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Office of the Assistant Secretary for Public Affairs
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REMARKS PREPARED FOR DELIVERY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
NATIONAL RESEARCH COUNCIL/TRANSPORTATION RESEARCH BOARD
WORKSHOP ON ENABLING TRANSPORTATION RESEARCH
WASHINGTON, D.C.
SEPTEMBER 9, 1998

Good morning. I'm Deputy Secretary of Transportation Mortimer Downey, chair of the NSTC's Committee on Technology, and also of its subcommittee on transportation research and development.

I'd like to welcome you to this Workshop on Enabling Transportation Research, the latest in a series of forums to assure that we have access, now and in the future, to advanced technologies that help us create a safer, more efficient, and more environmentally-friendly transportation system.

I want to thank the National Research Council and the Transportation Research Board for sponsoring these meetings. They've helped the NSTC and the White House Office of Science and Technology Policy by providing independent, expert reviews of each step of the federal strategic planning process for R and D, the transportation science and technology strategy itself, the partnerships identified in the strategy, and now the enabling research that supports all programs in our technology efforts.

I've been involved with this process from the start, and I share your belief in its value. It's helping us to set clear national priorities and coordinate our research and development activities across the traditional boundaries between the public and private sectors and among levels of government.

This is all in an effort to create a federal transportation science and technology strategy and then broaden it into a truly *national* strategy. Having this strategic vision is critical if we're going to deploy the best in new technologies, wherever they are being developed, to meet our transportation challenges.

We're already moving forward in a variety of areas: the Partnership for a New Generation Vehicle, which will lead to a low-polluting car with triple the mileage of today's vehicles...

...the President's Council on Critical Infrastructure Protection, which is identifying ways to safeguard our transportation systems, communications and power networks, and our other infrastructure against a variety of risks...

...the aviation safety and security advances which were spurred by the Gore Commission and are now being carried forward in a formal, tripartite NASA-DOD-DOT collaborative effort...

...the surface transportation safety and efficiency improvements which will come from our cooperative work on Intelligent Transportation Systems...

...and our effort to build the workforce we need for the 21st century by creating the Garrett A. Morgan Technology and Transportation Futures Program.

Today, we're taking the next step: applying the same process to what we call enabling research. For the purpose of this workshop, we're defining that as basic research, applied research, and technology development that can be leveraged for use by transportation.

We're especially interested in identifying research which has broad applications within a variety of transportation modes and which could lead to breakthroughs in transportation technologies, concepts, and systems.

We want this enabling research to focus on six critical areas, and I'd like to briefly review some of the potential outcomes in each of these areas, outcomes which make clear why we view these areas as important.

First, human performance and behavior. In every transportation modes, the sad conclusion is the same: most crashes are caused by human error. We can reduce such errors through fatigue detection and alertness enhancement measures and technologies which can enhance human perception and performance.

Second, advanced materials. We want new materials and design techniques which can make our infrastructure stronger, more durable, and longer-lasting. We also want to develop vehicle materials and technologies which can make vehicles safer while making them lighter and more energy-efficient.

Third, computer-based technologies. As we all recognize, these have become the indispensable tools in transportation, making travel and shipping safer and more efficient. We need to create high-confidence systems that will increase the reliability and security of these information and communications systems. We also need further research in specific areas, such as the electromagnetic spectrum and position and navigation technologies.

Our fourth area of focus is energy and environment. Fuel cells and alternative fuels can improve efficiency while reducing pollution and greenhouse gases.

Fifth, sensing and measurement. Advanced micro-sensors and computers can continuously monitor human and vehicle performance, preventing crashes and enhancing security. Embedded sensors in vehicles and infrastructure also can lower maintenance costs while improving safety and system performance.

Finally, tools for modeling, design, and construction. New vehicle and infrastructure design models can optimize transportation system design and construction.

While these applications are what we need to achieve our long-term national transportation goals, they're unfortunately the kinds of research which often doesn't meet private sector investment criteria.

This includes, for example, research which has benefits too widely spread for any one company to recover, risks too great for any company to bear alone, or benefits too far in the future. Long-term, high-risk, high-gain research in these areas can help us to build the foundation for future applications.

That we make this process a success is crucial. Transportation is undergoing a technology revolution, one with tremendous achievements, and even greater promise. Advances in research and development are enabling significant improvements in safety, security, and efficiency. The transportation sector needs to leverage research investments by other federal agencies and laboratories, by the academic community, and by the private sector.

Today, we're asking you to help us build on this progress by again reviewing the NSTC Transportation Science and Technology Strategy with its emphasis on enabling research.

We want you to identify important research already being funded elsewhere within the government, including efforts not obviously linked to transportation, but with strong, logical connections.

We also want to identify areas of research that could lead to breakthroughs in transportation technologies, concepts, and systems. We want you to tell us which areas of research most warrant priority federal funding.

And, even though it's not in your work statement, we'd like your informal comments on our draft ***national*** transportation science and technology strategy, which builds on the federal strategy.

This week's forum is the latest in a series of consultations we're making with you. Last year we asked for a review the R and D strategic planning process, and earlier this year we asked TRB to look at our plans for partnerships.

Together, these reviews will give us the expert opinions we need to make our research and technology agenda a success. I hope we can see your comments so they can be used in our FY2000 budget deliberations this autumn.

These efforts will help us realize President Clinton's goal of an efficient transportation system that supports economic growth while being safe, secure, and environmentally-friendly. The President has said that "investing in technology is investing in America's future."

This can become a reality with an integrated transportation system for the 21st century, and with a Transportation Science and Technology Strategy that is truly national in scope.

This success would not be possible without the dedicated participation of you, our partners elsewhere in the federal government and in the private sector, academia, and state and local government.

On behalf of Secretary Slater, I want to thank you for your contributions to date, and I look forward to the results of your discussions over the next two days. As with our other initiatives, the key to America's leadership in science and technology depends on the personal involvement of everyone here, to implement national strategies, and to lay the foundation for continued excellence.

I ask each of you to stay committed, stay involved, and see this effort through. Thank you, and good luck in your efforts.

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STATEMENT OF DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY BEFORE THE SENATE SPECIAL COMMITTEE ON THE YEAR 2000 TECHNOLOGY PROBLEM WASHINGTON, D.C. SEPTEMBER 10, 1998

Senator Bennett, Senator Dodd, Members of the Committee: thank you for the opportunity to testify on the transportation industry's efforts to prepare for the Year 2000 problem.

Let me thank you for your leadership in this matter. Congress, and especially this Committee, has been extremely supportive of the Year 2000 initiatives that the Administration has been putting in place, and we look forward to continuing this important partnership.

It's crucial that we do so. Like other sectors, transportation and its users have benefited from computer-based technologies. These technologies are primary tools in transportation: they have enhanced safety, doubled the effective capacity of our air traffic system, upgraded air and sea navigation, improved highway traffic flow, and made possible efficient, "just-in-time" deliveries.

The technologies that contribute to the safe, smooth, and productive functioning of our transportation system today can generate even greater benefits in the future through such computer-based enhancements as "free flight," Positive Train Control, Intelligent Transportation Systems, and similar measures.

However, we face a challenge in the Year 2000 problem, one that, unmet, could pose risks to safety and disrupt the flow of commerce. That is why President Clinton and Vice President Gore have made solving the Y2K problem a top priority for them, for us, for their Administration, and for the country.

Within the Department of Transportation, we've made substantial progress in repairing our own systems: 46 percent of the Department's 616 mission-critical systems have been tested and certified as Y2K-compliant.

Although we've found that enthusiasm for getting the job done has caused progress to be overstated in a few areas, such as air traffic control, we believe that we will substantially meet OMB's September 30 milestone for renovation. Jane Garvey and the other heads of our operating administrations are committed to keeping our program on track, Secretary Slater and I are increasing our scrutiny of problem areas to make sure that we do so, and our Inspector General is verifying all progress reports.

Our concerns, however, aren't limited to how the Year 2000 problem directly affects the federal government. While transportation operations are typically the responsibility of the private sector, ensuring their safe, smooth functioning is a matter of national concern.

In cooperation with the President's Council on Year 2000 Conversion, we're encouraging our partners to evaluate their own systems and to make any needed fixes. Given the nature of our regulatory authority, which typically focuses on results, we can't compel system operators to take particular assessment or repair steps, nor can we perform universal evaluations of their repairs.

However, we can, *and must*, raise awareness and make it clear that solving this problem is not just a public and a corporate responsibility but is, in fact, good business. We also can promote the sharing of effective strategies to ensure the system's safe performance.

We're now conducting outreach to identify progress in the various transportation sectors, and to determine how best we can support repair efforts. We've found several cross-cutting issues, which I'll summarize.

Many private companies are reluctant to report or share information for fear of liability, making surveys at best incomplete and at worst over-optimistic. Some sectors, such as airports and shipping, have an emerging awareness of the problem, which points to the need for continued and expanded outreach.

Foreign airlines and shipping companies, especially those in less-developed countries, also appear to have limited awareness and few resources to deal with the problem.

Many large enterprises, including all U.S. airlines, have active repair programs in place. However, like small businesses in other sectors, many transportation suppliers and smaller operators are behind the curve.

Transportation's dependence on other sectors, such as energy and telecommunications, means that we could have transportation failures even if this industry is itself Y2K-compliant. Underscoring our interdependence, such sectors as agriculture and energy in turn rely on efficient transportation to get their products to consumers or their fuels to power plants.

Finally, there is uncertainty over the impact of embedded chips because of their varied uses and a lack of documented manufacturers' information. However, most of the chips in transportation applications seem to be event-oriented, focused on operating cycles rather than dates, so there is a growing consensus that their Y2K effect will be comparatively minimal.

Based on these early discussions, we're taking steps to assist our partners. We've met with industry associations and businesses in every sector, and have held industry-wide forums for aviation, maritime, rail, pipelines, and surface transportation.

We're also reaching out globally, especially through the International Air Transport Association, the International Civil Aviation Organization, and the International Maritime Organization. Secretary Slater has raised the issue at such forums as the European Conference of Ministers of Transport and during bilateral discussions such as those during his recent mission to Africa.

