acting in an integrated, purposeful way to achieve our transportation goals. Today, we're becoming more and more like a single Department, rather than a collection of 10 separate agencies, which was our history.

That's without the dysfunctional attributes of a "realign-the-boxes" reorganization that disrupts both internal and external relationships, traditions, and sources of strength. We're aligning our individual agency programs and our budgets with the Department's strategic and performance goals.

We've got to make sure that our day-to-day work, whether it's regulatory, or operational, or grants-making, is directly linked to producing the clear and agreed-upon results that Congress endorses through their acceptance of those plans. If it's not, then we need to question why it continues.

We recognize that this focus on results and the orientation on teamwork must become part of our corporate culture, so that they won't simply be trendy ideas that are discarded in the future. To do this, we've implemented an extensive training program in teaming skills, and most of our headquarters and field senior executives have already received this training. Our plan calls for extending this training to 5,000 DOT staff members, in essence, every manager in every office across the country.

We're also working on establishing accountability, at all levels of the organization, for achieving our goals and for carrying out the performance plans. This commitment to accountability starts at the top: I meet monthly with the head of DOT's ten operating administrations, and almost as frequently with a dozen or so staff offices, to discuss their progress in achieving their part of the departmental goals.

We also require accountability through detailed performance evaluations at each managerial level which link goals with results on a pass-fail basis. In addition to accountability, we emphasize recognition. Secretary Slater, inspired by the epitaph on the gravestone of Alex Haley, the author and also a former Coast Guardsman, created a "Find the Good and Praise It" award. It's also reinforced by our annual awards program, now more closely linked to the departmental goals and strategies.

This award, granted on a continuing basis, recognizes employees who show excellence in working together to achieve our goals, and it reinforces our ONE DOT message. For the future, we're expanding our outreach to other agencies to develop common goals and measures for issues which require cooperation, such as the National Drug Control Strategy and Global Climate Change.

We're also developing stronger working relationships with these agencies to achieve these goals. For example, the FAA is now working more closely with NASA and DOD to manage our joint investments aimed at improving aviation safety and capacity in very measurable ways.

We also hope to join our nonfederal partners in creating measurements that can tell the American people just what they're getting for their transportation dollars. We recognize that this can be controversial, but, as a matter of stewardship, we think it's essential that we link program outcomes with dollars, not to rate or rank our partners, but to be jointly accountable to the public for results. We don't accept the premise that our yardstick is only our efficiency in program administration.

We want to engage with Congress in a dialogue about linking resources to results and developing a mutually agreed-upon a set of performance measures for the Department that reflect resource decisions, together with realistic evaluations of the progress that can be, and is, made at funding levels possible through the appropriations process. We'd then work with Congress to monitor our progress toward these goals.

Internally, we're already redesigning our budget process to provide more time for review of results, analysis of alternatives, and policy debates, rather than jamming important decisions in a deadline-driven frenzy of financial decision-making. This redesign will give everyone, from program managers to the Secretary, more time to become involved in the process and to link the budget with our policy priorities.

Let me close by saying that our coins have stamped on them the words "E Pluribus Unum," -- "out of many, one." This could just as well be the motto for our ONE DOT initiative, integrating what had been a collection of agencies with specific missions and unique histories into an instrument that can better achieve a shared goal of serving the public in areas that count.

We're well on the way to doing so, and I'm happy to have the chance to tell you about it. Now, I'd like to have Dani Brzezinska, our "Change Agent," and the person most responsible for our strategic plan, make her presentation, and then I'll join her in taking any questions you may have...

#####





U.S. Department of  
Transportation

# News:

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

---

**REMARKS PREPARED FOR DELIVERY  
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY  
FIFTH CONFERENCE ON U.S.-JAPAN COOPERATION IN TRANSPORTATION  
WASHINGTON, D.C.  
JUNE 2, 1998**

---

Good afternoon. Let me begin by bringing you greetings from President Clinton, Vice President Gore, and Secretary Slater. They value the deep friendship between Japan and the United States, and are committed to sustaining the partnerships which have benefitted both of our nations for the past half-century.

I'm glad to see Vice Minister Toya, with whom I met during my recent visit to Japan. Our departments have worked closely on matters such as the recent aviation accord, an achievement which produce substantial gains for both Japan and the U.S. We were happy to join with Minister Fujii and Vice Minister Toya in a signing ceremony at Dulles Airport in March, and we appreciate their efforts in smoothly implementing the new agreement.

I thank Mr. Mukaiyama for his kind invitation to speak to you today, and I commend his leadership of the Japan International Transport Institute, which helps to move forward the dialogue between our nations on issues of mutual interest.

I believe in dialogue, so I'd like to spend some time today hearing your thoughts and answering your questions. Before we do that, let me speak about some of the issues that this forum is considering.

When you think of it in terms of mobility and economic impacts, as well as social and environmental effects, the balancing act we need to carry out in urban transportation is among the most complex public policy issues we face in the U.S.

That's become even truer as metropolitan regions have expanded into virtual city-states, and become the primary drivers of economic growth, producing 86 percent of the nation's growth over the past five years. U.S. metropolitan areas are often bigger economic forces than most countries; the New York area's economy is bigger than Mexico's or Argentina's; Los Angeles's economy is larger than Taiwan's; and Boston's economy is bigger than Indonesia's or Hong King's.

Our transportation systems have to reflect not only what is needed for their smooth internal functioning, but also their role in the world economy. That's why we're also focused on investing in international connections, airports, seaports, and good intermodal links to serve them.

*Deputy Secretary of Transportation Mortimer Downey*  
*Fifth Conference on U.S.-Japan Cooperation in Transportation*

It's why our urban areas are so keenly interested in our international aviation policies. Meeting those international needs requires cooperation between the federal government and state and local entities, especially the major metropolitan areas.

The migration of people and jobs to the suburbs which has created these super-cities is linked to the ascendance of the automobile. That has reshaped mobility patterns which had been dominant for generations.

Through the 1940s, most people, whether in cities or in small towns, still lived close to jobs and markets and relied on walking, transit, or other more or less benign forms of transportation. I can recall growing up in an era when ice, milk, and fresh vegetables were delivered house-to-house by horse-drawn carts from nearby producers. And anyone who remembers the environmental issues associated with horses won't have any romantic illusions about them having been an entirely benign form of transportation!

That began to change in the postwar years as we built suburban developments and interstate highways. Today, most people's perceptions of urban mobility equate to cars and light trucks, which account for more than 80 percent of travel.

That's partly because of people's choices: the flexibility and convenience they offer are hard to match, and people can have them at little cost, only pennies per mile. In fact, as cars have become more fuel efficient and as gasoline prices stabilized, the fuel costs of U.S. travel today are at an all-time low in real-dollar terms.

The use of cars has also grown because of changing demographics and lifestyles: low-density suburbs which resemble a spider's web of roads aren't easily connected by conventional transit systems designed around a hub-and-spoke pattern.

More women are in the workforce, and they, and their spouses, often depend on their cars not just to commute to jobs but to transport children and to perform household maintenance chores, often in what we call "chained" trips.

And auto use has been encouraged by other government policies: extensive road building, tax benefits for single-family homes, and relatively low fuel taxes. These policies have fostered travel and land use patterns which are most easily served by the automobile, and which won't be easily modified.

Some of this is partly due to the nature of America's governmental institutions, which were created to solve yesterday's problems, and are often unsuited for solving problems that transcend their boundaries.

Institutions are fragmented vertically between different levels of government, horizontally among different local units of government, and functionally between transportation, air quality,

*Deputy Secretary of Transportation Mortimer Downey*  
*Fifth Conference on U.S.-Japan Cooperation in Transportation*

land use, and other responsibilities. The question of "who's in charge?" is too often answered both by "no one" and "everyone." More than ever, the simple analogy of government, federal, state, and local, as a layer cake of differentiated responsibilities has been replaced by the swirling patterns of the pound cake.

In transportation, the federal government serves as a funding partner, a technology developer, and the controlling authority on matters of safety, environment, and economic competition.

States traditionally have responsibility for the construction and maintenance of such major infrastructure components as highways.

Cities and counties are responsible for the construction and maintenance of local streets and for traffic control, and also make land-use decisions which so greatly affect transportation demand.

Transit operating agencies are often independent of states and cities, linked only through the financial support that these other entities provide.

Finally, metropolitan planning organizations, or MPOs, are newly-developing regional bodies that typically include the major city and its surrounding suburbs. They're critical to the solution of regional problems, but they face challenges in balancing the diverse interests of their members within their defined responsibilities under federal law and their limited powers as creatures of state law.

All of these institutions all have roles to play, and putting the relationships between them into a more cooperative order is one of the keys to success.

That's why, just last week, Secretary Slater hosted a regional transportation summit here in Washington, hoping that our intervention would lead the many parties to talk to each other. We may undertake similar events in other major urban centers.

We see such cooperation as vital, because the stakes are so high. Our growing use of, and dependence on, an auto-driven transportation system has resulted in undeniable costs.

Cleaner gasoline and environmentally-tuned vehicles make today's cars 90 percent cleaner than those of a generation ago, one of the great technology success stories, resulting in less pollution even in spite of growing travel.

However, this improved air quality has come at significantly increased vehicle and fuel costs, and it's threatened by future travel increases.

*Deputy Secretary of Transportation Mortimer Downey*  
*Fifth Conference on U.S.-Japan Cooperation in Transportation*

There are other concerns. Although other sectors have moved away from oil use over the past two decades, transportation remains almost entirely dependent on petroleum, and the dramatic increases in energy efficiency achieved beginning in the 1970s have leveled off as people buy larger vehicles that make sense in today's fuel-cost scenarios.

