



U.S. Department of  
Transportation

# News:

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**REMARKS PREPARED FOR DELIVERY  
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY  
LEE COUNTY VALUE PRICING INAUGURAL  
FORT MYERS, FLORIDA  
AUGUST 3, 1998**

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Thank you, Commissioner Albion, for that introduction. Thank you, Father McGinnis, for the invocation, and thank you, Karen Forsyth, for that beautiful rendition of our national anthem. I'm glad to join you and Chairman Manning, Commissioner St. Cerny, Commissioner Judah, and Commissioner Coy.

Florida's Gulf Coast ranks with the most beautiful regions of the U.S., with its blue waters, its white beaches, and its superb climate. It's no wonder that Lee County is one of the fastest-growing areas in the country. This means prosperity and all of the other benefits that such growth brings, but it also can mean some things that aren't so desirable, such as traffic congestion.

I've heard people say that congestion is like Mark Twain's weather, everybody always complains about it, but nobody ever does anything about it. That's never been quite true, and it's certainly not true today.

*"Lee County is preventing congestion from becoming a major problem, and at the same time it's doing something to improve the quality of life for area families. President Clinton has encouraged us to support you when you try such innovative approaches to helping people get to where they need to go."*

This morning, Lee County *is* doing something about congestion, preventing it from becoming a major problem, and at the same time it's doing something to improve the quality of life for area families.

Starting today, tolls on the Cape Coral and Midpoint Memorial bridges will be cut in half in the periods around the morning and evening rush hours. That should encourage drivers to shift their trips out of rush hour, helping to reduce congestion.

The drivers who travel during those shoulder periods will save money, and those who still need to travel during rush hour will save time because of reduced traffic. That's what I call a win-win proposition.

There's a technical name for what Lee County is doing, and it's called "value pricing." That can mean anything from charging tolls to allowing people to drive in carpool lanes, for a fee. What these strategies have in common is that they apply the law of supply and demand to highway

*Deputy Secretary of Transportation Mortimer Downey  
Lee County Value Pricing Inaugural*

travel. It's the same principle that utilities use to price electric power, and that telephone companies use to price calls.

Pricing can be a valuable tool for states and localities searching for solutions to their traffic problems, and so President Clinton has encouraged us to support you when you try such innovative approaches to helping people get to where they need to go.

The President recently signed a new, \$198 billion transportation bill which, among other things, lets us continue sponsoring value pricing demonstrations around the country. In adopting these discounts, Lee County joins a select group of national pioneers, such as San Diego and Houston.

Lee County also is showing leadership by letting its county employees adopt compressed work weeks, flextime, and other alternative work schedules, all of which let them commute outside of rush hour. This step not only reduces traffic, but it's also family-friendly, enabling workers to arrange their schedules to meet child care needs and all the other demands today's hard-working families face.

Not everyone's job is right for flexible work schedules, but I hope other area employers will consider these schedules whenever it's feasible. They make workers happier and more productive, and they help to avoid congestion for everyone else.

Let me close by congratulating Lee County for its vision in trying these strategies. The people of Fort Myers, Cape Coral, and the other towns in this area will be the real winners, saving time, saving money, and enjoying a better quality of life. Thank you.

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*(In his remarks, the Deputy Secretary referred to Lee County Commissioner John Albion, Father John McGinnis, Karen Forsyth, Director of County Lands, Commission Chair John Manning, Commissioner Douglas St. Cerny, Commissioner Ray Judah, and Commissioner Andrew Coy.)*



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**REMARKS PREPARED FOR DELIVERY  
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY  
HORIZON COUNCIL LUNCHEON  
FORT MYERS, FLORIDA  
AUGUST 3, 1998**

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Thank you, Commissioner Albion, for that introduction. I'm glad to join you, Georg Koszulinski, and Ed Henke this afternoon. I also want to congratulate you for your leadership on the new variable pricing system on the Cape Coral and Midpoint Memorial bridges.

I was impressed by this flexible toll system, and I'm also looking forward to touring Southwest Florida International this afternoon. Lee County's leaders recognize that good transportation systems are essential both for growth and for a high quality of life, and you all should be proud of the investments and innovative programs you're putting in place.

It's important that you look to the future: Lee County is growing even faster than the rest of the U.S. The county is the beneficiary of its people's commitment to success and of a booming national economy.