Products such as our forthcoming Year 2000 website and our "Steps for Action" guidance for Intelligent Transportation Systems will provide needed information.

We've urged states and localities to use their regularly-allocated federal highway and transit funds for Y2K repairs to Intelligent Transportation Systems components such as traffic signals or traffic surveillance cameras. And, in certain circumstances, airports are eligible to receive Airport Improvement Program funds for Y2K.

Although the Defense Department has told us that the Global Positioning System itself won't have Y2K problems, the GPS receivers used in civil transportation may not be Y2K-compliant. Through the Coast Guard, we're advising civilian users to contact manufacturers to ensure that their GPS receivers will work.

We'll also work with operators under the umbrella of the President's Council to develop contingency plans for each transportation mode and for its connecting modes. It's vital that every industry have plans to continue the safe and orderly flow of commerce even in the wake of failures, and we will facilitate industry efforts to create such plans.

Finally, we'll use our existing authorities to take whatever actions are necessary to ensure transportation safety. We will be ready to step in to restrict or even shut down operations made unsafe because of Year 2000 problems.

For example, the FRA could issue emergency orders to restrict a railroad's operations, the FAA could limit or halt an airline's flights, or the Coast Guard could require special handling for tankers entering harbors. We hope that such steps won't be necessary, but we're fully prepared to take them to protect the public as we maintain the flow of commerce.

Let me conclude my statement by answering your question about what Congress can do to reduce the risk of Year 2000 failures.

First, I ask that Congress pass the President's proposed legislation to protect from liability those who, in good faith, share information on this problem. That would alleviate some of the concerns about sharing data or making reports.

Second, I ask that Congress enact the President's proposed FY1998 contingent emergency funding for Year 2000 computer conversion activities. Ensuring Y2K compliance will require flexibility to respond to such unanticipated requirements.

Third, I ask that Congress be cautious in considering any laws mandating specific steps for Year 2000 compliance in the transportation industry. Specific, new laws or regulations could unnecessarily burden industry and, perhaps, limit its flexibility to respond to a fluid situation. I also ask that Congress carefully consider the impact of other laws on the Year 2000 effort, just as we at DOT are looking closely at new regulations to ensure they don't add to the burden.

Finally, I ask that you continue to exercise leadership on this issue, raising awareness among your constituents and the general public.

The partnership we've forged with you on this issue has been increasingly successful, and we look forward to continuing to work with Congress in the coming months.

If there are few problems, and I hope that is the case, we can give that assurance to the American people before unfounded rumors and fears have become widespread. We owe it to ourselves, to our citizens, and to the future of our transportation industry. Thank you.

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REMARKS PREPARED FOR DELIVERY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
MEDICINE/PUBLIC HEALTH INITIATIVE NATIONAL COMMITTEE MEETING
WASHINGTON, D.C.
SEPTEMBER 11, 1998

Good afternoon. I'm pleased to join Dr. Ricardo Martinez of NHTSA, Dr. Joseph Sabato, and Dr. Jeff Goldhagen.

One of the unique, and satisfying, aspects of government in this Administration is the opportunity to make logical connections between different areas of public policy, and then to link those areas, helping to build synergies and achieve multiple goals.

One of the strongest connections we've identified is that between highway safety, medicine, and public health. You've made that link, of course, but, for a generation, few in government did. President Clinton changed that.

The President understood that traffic safety is as much about health as it is about law enforcement or engineering. Traffic crashes are a health problem which causes more than 40,000 deaths a year ... is the greatest single killer of children ... and the largest occupational hazard to American workers.

The President knew that we need to bring this perspective to our deliberations about how best to protect Americans when they travel. That is why he chose Dr. Ricardo Martinez to be National Highway Traffic Safety Administrator, the first physician to lead NHTSA since Dr. Bill Haddon, its founding Administrator, in the 1960s.

During his four years as Administrator, Dr. Martinez has brought to NHTSA perspectives and commitment that stem from his years of work as an emergency room physician. The energy he brings, and the enthusiasm he generates, have helped to revitalize NHTSA, and I think we all should thank him for his efforts.

As important as Dr. Martinez's work has been, it's only part of the commitment which this Administration has brought to safety. In highway safety, we've taken a series of steps which have held the fatality rate steady. That means we're holding down deaths even as traffic grows rapidly. This is a success story that saves thousands of lives and prevents tens of thousands of injuries every year.

We've made significant progress in all three of the areas which affect crashes: the road environment, the vehicle, and the driver's behavior.

For example, NHTSA and the Federal Highway Administration are focused on improvements to roadway design to help drivers avoid crashes, and to make the roadway environment more forgiving of the crashes that do occur. Innovations such as breakaway utility poles, improved signage for better visibility by those with poor eyesight, and more visible lane markings are helping to reduce the toll from highway crashes.

NHTSA, of course, also is working with the auto industry to come up with safer vehicles, and over the past few years we've made progress in several areas. Deactivation switches enable airbags to be turned off when that's needed to protect the most vulnerable among us, and then turned back on to preserve the lifesaving benefits for everyone else. We've also set up a process to help fast-track the use of smart airbags which automatically match their deployment power to the size of the passenger.

Spurred in part by our vehicle safety standards and the demand from consumers to see these standards met by marketplace vehicles, cars themselves have become much safer through the years. They're better able to withstand crash impacts and to protect their passengers. Future crash-avoidance technologies currently being developed, such as blind-spot detectors and automatic cruise control, could prevent one in six crashes, about a million a year.

We've also made continued progress in the third factor in crashes: driver behavior. Some 90 percent of all crashes are linked at least in part to driver actions, everything from speeding to driving drunk to ignoring the rules of the road.

Most fatalities also are caused by driver decisions, not only those which directly cause crashes, but those which worsen the impacts of collisions, such as failing to use seat belts or child safety seats.

These events and their consequences are what many people call "accidents", but, as Dr. Martinez has pointed out, that's a flawed description. If we call something an "accident," that implies that nothing could have been done to prevent it, and that's just not true. We can take strong, effective steps to prevent these tragedies, everything from campaigns to increase seat belt use to initiatives to combat drunk driving.

We see partnerships such as Safe Communities, which we started just two years ago, and which now numbers 426 local programs. Buckle-Up America is moving us towards our goal of having 85 percent of Americans use their seat belts. And we have initiatives such as our Stop on Red program and our No-Zone truck safety campaign, which are having real impacts on safety.

We took another big step this summer, when the President signed the Transportation Equity Act for the 21st Century, TEA-21, as it's known inside the Beltway. This historic legislation reflects a 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 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 financial incentives to reward state actions that promote seat belt and child safety seat use.

Although Congress didn't adopt a tough, national 0.08 blood alcohol concentration standard for drunk driving, and we still believe they should do so, we now have a $500 million incentive program to encourage states to adopt that standard. Other new measures sanction states unless they establish minimum penalties for repeat drunk-driving offenders and to ban people from driving with open alcoholic beverage containers.

We also have $220 million in grants to encourage the demonstration of innovative measures to protect younger drivers, such as graduated licensing.

TEA-21's money and policies lay the foundation for further gains. But, important as it is, TEA-21 isn't enough; we need partnerships that bring together all of those who can make a difference.

Travel *must* become safer, and we want to make it so by working cooperatively with our partners in the medical and health professions, in state and local government, and in the transportation industry.

To continue the progress we've made, we need your help. In the past, this partnership of the American Medical Association and the American Public Health Association has been key to progress on such killers as HIV and tobacco.

I'm glad you're enlisting in another crucial health battle, the fight against traffic fatalities. You bring to this fight an understanding of the real, human impacts of crashes, and unique perspectives on how we can prevent them.

So what we'd like to hear from you is: where do we go from here? How can we improve designs and technologies? How can we better protect people? How can we motivate them to avoid risky behavior? You, as physicians and public health professionals, are well-qualified to offer us advice in each of these areas.

You also can raise awareness of unsafe behavior through your professional practices, making your patients and those you work with aware of the risks of driving drunk or driving

without seat belts. Think of the lives you could save through such simple steps as providing information to your patients, the kinds of things you already do to great effect in other areas.

We're now working with your organizations to identify strategies we can engage in together, and to formalize the working relationships we've been forging.

I'm looking forward to seeing the progress this effort will produce, progress that will be justified by the lives it saves and the injuries it prevents. Working alone, we can make progress. Working together, we can accomplish so much more. And in the fields in which we work, achievement is measured in precious lives.

Let me close by reiterating my very personal commitment to our shared cause.

As a husband, as a father, and as the grandfather of two young boys who mean more to me than anything else in the world, I want to protect my loved ones. That doesn't make me different from any other American, and it strengthens my resolve in this fight.

Over the coming months and years, we'll work in cooperation with you, and with others across America, because the partnerships we're forming are absolutely critical to ending the tragedies on our nation's highways.

When we reach our goals, ***and we will reach them***, it will be due in great measure to the leadership of people like you, who are fighting for safety every day.

With the help of the millions of Americans who are increasingly concerned about the safety of their families, friends, and neighbors, we'll continue to save lives *today*, *tomorrow*, and *every* day.

Thank you for your attention, and for your hard work.

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REMARKS PREPARED FOR DELIVERY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
MOUNT VERNON EAST GRANT AWARD
MOUNT VERNON, NEW YORK
SEPTEMBER 14, 1998

Thank you, Dan Scannell, for that introduction. As some of you may know, Dan and I worked together at the MTA for a dozen years, and so I know well his contributions to improving transit throughout this region.

I'd also like to thank Mayor Davis for joining us today, Commissioner Church, Congressman Engel, and Congresswoman Lowey, without whom this project wouldn't exist. This area is fortunate to have leaders with a vision of how transportation can improve quality of life, and today shows they have the ability to translate that vision into reality.

I also want to acknowledge the strong support that Senators Moynihan and D'Amato have given to transit here in New York. I especially want to thank them for their support of the surface transportation bill that President Clinton signed this summer, a bill which gives New York record highway and transit funding.

> *"This $6.4 million grant is powerful evidence President Clinton believes that, when it comes to transportation, New York is on the right track."*

Let me bring you congratulations from President Clinton and Secretary Slater for your continued success in setting America's largest transportation system on the right track for the 21st century.