This is worrisome because many of the identified causes of global climate change are not controlled by the technologies which have helped to reduce urban air pollutants.

In fact, they may worsen it: the EPA estimates that nearly half of nitrous oxide emissions, which have a major impact on climate change, are produced by catalytic converters designed to reduce local air pollution. Another major source of nitrous oxide is manure, which takes us back to those horse-drawn vehicles!

Our environmental problems are not limited to pollution. The easy access to cities made possible by high-capacity highways encourages sprawl as first people and then businesses take advantage of cheaper land. That results in significant losses of open space and farmland.

This sprawl also has worsened congestion in the U.S., which now wastes \$50 billion annually in just the nation's 50 largest cities.

Unchecked, these trends will harm not only our quality of life but also our prosperity. While there are strong environmental reasons for action, failure to act will produce real economic costs, from congestion, from pollution-worsened illnesses. I say this because we must avoid false choices between a sound environment and the healthy economy mobility can support.

There *will* be conflicts, and choices *will* have to be made. But, on a larger scale, we need not choose: our problems come not from growth, but from *thoughtless* growth. Sensible growth need not have adverse impacts, but will be sustainable. Indeed, growth is necessary, because prosperous nations can better make the investments to protect their environments.

So how can we reconcile the need for growth and for environmental improvements? The answer is: through sustainable development, taking advantage of economics and technology to meet our needs in ways that are effective, yet less wasteful.

We must encourage land-use arrangements which make environmentally-benign transportation more feasible and which enhance our quality of life. These initiatives include our Department's Livable Communities program, which promotes, among other things, environmentally-sound housing and business development near transit stations.

They also include initiatives such as that in Portland, Oregon, which is creating a more pleasant and environmentally-friendly community through use of a growth boundary and a development pattern focused on links to transportation links such as a light-rail line built to encourage denser development.



*Deputy Secretary of Transportation Mortimer Downey*  
*Fifth Conference on U.S.-Japan Cooperation in Transportation*

Through the President's Enterprise Communities and Empowerment Zones initiatives, we're exploring further ways to link transportation with development in both urban and rural areas.

Secretary Slater recently announced another step in this direction: a new brownfields policy. Brownfields, polluted former industrial sites, are often located near transportation and other infrastructure. Rather than directing development towards suburban or rural sites, we want to encourage brownfields cleaning and reuse, spurring urban economic revitalization and avoiding costly new infrastructure construction.

We hope to encourage state and local governments to cooperatively make land-use decisions with this in mind. That's especially important given the increasing complexity of relationships between different levels of government and the regional impacts of their decisions.

The Intermodal Surface Transportation Efficiency Act of 1991 helped to link transportation planning with other concerns. The Transportation Equity Act for the 21st Century, called TEA21, which we expect the President to sign shortly, continues ISTEA's focus on integrated planning.

One key point we must remember is that transportation is only a means to an end: getting people, products, and information where they need to go. We need to encourage forms of transportation that fulfill this mission without harming the environment, including public transit, carpooling, bicycles, walking, and telecommuting. We've provided record funding for these alternatives, and required that they be considered in transportation planning. TEA21 will continue this.

We see as our model the balanced transportation network which the U.S. had until a few decades ago, and which other nations, and some U.S. cities, still have. We need to measure the performance of this system in new ways, in terms of effectiveness in serving needs, not just in terms of volumes of traffic handled.

If we can improve system efficiency, there will, by definition, be less environmental impact. Balanced systems, combining highways with effective mass transit and intercity bus and rail systems, can reduce emissions and fuel consumption without impairing mobility. They can fulfill people's needs for travel to work, social, educational, and recreational opportunities.

As I noted, we've made record investments to encourage the alternatives to single-occupant autos. Under the new transportation act, we'll also implement complementary strategies, such as expanded tax benefits for those who ride transit or vanpools.

In the future, we need to consider both the effectiveness and the public acceptability of economic strategies to reduce vehicle miles traveled and emissions, including forms of road pricing and emissions trading.

*Deputy Secretary of Transportation Mortimer Downey*  
*Fifth Conference on U.S.-Japan Cooperation in Transportation*

TEA21 extends ISTEA's value pricing experiment, and we hope localities will take advantage of its provisions to explore how technology-based pricing, especially in periods of peak congestion, can improve mobility.

Emissions trading, currently in use domestically to reduce sulfur emissions which can cause acid rain, also may be useful for combating climate change. This may be a flexible, cost-effective way for us to meet the Kyoto agreement's targets and to spur more efficient growth patterns.

We also need to explore ways to directly promote sustainable development, such as mixed-use zoning, tax incentives, and location-efficient home mortgages under which the reduced costs of transit-based travel patterns can be reflected in expanded mortgage capacity by taking into account these cost savings.

Finally, we do need to continue our development and deployment of new technologies, which have produced so much of our success to date. In the U.S., our Partnership for a New Generation of Vehicles and our Advanced Vehicle Program will develop cars and trucks with the same safety, performance, and affordability as today's, but with far better fuel economy and fewer pollutants.

Intelligent Transportation Systems, such as those being developed in both the U.S. and Japan, can reduce congestion by improving the efficiency of existing roads and transit lines. This efficiency also can help to cut by more than a third the cost of providing the new travel capacity we need. We should explore common standards to assure the rapid development of these systems.

I should mention that our growing use of technology also means that we have to take the "Year 2000" computer problem seriously, since it could affect many of our transportation systems. We're already working not only to repair the federal government's computers, but also to encourage our state, local, and private partners to evaluate and repair their systems.

Let me close by saying that there is no silver bullet for the urban transport challenges we face, but there *is* "silver buckshot", many smaller strategies which, taken together, and mixed appropriately to local conditions, can produce real progress.

That's the approach we need to take, one which we hope will produce the healthier environment and better quality of life we seek for our urban areas without compromising mobility or prosperity.

I'm looking forward to our discussion about ways to ensure that our urban transportation systems balance these vital priorities. Thank you.

#####

**TALKING POINTS**  
**DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY**  
**PRESIDENT'S COUNCIL ON SUSTAINABLE DEVELOPMENT MEETING**  
**WASHINGTON, D.C.**  
**JUNE 4, 1998**

- \* Thank Scott Bernstein for yielding his time. Thank him for his pioneering work on location-efficient mortgages -- an idea we're exploring. POTUS/VPOTUS/S-1 committed to sustainability as key environmental, climate change solution. Thank Council for strong support of our positions on reauthorization: a major win for sensible, flexible approaches to sustainability.
- \* **TEA21:** President's ISTEA reauthorization proposal based on the premise that ISTEA works, and should be continued with new programs. Congress agreed; unprecedented adherence to a Presidential transportation proposal.
- \* **TEA21:** *Record, balanced investment* in highways, transit, intermodal. Strong *transit* commitment (\$42 billion authorized), continued *flexibility*. Strong emphases on *safety* (seat belt, 0.08 BAC incentives; highway-rail grade crossings), *opportunity* (welfare-to-work, DBE, labor protections).
- \* **TEA21: Environment:** Continues *CMAQ* as a separate program, increases funding to \$8.1 billion, extends funding to maintenance areas. Continues *Enhancements* as an STP set-aside, at \$3 billion. Expanded *bicycle and pedestrian* programs: pedestrian walkways, safety/educational activities now eligible. *Rec trails* (\$270 million) and *scenic byways* (\$148 million). *Transit/vanpool benefits* (expanded to \$100 monthly, in-lieu compensation).
- \* **TEA21:** The longer term -- continued strong *planning* process. *Transportation and Community and System Preservation Pilot Program (TCSP)*: research and \$120 million in discretionary grants -- basis for sustainable initiatives. Advanced Vehicle Program (\$250 million) to complement PNGV.
- \* **Climate:** Agree with PCSD call for early action. Many good efforts already underway: *ISTEA initiatives, Livable Communities, PNGV, Brownfields policy, NSTC report on sustainable development*. Want to explore *market solutions* -- *LEMs, tax incentives, pricing, emissions trading* -- but need solid public support. Look for their ideas, and continued consultation and support.

#####

**TALKING POINTS**  
**DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY**  
**RETIREMENT OF ADMIRAL PAUL BUSICK**  
**WASHINGTON, D.C.**  
**JUNE 10, 1998**

*(The order of speakers will be Admiral Loy; you; Sandy Berger; Admiral Busick.)*

- \* Good morning. I'm pleased -- and truly honored -- to join you in saying farewell to our friend and colleague, Rear Admiral Paul Busick.
- \* Following a distinguished series of commands within the Coast Guard -- and before being called to the White House -- Admiral Busick directed the Department of Transportation's Office of Intelligence and Security, working closely with me and then-Secretary Peña.
- \* Security is a top concern for those of us at DOT. We now know that there are people in this world who, for whatever reason, make a practice of terrorizing others. Our transportation system faces these same risks. We're committed to combating such threats so that our transportation system can confidently serve its purpose, powering our economy and enhancing our quality of life.
- \* Admiral Busick led this effort during his time at DOT. He strengthened security, not only in our Department and its operations but also throughout the entire transportation industry -- land, sea, and air.