*"President Clinton has made improved efficiency one of his highest transportation priorities ... and he has encouraged us to support you when you try such innovative approaches to helping people get to where they need to go."*

This economy's growth has its roots in the plan President Clinton began to implement five-and-a-half years ago. He set a new strategy for the new economy we've entered, one founded on fiscal discipline, expanded trade, and investment in our people and our infrastructure.

Today, our economy is the strongest it has been in a generation. While the latest economic report released on Friday shows that growth in the second quarter of 1998 was more moderate than the truly remarkable first quarter, it also shows that our economy continues to grow steadily. So far this year, economic growth has averaged a strong 3.5 percent, higher than under either of the previous Administrations.

Wages are rising. Investment and consumer confidence remain high. Unemployment and inflation remain low, when was the last time anyone talked about the "Misery Index"? At the same time, we have the first balanced budget, and the first surplus, in 29 years. Just a half-dozen

years ago we had a \$290 billion deficit, now the arguments in Washington are about how to spend the surplus.

Since the President took office, the federal government has been reduced to its smallest size in 35 years, while the private sector of our economy has grown by nearly 4 percent, also better than under either of the previous Administrations. So this is growth the right way -- growth led by business investment and built on a firm foundation of fiscal discipline.

Prosperity and opportunity abound for the American people. Our economic foundation is solid. Our strategy is sound. And, in the long run, we can keep our economy on its course if we stay the course, maintaining fiscal discipline, continuing to open markets abroad so we can grow our exports, and continuing to invest in the education and job training Americans need to remain competitive.

The prosperity and all of the other benefits that such growth brings are welcome, but less welcome are some things that we don't want in our communities, such as traffic congestion. And that's the topic I'd like to focus on this afternoon.

Congestion is not only an inconvenience, it's a real impediment to economic growth. Congestion slows deliveries, wastes time, and makes it harder to do business, especially with the "just-in-time" production and delivery systems which have helped to make our economy so efficient.

We see the importance of this as we look around the world. For example, Indian businesses see their competitive advantage cut by 30 percent because of poor transportation. In the U.S., our ability to move people and goods effectively has helped to make our exporters competitive.

Maintaining that advantage is crucial to our continued economic success, and that's why President Clinton has made improved efficiency one of his highest transportation priorities. However, many of the conventional ways of improving efficiency and reducing congestion, such as expanding roads, are prohibitively expensive or environmentally damaging, and the relief they provide isn't always long-lasting, since traffic often grows, *and grows quickly*, to fill the available capacity.

New construction *is* often necessary, and we're providing record investment to make it possible, but it shouldn't be the *only* choice people consider when they're trying to reduce congestion.

That's why we've encouraged states and localities to first explore new solutions to get the most out of existing capacity: everything from transit and alternatives such as carpooling, to new technologies, such as intelligent transportation systems, to pricing measures.

Pricing is what Lee County is trying, and it's a phrase which can mean anything from discounted tolls, which you're doing here, to charging tolls, to allowing people to pay to drive in carpool lanes.

What these strategies have in common is that they apply the law of supply and demand to highway travel. It's the same principle which utilities use to price daytime and nighttime electric power, which telephone companies use to price weekday and weekend calls, and which sets the price of resort hotels by season. In other words, it's something people deal with in other parts of their lives, and can understand.

Now, the use of tolls to pay for road or bridge improvements isn't new, nor is the theory of applying pricing to congestion reduction. The late economist Bill Vickery, who won the Nobel Prize in Economics two years ago, first proposed it back in the 1950s. Singapore adopted a fee to enter the central business district back in 1975, and countries ranging from Norway and Germany to South Korea and Hong Kong have used tolls and other pricing plans.

However, it's only in this decade that it's received widespread attention and, increasingly, use as a congestion reduction measure here in the U.S.

The theory, bolstered by the European and Asian successes, attracted attention in Congress. The 1991 transportation bill included what was called a "congestion pricing" pilot program. It was intended to give states and localities the support they needed to experiment with these strategies, and to determine which worked best for them.

Over the past several years, President Clinton has encouraged us to support you when you try such innovative approaches to helping people get to where they need to go. The expectation was that these lessons would be shared around the country, helping to refine the strategies into a useful tool for transportation managers.