Your success shows that this region makes smart choices, and that's why President Clinton has awarded you more than $4.6 billion to support mass transportation over the past six years.

Now we need to look to the future. We all know that the conventional answer to congestion, expensive new highways, doesn't always work, nor, at up to $40 million a mile, is it always affordable.

Instead, we need to give people realistic alternatives to driving alone, alternatives that make sense for busy lives in a complex world, multiple job holders in families, multiple job locations, and the like.

That means services like Metro-North rail and Westchester County's Bee-Line buses. They, and other alternatives to the single-occupant vehicle, are the best line of defense against smog and gridlock. They're taking thousands of cars off the roads every day, and they're helping to revitalize our urban areas.

As good as these services are individually, our experience elsewhere in the region and around the country shows that, linked together, they can do even more good.

Today, I'm pleased to tell you that the Clinton Administration is awarding nearly $6.4 million for a new intermodal center that will tie together Metro-North and Bee-Line. This new intermodal center also will help to continue the revitalization of downtown Mount Vernon, creating jobs and supporting growth.

This intermodal center is a win-win proposition, and it's clear who the big winners will be: the people of Mount Vernon and Westchester County, who will have better transportation and stronger economic growth, without more congestion and pollution.

We're proud to have been your partners in restoring New York's role as America's transit leader, and we look forward to continuing that partnership. This is powerful evidence President Clinton believes that, when it comes to transportation, New York is on the right track.

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(In his remarks, the Deputy Secretary referred to Congresswoman Nita Lowey of New York; Congressman Eliot Engel of New York; Mayor Ernie Davis of Mount Vernon, New York; Westchester County Transportation Commissioner Marvin Church; and Acting Metro-North President Daniel T. Scannell.)

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REMARKS PREPARED FOR DELIVERY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
USDOT LISTENING SESSION ON NEW FEDERAL CREDIT PROGRAMS
NEW YORK, NEW YORK
SEPTEMBER 14, 1998

Good morning. I'm Deputy Secretary of Transportation Mortimer Downey, and I'd like to welcome you to our listening session on new financing tools created by the Transportation Equity Act for the 21st Century, called "TEA-21" inside the Beltway.

This is one in a series of outreach sessions that we're holding to get comments about how best to implement TEA-21's provisions. I'd like to thank my former colleagues from the Port Authority of New York and New Jersey for their hospitality in hosting this meeting.

It's appropriate that this session on financing be held here, in the heart of the financial district, because we increasingly look to private financial institutions to provide part of the funding we need for infrastructure improvements.

During the last five years, President Clinton and Vice President Gore have raised transportation investment to its highest levels ever, more than 40 percent above the previous Administration's average.

TEA-21, which the President signed this summer, will continue this trend, guaranteeing at least $198 billion over the next six years for highway, mass transit, and intermodal improvements.

However, the President and Vice President recognize that federal investment alone, however robust, won't meet all of the needs of our growing transportation system. They directed us to supplement it by cutting red tape and attracting nonfederal resources.

Under an early pilot program, called the Partnership for Transportation Investment, we approved nearly 90 innovative projects in more than 40 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.

For example, this year the transit sector alone has seen $1.1 billion in transactions, mainly cross-border leases and lease-leaseback, leveraging $96 million in funds.

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 previously authorized to capitalize SIBs using dedicated funding and a portion of their regular federal funds. $328 million in SIB loans are currently scheduled to support 31 projects, leveraging $1.9 billion in construction.

States also can use federal funds to pay the debt service on highway construction bonds. This week, in fact, we understand that New Mexico will price a $100 million issue of grant anticipation revenue bonds, also called "GARVEE" bonds.

That was the state of play as we began reauthorization, and we built on these steps, continuing existing programs and creating new ones under TEA-21.

TEA-21 extends our state infrastructure bank program, but limits the new program 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, and perhaps for others we might be able to have approved in the future.

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 a version of 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 the risk factor. This federal loan was the factor that capped a total $2 billion funding package, making the entire project viable.

One 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 these projects, such as toll roads, 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. We will be able to 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 the 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 will largely fund construction, its value will also be great during certain sensitive phases of project development: the preconstruction phase before capital is available, and the so-called "ramp-up" period of initial operation when a project's revenues may not yet be great enough to cover all costs. In such cases, support through TIFIA could be crucial for success.

TIFIA's $530 million of contract authority could support up to $10.6 billion of credit assistance for everything from roads and bridges to passenger terminals, freight transfer facilities, and MagLev systems.

There also is a second new program focused on providing non-grant federal credit assistance. The Railroad Rehabilitation and Improvement Financing Program, or R-RIF, provides credit assistance to rail and intermodal projects.

It's intended to encourage investment in passenger and freight rail facilities and equipment, including aiding smaller freight carriers lacking ready access to the capital markets. R-RIF can provide direct loans and loan guarantees for the purchase or improvement of intermodal or rail equipment and facilities, with priority given to projects with clear public benefits.

The ceiling for these unpaid loans and loan guarantees under R-RIF is $3.5 billion, including a billion dollars for smaller railroads. Unlike TIFIA, R-RIF is dependent on future appropriations or nonfederal contributions to kick it off. However, we're optimistic that it can help to bridge the funding gap for private rail projects with strong public benefits. We're looking forward to implementing it during the coming year.

While these two programs, TIFIA and R-RIF, have different orientations, they share a common philosophy of filling capital market gaps, leveraging private capital investment, sharing project risks, and managing the federal government's credit exposure.

These programs supplement the credit markets, supporting projects of significant public value which might not, on their own, be attractive to private investors. We can help ensure that they'll be built, but without imposing a heavy burden on the taxpayers.

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

States can use design-build contracting, saving time and money where such approaches are warranted.

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.

A new pilot program would enable as many as three states to use new tolls to fund the reconstruction of existing Interstate highways, an idea that was thought to be impossible, if not subversive, when it was included in our NEXTEA bill in March, 1997.

TEA-21 also continues our value pricing program, which supports state efforts to apply market-based pricing strategies to highways.

Finally, TEA-21 continues our strong commitment to Intelligent Transportation Systems. These new technologies also can help to support pricing mechanisms through, for example, EZ pass tolling, which makes pricing more flexible and efficient.

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.

And we've 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.

There are other opportunities for TIFIA and other innovative financing strategies. For example, the project to convert the Farley Post Office into a new Penn Station could use these strategies to pay some of the conversion costs.

These just a few of the innovative ideas we're looking at. We see them as ways to supplement our traditional forms of funding, and to bring private-sector practices to public policy.

As I said at the outset, this is a *listening* session, and it's time for me and my colleagues to do some of that.

TIFIA and R-RIF are new programs, and we need regulations or guidance to implement them. There will be formal processes to develop whatever is needed, but we felt it would be extremely valuable to get input from you at the outset.

As leaders of the financial community, you bring to this forum experience and knowledge which can help us to make these programs work well from the outset, and I look forward to hearing your thoughts.

Let me close by thanking you, in advance, for your help as we create ways to pay for the transportation system America needs for the 21st century.

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News:

U.S. Department of Transportation

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
TEA-21 LISTENING SESSION OPENING REMARKS
NEW ORLEANS, LOUISIANA
SEPTEMBER 15, 1998

Good morning. I'm Deputy Secretary of Transportation Mortimer Downey, and I'd like to welcome you to this listening session on TEA-21, the Transportation Equity Act for the 21st Century.

Let me start by thanking Secretary Frank Denton and Mike Bourgeois of the Louisiana Department of Transportation for their help in arranging this session. I also want to thank Walter Brooks and Pat Gagliano of the New Orleans metropolitan planning organization for their efforts. Finally, I want to thank Tony Sussman, the Federal Highways Regional Administrator, and his staff for helping to arrange this session.

I'm joined by several senior Department of Transportation officials, and I'd like to introduce them: Gloria Jeff, our Deputy Federal Highway Administrator; Jim McQueen, Associate Administrator for Railroad Development at the Federal Railroad Administration; Lee Waddleton, the Regional Federal Transit Administrator; Bill Vincent, policy director for the Research and Special Programs Administration; and Charlotte Hrncir, Director of Intergovernmental Affairs for the National Highway Traffic Safety Administration.

The range of their titles and responsibilities gives you a good idea of how far-reaching TEA-21 is. It's the successor to ISTEA, and it reauthorizes that bill's surface transportation programs.

> *"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."*

ISTEA was a landmark, and TEA-21 shows what we've done for an encore. It guarantees a record $198 billion, but it's about more than money. It also creates new initiatives to meet the challenges, and to take advantage of the opportunities, that the new century will bring us.

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

When it came time to reauthorize ISTEA, the President proposed a plan which acknowledged the rightness of that 1991 legislation. The President's plan, which Congress largely enacted, continued the many programs which worked, improved the few which hadn't yet fulfilled their promise, and created new programs to move America forward into the new century.

The bill gives 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."

We were deeply concerned about the cost of the early versions of TEA-21 that Congress considered. The compromise guarantees $198 billion, but leaves the door open for up to $20 billion in additional investment which can be considered as part of the annual budget process over the next six years.

We think that's a fair deal: it honors our commitment to the balanced budget and to other priorities, even as we increase our transportation investments.

The bill authorizes higher funding for all of our core highway programs, more than $106 billion, almost as much as the entire program just a couple of cycles ago. This investment also is balanced, and that's something we insisted upon: there's $41 billion for transit, and there's record funding for new technologies, for safety, and for the environment.

And TEA-21 creates new ways to help pay for transportation improvements. It continues, and expands , our innovative financing program, and authorizes $700 million for border crossing and trade corridor improvements.

TEA-21 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 includes new safety initiatives.

There's almost $600 million to promote seat belt and child safety seat use. And we're moving ahead to develop advanced air bag technologies.

Although Congress didn't adopt a national 0.08 BAC standard for drunk driving, there's a $500 million incentive program to encourage states to adopt that standard. TEA-21 also includes measures targeted at repeat drunk driving offenders and at those who drink while driving.

TEA-21 continues funding, $3 billion worth, for safety construction, including highway-rail grade crossing improvements.