- \* He led our response to the terrorist attempt to bomb trans-Pacific airliners, and recognized the TWA 800 tragedy as a wake-up call for our air travel system's vulnerability.
- \* After terrorist attacks in Tokyo and Arizona, he helped to enhance transit and rail security measures nationwide to prevent future tragedies. He also managed the successful coordination of the transportation security measures for the Atlanta Olympics -- an effort that showed all of us how much we had to learn about security for our surface modes.
- \* Admiral, you've worked hard to serve America, and you have always been one who doesn't rest until the job is done. In that way you're like Winston Churchill, who -- when he was in his late seventies and serving as Prime Minister -- was asked when he would retire. Churchill answered, "Not until I am a great deal worse and the British Empire a great deal better."
- \* If we'd asked you that a few years ago, you'd have said much the same thing about yourself and America's transportation system. Now, *you're* fortunately no worse, and the security of America's transportation network is a great deal better. You deserve much credit for that achievement.
- \* All throughout your tour at DOT, you never hesitated to call me -- day or night -- and when you did I always had mixed feelings: "Paul is calling -- *what's wrong now?!*" mixed with "Paul's on the job -- *it must be under control.*"

- \* The poet Milton wrote, "tomorrow to fresh woods, and pastures new." Admiral, we're glad that *you're* not going out to pasture and -- as you move on to new pursuits -- your friends in the Department of Transportation congratulate you on a career of distinguished service and wish you well.
- \* Now, we have a very special award from the Department. Commander Heyl, I'd like you to read the citation on behalf of Secretary of Transportation Rodney Slater...

# # # # #



U.S. Department of  
Transportation

# News:

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

---

**REMARKS PREPARED FOR DELIVERY  
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY  
CONSTITUENTS BRIEFING ON THE  
TRANSPORTATION EQUITY ACT FOR THE 21ST CENTURY  
WASHINGTON, D.C.  
JUNE 10, 1998**

---

Yesterday, a landmark bill became law, with President Clinton's signing of the Transportation Equity Act for the 21st Century, TEA-21. I want to thank you all for your help in getting such a good piece of legislation to the President's desk. This bill reauthorizes ISTEA's programs for Fiscal Years 1998 to 2003, and it creates a series of new initiatives to meet the challenges we face in the new century.

TEA-21 took effect with the President's signature, and highway and transit funding is available today so states and communities can move their programs forward right away. We're providing the funding distribution tables, together with other materials.

But TEA-21 is about more than money, so today I'd like to give you an overview of the bill. Then I want to hear your thoughts about it and about how we can best implement its provisions.

TEA-21 is the latest in a series of initiatives to prepare our nation and our people for the 21st century's global economy. Under President Clinton and Vice President Gore's leadership over the past five years, even as we've ended a generation of deficit spending and produced the strongest economy in decades, we've been making the strategic investments that will make us a more competitive nation well into the next century.

We've invested wisely in education, in health care, in technology, in the environment. And we've invested in transportation, rebuilding our roads and transit systems and airports to make them safer and better able to handle the traffic generated by our expanding economy.

In 1992 President Clinton pledged to rebuild America; his transportation infrastructure investments, at a level 40 percent above his predecessor's average, are continuing to make good on that pledge, improving the condition of our roads and bridges and transit systems.

Much of this progress was made possible through ISTEA. As its expiration approached, we went around the country, talking with you and the public about how it was working and what reauthorization should include. We listened, we learned, and we used what we heard to put together a reauthorization plan based on the premise that ISTEA worked and should be renewed and expanded.

The President's plan, NEXTEA, continued the programs which worked, improved some which hadn't yet fulfilled their promise, and created new programs designed for the needs of a new century. That plan became the standard by which others were measured, and very much the basis of the bill Congress finally passed on May 22.

Overall, we're pleased with what Congress has done. TEA-21 is a principled compromise on funding issues which also represents a clean sweep for President Clinton's policy proposals. The bill will give us record-level transportation investment, a guaranteed \$198 billion over six years that has been fully paid for as the President said yesterday "line by line and dime by dime."

Many of you know that we were deeply concerned about the cost of the bills originally passed by Congress. Those levels of spending, over six years, risked either breaking the balanced budget agreement or cutting other important priorities.

The compromise we offered and worked out with the Congress guarantees \$198 billion. It leaves open the door for higher investment that can be considered as part of the annual appropriations process over the next six years, but must compete with other priorities. We think that's a fair deal: it honors our commitment to the balanced budget and to other priorities, even as we make record new investments in transportation.

The record-level investment already guaranteed by the bill authorizes higher funding for every one of our core highway programs. These authorized levels include about \$29 billion for the NHS, \$24 billion for Interstate maintenance, \$33 billion for the STP, \$20 billion for bridges, and \$4 billion for federal lands highways. The investment is balanced, and that's something we insisted upon: \$42 billion is authorized for transit, \$8 billion for CMAQ, and \$1.3 billion for Intelligent Transportation Systems.

TEA-21 continues our successful innovative financing program, expanding it to include flexible credit assistance for major projects and giving states greater matching flexibility.

The bill provides \$700 million to improve border crossings and trade corridors, and we expect that a lot more of this work will also be done through core program funding. And it continues to support BTS, which is producing data and analyses targeted at giving carriers and shippers the solid information they need to make good business decisions.

This historic legislation also reflects the view we all share that transportation is about more than concrete, asphalt, and steel: it is about people, and it is about providing them with the opportunity to lead safer, healthier, more fulfilling lives.

Most importantly, TEA-21 enhances Americans' safety through campaigns to protect drivers and passengers and to fight drunk driving. There's almost \$600 million authorized for incentives to promote seat belt and child safety seat use. We're also moving ahead to develop



advanced air bag technologies that protect children while preserving the lifesaving benefits for everyone else.

Although Congress didn't adopt a tough national 0.08 blood alcohol concentration standard for drunk driving, there's a \$500 million incentive program to encourage states to adopt that standard. We also have \$220 million in grants to encourage the demonstration of innovative countermeasures such as graduated licensing.

We expect Congress to move quickly and add other important measures to fight drunk driving, including a ban on open alcohol containers in cars and sanctions for repeat drunk drivers, in the technical corrections bill now before the Senate.

The bill also includes continued funding, authorized at \$3 billion, for safety construction, including highway-rail grade crossing improvements.

And it gets dangerous trucks off the road through stronger, performance-based motor carrier safety programs. Instead of focusing on numbers of inspections or safety training courses, we're asking states to set their motor carrier safety goals and then develop the strategies that will best help achieve them. That gives states the flexibility to target solutions to localized problems.

Finally, TEA-21 encourages states to establish or improve "one call" notification systems to protect pipelines from damage during excavations.

TEA-21 strengthens proven strategies to protect public health and the environment, helping communities clean their air and improve their quality of life. It continues CMAQ as an independent program, with funding raised to \$8 billion.

It authorizes \$3 billion in Enhancements funding for transportation projects to improve communities' environmental qualities, with about another \$160 million for newly-designated transit enhancements. It maintains a range of environmentally-oriented initiatives, such as bicycle and pedestrian programs, recreational trails, roadside wildflower plantings, and scenic byways, which cost little but yield big benefits in our quality of life.

And this bill offers measures which can help to reduce emissions associated with global climate change: increased tax-free employer-paid transit benefits to promote transit ridership, the Advanced Vehicle Program to develop clean, fuel-efficient trucks, and expanded consideration of sustainable development in the transportation planning process.

And TEA-21 expands opportunity for all Americans. Following the President's call, it creates a five-year, \$750 million program to improve transportation for lower-income workers and those making the transition from welfare rolls to payrolls. These people can't keep jobs if they can't get to them, and we want to help them make those crucial, transitional links.

*Deputy Secretary of Transportation Mortimer Downey  
Constituents Briefing on TEA-21*

This legislation incorporates the President's plan to broaden the scope of on-the-job training programs: for instance, states can now reserve training slots for welfare recipients, and technology is added to traditional construction skills training to train a workforce for the future.

TEA-21 continues our Disadvantaged Business Enterprise Program, to ensure that minority- and women-owned businesses have continued opportunity to participate in transportation projects.

And it sustains time-tested labor protections for transportation workers, such as Davis-Bacon and 13 (c).

We're proud of TEA-21: in my experience, which goes back through seven authorization cycles, there has never before been a transportation bill which has gone so far in meeting a wide range of national priorities as identified by the President. That's a tribute to the responsible, bipartisan approach Congress has taken in considering this legislation.

It also shows that we were listening to what other people wanted in this bill and that we were willing to put packages together that built broad support.

Let me close my comments by saying that we at DOT are proud of the partnerships we've forged during the ISTEA era. We want to continue this cooperation with you as we implement TEA-21. As we do so, we'll consult with those of you in the transportation community, just as we did in 1993 to learn what ISTEA was all about and how we could use it, and in 1996 to find out what made sense for reauthorization.

Before full implementation of the new bill, we want to get your views and the views of all our partners, as to how best we can make it equally successful. We're planning a series of briefings similar to this one, and we also plan a series of regional meetings, conferences, and focus groups beginning next month and continuing into the autumn. We'll keep you informed through mailings and through our website.

I'm looking forward to the effort, and to the results, as we work together to build the transportation system America needs for the 21st century, a transportation system that not only improves safety and mobility but which also honors and advances our other national priorities.

We've made a great start so far during the 1990s: let's continue, together, on the same path into the 21st century. As Secretary Slater says, our best days are yet to come.

#####



U.S. Department of  
Transportation

# News:

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

---

**REMARKS PREPARED FOR DELIVERY  
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY  
NATIONAL ASSOCIATION OF REGIONAL COUNCILS ANNUAL MEETING  
TULSA, OKLAHOMA  
JUNE 15, 1998**

---

I want to thank you, Frank, for that introduction, it's good to see you again. Frank and I joined the President last week when he signed the Transportation Equity Act for the 21st Century, TEA-21.