It took a while for pilot projects to emerge, but we now see several. San Diego's project on Interstate 15 allows single-occupant vehicles to travel in carpool lanes. It's based on charges which vary not only with the time of day but also with the levels of congestion. Called "dynamic pricing," this gives maximum flexibility for management by linking the fees to conditions.

The tolls, which range from 50 cents to \$4.00, are posted on variable message signs at the entrances to the carpool lanes. Drivers are assured of paying no more than what was posted when they entered the lanes, and the fees are "collected" using transponders and overhead readers. The response so far has been positive, especially since concerns about fairness have been dealt with by adding new express bus service partly funded by revenues from the project.

Houston's project, which operates over the Katy Freeway, also allows the carpool lanes, normally limited to three-person carpools, to be used by two-person carpools for a fee. Like San Diego's system, it's completely automated to hold down costs.

In Orange County, California, an entrepreneur built dedicated toll lanes in the median of State Route 91. Using variable tolls for various times of the day, it opened in 1995 to very good reviews, with savings both for drivers in the express lanes and in the general traffic lanes.

These are just the more advanced examples of what's being done around the country. Other areas are considering similar projects, or new ones, including adding tolls to existing lanes, something that hasn't yet been done in the U.S. for congestion purposes, and something which will take a strong degree of political fortitude.

Lee County's program is straightforward. From today, tolls on the Cape Coral and Midpoint Memorial bridges will be cut in half in the so-called "shoulder" periods around the morning and evening rush hours. That should encourage those drivers, those with some flexibility in their travel, to shift their trips out of rush hour, helping to reduce congestion.

The drivers who travel during those shoulder periods will save money, and those who still need to travel during rush hour will save time because of reduced traffic.

Businesses can benefit directly, since deliveries and other company travel can proceed with fewer delays. In adopting these discounts, Lee County joins a select group of national pioneers, and we're optimistic about its future here and around the countries.

The early successes we've seen include improved traffic conditions, travel time savings, reduced frustration, which is important given the spread of "road rage," less pollution, and greater flexibility for drivers.

In some cases, we're also seeing greater revenues which can be applied to increased transit service or other measures to expand travel options. We've seen enough in the way of positive results that, when the 1991 transportation bill expired, the President proposed continuing the congestion pricing project.

Renamed "value pricing," which better reflects its intent, it was an integral part of the new, \$198 billion transportation bill which the President recently signed. That lets us continue sponsoring pricing planning and demonstrations around the country.

The success of these projects won't always be determined by the structure of the pricing alone, however responsive it is to conditions. In the case of increased tolls, such supporting measures as transit provide options which help to offset concerns over so-called "Lexus Lanes."

Lee County has taken a different tack in its supporting measures, one which we applaud. It's letting county employees adopt compressed work weeks, flextime, and other alternative work schedules, all of which let them commute outside of rush hour.



This step not only enables these workers travel off-peak, reducing congestion, but it's also family-friendly. It lets workers arrange their schedules to meet child care needs and all the other demands today's hard-working families face. It's something we've done widely in my Department, and I can tell you it works for us.

Not everyone's job is right for flexible work schedules, but I hope other area employers will consider these schedules whenever it's feasible. They make workers happier and more productive, and they help to cut congestion for everyone else.

Let me close by congratulating Lee County for its vision in trying these strategies. The people of Fort Myers, Cape Coral, and the other towns in this area will be the real winners, saving time, saving money, and enjoying a better quality of life.

Taking the steps to prevent congestion from becoming a major problem will help Lee County to continue to grow without the problems which have afflicted so many other areas. I wish you good luck with this project, and hope you can serve as a role model for other communities around the nation.

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*(In his remarks the Deputy Secretary referred to be made by Lee County Commissioner John Albion, to Horizon Council Chair Georg Koszulinski, and to Ed Henke.)*

**TALKING POINTS**  
**DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY**  
**TRANSPORTATION TRADES DEPARTMENT, AFL-CIO**  
**LEGISLATIVE AND POLICY CONFERENCE**  
**"FINANCING TRANSPORTATION AND SAFETY PRIORITIES" PANEL**  
**LANSDOWNE, VIRGINIA**  
**AUGUST 26, 1998**