And it supports a national "one-call" notification program to ensure that excavators don't damage pipelines.

TEA-21 strengthens programs to protect public health and the environment. It continues the independence of CMAQ, our air quality improvement program, and raises its funding by a third, to $8 billion. It authorizes more than $3 billion in Enhancements funding, and maintains a range of environmentally-oriented initiatives, such as wildflower plantings and scenic byways, which cost little but yield big quality-of-life benefits.

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. People can't go to work if they can't get to work, and this will help them make those crucial, transitional links.

TEA-21 maintains our DBE Program, to ensure that minority- and women-owned businesses have continued opportunity to participate in transportation projects and generate jobs. And TEA-21 also sustains time-tested labor protections for transportation workers, such as Davis-Bacon and 13(c).

Let me close by saying that 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.

We at DOT are proud of the partnerships we forged during the ISTEA era. We want to continue this cooperation, and that's why we're holding this series of forums on how best to implement TEA-21.

Many of TEA-21's programs need regulations or guidance to be implemented, and we want to hear your thoughts about how best to do this. Although we welcome any comments, we're especially interested in specific, detailed recommendations. Now, since the idea of this session is for us federal officials to listen, I'll stop talking, and let you start. Let's move on to our first panel...

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REMARKS PREPARED FOR DELIVERY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
ITS AMERICA "SHOW ME (HOW TO GET) THE MONEY" CONFERENCE
WASHINGTON, D.C.
SEPTEMBER 16, 1998

Good afternoon. So far today you've been hearing about "how to get the money." I'm not sure I can add very much to what all of this morning's highly-qualified panelists have said on that subject. Instead, I'd like to talk about how you can best spend all of the money that you now know how to get.

I'd also like to talk about how we can, *and why we must*, meet one of the greatest challenges we face in ITS: the Year 2000 problem. At the end of my remarks, I'd like to take any questions you may have.

You know how much we've benefited from the use of computer-based technologies. In transportation, these technologies have enabled us to create productive "just-in-time" delivery systems, to improve maritime navigation, to double the effective capacity of our air traffic system, and to launch ITS. These computer-driven systems contribute to the safe, smooth, and productive functioning of transportation today, and can generate even greater benefits tomorrow.

We recognize the promise of these technologies, especially ITS: it can reduce congestion by improving the efficiency of existing roads, railroads, and transit lines. It can help to cut by a third the cost of providing the new highway capacity our cities need, and it can save thousands of lives by preventing traffic crashes.

Our progress over the past six years has been spurred by a billion-dollar federal commitment to ITS. Federal funding has enabled us to support research, aid in the setting of technical standards and the creation of an architecture, contribute seed money for deployment, and provide training and technical assistance.

After six years, we have the basis for the widespread implementation of proven technologies. We need to demonstrate their value, and move to the point at which they're developed *not* because there is government seed money available but because people out there want and need them. That is what can secure the future of ITS, and that is why we remain committed to the national goal we set 2½ years ago when we launched Operation TimeSaver.

That goal is a basic, integrated ITS infrastructure deployed across the nation within a decade, one that will cut travel times by 15 percent in 75 U.S. metropolitan areas, one that also

will produce comparable benefits for rural areas and for commercial trucking. We're dedicated to making intelligent transportation systems a reality nationwide, proving ITS's value and ensuring long-term support for continuing federally-funded research.

We look forward to working closely with our state and local partners and the private sector to make this happen. And I am even more confident that it can happen, since we now have additional resources to bring it about. As you know, this summer President Clinton signed TEA-21, which guarantees $198 billion in federal funding over the next six years for highway, transit, and technology programs. It also makes possible up to an additional $20 billion dependent on the annual budget processes.

This act authorizes $1.3 billion directly for intelligent transportation systems, roughly half for continued research, training, and standards development, and half for deployment.

The focus in our metropolitan areas will be on integration: integration between technologies and integration among jurisdictions. We know that we can't get the most out of ITS if adjacent cities and counties and even adjacent states don't have interoperable systems, if their traveler information and traffic management networks can't "talk" to each other. TEA-21's emphasis on integration will help to solve this problem.

TEA-21 also answers the President's call to give states and localities much greater flexibility to transfer other federal highway and transit funds to ITS projects, and this will be the real key to achieving our Operation TimeSaver goal.

ITS is now an eligible activity under all our major transit and highway programs, and this dramatically expands the funding potentially available to ITS. It gives states and localities more of the resources they need to deploy ITS.

This bill also continues our emphasis on attracting private and other nonfederal governmental resources to ITS projects. Even with this bill's expanded flexibility in the use of federal-aid funds, federal money isn't the only place to look in doing all that's needed to fully deploy ITS nationwide.

The bulk of the investment must come from other sources. This bill helps us to leverage it through continued seed money and through a new innovative financing provision: TIFIA, the Transportation Infrastructure Finance and Innovation Act.

TIFIA will offer direct, or secured, federal loans, loan guarantees, or standby lines of credit to pay for large projects of national significance, including, at a lower cost threshold, regional ITS implementations. This would advance capital-intensive partnerships that otherwise might be delayed or not built at all because of their size and the market's uncertainty over the timing of revenues.

Other innovative financing provisions, such as those for Interstate highway tolling and value pricing, could support ITS projects. In turn, ITS technologies could make such pricing initiatives widely feasible.

TEA-21 will continue our efforts to lay the foundation for the advanced transportation systems of the 21st century, systems which will help us to meet the challenges of safety and mobility. And TEA-21 enables us to continue our shift from development to deployment, building public confidence and public support for ITS.

However, we face a significant challenge in the Year 2000 problem. We've come a long way in our understanding of this problem. A year ago, few had heard of it, and fewer still understood its implications for transportation.

Today, I don't have to explain what the Year 200 problem is, nor do I have to tell you that it could disrupt ITS systems across the country. You know that. And you know that there *is* a solution. The technical fix for the Year 2000 problem is straightforward, but it requires a heavy commitment of resources to evaluate computer systems and implement the necessary repairs.

So the challenge we face is *not* one of technology but one of project management. The January 1, 2000 deadline *can* be met if we have the right people in place and the right resources available to them.

We in the federal government can't put the right people in place, that's your job. Nor can we compel system operators to take the necessary steps. But we can, *and should*, raise awareness of the problem, promote the sharing of effective strategies, and give you the information and the resources you need.

Seven weeks ago, we brought together ITS professionals and other transportation officials from around the country for a summit on ITS and the Year 2000 problem. We shared progress reports and information on strategies for the implementation of Year 2000 fixes. We laid out "steps for action" that state and local agencies can use to determine the scope of their problem and to map out how to solve it.

And we announced that ITS is eligible for funding from several of TEA-21's major programs, including the National Highway System, the Surface Transportation Program, the CMAQ program, and our transit capital program.

I want you to know that Year 2000 problem repairs for ITS are eligible for federal funding through these programs, just as basic ITS investments qualify. This gives states and localities access to the resources they need to make those necessary repairs so that their ITS systems will function as well on January 1, 2000, as they were on the day before.

I do want to make it clear that we're *not* making special, new funding available, except to the extent that TEA-21 substantially increased overall allocations. What this does do is, for the first time, to enable states and localities to make timely use of the federal-aid funds allocated to them in ways which help to solve one of the biggest challenges we all face.

Recognizing that time is of the essence, we've directed our FHWA and FTA field offices to expedite any necessary reviews so they can give timely approvals for the use of these funds.

For example, we're proposing to give Y2K repairs categorical exclusions under the NEPA environmental reviews, to streamline Y2K project requests under the conformity and transportation planning processes, and to streamline procurements, using sole sources or low-bid requirement waivers where necessary to speed Y2K repairs.

I hope that those who determine how these funds are spent, state departments of transportation, metropolitan planning organizations, and our other partners, will do whatever is necessary to keep their ITS systems operating, and will ensure that the necessary resources are made available.

If this displaces a project already programmed for 1998 or 1999, well, that project will always have a second chance at funding. *Y2K won't.* The bottom line: every surface transportation operating agency should have the resources it needs to solve its Y2K problems.

It's important that they have these resources, and that they use them. Beyond the very real possibility of delays and disruptions and risks to safety, we could see irreparable damage to public confidence in the ongoing reliability of ITS if we don't make it Y2K-compliant.

We've come far in ITS over the past half-dozen years. The funding and the other opportunities that President Clinton and Congress included in TEA-21 shows that the nation's leadership understands ITS's promise, and has confidence that the ITS community can help to realize it.

So let's work together, and help ITS to realize its promise. Let's use the resources that are available to continue research, to deploy integrated, interoperable technologies, and to solve the Y2K problem.

If we do, then ITS can fully realize its promise as we enter the 21st century, and become the self-sustaining transportation technology it needs to be. I'm confident that we can work together to help it do so. Thank you.

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TALKING POINTS
SECRETARY OF TRANSPORTATION RODNEY E. SLATER
NATIONAL ASSOCIATION OF COUNTIES TEA-21 PRESENTATION
WASHINGTON, D.C.
TAPING DATE: SEPTEMBER 17, 1998

(On September 23, the National Association of Counties will satellite-broadcast a two-hour program of presentations on TEA-21 by federal and county officials. NACo officials will open the program, and then show a taped, 10-minute session with you and Congressman Bud Shuster. The two of you will be seated together in a studio, and will respond to three questions each from CNN "Crossfire" co-host Bill Press. Depending on the available time, there may be follow-up questions suggested by your replies. The questions, and suggested replies based on a conversation with John Horsley, are below.)

General: Thank Chairman Shuster and the Congressional leadership for their part in drafting a balanced, bipartisan bill.

1. *What new provisions of TEA-21 are important to the future of the nation's transportation system?*

TEA-21 gives us record, balanced investment. It continues rebuilding America's roads and transit systems while preserving our commitments to a balanced budget and to the President's other priorities.

But transportation is about more than concrete, asphalt, and steel; it's about people, and about providing them with the opportunity to lead safer, better, more fulfilling lives. TEA-21 does that in a variety of ways.

TEA-21 protects Americans' safety through strong programs to fight drunk driving -- increase seat belt use -- and improve highway-rail grade-crossing safety.