I'm also glad to see Roxanne Qualls and Buddy Villines, and Bill Dodge. Earlier this year, Buddy and Bill, together with Larry Dahms, John Bosley, and Janet Oakley, met with me, Secretary Slater, and John Horsley, our new Associate Deputy Secretary. We wanted to see how we could build on the partnership we've had through the 1990s, a partnership advanced by ISTEA. We're working on ways to do that, and I know that your leadership will keep you updated on how we can strengthen regional councils and MPOs to handle the new century's challenges.

ISTEA's successor, TEA-21, is one way we're going to do that, and it's the subject of my remarks today. This bill guarantees \$198 billion for transportation, a record level of investment, but it's about more than money.

Just as ISTEA will be remembered more for its innovations than for its own record levels of funding, TEA-21's success will be measured by how well we create new initiatives to meet the challenges, and to take advantage of the opportunities, that the new century will bring us. I'd like to give you an overview of the bill, and then hear your thoughts about how we can best implement its provisions.

This legislation is the latest in a series of initiatives President Clinton and Vice President Gore have developed to prepare our nation for the 21st century's global economy. Under their leadership, we've ended 30 years of deficit spending and produced the strongest economy in a generation, and we've also been investing to make America more competitive well into the next century.

We've invested wisely in education, in health care, in technology, in the environment. And we've invested in our transportation system to make it safer and better able to handle the traffic generated by our expanding economy.

We've made good on President Clinton's 1992 pledge to rebuild America; his transportation investments, more than 40 percent higher than his predecessor's average, are improving our roads and transit systems and airports.

Much of this progress was made possible through ISTEA. When we took office in 1993, we went around the country to find out how ISTEA was working. In fact, I participated in a session right here in Tulsa. And before ISTEA expired, we went around the country again, asking you what its reauthorization should include. We listened, we learned, and we used what we heard to put together a reauthorization plan based on the premise that ISTEA worked, and should be renewed and expanded.

The President's plan, NEXTEA, continued the programs which worked, improved some which hadn't yet fulfilled their promise, and created new programs designed for the new century. That plan, in our view, became the standard by which others were measured, and the basis of the bill Congress passed.

Overall, we're pleased with what Congress did. TEA-21 is a principled compromise on funding issues which also represents a clean sweep for President Clinton's policy proposals. The bill will give us record-level transportation investment, a guaranteed \$198 billion over six years that has been fully paid for, as the President said when he signed it, "line by line and dime by dime."

You may know that we were deeply concerned about the cost of the bills originally passed by Congress. Those levels of spending, over six years, risked either breaking the balanced budget agreement or cutting other important priorities. The compromise that we offered, and that Congress accepted, guarantees \$198 billion.

The highway element of this amount is based on projected Highway Trust Fund receipts, and will be adjusted based on actual experience. It can be used only to support highway and highway safety programs. Transit funding also is guaranteed at a fixed amount.

This is a new budget concept, and it means that \$198 billion is the floor, the *least* that can be spent of the total authorizations, which are set at \$217 billion. This leaves the door open for higher investment, up to \$217 billion, that can be considered as part of the annual budget process over the next six years. However, any higher investment must compete with other domestic priorities. We think that's a fair deal: it honors our commitment to the balanced budget and to other priorities, even as we make new investments in transportation.

The record-level investment already guaranteed by the bill authorizes higher funding for every one of our core highway programs. This investment also is balanced, and that's something we insisted upon: \$42 billion is authorized, and \$36 billion is guaranteed, for transit, and there's record funding for technology, for safety, and for the environment.



*Deputy Secretary of Transportation Mortimer Downey*  
*National Association of Regional Councils Annual Meeting*

TEA-21 also creates new ways to help pay for transportation improvements. Our innovative financing program will include credit assistance for construction bonds and greater matching flexibility.

We also have new National Corridor Planning and Development and Coordinated Border Infrastructure programs to focus on improving border crossings and trade corridors. They have \$700 million in funding for planning and construction available beginning in FY1999, an amount that we expect will be supplemented by regular federal-aid funds and by innovative financing options. I'm sure that many regional councils will want to work with us and the states on the development of these corridors, and we look forward to doing so.

This historic legislation also reflects the view we all share that transportation is about more than concrete, asphalt, and steel: it's about people, and it's about providing them with the opportunity to lead safer, healthier, more fulfilling lives.

Most importantly, TEA-21 enhances Americans' safety through campaigns to protect drivers and passengers and to fight drunk driving. There's almost \$600 million authorized for incentives to promote seat belt and child safety seat use. We're also moving ahead to develop advanced air bag technologies that protect children while preserving the lifesaving benefits for everyone else.

Although Congress didn't adopt a tough national 0.08 blood alcohol concentration standard for drunk driving, there's a \$500 million incentive program to encourage states to adopt that standard. We expect Congress to quickly add other important measures to fight drunk driving in a technical corrections bill now pending in the Senate: a ban on open alcohol containers in cars and sanctions for repeat drunk drivers.

TEA-21 also includes continued funding, authorized at \$3 billion, for safety construction, including highway-rail grade crossing improvements.

And it gets dangerous trucks off the road through stronger, performance-based motor carrier safety programs that give states the flexibility to target solutions to localized problems.

Finally, TEA-21 encourages states to establish, or improve, "one call" notification systems to protect pipelines from damage during excavations.

TEA-21 strengthens proven strategies to protect public health and the environment, helping communities clean their air and improve their quality of life. It continues the Congestion Mitigation and Air Quality Improvement Program as a separate category based on air quality needs, and raises its funding to \$8 billion.

*Deputy Secretary of Transportation Mortimer Downey*  
*National Association of Regional Councils Annual Meeting*

It authorizes more than \$3 billion in Enhancements funding for highway and transit projects that improve communities' environmental qualities. It maintains a range of environmentally-oriented initiatives, such as bicycle and pedestrian programs, recreational trails, roadside wildflower plantings, and scenic byways, which cost little but yield big benefits in our quality of life.

And this bill offers measures to help reduce emissions associated with global climate change: increased, tax-free employer-paid transit benefits to promote transit ridership and an Advanced Vehicle Program to develop clean, fuel-efficient trucks.

TEA-21 expands opportunity for all Americans. Following the President's call, it creates a five-year, \$750 million program to improve transportation for lower-income workers and those making the transition from welfare rolls to payrolls. These men and women can't keep jobs if they can't get to them, and this program will help make those crucial, transitional links. *You can't go to work if you can't get to work.*

TEA-21 maintains our Disadvantaged Business Enterprise Program, to ensure that minority- and women-owned businesses have continued opportunity to participate in transportation projects and generate jobs.

And it sustains time-tested labor protections for transportation workers, such as Davis-Bacon and 13(c).

Let me now turn to some provisions of specific interest to you as local leaders and planners.

TEA-21 preserves ISTEA's emphasis on local decision-making, continuing the strong voice regional officials have had in the transportation planning process and continuing the core planning requirements.

Current MPOs remain in effect unless they're redesignated, and retain the responsibility for adopting the metropolitan transportation plan. Metropolitan transportation planning funding remains a one percent takedown from certain Title 23 programs and, in Title 49, has changed to specific funding levels.

There are some changes, but the emphasis is on refocusing the process and on strengthening it. For instance, freight shippers and transit users have been identified as stakeholders to highlight their importance. TEA-21 also supports the involvement of local officials in transportation planning, especially in nonmetropolitan areas.

And it strengthens local officials' ability to get timely commitment of their STP funds by requiring an equitable division with an accounting every three years, instead of at the end of the authorization period.

*Deputy Secretary of Transportation Mortimer Downey  
National Association of Regional Councils Annual Meeting*

We've listened to your concerns, and Congress agreed we should streamline the planning process. The 16 metropolitan and 23 statewide planning factors are being consolidated into seven broad areas that will be identical for both the state and metropolitan processes.

For instance, the new "transportation systems management and operations" area is aimed at encouraging agencies to better manage their systems through ITS, enhanced coordination, and other operational improvements. Under TEA-21, we'll also encourage use of the metropolitan planning process to coordinate new welfare-to-work efforts.

These changes are aimed at continuing a strong regional role in transportation planning. We recognize the importance of what you do: many of the most challenging issues we deal with, ranging from air quality to land use to ITS implementation, transcend local, and even state, jurisdictions. They require a regional focus, and we need to do everything we can to strengthen such as approach. We think TEA-21 does that.

We've responded to your calls for simplifying these processes, although we've retained their core. Even with higher funding levels, we still need to invest wisely, and the sound planning you make possible helps to ensure that we do so.

We're proud of TEA-21: there has never before been a transportation bill which has gone so far in meeting a wide range of national priorities as identified by the President. That's a tribute to the responsible, bipartisan approach Congress took in considering this legislation.

It also shows that we were listening to what people wanted in this bill, and that we were willing to put together an integrated package of proposals that built broad support, and that we were willing to accommodate the priority needs of others. That's what a good legislative process is all about.

Let me close my comments by saying that we at DOT are proud of the productive working relationships we've forged during the ISTEA era. We want to continue this cooperation as we implement TEA-21.

We want to get your views, and the views of all our partners, as to how best we can make TEA-21 as successful as ISTEA.

We're planning a series of regional meetings, conferences, and focus groups, and I can assure you that we will be coming back to you in the coming months for detailed consultations.

We'll also keep you informed about how we intend to implement TEA-21 through mailings and through our website.

*Deputy Secretary of Transportation Mortimer Downey  
National Association of Regional Councils Annual Meeting*

I'm looking forward to the effort, and to the results, as we work together to build the transportation system America needs for the 21st century, a transportation system that not only improves safety and mobility but which also honors and advances our other national priorities.