*(You are to give "very brief" opening remarks and moderate the panel)*

- \* I want to thank Sonny Hall and Ed Wytkind for arranging this valuable conference. America's unions give voice to the concerns of this industry's working men and women, and I'm glad we have the chance to exchange ideas on how best to meet those concerns.
- \* Before we begin this morning's panel, I'd like to make two announcements. First, President Clinton has named Steve Van Beek as Deputy Administrator of RSPA -- the Research and Special Programs Administration.
- \* Many of you know Steve as one of the nation's foremost experts on worker safety, and we look forward to the leadership and the experience he'll bring to RSPA.
- \* Steve is with us this morning, and I'd like to ask him to stand so we can welcome him to his new position...  
[Lead applause]



- \* The second announcement relates to one of Steve's areas of expertise, hazardous materials transport.
- \* One of RSPA's chief responsibilities is making HazMat transport as safe as possible. One of the ways we're doing this is by ensuring that emergency response teams can contain HazMat spills effectively, protecting both transportation workers and local communities.
- \* Today, I'd like to announce a \$250,000 grant to the International Association of Fire Fighters. They'll use these funds to "train the trainers" -- giving instructors around the country the tools they need to teach local "first responders" how to deal with HazMat incidents.
- \* This grant carries forward work that the Association has done over the past couple of years. I know that we have representatives of the Association in the audience, and I'd like to ask them to stand so we can acknowledge their efforts... [*Lead applause*]
- \* The work they've done illustrates the progress we've made in all areas of transportation over the past six years.

- \* We've seen more than a half-million transportation jobs created since 1993, and tens of thousands of others preserved by the restoration of industries like shipping -- shipbuilding -- airlines -- and aerospace manufacturing.
- \* Worker safety has been improved through initiatives as diverse as railroad workers' "right to tell" about safety problems and partnerships to protect workers on rail roadways and in highway work zones.
- \* And we have a more progressive approach to labor relations, including the ending of the mandatory privatization reviews that had long plagued transit and the rehiring of former PATCO air traffic controllers.
- \* Just this year we've seen more victories: the TEA-21 surface transportation bill will support more than a million jobs. It also maintains proven labor protections such as Davis-Bacon and 13(c), and extends them to the new innovative finance programs the bill creates.
- \* We're holding outreach sessions around the country on how best to implement TEA-21, and I hope you'll all attend and make your voices heard.

- \* We're also seeing success in other areas, such as the aviation reauthorization bills moving through Congress. They include safety and security improvements and "whistleblower" protections for workers who expose unsafe conditions.
- \* So we're making progress in a wide range of areas. Today, we're going to hear from several of the best-informed people in Washington about where we're headed next. I'd like to introduce them...
- \* ...Jack Basso, DOT's Deputy Assistant Secretary for Budget...
- \* ...Marjorie Duske, Legislative Director for Congressman Martin Sabo...
- \* ...Sante Esposito, Minority Counsel for the House Transportation and Infrastructure Committee...
- \* ...Ward McCarragher, Minority Counsel for the House Transportation and Infrastructure Committee's surface transportation subcommittee...
- \* ...and Sam Whitehorn, a professional staff member for the Senate Commerce Committee...

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**TALKING POINTS**  
**DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY**  
**VISION PROJECT KICKOFF MEETING**  
**WASHINGTON, D.C.**  
**AUGUST 26, 1998**

- \* Thank Vision Project team members. Thank strategic planning team members who are present -- a model throughout government for teamwork. Welcome the Futures Group to DOT: Tom Thomas (Vice President and DOT project manager); Peter Kennedy; Patrick Marren; Lorraine Wetstone.
- \* Today begins a critical effort for DOT's future: creation of a long-range vision to guide our decision-making. Resulted from strategic plan's recognition that rapid change and increasing complexity demand not just systematic analysis but also creativity and insight.
- \* To foster these qualities, we want to create scenarios about plausible futures -- scenarios which can not only guide decision-makers but also enable us to think outside of the box -- identifying hidden opportunities and developing flexibility.
- \* Three things to keep in mind:
  - *Your work has real results.* This isn't a paper exercise. It's vital to the update of our strategic plan -- which in turn will drive our performance plans, our budgets, and other functions which have a real impact on our operations.
  - *Communications are vital.* You need to coordinate closely with your senior leadership so they can participate effectively in this process.
  - *You are now your organizations' futurists.* We want you to help strengthen strategic thinking in your organizations, and to pass on the skills you're acquiring.
- \* As you carry out your work, you'll have direct support from both the Secretary and me. We look forward to working with you, and to the success of your efforts.