TEA-21 strengthens proven strategies to protect public health and the environment. It cleans our air and preserves scenic byways, recreational trails, and other improvements to our quality of life.

Finally, TEA-21 expands opportunity for all Americans through a new program to aid those making the transition from welfare to work -- a strong Disadvantaged Business Enterprise program -- and labor protections for transportation workers.

2. *Counties have billions of dollars of unmet highway, bridge, and transit needs. What kind of help can they expect under TEA-21?*

TEA-21 offers record investment for the programs which most benefit counties -- $41 billion for transit -- $33 billion for the Surface Transportation Program -- $20 billion for Bridges -- and $8 billion for air quality improvements.

TEA-21 maintains county officials' ability to direct this record funding where it's most needed. It retains ISTEA's structure, giving local officials decision-making authority and the flexibility to transfer funds to meet community priorities.

3. *What can you tell urban and rural county officials about the planning and project selection provisions of TEA-21?*

TEA-21 continues the expanded decision-making authority urban officials have had in recent years, and continues to give

them the flexibility to use funds where they're needed -- for instance, for transit projects.

TEA-21 requires that states improve their planning consultations with rural officials, and mandates that we evaluate how well this consultation process is working.

Finally, TEA-21 streamlines our planning process, reducing red tape and paperwork without compromising public participation or environmental protections.

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REMARKS PREPARED FOR DELIVERY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
ITS CONNECTICUT FIRST ANNUAL CONFERENCE
HARTFORD, CONNECTICUT
SEPTEMBER 17, 1998

Thank you, Emil Frankel, for that introduction, and for your leadership in getting ITS Connecticut off to a great start.

The transportation successes we can see around this state are really just the beginning of a renaissance which is transforming our roads and railroads and transit systems.

This renaissance will help to ensure Connecticut's future prosperity, maintain its historic role as a crossroads of the northeast, linking the Mid-Atlantic states with New England, but serving as more than just a corridor, and maintaining the quality of life that I remember from my youth in Milford and the years I lived in Darien.

And those of you in this room are going to play a key role in that transportation future, because ITS is essential to developing the full potential of the transportation systems that will sustain Connecticut's mobility. That's because, after six years of research and scores of operational tests, ITS's potential is clear to all of us.

In the same way that improved air traffic control has doubled the number of planes that our aviation system can handle, so can improved management systems help us to make better use of our existing roads and railroads and transit lines.

In metropolitan areas, we know that where we need highway capacity to meet growth, ITS can cut its cost by 35 percent. In an era of limited resources, we can't pass up that kind of savings, in dollars or in environmental impacts.

ITS also can improve safety: if all vehicles on the road were equipped with only three of the primary ITS crash avoidance systems, we believe one out of every six crashes could be prevented. That would avoid more than a million crashes a year, saving thousands of lives and $26 billion in medical and other costs annually. As traffic increases, threatening to overtake the real progress we've made on safety, ITS's potential improvements are another strategy for gain that we can't pass up.

ITS also can save taxpayers money directly through improved government operations, another imperative in today's environment of budget constraints at all levels.

For example, transit agencies can achieve substantial savings using such technologies as advanced fleet management systems and electronic fare payment. Baltimore already has increased transit productivity 23 percent by using a fleet management system.

States can also benefit through operating budget savings when they invest in the various commercial vehicle applications of ITS: coordinated use of electronic clearances could save up to $160,000 annually per weigh station and more state cost savings are possible if the processing of vehicle permits, registrations, taxes, and fees.

Those savings aren't just on the government side. Commercial vehicle operators can benefit from such initiatives as electronic transponders which provide nonstop clearance for trucks, automatically identifying, classifying, and weighing them and checking their permits and tax status, saving as much as a half-hour per day, per truck, real productivity gains in sector that must compete hard for its business.

We also know that ITS's benefits aren't limited to metropolitan areas. Rural areas can benefit from many ITS-based services: automatic Mayday response for faster emergency service on isolated roads, rural transit dispatching, using global positioning satellite systems, and tourist information.

One thing I want to be sure to mention because it's so important for *this* state is ITS's potential for supporting intermodalism, both passenger and freight. This application of ITS can make the vision of a genuinely interconnected national transportation system a reality. It can make possible the seamless links and ease of transfer we need between highway, transit, intercity rail, and airline travel. Where is that more important than here in Connecticut?

ITS also can provide the automatic vehicle and freight tracking and other services we need to cut delays in shipping. They also can make "just-in-time" deliveries feasible for more and more businesses, cutting costs and improving service. For a state like Connecticut, with its many businesses providing high-value goods, this is a key to the future.

These are among the many reasons all of us have supported ITS so strongly over the past several years.

DOT's part has been to contribute seed money for deployment, support research, aid in the setting of technical standards and in the creation of an architecture, and to provide training and technical assistance to states and localities. Over the ISTEA era, we've invested more than a billion dollars in ITS. We've seen results which justify that investment, and call for more.

We remain committed to the national goal Secretary Peña set nearly three years ago, when we launched Operation TimeSaver. That goal, endorsed by Secretary Slater, is a basic ITS infrastructure deployed across the nation within a decade, one that will cut travel times by 15 percent in 75 metropolitan areas, one that will produce comparable benefits for rural areas and for commercial trucking.

We're dedicated to continuing these efforts to making intelligent transportation systems a reality in Connecticut, as in all 50 states, and to using that deployment to achieve Operation TimeSaver's goals.

I don't want to repeat all of the success stories you've already heard in this conference, although I hope you will repeat them, and repeat them often! Instead, tonight I'd like to focus on the future federal role.

We're dedicated to making intelligent transportation systems a reality nationwide, proving ITS's value and ensuring long-term support for continuing federally-funded research. We look forward to working closely with our state and local partners and the private sector to make this happen. And I'm even more confident that it can happen, since we now have real and substantial additional resources to bring it about.

This summer I was proud to be at the White House, with more than 40 Senators and Congressmen from both parties, as President Clinton signed TEA-21, which guarantees $198 billion in federal funding over the next six years for surface transportation programs.

It also makes possible up to an additional $20 billion dependent on the annual budget processes. The Congressional process that brought us this bill was bipartisan, and its coalition of support will continue year in and year out. This act authorizes $1.3 billion directly for intelligent transportation systems, roughly half for continued research, training, and standards development, and half for deployment.

The focus in our metropolitan areas will be on integration: integration between technologies and integration among jurisdictions.

We know that we can't get the most out of ITS if adjacent cities don't have interoperable systems, if their traveler information and traffic management networks can't "talk" to each other. TEA-21's emphasis on integration through funding, architecture, and standards will help to solve this problem.

And it is fair to say that the $1.3 billion in direct funding is really only the tip of the iceberg. TEA-21 also answers the President's call to give states and localities much greater flexibility to transfer other federal highway and transit funds to ITS projects, and this will be the real key to achieving our Operation TimeSaver goal.

ITS is now an eligible activity under all of our major transit and highway programs, and this dramatically expands the funding potentially available to ITS. This flexibility gives states and localities more of the resources they need to deploy ITS.

This bill also continues our emphasis on attracting private and other nonfederal governmental resources to ITS projects. Even with this bill's expanded potential for federal-aid funds, federal money isn't the only place to look in doing all that's needed to fully deploy ITS nationwide.

The bulk of the investment must come from other sources. This bill helps us to leverage it through continued seed money and through a new innovative financing provision: the Transportation Infrastructure Finance and Innovation Act, TIFIA, for short.

TIFIA will offer direct federal loans, loan guarantees, or standby lines of credit to pay for large projects of national significance, including, at a lower project cost threshold, regional ITS implementations. This would advance capital-intensive ITS partnerships that otherwise might be delayed or not built at all.

Other innovative financing provisions, such as those for limited Interstate highway tolling and value pricing, could support ITS projects. In turn, ITS technologies could make such pricing initiatives widely feasible.

Let me turn to another matter you should know about, and that's how we're using TEA-21 to help states and localities to deal with the Year 2000 problem.

We've come a long way in our understanding of the Y2K problem. A year ago, few had heard of it, and fewer still understood its implications for transportation. Today, I hope don't have to explain what the Year 2000 problem is, nor do I have to tell you that it could disrupt ITS systems across the country. You know that. In fact, some people have concluded that it's a problem that can't be fixed and that it's time to take off for the survival camps in Arizona.

Well, I hope you know that there *is* a solution. The technical fix for the Year 2000 problem is straightforward, but it requires a heavy commitment of resources to evaluate computer systems and implement the necessary repairs.

So the challenge we face is *not* one of technology but one of project management. The January 1, 2000 deadline *can* be met if we have the right people in place and the right resources available to them.

We in the federal government can't put the right people in place, that's your job. Nor can we compel system operators to take the necessary steps. But what we can do, *and should do*, is to raise awareness of the problem, promote the sharing of effective strategies, give you the

information and the resources you need, and help you restore public confidence by publicizing what we're all doing to resolve this issue.

Seven weeks ago, we brought together ITS professionals and other transportation officials from around the country for a summit on ITS and the Year 2000 problem. We shared progress reports and information on strategies for the implementation of Year 2000 fixes. We laid out, and have now published, "steps for action" that state and local agencies can use to determine the scope of their problem and to map out how to solve it.

And we announced that Y2K problem repairs for ITS are eligible for federal funding through TEA-21's major highway and transit programs, just as basic ITS investments qualify. This gives states and localities access to the resources they need to make those necessary repairs so that their ITS systems will function as well on January 1, 2000, as they were on the day before.

We don't want to greet the millennium by flashing all the traffic lights or redirecting directions by scrambling the messages on our highway signs.

I do want to make it clear that we're *not* making special, new funding available, except to the extent that TEA-21 has increased overall allocations. What our action does is to enable states and localities, with our blessing, to make timely use of the federal-aid funds allocated to them in ways which help to solve one of the biggest challenges we all face.

Recognizing that time is of the essence, we've also directed our FHWA and FTA field offices to expedite any necessary reviews so they can give timely approvals for the use of these funds. For example, we're proposing to give Y2K repairs categorical exclusions under the NEPA environmental reviews, to streamline Y2K project requests under the conformity and transportation planning processes, and to streamline procurements, using sole sources or low-bid requirement waivers where necessary to speed Y2K repairs.