We've made a great start so far during the 1990s. Regional councils and MPOs have been a major factor in the creation of transportation plans and programs that address the regional problems which have arisen over the past several decades, and we want to continue the strong partnership we built under ISTEA.

Let's continue, together, on the same path into the 21st century. As Secretary Slater says, our best days are yet to come. Thank you.

#####

*(In his remarks, the Deputy Secretary referred to Frank Ching, President of the National Association of Regional Councils [NARC]; NARC Vice Presidents Roxanne Qualls and Buddy Villines; NARC Executive Director Bill Dodge; Metropolitan Transportation Commission Executive Director Larry Dahms; NARC General Counsel John Bosley; NARC Director of Transportation Programs Janet Oakley; Secretary of Transportation Rodney E. Slater; and Associate Deputy Secretary of Transportation John Horsley.)*



**TALKING POINTS**  
**DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY**  
**DEPARTMENT OF ENERGY OFFICIALS BRIEFING ON TEA-21**  
**WASHINGTON, D.C.**  
**JUNE 22, 1998**

- \* **Opening.** Thank Secretary Peña, who led DOT's implementation of ISTEA for four years and laid the foundation for its successor. TEA-21 the product of a comprehensive process of analysis and outreach Secretary Peña launched in 1996. Result: a clean sweep for President Clinton's policy proposals and a principled compromise on funding.
- \* **Rebuilding America.** Record, guaranteed \$198 billion of investment while protecting our commitment to a balanced budget and to President Clinton's other vital priorities. Balanced investment in highways, transit, and intermodal projects.
- \* **Improving Safety.** Programs to increase seat belt use and to fight drunk driving by encouraging states to adopt 0.08 blood alcohol concentration standards. Strong programs to continue making roads and highway-rail grade crossings safer. Improved, performance-based truck safety program.
- \* **Protecting the Environment.** Expanded CMAQ and Transportation Enhancements programs. Increased tax-free transit benefits to encourage transit ridership. Continued programs for National Scenic Byways, bicycle and pedestrian paths, recreational trails, and roadside wildflower plantings.
- \* **Creating Opportunity.** Innovative jobs access program to help those moving from welfare to work. Continued, effective Disadvantaged Business Enterprise program. Strong labor protections for transportation workers.

\* **Energy-related programs and provisions.**

- *Air quality standards:* Establishes monitoring network for PM<sub>2.5</sub>, giving states 100 percent funding through the Clean Air Act's Section 103 to establish and operate the network.

Codifies attainment designation timetables: final EPA ozone designations by July 2000; final PM<sub>2.5</sub> designations four years after PM<sub>2.5</sub> data received or December 2005.

- *Environmental Streamlining:* Coordinated, concurrent, interdepartmental highway project reviews.
- *CMAQ:* \$8.1 billion, a 35 percent increase. Maintains CMAQ as an independent program, increases its flexibility. Air quality maintenance areas now eligible.
- *Ethanol:* Extends the partial gas tax exemption for alcohol fuels such as gasohol until 9/3/2007.
- *Clean Fuels:* \$500 million for operators to buy or lease buses using low-polluting fuels and to pay for fueling facilities. Includes CNG, LNG, alcohol-based fuels, LEV/ZEV fuels.
- *One Call:* National "One Call" notification program for pipeline safety. \$6 million in incentive grants.
- *Advanced Vehicle Program:* TEA-21 authorizes \$50 million annually to develop clean, fuel-efficient trucks. Builds on February 4 Peña-Slater event. Working to ensure first \$10 million in DOT FY99 funds; hope DOE will do the same.

#####

REMARKS PREPARED FOR DELIVERY  
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY  
OFFICE OF THE INSPECTOR GENERAL MANAGERS CONFERENCE  
ARLINGTON, VIRGINIA  
JUNE 22, 1998

*(Introduction to be made by DOT Inspector General Ken Mead)*

Good morning. I'd like to start by thanking Ken for that introduction, and for the leadership he is providing as our Inspector General. Both Secretary Slater and I regard oversight in all its forms as an important management tool, and we respect the professionalism which Ken -- and all of you -- bring to your work. We value the objective, fair, and impartial advice you provide as we build a visionary and vigilant Department.

I was asked to talk about our strategic plan and goals. I'd like to take about 15 minutes to do that, and then devote the remaining time to your questions.

Let me start by saying that we all recognize that, in government, our bottom line is more complicated than General Motors' or American Airlines'. We book service, not profit -- providing people with the kinds of things that markets can't or won't produce, and focusing on doing it faster, better, cheaper.

Obviously, this hasn't always been the case, government at all levels started to get into the business of serving special, and not national, interests -- of offering obsolete or duplicative programs.

As it did more, government also began to lose its edge, emphasizing process over substance, too much red tape, too many regulations, too little focus on results, and, for all the process, too little real accountability.

The result was government which often worked poorly and cost too much for what it did . It didn't take advantage of the opportunities that managerial and technological innovation were bringing to the private sector, and it ignored its greatest resource: its own knowledgeable employees.

You, with your responsibilities for oversight, have made us aware of these shortcomings again and again -- although there is always the temptation to focus on whether a process was being followed as opposed to whether the results were achieved.

When they took office, President Clinton and Vice President Gore committed themselves to a course of what popularly became known as reinvention, the same kind of self-examination that American businesses and some public agencies went through during the late 1980s and early '90s.

The National Performance Review process, as it first came to be known, was driven by several forces: the President's experiences as Governor of Arkansas; constraints imposed by the budget deficit; and federal management legislation such as the Government Performance and Results Act -- the Clinger-Cohen Act for improved information systems -- the procurement reform acts -- and the Chief Financial Officers' Act.



Then-Secretary Peña and I didn't need any convincing of this initiative's importance for our operations, and we looked at the Department as a management opportunity, not just a policy laboratory.

The Secretary had served as Mayor of Denver, and I'd been Executive Director of the MTA in New York. We both believed in government's mission, and understood that to sustain public trust and support it needed change.

At DOT, we benefitted from an organization made up of strong, mission-oriented agencies, such as the FHWA and the Coast Guard that are responsive to enlightened leadership. Together with strong management commitment, that helped us to gain designation for four GPRA pilot projects within DOT.

Successful in their own right, the pilots also gave us early experience in identifying core missions, analyzing processes, and determining what works.

This meant we had practical understanding of what reinvention meant in the governmental context, and, even more importantly, a core group of resident staff who knew the process. They've been indispensable in spreading their knowledge, and their commitment, to other operating units within DOT.

As I noted, we also had Secretarial commitment, first under Secretary Peña and then under Secretary Slater, to shift to a focus on outcomes rather than on process or outputs.

That commitment is an outgrowth of an understanding of how our business, transportation, is changing.

There's an ongoing progression towards greater cooperation between the different forms of transportation, and that in turn is just part of a broader shift towards the measurement of results, rather than the focus on inputs.

People out there want to get themselves and the products they ship to their destinations as safely, as quickly, and as cheaply as possible.

They're so much concerned about how the trip is made than whether the service meets their needs. This emphasis on outcomes reflects the real world and how it works, and we need to adapt to it.

We built on this understanding through our GPRA strategic planning process, itself a replay of an earlier, self-generated planning effort in 1993.

Through the strategic planning process, we produced common agreement on our department-level shared mission and on *departmental* goals that reach across all of our operating units, agencies as diverse as the FAA, with 50,000 employees, and BTS, with 50.

Although the initial impetus for change came from the top, we recognized that we couldn't be successful unless the actual change was driven by our own employees.

This vision was given internal credibility through an inclusive, collaborative, consensus-based process that directly involved more than two hundred senior staffers, both career and appointed, over several months.

Of course, our senior leadership, from the Secretary on down, continue to be heavily involved in this process. We all committed, on a day-to-day basis, to managing our operations with the objective of achieving the outcomes identified in a strategic plan and its complementary performance plan.

Each of these plans is organized around our five strategic goals: improving safety, protecting our environment, enhancing mobility, promoting economic growth and trade, and supporting national security.

Our follow-on performance plan emphasized how we were to achieve these goals, and it's been fully integrated into our budget process and the most recent round of performance agreements, which our senior officials have been entering into with the Secretary since 1993.

This integration, in turn, helped us to produce a product that has external credibility as well: while there is controversy over the value of a precise grading system, I'm proud to say that Congress rated both our strategic and performance plans as the best in government.

These plans' focus on outcomes has highlighted the need for cross-cutting efforts that transcend the traditional organization boundaries, since many programs within DOT typically contribute to each major result.

We still need to improve our ability to identify the trade-offs and synergies that result from multi-dimensional efforts, but the performance planning process is helping us to do that.

We also need to look beyond departmental boundaries to ways of achieving cross-cutting results across government.

I think, as we move forward on it, that the Office of National Drug Control Policy effort in managing multiple agencies on a multi-faceted strategy with a single purpose will prove to be a useful model. Certainly, it has helped us to understand our DOT contributions to the larger effort and how they relate to the larger strategy.

Within the organization, we supplemented our plan for achieving strategic goals with a set of management strategies, the most important of which we call ONE DOT, representing a unified Department, capable of acting in an integrated, purposeful way to achieve our transportation goals.

Today, we're becoming more and more like a single Department, rather than a collection of separate agencies which was our history.

And we've achieved that without the dysfunctional side-effects of a "realign-the-boxes" reorganization that disrupts both internal and external relationships, traditions, and sources of strength. We're aligning our individual agency programs and our budgets with the Department's strategic and performance goals.