I hope that those who determine how these funds are spent, state DOTs, metropolitan planning organizations, and our other partners, will do whatever is necessary to keep their ITS systems operating, and will ensure that the necessary resources are made available.

If this means that a project already programmed for 1998 or 1999 is deferred, well, that project will always have a second chance at funding. *Y2K repairs won't.* The bottom line of our actions is that every surface transportation operating agency should have the resources it needs to solve its Y2K problems.

It's important that they have these resources, and that they use them. Beyond the very real possibility of delays and disruptions and risks to safety, we could see irreparable damage to public confidence in the ongoing reliability of ITS if we don't make it Y2K-compliant.

We've come far in ITS over the past half-dozen years. The funding and the other opportunities that President Clinton and Congress included in TEA-21 shows that the nation's leadership understands ITS's promise, and has confidence that the ITS community can help to realize it.

So let's work together, and help ITS to realize its promise. Let's use the resources that are available to continue research, to deploy integrated, interoperable technologies, and to solve the Y2K problem. If we do, then ITS can fully realize its promise as we enter the 21st century, building public confidence and becoming the self-sustaining transportation technology it needs to be.

Under TEA-21, we have the funding and technologies we need to improve traffic and transit flow, to reduce congestion and accidents, and to reduce the cost to taxpayers and system users of providing transportation services. With the commitment you bring to this, I'm confident that we can work together to help make all of this a reality.

Let me close by wishing you the best of luck in your own efforts to build transportation systems for the new American century, keeping Connecticut's economy strong and its quality of life secure. Thank you.

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REMARKS AS PREPARED FOR DELIVERY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
TEA-21 LISTENING SESSION ON SURFACE TRANSPORTATION SAFETY
GEORGE MASON UNIVERSITY, FAIRFAX COUNTY, VIRGINIA
SEPTEMBER 18, 1998

I want to thank Jolene Molitoris for that introduction, and for all of her work, not only as FRA Administrator but also as the enthusiastic Chair of our DOT Safety Council. DOT's Safety Council results directly from Secretary Slater's vision that we can work better as "ONE DOT," and it's crucial to our efforts to look at safety from a systemic, intermodal perspective. Jolene's energetic leadership is helping the Council to move forward, and I thank her.

I want to acknowledge today's Congressional participants, Senator Warner, Representative Oberstar, Representative Moran, Representative Franks, and Representative Davis. I thank them for joining us, and for the partnerships we've formed with them and with the Congress.

I also want to thank Dr. Kingsley Haynes and the George Mason University Institute for Public Policy for serving as our hosts today. George Mason is building a strong reputation, not only as an academic center but also as a facilitator of important dialogues about how this region can grow and serve its people. We welcome its contributions to these dialogues.

Today, you've heard from Jolene, from Administrator Ricardo Martinez, from Administrator Kenneth Wykle, and from the experts on the Congressional panel. They've told you how TEA-21 will improve safety.

And that's so important. Although TEA-21 guarantees a record $198 billion to continue rebuilding America's transportation system, it's about more than money, just as transportation is about more than concrete, asphalt, and steel. They're both about people, and about giving them the opportunity to lead safer, more fulfilling lives.

Safety has always been President Clinton's highest transportation priority, and we saw that when he and Secretary Slater set out our surface transportation proposal last year. As you heard this morning, the elements of our proposal were incorporated almost completely into the TEA-21 bill that Congress finally passed.

TEA-21 includes new incentives to promote seat belt and child safety seat use, programs to reduce drunk driving and to get unsafe trucks off the road, and $3 billion for highway-rail grade crossing eliminations and other safety construction.

Although TEA-21 *didn't* include the national 0.08 BAC standard for drunk driving we'd proposed, something we plan to revisit, it did include significant financial incentives for states to adopt that standard.

We don't "lobby" state legislatures on these issues, but merely inform them of facts, and I think the fact that a pot of money that could rival the $14 million that California just received will be very influential.

While much of the TEA-21 bill continues current, and well-understood, programs, and we are already moving out in use of its authorizations, some of it is new. These new components will need regulations or, better yet, guidance on implementation, and we want to hear your thoughts about how to carry out the law's provisions. Although we welcome any comments, we're especially interested in specific, detailed recommendations.

As public officials and transportation and safety professionals, you're the best ones to give us sound advice on TEA-21's implementation, and I look forward to hearing your thoughts.

Before we move on to the issue panels, I want to talk briefly about another matter you should know about, and that's how the Year 2000 computer problem could affect safety, and what we're doing to help states and localities solve it.

We've come a long way in our understanding of this problem. A year ago, few had heard of it, and fewer still understood its implications for transportation. Today, I don't have to explain what the Year 2000 problem is, nor do I have to tell you that it could disrupt computer-based transportation systems, affecting safety in every mode.

But there *is* a solution. The technical fix for the Year 2000 problem is straightforward, but it requires a heavy commitment of resources to evaluate computer systems and implement the necessary repairs.

We in DOT are raising awareness of the problem and promoting the sharing of effective strategies for Year 2000 fixes.

We also announced that states and localities can use their TEA-21 highway and transit funds for Year 2000 problem repairs. This gives states and localities access to the resources they need to make those necessary repairs so that their transportation systems will be as safe and work as well on January 1, 2000, as they did on the day before.

I hope that those who determine how these funds are spent, state DOTs, metropolitan planning organizations, and our other partners, will do whatever is necessary to keep their transportation systems operating safely, and will ensure that the necessary resources are made available.

Let me close by saying that we're proud of TEA-21: there has never before been a transportation bill which has gone so far in advancing safety and meeting a wide range of national priorities as identified by the President.

We at DOT are proud of the partnerships we've forged over the past half-dozen years, the partnerships which led to TEA-21. We want to continue this cooperation, and that's why we're holding this series of forums on how TEA-21 can make transportation safer and more efficient. Now, since the idea of this session is for us federal officials to listen, I'll stop talking, and ask you to start. Let's move on to our next panel.

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8.33

REMARKS PREPARED FOR DELIVERY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNY
DEREGULATION "20" SUMMIT
WASHINGTON, D.C.
SEPTEMBER 23, 1998

Thank you.

On behalf of Secretary Slater and the U.S. Department of Transportation, I am delighted to join Aviation Week in welcoming all of you to this 20th Anniversary Summit on Airline Deregulation.

As one who played a very small part in the passage of the 1978 legislation, I'm pleased to be part of an event that not only looks back, but looks forward.

Just as the steam engine and the telegraph shrank the dimensions of the nineteenth century world, so technology today is once again eroding distance and borders.

But this time, the effects are much more comprehensive, for they leave virtually no community or country untouched.

And deregulation of this industry—and others in the transportation sector—has allowed entrepreneurial upstarts to respond quickly to this change.

And this industry, like others, has responded.

The number of U.S. airline passengers rose from 243 million at the time of deregulation in 1978 to some 600 million today. During approximately the same time frame, the cost of a three-minute telephone call from the United States to England dropped in real terms from about $8 to as low as 36 cents.

Much closer to home for all of us, with the establishment of the U.S. government data Web site in 1997, any computer-literate 10-year old—and even some of us computer-challenges adults, could gain more and better data than any federal official back in 1978.

Airline deregulation, then, is part of a much bigger story, perhaps the biggest technological story since the invention of writing—or perhaps even fire. In response, governments are discovering they must retool and refocus how they manage their continuing responsibility to serve the public interest, even as they continue to slim-down expenses to promote efficiency.

For us in government, this is a formidable challenge. What is our new role in a deregulated world?

Let me suggest to you a possible metaphor: we have shifted from being a regulator, to, at most, being a referee. Our job is to set the rules of the game, not to call the plays.

In fact, if industry does its job well—competing effectively in a deregulated environment—we only need to be the groundskeeper, assuring that the field is level and the lines have been chalked in.

The theme for this conference is "Airlines at the Crossroads." From my point of view, we in government are at the crossroads as well. …Or, perhaps it's the "cross-hairs."

I know this is going to be an exciting conference!

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Final 8.32

TALKING POINTS
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
MEETING WITH COAST GUARD ACADEMY OFFICER CANDIDATES
NEW LONDON, CONNECTICUT
SEPTEMBER 25, 1998

* Acknowledgments: ADM Teeson -- CDR Ken Sherwood, OCS school chief -- LT Erin MacDonald of the OCS staff. President's and Secretary's appreciation of USCG's professionalism and commitment to duty and service.

* Strong bond with USCG: OCS, commissioned in 1959. Active service, then Active Reserves until 1971. Hold record for the longest undecorated stretch of Coast Guard service. Special bond with OCS, and especially with *this* class -- first class trained in New London since mine.

* Pleased training has been moved back -- improves training, better integrates officer candidates into USCG. This class a good mix: ½ college, ½ enlisted; international students; racial and gender mixes. Importance of mixing personnel, promoting diversity. Proud USCG is a diversity leader.

* Diversity important in the 21st century; with rapid change, need the variety of skills and experience which different people bring. Especially true for expanding USCG international role in missions such as law enforcement, environmental protection, and national security. OCS training preparing you to lead in a changing world.

* Personal commitment to giving USCG support it needs to meet challenges in a changing era. Best wishes to you as you take the helm. Questions/comments...?

News:

U.S. Department of Transportation

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
ADDRESS TO THE COAST GUARD ACADEMY CORPS OF CADETS
NEW LONDON, CONNECTICUT
SEPTEMBER 25, 1998

Thank you, Admiral Teeson. You know, when I was walking over here with you, I thought to myself that it wasn't bad company for a one-time Coast Guard Reserve Lieutenant Commander, especially one who probably still holds the record for the longest undecorated stretch of Coast Guard service.

I'd like to begin my remarks by bringing you special greetings from President Clinton, Vice President Gore, and Secretary Slater. Under their leadership, our nation is charting its course for the future, reinforcing our heritage as a great maritime power and supporting our national interests as the world's leading international trader. In this day of the Internet and electronic commerce, we still have to deliver the goods, and more than 90 percent of our international commerce still moves by sea.

The maritime policy initiatives that the President and Vice President have developed to support this commerce are based on an understanding of history, a recognition of current realities, and a respect for our nautical traditions. You should know that our leaders deeply value your service. They recognize its importance to our nation. Their support for you and for what you do will remain steadfast throughout the coming years.

This is a memorable day for me, made all the more so by the many years I served as an officer in the Coast Guard Reserve. I was commissioned here in New London in 1959, the last class to graduate from Officer Candidate School on the Academy grounds until this year's, so this is a homecoming for me as well as a "welcome back" to OCS and the rest of the Leadership Training Center.

My years of service in and with the Coast Guard have given me a deep appreciation of the commitment its men and women hold to the core values of Honor, Respect, and Devotion to Duty. These core values are your moral code, and more: they define what you are now as cadets at the Academy and as officer candidates, as well as what you will be as officers, serving the American people, in the United States Coast Guard. They will sustain you "through surf and storm and howling gale."

These values of Honor, Respect, and Devotion to Duty are timeless, a beacon shining in nights of doubt or despair, helping to guide you throughout your years of service. The constancy

of these values will strengthen you during the years of change that the Coast Guard and our nation will confront as you grow with this dynamic service.

Meeting the challenges posed by that change, and determining how you will carry out your missions in the face of it, is a not just a concern, but an opportunity for the Coast Guard to show its versatility and value.

We have a number of initiatives, within the Coast Guard and at the Department, to adopt a more strategic approach to our planning, identifying long-term trends that will affect our operations, and developing the strategies that best support our goals in a variety of future scenarios. These initiatives will help ensure that the Coast Guard of the future is trained and equipped to meet all challenges, including the challenges of change that we cannot yet predict.

And so, today I'd like to talk about where the Coast Guard has been and, more importantly, where it is going. I'd like to look far into the future, to a generation from now, when you will be at the peak of your careers, perhaps as flag officers, perhaps holding the most senior commands in the Coast Guard.

When I received my commission a generation ago, the Coast Guard of that day was as different from today's as yours will be a generation from now. The senior officers of that era entered the service and rose in rank helping to win the Second World War. They learned their skills and their values from Coast Guard officers trained in the era of rumrunners.

In turn, those officers ably met the challenges of their day, including the challenge of combat duty in Southeast Asia. You are the latest generation in a long line of dedicated men and women. Your world will be very different than the one they lived in, or the one we live in today, with continued, and as yet undreamt-of progress, in science, in technology, in commerce, and in so many other fields.

And yet, the Coast Guard's world will be much the same, because human nature changes so much more slowly than anything else. As the *Coast Guard 2020* planning document makes clear, the human instincts and human needs that have made the Coast Guard's work vital for two centuries will no doubt remain constant.

This constancy is why your fundamental missions will continue as they have: marine law enforcement; maritime safety; environmental protection; and national security. How these missions will change in their details over the next few decades is, as I said, unpredictable. What is predictable is that the Coast Guard will adapt to doing them well.

Some current duties within those missions may no longer be necessary, much as chasing down coastal vessels to collect customs duties or pursuing rumrunners are no longer core activities. But new missions will evolve. Two generations ago, the Coast Guard intercepted

rumrunners bringing illegal alcohol into the country; today it interdicts smugglers transporting illegal drugs, seizing about a hundred thousand pounds each of cocaine and marijuana last year, contributing a vital interdiction component to a broad-based strategy for national drug control.

Other missions will remain much the same, but how you perform them will change. Today, we still provide navigational services and carry out search and rescue missions on the high seas, but no longer need ocean station vessels to do this in an age of jet planes and global positioning satellites.

Entirely new missions may be created to respond to changed conditions, much as marine environmental protection, virtually unknown as a concern when I was commissioned, has developed over the past quarter-century, and become a mission in which the Coast Guard has expertise pre-eminent in the world.

We are beginning to see some of these changing conditions, especially those areas in which the Coast Guard's role already is increasing, as in the projection of American policy abroad.

The world is changing rapidly. When I first entered the service, the United States and the Soviet Union were fully engaged in the struggle that we called the Cold War, and that we eventually won through a strategy of supporting freedom and projecting strength.

Now, of course, we no longer have that bipolar world, but one which is far more complicated and, in some ways, more dangerous and more difficult. Reflecting these conditions, the Coast Guard's international role is already evolving.

In Haiti under Operation Able Manner and in Cuba under Operation Able Vigil the Coast Guard acted as the primary instrument of American foreign policy, and at the same time saved thousands of lives in danger on the seas.

The Coast Guard has also dramatically increased its provision of technical assistance to emerging nations from the Caribbean to the Black Sea to the Baltic who are engaged in building their own navies. Indeed, the Coast Guard has been welcomed warmly in this capacity. Some of this warmth is due to the worldwide perception of the Coast Guard as an armed service whose mission is not limited to military defense but also includes the preservation of life.

Much of the receptivity is because relatively few nations have blue water fleets. Instead, their naval needs are similar to the duties carried out by the Coast Guard. Our Coast Guard is, in fact, the model for what they contemplate a navy can and should be. Helping these emerging nations to build navies dedicated to peaceful missions will be an increasingly important part of your work.

Here at the Academy, we already see cadets and officer candidates from around the world, representing the finest men and women from their home nations. Their participation here will build ties that will last a lifetime, and that will serve all of our nations well.

The work you will do is based on America's commitment to humanitarian missions, it will strengthen the developing links between us and these new states, and it will further the Coast Guard's reputation as the world's premiere maritime service.

We also can expect that the Coast Guard will focus on the challenges brought on by increased commercial exploitation of the seas in a global economy. This means everything from fishing to mining to growing use of the sea as a primary means of transport for resources and the products of manufacture.

As the limited resources on land become drained by rapidly-growing populations over the coming century, nations will turn to the seas which cover three-quarters of the Earth's surface in order to find our food and our minerals.

Marine economic activity will expand, and place at risk both people and the environment. There is no question that our current Coast Guard missions, especially marine safety and environmental protection, must expand to meet the challenges posed by this growth. We must act to fulfill our vision of the proper role of man to the seas and waterways: not as master, but as steward.

In coming years, ocean traffic and the pressures placed upon it will increase. Not just population growth but also expanding trade will raise demands for greater speed and increased reliability in goods transport.

The phenomenon of "just-in-time" transport, now largely carried out by highways and railroads, will extend to the maritime arena as time pressures move up and down the entire supply chain and its logistic linkages tie the entire world's economy together.

If we're not vigilant, that pressure might force dangerous practices and encourage a reckless disregard for proper safety procedures. The Coast Guard will continue to stand as the guardian of good practices, assuring our people that, in sea transportation just as in air and surface, safety comes first.

Increased traffic will not be the only effect of the inevitable growth in trade. Superships and other larger vessels will become more economically practical, and that increases the stakes in terms of preventing marine disasters.

The *Exxon Valdez* grounding in Alaska showed the harm such disasters can do. Part of the reason that the Coast Guard's mission in this area has continued to expand is that the Oil

Pollution Act of 1990 gave us additional responsibilities as Congress responded to the public outcry over the massive oil spill it caused.

The Coast Guard has been enforcing this Act, not only on the seas but on land, where it has ensured that such technical, but important, provisions as certificates of financial responsibility are met by industry, creating the economic incentives for safe operations. That's a big part of the reason why American shores have been spared major disasters in recent years, why oil spills are only a fraction of what they were a decade ago.

But this is no time to slacken our efforts. The Coast Guard of the future may well have to place even more emphasis on ship safety if we're going to continue to prevent such catastrophes. The drilling of oil and gas wells, the use of other extractive tools for seabed minerals pose risks from spills and similar accidents. More ominously, these practices also raise the possibility of new dangers and problems which we as yet can't predict.

Another example is global climate change. It may be creating a more demanding set of weather patterns, with more, and more severe, floods, hurricanes, and other storms. We need to do what we can, and must do, to reverse the effects of climate change, but as we do so there will be times in which the Coast Guard's rescue skills are taxed.

Overfishing is already a problem in parts of the world, and maintaining the balance between nature and human needs will be one of the most difficult tasks we face. This is one made all the more poignant by the fact that failure to manage the sea's resources could mean widespread starvation. There's no better object lesson in the world about sustainability ans how we must act to preserve our future options.

All of these issues will affect how your future mission will be structured, and it's vital that we, and you, begin to think about them and consider their strategic implications *now*.

Of one thing we can be certain: the Coast Guard will change as needed to meet these inevitable new challenges. That has been the Coast Guard's way for more than two centuries, and it will be the way of the future.

Many of the changes which will have the greatest impact have already been set in motion. For example, the Coast Guard of tomorrow will increasingly look like America, with greater diversity in race, ethnicity, and gender.

Admiral Loy has sustained his predecessors' personal commitment to this policy. In doing so, he echoes this nation's leaders. They recognize diversity's importance in a nation which creates its strength by bringing together hundreds of ethnic and religious groups to work and live in a way that respects difference. Efforts such as the Workforce 2015 project, with its emphasis on recruiting and retention, will continue to expand diversity.

The Coast Guard has been the leader in expanding the role of women in the armed services with our early commitment to seagoing assignments and the advancement of women to command at sea. In fact, the Coast Guard is the *only* armed service that allows women to compete for *all* assignments, from Coxswain to Commandant.

Other women will join Admiral Joyce Johnson as flag officers, and I look forward to the day when we see women in the Coast Guard's very most senior leadership, a day I hope comes well before your generation reaches those levels.

In this and in other areas, the Coast Guard's continued concern for its people and their families will serve it well. The Workforce Cultural Audit, studies related to the *Coast Guard 2020* document, and similar initiatives will enhance morale and performance.

The Coast Guard of the future also will increasingly be a single force, with the differences between active duty, Reserves, and Auxiliaries blurring. That's partly due to budget constraints as we try to maintain a balanced budget into the next century and meet our national needs and obligations. It's also because of a new way of thinking which recognizes that separating personnel by duty status is an outdated idea, that a mix of personnel can bring together the right skills for any set of circumstances.