We've got to make sure that our day-to-day work, whether it's regulatory, or operational, or grants-making, or oversight, is directly linked to producing the clear and agreed-upon results that Congress endorses through their acceptance of those plans. If it's not, then we need to question why it continues.

We recognize that this focus on results and the orientation on teamwork must become part of our corporate culture, so that they won't simply be trendy ideas that are discarded in the future.



To do this, we've implemented an extensive training program in teaming skills, and most of our headquarters and field senior executives have already received this training. Some of you may already have attended.

Our plan calls for extending this training to 5,000 DOT staff members -- in essence, every manager in every office across the country.

We're also working on establishing accountability, at all levels of the organization, for achieving our goals and for carrying out the performance plans.

This commitment to accountability starts at the top: I meet monthly one-on-one with the heads of our operating administrations and with Ken Mead, and almost as frequently with the other chief staff officers, to discuss with each of them their progress in achieving their part of the departmental goals.

We also require accountability through detailed performance evaluations at each managerial level which link goals with results, generally on a pass-fail basis.

The FAA, which has more latitude than the rest of us on personnel and pay matters, is moving to link compensation directly with organizational performance.

In addition to accountability, we emphasize recognition. Secretary Slater, inspired by the epitaph on the gravestone of Alex Haley, the author and also a former Coast Guardsman, created a "Find the Good and Praise It" award.

It's also reinforced by our annual awards program, now more closely linked to the departmental goals and strategies.

The "Find the Good and Praise It" award, granted on a continuous basis, recognizes employees who show excellence in working together to achieve our goals, and it reinforces our ONE DOT message.

For the future, we're expanding our outreach to other agencies to develop common goals and measures for issues which require cooperation, such as the National Drug Control Strategy and Global Climate Change.

We're also developing stronger working relationships with these agencies to achieve these goals. For example, the FAA is now working more closely with NASA and DOD to manage our joint investments aimed at improving aviation safety and capacity in very measurable ways.

We also hope to join our nonfederal partners in creating measurements that can tell the American people just what they're getting for their transportation dollars, and that's an effort whose value I think you can appreciate.

We recognize that this can be controversial, but, as a matter of stewardship, we think it's essential that we link program outcomes with dollars, not to rate or rank our partners, but to be jointly accountable to the public for results.

We don't accept the premise that our yardstick should only be our efficiency in program administration -- how fast we get the money out.

We also are committed to formal evaluations as a means of testing the validity of our programs. If our concern is about outcomes, we need to measure them as carefully and effectively as possible. Is the system getting safer? More efficient? Et cetera? And is the improvement consistent with the resources being applied?

I see our evaluation process drawing on the unique skills of the organization -- the BTS and the modes -- to take a 360-degree look at our major programs at some point in their reauthorization cycle.

We want to engage with Congress in a dialogue about linking resources to results and developing a mutually agreed-upon a set of performance measures for DOT.

These measures must reflect resource decisions, together with realistic evaluations of the progress that can be, and is, made at funding levels possible through the appropriations process. We'd then work with Congress to monitor our progress toward these goals.

Internally, we're already redesigning our budget process to provide more time for review of results, analysis of alternatives, and policy debates, rather than jamming important decisions in a deadline-driven frenzy of financial decision-making.

This redesign will give everyone, from managers such as yourselves to the Secretary, more time to become involved in the process and to link the budget with our policy priorities.

Let me close by saying that our coins have stamped on them the words "E Pluribus Unum" -- "out of many, one."

This could just as well be the motto for our ONE DOT initiative, integrating what had been a collection of agencies with specific missions and unique histories into an instrument that can better achieve a shared goal of serving the public in areas that count.

We're well on the way to doing so, and I'm happy to have had the chance to tell you about it. Now, I'd like to take any questions you may have -- on strategic plans, ONE DOT, or other issues...or, if you have something to share with me...

#####

**TALKING POINTS**  
**DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY**  
**ONE DOT SATELLITE TOWN HALL: INTRODUCTION OF SECRETARY SLATER**  
**WASHINGTON, D.C.**  
**JUNE 23, 1998**

- \* Introduce self.
- \* Welcome to those here in D.C. and around the country.  
Historic occasion.
- \* Comes at an opportune time for DOT -- a time when we have  
a real chance to realize our full potential.
- \* Yesterday, I completed my 40th year in the transportation  
business, and most of those years I've been in or closely  
associated with the Department.
- \* I can honestly say that I've never been more excited about the  
Department's future. There's just so much going well for us.
- \* We have a new piece of surface transportation legislation --  
TEA-21 -- that gives us stability for six years in a strong  
policy environment.
- \* We are in the midst of efforts to put our aviation systems on a  
strong financial footing, completing the FAA's restructuring  
that began with personnel and procurement reform, and I  
expect those efforts to be successful over the next year or so.  
The recent contract with NATCA shows how much progress  
has already been made under new leadership.



- \* There is solid planning underway about waterways management, to better integrate our marine activities in support of America's commercial and economic goals.
- \* We are beginning the term of a new Coast Guard Commandant -- the 21st Commandant, who will lead the Coast Guard into the 21st Century.
- \* And we have the principle of ONE DOT to integrate these activities, a principle we developed out of our very successful strategic planning activities.
- \* Our plans, as we are quick to say, were accepted by Congress as the best in government, but their true measure of success is whether they help make us the best Department in government.
- \* The ten modal administrators here symbolize the workings of the ONE DOT principle. They all understand their jobs as leaders of agencies with strengths, with histories, with missions and with sources of support. But each of them sees how their success can be leveraged and how they can also be supportive of each other's success by working better together.
- \* Let me introduce our Administrators .....
- \* Moving from a vision of excellence to reality needs more than a plan and a principle -- it needs leadership.
- \* Fortunately, that's something we're well supplied with here at DOT. In addition to our Administrators, our Secretary is

committed to the idea that we can, and should, be the best Department in Government.

- \* Coming from the Federal Highway Administration, he recognizes the strengths of the modes, and we've often heard him speak of building from strength to strength, but he also sees the benefits that come from making the Department more than a collection of loosely-related activities.
- \* Our strategic plan puts us in harmony with some very important goals -- safe transportation for the American public, improved mobility, a strong economy, a sound environment and a transportation enterprise that contributes to national security.
- \* These are things we all endorse, we all can contribute to. The support of these goals in our TEA-21 legislation had a lot to do with its strong acceptance in Congress and in the White House.
- \* I have real confidence that we will achieve our strategic goals-- that our Performance Report -- when it is submitted in January, 2000 -- will also be identified as government's best.
- \* My confidence comes from knowing first-hand the strengths of our 100,000 DOT family members and the great leadership that we enjoy from our Secretary. Let me now turn the microphone over to the 13th Secretary of Transportation, Rodney Slater...

#####



U.S. Department of  
Transportation

# News:

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

---

**REMARKS AS PREPARED FOR DELIVERY  
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY  
FAA YEAR 2000 PROBLEM INDUSTRY DAY  
WASHINGTON, D.C.  
JUNE 23, 1998**

---

Good morning. I'm Deputy Secretary of Transportation Mortimer Downey, and I'd like to welcome you to this Year 2000 Problem Industry Day.

Let me start by thanking the Air Transport Association for co-sponsoring today's forum. This is the kind of challenge which can only be met through an industry-wide effort, and we're glad to have the ATA's support and cooperation. Ed Merlis, the ATA's Senior Vice President for Legislative and International Affairs, and Tom Browne, their Year 2000 Program Executive Director, are with us.

I'm also joined by Jane Garvey, our FAA Administrator, and Ray Long, who directs the FAA's Year 2000 Program.

And I want to acknowledge a special guest: Janet Abrams. Janet is Executive Director of the President's Council on Year 2000 Conversion. She and John Koskinen, the council's chair, are coordinating the federal government's efforts to solve this problem.

*"President Clinton and Vice President Gore recognize the importance of acting quickly. They've directed us to do everything necessary to ensure that the federal government's computer systems are functioning as well on January 1, 2000, as they were on the day before."*

Today, we're taking another step towards meeting the challenge of the Year 2000 problem.

It's urgent that we do so. Over the past generation society has benefited greatly from the use of computer-based information and communications technologies. In transportation, these technologies have enabled us to create productive "just-in-time" delivery systems, to improve maritime navigation, and to enhance the safety and efficiency of our highways, railroads, and transit systems.

In aviation, they have doubled the effective capacity of our air traffic system. Air carriers rely on them for everything from reservations to maintenance to cargo tracking. Airports depend on

Koskinen, with OMB, and with the Congress to give them the tools they need. We've already obtained approval for reprogrammings at the FAA.

The necessary work already has been done for nearly 40 percent of our mission-critical systems. Every such system 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 and Vice President.

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

However, our concerns aren't limited to how the Year 2000 problem affects federal systems. Many of our systems interact with those of state and local governments and the private sector, and Year 2000 problems in these systems could compromise our own networks. Moreover, shutdowns of nonfederal systems could jeopardize safety or the economy's smooth functioning.

*"Every mission-critical system 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 and Vice President."*

I'm concerned that many public officials and business leaders don't understand this problem or aren't yet taking it seriously. Many who do are taking it for granted that their systems have no problems, or that a simple, technical fix will be developed. That would be a terrible mistake: anyone who expects a silver bullet is playing Russian roulette.

The Council on Year 2000 Conversion oversees the government's efforts and promotes awareness at other levels of government and in the private sector. Through the Council, the President has asked us to reach out to our partners and our customers and encourage them to evaluate their own systems and make any needed fixes.

And that's what we're doing today. We're taking a leadership role because, although these systems are state and local and private responsibilities, this is truly a matter of national concern.

If air travel or shipping were to come to a halt on January 1, 2000, or even be dramatically slowed, the results would be disastrous. Beyond delays and risks to safety, we could see irreparable damage to public confidence in the ongoing reliability of this system.

We can't compel system operators to take the necessary steps, nor do we have the resources to perform universal evaluations and repairs. However, we can, *and should*, raise awareness of the problem and promote the sharing of effective strategies.





U.S. Department of  
Transportation

# News:

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

---

**REMARKS PREPARED FOR DELIVERY  
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY  
FORBES CONFERENCE  
NEW YORK, NEW YORK  
JUNE 26, 1998**

---

I'd like to thank Tom Bradshaw of Salomon Smith Barney for that introduction, and thank Forbes for inviting me to talk about transportation infrastructure investment. Over the past few years this conference's value has become clear: it gives its participants ideas and practical tools, and it gives public officials feedback on how existing programs are working, and on where we should be considering new initiatives to meet important national needs.

During the last five years, President Clinton and Vice President Gore raised transportation investment to its highest levels ever, more than 40 percent above the previous Administration's average. TEA-21, the Transportation Equity Act for the 21st Century, which President Clinton signed two weeks ago, continues this trend, guaranteeing at least \$198 billion over the next six years for highway and mass transit improvements.

However, the President and Vice President recognized that there could never really be enough federal investment, and directed us to cut red tape and attract nonfederal resources.

Under an early pilot program, called the Partnership for Transportation Investment, we made possible some 70 new projects in over 30 states with a construction value of more than \$4 billion. This included about a billion dollars in *new* capital directly attributable to this program. The strategies identified through our partnership are now part of our daily way of doing business and our staffs, highways, transit, and rail, have become far more comfortable with the language and the concepts of project finance.

Another major initiative that led up to the current legislation is the creation of state infrastructure banks, or SIBs. SIBs use federal seed capital to leverage private investment through loans and credit enhancement assistance, and are meant to serve as ongoing, revolving loan funds. As projects are implemented, loans are repaid to the SIB and the proceeds are used for new projects in a continuing, virtuous cycle.

39 states were authorized to capitalize SIBs using dedicated funding and a portion of their regular federal funds. \$328 million in SIB loans will support 31 projects, leveraging \$1.9 billion in construction. That was the state of play leading into the reauthorization cycle, and we built on these early steps, continuing existing programs and creating new ones. I'd like to give you a quick overview, and then leave it to Gloria Jeff, our resident expert, to discuss them in greater depth in her presentation.



TEA-21 extends our state infrastructure bank program, but limits it to four states, California, Florida, Missouri, and Rhode Island. These states will be able to transfer money from other programs to SIBs over the next six years.

Although we were disappointed that Congress didn't extend the SIB program to all states or authorize additional, dedicated seed money, there are significant innovations which will make it even more effective for the four states.

The previous capitalization limit, 10 percent of a state's federal funds, has been lifted, enabling these states to transfer whatever level of funds they need to make their SIBs work. In addition, the kinds of projects SIBs can support are broader and more intermodal. This additional flexibility makes sense. We're hoping that SIBs will continue to prove their worth, so that we can revisit the idea of expanding them at a future date.

Congress adopted one of the President's key innovative finance proposals when it created a new federal credit program. It was inspired by a \$400 million loan for California's Alameda Corridor rail project, which we made at a budgetary cost of just \$59 million, an amount pegged to interest costs and the risk factor. This federal loan was the factor that capped a total \$2 billion funding package, making the entire project viable.

The new federal credit program, called the Transportation Infrastructure Finance and Innovation Act, or TIFIA, offers a way to pay for similar, large projects of national significance. These projects, trade corridors, border crossings, and freight facilities, often cross jurisdictions or traditional modal boundaries, and sometimes have trouble getting the funding despite their value.

However, some of them have revenue sources which could be tapped to underwrite their costs. TIFIA's purpose is to fill gaps in market funding or to leverage additional nonfederal resources. It can do this through direct, or secured, federal loans, loan guarantees, or standby lines of credit.

This would advance capital-intensive projects that otherwise might be delayed or not built at all because of their size and the market's uncertainty over timing of revenues. By addressing the market's concerns about doing large projects which don't have much of a track record, this program would expand their ability to access private financing.

Although TIFIA could fund construction, its value will be especially great during certain sensitive phases of project development, the preconstruction phase before capital is available, and the so-called "ramp-up" period when a project's revenues may not yet be great enough to cover all costs. In such cases, support through TIFIA could be the difference between success and failure. TIFIA's \$530 million of contract authority could support up to \$10.6 billion of credit assistance for everything from roads and bridges to freight transfer facilities to MagLev systems.

TEA-21 continues other innovative finance provisions, and creates some new ones, and I'd like to sketch them quickly.

States can continue to use federal funds to pay the debt service on highway construction bonds. States can use design-build contracting, saving them time and money. A pilot program would enable states to use new tolls to fund the reconstruction of existing Interstate highways.

In many cases, states and localities have been given greater flexibility on matching federal grants. Instead of matching grants project-by-project on a quarterly basis, they can do so program-wide on an annual basis. And the local match can often include things such as other federal funds or the value of land used in a project.

Finally, there is a new Railroad Rehabilitation and Improvement Financing Program to provide credit assistance to rail and intermodal projects, although it's dependent on future appropriations to kick it off.

We want to continue implementing our existing innovative finance programs and the new ones authorized by TEA-21, and extend these principles to other modes. We're already starting to do this. For example, we're helping to provide needed surface access to Kennedy Airport by permitting the use of Passenger Facility Charges to finance a rail connection that was critical to future airport capacity, the kind of access which is common elsewhere in the U.S. and around the world.

Earlier this month we used Airport Improvement Program funds to provide bond insurance and prefunded interest payments to the Palm Springs airport, part of a new program to help smaller airports raise money in the capital markets. In fact, our forthcoming FAA reauthorization proposal will build upon these steps, not only including a strong airport improvement program but also giving states and localities needed flexibility in how to use their passenger facility charges, which we also proposed be increased.

These just a few of the innovative ideas we want to move onto our agenda. We see them as ways to supplement our traditional forms of funding and bring private-sector practices to public policy.

Let me close by saying that I know I'm preaching to the choir when I tell you about higher funding and innovative ideas for meeting our mobility needs, but that never hurts; in fact, it helps when the choir responds.

So I look forward to hearing your voices, and your ideas, and I promise you that you'll find those in the Clinton Administration who will be happy to play accompaniment to this choir when you do so. Thank you.

#####

Article for *Trek Talk*, July/August 1998

COMMENTS

by Mortimer L. Downey, Deputy Secretary of Transportation, U.S.  
Department of Transportation

Take a bow! The June debut of the Seattle Model Deployment Initiative is a milestone on the road to intelligent travel. On behalf of President Clinton, Vice President Gore, and Transportation Secretary Slater, I want to congratulate all the partners in this project whose vision and contributions have made the Puget Sound region home to the nation's most advanced technological applications for traffic information and management. We're proud to be your partners in this revolutionary initiative.

Now, for the encore... Being the first in anything is both an honor and a challenge. With the successful implementation of the Smart Trek services, Seattle has the distinction of being a leader in the field of intelligent transportation systems (ITS). The challenge now is to keep the services running well, to make improvements to reflect the changing needs of the community and advances in the ITS field, and to be an active model for the rest of the nation - providing information and assistance to other parts of the country as America adopts smart transportation services.

This region's role as a model is important. As residents and visitors see Smart Trek's benefits, Seattle will be the showcase for ITS technologies, engaging the public and broadening the support for these technologies.

Attracting users to these new technologies is one thing; keeping them is another. That is why it is crucial that the partners in this initiative maintain the reliability of its services.

Information should be real-time, accurate, complete, and targeted towards consumers. With these qualities, Smart Trek will have no problem demonstrating the need for ITS and developing a loyal following.

A leader must encourage its followers. As the first Model Deployment Initiative in the western U.S., Smart Trek can serve as a role model purely by virtue of its existence. However, an active effort by Smart Trek to make its experiences and data available, and to encourage other communities to try ITS technologies, will serve a population greater than that of the Puget Sound region.

Smart Trek represents many partnerships - city, state, county, and federal governments, highway and transit agencies, public and private companies. Through these cooperative ventures, we can successfully achieve our goals of more efficient and effective transportation.

By committing to the continued excellence and improvement of the Seattle Smart Trek system, and by accepting the responsibility to share the information and experience that comes with establishing a model deployment, Seattle will be contributing to the long-term economic health, environmental health, and quality of lives for this region and for the entire nation. We in the Clinton-Gore Administration look forward to continuing our partnership with you as you make 21st-century technologies a reality today.

###

(442 words)



REMARKS PREPARED FOR DELIVERY  
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY  
FUNERAL OF LARRY EPPS  
MOUNT OLIVE BAPTIST CHURCH  
ARLINGTON, VIRGINIA  
JUNE 27, 1998

Good morning. Today, we bid farewell to our friend and colleague, Larry Epps. To his family and his loved ones, we offer our condolences and our deepest sympathies. Our thoughts, and our prayers, are with them.

Quintus Ennius, the father of Roman poetry, wrote "Let no one pay me honor with tears, nor celebrate my funeral rites with weeping." So, instead, we should celebrate Larry's life, and remember all that was good about him. And that, I am sure, is what he would have wanted us to do.

I say that because Larry was a private man, and a stoic one, enduring years of illness without complaint and with complete devotion to duty. Even on his last morning, when he called to say he would not be in that day, it was with the greatest reluctance and the expectation that he would be on the job, as always, the next day. He never gave in to hopelessness; instead, he returned to school, preparing to advance his career, looking to the future even as his illnesses wore on.

Larry worked with me for five years, spending many days and nights with me, and I came to know him well. I would like to share a few of my memories of him... [*personal remembrances or anecdotes...*]

And now Larry has left us. He leaves us with the memory of a good and dedicated man, one who can continue to inspire us through his commitment to his family and friends -- through his professionalism and devotion to his job -- and through his uncomplaining refusal to give in to life's misfortunes.

Like an exhausted star whose light travels on and on, our memory of Larry can light our path whenever we are inclined to gloom or despair.

I and my colleagues at the Department of Transportation are deeply saddened by his death, and will miss Larry dearly. We can console ourselves with an old saying: "the only truly dead are those who have been forgotten."

So let us keep Larry alive in our hearts and in our minds, and ensure that -- although he "dwells in the house of the Lord forever" -- he will be with us always. Thank you.

#####





U.S. Department of  
Transportation

# News:

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

---

**REMARKS PREPARED FOR DELIVERY  
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY  
NATIONAL ACADEMY OF PUBLIC ADMINISTRATION  
GOVERNMENT PERFORMANCE AND RESULTS ACT CONFERENCE  
JUNE 30, 1998  
WASHINGTON, D.C.**

Good afternoon. I'm pleased to join you for what is turning out to be a very valuable forum. I'd like to focus my remarks on describing the Department of Transportation's achievements in implementing performance-based management. I also want to talk about what we believe needs to be done to make performance-based management succeed.

I speak based on our experiences at DOT. While there is controversy over the value of a precise grading system, I'm proud that Congress rated both our strategic and performance plans as the very best in government.

We came out of these processes with a great deal of experience in how to develop and implement performance-based management systems, but some of that came from the experience we brought to the process.

We were fortunate at DOT, because we had considerable experience through the four GPRA pilot projects we carried out. That gave us a practical understanding of what works and, even more importantly, it gave us a core group of staff who know the process. They've been indispensable in spreading their knowledge to other operating units within the Department.

We also had Secretarial commitment, first under Secretary Peña and then under Secretary Slater, to shift to a focus on outcomes rather than on process or outputs. That commitment is an outgrowth of an understanding of how our business, transportation, is changing.

There's an ongoing progression towards greater cooperation between the different forms of transportation, and that in turn is just part of a broader shift towards greater efficiency and a focus on results.

People's expectations for the transportation system are pretty simple: they want to get themselves and the products they ship to their destinations as safely, as quickly, and as cheaply as possible. They're less concerned about how the trip is made than whether the service meets their needs. This emphasis on outcomes reflects the real world and how it works, and we need to adapt to it.

*Deputy Secretary of Transportation Mortimer Downey  
National Academy of Public Administration  
Government Performance and Results Act Conference*

We articulated this understanding through our strategic planning process, which produced common agreement on the shared mission and goals that reach across all of our operating units, agencies as diverse as the FAA, with 50,000 employees, and the Bureau of Transportation Statistics, with 50.

This process ties real results to our budget and programs. It goes beyond explaining what we will do; it answers the fundamental question of how our programs affect the daily lives of the American people.

Our performance plan offers 70 measures that are important, immediately relevant to the public, quantifiable, and specific. And they are *ambitious*. For instance, we aim to reduce the rate of highway fatalities by more than 5 percent in 1999. That's a clear target. It's also a bit of a stretch, since growing traffic and changing demographics tend to push the rate up. So why should we try to achieve such a difficult goal? Because it saves lives, 2,500 of them. Pushing ourselves to achieve such goals translates into real improvements in people's lives.

We'll achieve them by translating our budgets and program strategies into actual outcomes. These strategies, tougher laws against drunk driving and initiatives to promote seat belt use, are effective. And part of this process is determining what works and what doesn't, and discarding anything which doesn't.

We also plan to make improvements in other ways which affect people's daily lives, improving the quality of our highways, reducing travel delays, and reducing transportation's impacts on the environment.

It's obvious, that we don't have complete control over the outcomes we've chosen to measure. If we only measured what we knew we could control, then our performance plan would include narrow measures which could neither justify our investment of taxpayer dollars nor motivate managerial innovation.

Will we report that we've achieved every one of our goals? Some warn that we may not, which means that the bar is set at about the right height. Even if our ambitious goals aren't all fully achieved, then we still could make considerable progress and genuine improvements in the quality of people's lives. It's better to set high goals, and come close, then to set low goals and achieve them.

This performance-based, goals-oriented vision was given internal credibility through an inclusive, consensus-based process that directly involved more than two hundred senior staffers, both career and appointed, over a period of several months, all together at major retreats, in work groups, and individually.

*Deputy Secretary of Transportation Mortimer Downey  
National Academy of Public Administration  
Government Performance and Results Act Conference*

Our senior leadership, from the Secretary on down, was heavily involved in this process and continues to be committed, on a daily basis, to managing our operations with the objective of achieving the outcomes identified in the strategic plan and the complementary performance plan. This, in turn, helped us to produce a product that has external credibility as well.

That external credibility was reinforced by the close involvement of industry representatives in our strategic planning process. This process of external consultation started with a retreat with 49 transportation providers and consumers from all forms of transportation, the first such gathering ever. It helped us to move forward on a collaborative vision of goals, and began a dialogue among different interests and sectors which we hope to continue.

The strategic and performance plans' focus on outcomes has highlighted the need for cross-cutting efforts that transcend the traditional organization boundaries, since multiple programs within the Department typically contribute to each major result.

For instance, many safety issues, such as highway-rail grade crossings, cross the traditional modal barriers. Our agencies have got to work together if we're going to solve these kinds of problems. Our new DOT Safety Council is one of the steps we've taken to do this. Chaired by Jolene Molitoris, our Federal Railroad Administrator, the Council brings together all of our operating agencies to better connect their efforts.

Currently, the Council is focusing on fatigue, how it affects travelers and workers in all of our modes, and how we can counter its effects. We're looking forward to the Council's bringing this integrated, cross-cutting approach to a wide range of safety issues, and to its serving as a model for similar efforts in other areas.

Within the organization, this focus on results and teamwork and cross-cutting led to a corporate management strategy called ONE DOT, representing a unified Department, capable of acting in an integrated, purposeful way to achieve our transportation goals. Today, we're becoming more and more like a single Department, rather than a collection of 10 separate agencies, which was our history.

We're also aligning our individual agency programs and our budgets with the Department's strategic and performance goals. We've got to make sure that our day-to-day work, whether it's regulatory, or operational, or grants-making, is directly linked to producing the clear and agreed-upon results that Congress endorsed through their acceptance of those plans. We recognize that this focus on results and the orientation on teamwork must become part of our corporate culture, so that they won't simply be trendy ideas that are discarded in the future.

*Deputy Secretary of Transportation Mortimer Downey  
National Academy of Public Administration  
Government Performance and Results Act Conference*

To do this, we've implemented an extensive training program in teaming skills, and most headquarters and field senior executives have already received this training. Our plan calls for extending this training to a total of 5,000 members of the DOT staff, in essence, every manager in every office.

For the future, we're expanding our outreach to other agencies to develop common goals and measures for issues which require cooperation, such as the National Drug Control Strategy and Global Climate Change.

We're also developing stronger working relationships with these agencies to achieve these goals. For example, the FAA is now working more closely with NASA to manage our joint investments aimed at improving aviation safety.

We also hope to join our nonfederal partners in creating measurements that can tell the American people just what they're getting for their transportation dollars. After all, DOT isn't simply a giant, \$40 billion-a-year ATM, but the holder of a public trust, one we take seriously. We want to make sure that taxpayer dollars are being spent effectively, and to do that we need to have realistic measures of agreed-upon results.

We recognize that this is controversial, but, as a matter of stewardship, we think it's essential that we link program outcomes with dollars, not to rate or rank our partners, but to be jointly accountable to the public for results. We're now working with our state and local partners and with industry representatives in several modes to create performance goals and measures, and we hope to see some real progress soon.

We're also interested in engaging with Congress in a dialogue about linking resources to results and developing a mutually agreed-upon set of performance measures for the Department that reflect resource decisions.

We'd then work with Congress to monitor our progress toward these goals. Internally, we're already redesigning our budget process to provide more time for review of results, analysis of alternatives, and policy debates. This redesign will give everyone, from program managers to the Secretary, more time to become involved in the process and to link the budget with our policy priorities.

Let me offer some general suggestions about performance-based management. Everyone, Congress, the GAO, the agencies themselves, should focus on the big picture, and not get bogged down in tedious minutiae. The agencies should increase their emphasis on a cross-cutting approach, with greater collaboration between federal agencies focused on high-level national outcomes.

*Deputy Secretary of Transportation Mortimer Downey  
National Academy of Public Administration  
Government Performance and Results Act Conference*

We have to remember that, for both strategic and performance plans, one size does not fit all agencies. Both the A-11 guidance and statutes need to be flexible so that these processes don't turn into paperwork exercises.

Similarly, the processes should be flexible, so that agencies can adjust their goals and standards to reflect changes in conditions or in their constituents' needs.

Finally, we need to be patient for federal agencies to show results. In many cases data collection will lag significantly behind agency actions, and so the results may not be as readily apparent as we'd like.

Let me close by saying that our coins have stamped on them the words "E Pluribus Unum," "out of many, one."

This could just as well be the motto for our ONE DOT initiative, integrating what had been a collection of agencies with specific missions and unique histories into an instrument to achieve a shared goal of better serving the public, and serving as a model for other agencies throughout government. Thank you.

#####