That's another reason why I'm pleased that the leadership training facilities have been moved back here from Yorktown. This is just one of the steps being taken to ensure that every member of the Coast Guard is fully a part of the service and should serve to the best of his or her ability. That will be crucial in a smaller Coast Guard, one which has recently completed an effective downsizing, where there isn't a single person to spare.

I'm confident that the Coast Guard can meet these challenges, after all, you are what the respected British magazine *The Economist* recently called "the government's most cost-effective agency."

The Coast Guard's use of its resource mix is consistent with Secretary Slater's concept of "One DOT." The Secretary recognized that many of our goals cut across the traditional agency boundaries, and he launched us on the path to acting in an integrated, purposeful way to achieve the strategic goals that our leaders had agreed upon.

We need to be more like a single Department, rather than a collection of separate agencies, but without the dysfunctional side-effects of a "move-the-boxes-around" reorganization which would have disrupted each operating administration's internal and external relationships, its traditions, and its sources of strength.

As this effort moves forward, we look to the Coast Guard, with its focus on results and on teamwork, to continue as a leader in our Departmental strategic planning process and in making these values part of our corporate culture for the 21st century.

We also are spotlighting technology and its uses because we know that the pace of change will only accelerate in the future. Although it's always risky to forecast the future of technological development, one thing we can safely predict is a growing reliance on advanced information and communications systems as a way of managing our missions.

Satellite-based global positioning systems, already in wide use, will continue to be developed and deployed, bringing greater accuracy not only to navigation but to the tracking of shipping.

Expanded civilian and commercial access to global positioning systems will give mariners precise navigation signals for safer and more accurate harbor entry, and it will make location tracking far easier, for mariners and for the Coast Guard. This is only the beginning. Indeed, we can foresee the day when Coast Guard operations will be based, at least electronically, in the air and in space as often as on water.

Other new technologies will enhance the way we do our jobs. Ships and aircraft not yet designed or built will enable the men and women you will command to carry out their missions more efficiently and more effectively.

Remember that, with an average forty-year shipbuilding cycle, today's typical vessel was planned in the 1960s, and wasn't designed to fully integrate today's electronic technologies. That's nothing new, of course. I was trained on the *Cuyahoga*, a cutter built to outmaneuver rumrunners which was so tragically lost two decades ago, and all of you have honed your seamanship skills on board the *Eagle*.

Those skills will be essential whatever the future brings, since the challenge of the sea is an unchanging one. But we also need to acquire and use new skills and technologies as they become available.

The ships you will command *will* have advanced electronic technologies from stem to stern. The Integrated Deepwater System project is evaluating our needs, our missions, and the capabilities we need to be effective. This project will give the Coast Guard the modern fleet and the scientifically-packaged and modern aircraft and communications and surveillance systems that are needed to meet a variety of peacetime and wartime demands.

These deepwater assets, ships, aircraft, satellites, and support facilities, will start to enter service in the opening years of the 21st century, and will likely be around throughout your whole

careers. It's important that you be fully competent in their technologies and in the other new systems that will be created.

Fortunately, your training here is preparing you for these changes. You are, in fact, the beneficiaries of an outstanding education designed to outlast the specific bits of information and skill that you are taught, one that is as much concerned with teaching you to think and to lead as with imparting specific information. That's because, although the technologies used to execute missions may change, we don't trim wicks in lighthouses anymore, the demand for sound leadership will not slacken.

Nor will the demand for your services. Through the change that the next era of our history will bring, your ultimate missions, protecting man from the sea, and protecting the sea from man, will remain fixed, constant.

Eternal, too, are your values of Honor, Respect, and Devotion to Duty. As I said at the opening of my remarks, they should stand as your guideposts in a changing world. They are the core values embodied in the words *Semper Paratus*. They sustain your commitment to service and to America's seafaring heritage.

The leaders of my generation, which came of age in a very different world, soon will pass on the responsibilities of leadership that you will someday inherit. When you take the helm, we know that you will set your course by these age-old values, and bequeath a legacy to your successors which keeps faith with us. I wish you well.

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(In his remarks, the Deputy Secretary referred to U.S. Secretary of Transportation Rodney E. Slater; Admiral James Loy, Commandant of the Coast Guard; Admiral Douglas H. Teeson, Superintendent of the Coast Guard Academy; Admiral Joyce Johnson, Medical Advisor to the Commandant of the Coast Guard and Director of Health and Safety.)

News:

U.S. Department of Transportation

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REMARKS PREPARED FOR DELIVERY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
MESA PARTNERSHIP AGREEMENT SIGNING
TOLLESON, ARIZONA
SEPTEMBER 28, 1998

Thank you, Dr. Kino Flores, for that warm introduction. I'm proud to be here in the Valley of the Sun, and I'm pleased to join the other leaders from this region's educational community: Tolleson High School's Joseph Rega, Hector Placencia of Dysart High, Dr. Tom McKenzie of Peoria, and Dr. Jesus De La Garza of Carl Hayden High, the area's newest MESA member.

I'm also glad to see our other partners, including Dr. Peter Crouch of Arizona State, Mary Ann McCartney and Cathryne Jordon of ASU, and Bob Hollis, the Federal Highway Arizona Division Administrator.

> *"President Clinton has made investing in America's people a cornerstone of his presidency. And we all know that, in today's knowledge-based world, education is the best of those investments we can make. This is why, over the last five years, the President has made possible the greatest expansion of support for education since the 1960s."*

You know, every time I see a bunch of kids, I think that growing up is never easy, and in some ways it's now harder than ever. But the good news is that you're becoming adults in a time of expanded opportunity, a time in which each of you can aspire to college, a good job, and a better life.

This is an age that lets us do more than imagine a better world, we can make it possible. But nothing about this new world is guaranteed. And that, really, is how it should be. Our successes should result both from our own talents and our own hard work, our ability to meet the challenges we face, and to take advantage of the opportunities we find.

I know you believe this, that's why you're working hard for your own futures. I know that President Clinton believes it. That is why he has made investing in America's people a cornerstone of his presidency. And we all know that, in today's knowledge-based world, education is the best of those investments we can make.

Access to education has always been the key to the American dream. This is why, over the last five years, the President has made possible the greatest expansion of support for education since the 1960s.

Student loans are less expensive and easier to get. HOPE Scholarships are in place, tax credits that make the first two years of college available to everyone. And tens of thousands of people have the chance to perform community service and earn money towards college.

This year, the President wants more money for Pell Grants. He wants more money for work-study programs. And he wants programs such as High Hopes to give high school students like you mentoring and after-school activities that help you prepare for college.

Now, you might be thinking: this is interesting, but why is someone who works in transportation talking about education? Well, I *do* work in transportation, and I know that the old solutions to our traffic problems, build more roads, more bridges, more airports, often cost too much or harm the environment too much. We need to build some of them, but we can never build enough to keep up with traffic growth.

Instead, we've got to make better use of our existing transportation system. And to do that, we've got to rely on technology. We know technology can work for us: computers have enabled our aviation system to handle twice as many planes today as it did a generation ago, even though we've built just one major new airport.

We can do the same thing on our highways. Just this morning I was in Phoenix, where we officially opened the AZTech system for your region. This system uses computers, uses sensing devices in roads, and what we call global positioning satellites to give travelers timely information on traffic, so they can make good choices about how to get to work or school. It's also going to do things like synchronize traffic lights, so most traffic operating at the proper speeds would see green lights all the way. Some day, probably in our lifetimes, these technologies can give us the ultimate: the fully-automated highway that controls the vehicle and gives us speed, efficiency, and safety.

But all these technologies will be possible *only* when we have the well-educated people to create and run them. Already, one in seven jobs in America's economy is transportation-related, and those jobs, everything from high-tech aeronautical engineers to the truck driver whose route info comes over his laptop computer, demand people who understand technology. This is why the President and those of us who work for him want to improve the quality of our educational system and expand access to it.

At the Department of Transportation, we've been investing record amounts in education, research, and technology. And we're hiring the scientists and engineers to help us create high-tech transportation systems.

Last year, my boss, Secretary Rodney Slater, decided we also needed to do more for the next generation of students, those now in grade school and high school. It's never too early to start learning the knowledge and skills you need for demanding careers. So the Secretary created the Garrett A. Morgan Technology and Transportation Futures Program. He named it after Garrett Morgan, a young African American who invented the very first automated traffic light, the forerunner of the lights we see on hundreds of thousands of street corners.

Garrett Morgan had vision, and he had a powerful desire to make the most of the opportunities which came his way. Secretary Slater thought Garrett Morgan was exactly the kind of person who could inspire a new generation of students to pursue careers in science and engineering, and so he named this new program after the grandfather of transportation technology.

The program challenges a million students across America to develop their math, science, and technology skills to prepare for transportation careers, or any other career that demands those skills, and most careers will. Through the Garrett Morgan program, we're supporting these students, giving them and their schools everything from mentoring to internships to summer jobs to computers and other equipment.

One part of the Garrett Morgan program you may know about is the FHWA's Summer Transportation Institute, which gives students the chance to see what transportation is all about. I know that some of you participated in this past summer's program, and I want to congratulate Dysart's Niqui Valdez, who was chosen as the program's outstanding student.

Today, we're bringing the Garrett Morgan Program to Carl Hayden High, your newest MESA school. Just as other schools have partners, for example, Tolleson High has Honeywell as its partner, so Carl Hayden will have a new partner.

The Federal Highway Administration's Arizona Division, that's the office that brings out federal highway assistance to your state, will support Carl Hayden students as they work to achieve and to improve their math and science skills. We'll work closely with MESA and Arizona State, and we hope it's the kind of commitment which will make a difference.

Secretary Slater likes to say that transportation is about more than concrete, asphalt, and steel: it's about people, and about giving them the opportunity to lead safer, better, more fulfilling lives. And government is about more than policies and programs and budgets: it's about a search for excellence, and about giving all Americans the chance to make the most of their talents and abilities. Let's start doing that here, today. I'd like to ask Dean Crouch, Dr. De La Garza, Mr. Hollis, Ms. Jordon, and Ms. McCartney to join me in signing the agreement that brings the Garrett Morgan program to Carl Hayden High.

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News:

U.S. Department of
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REMARKS PREPARED FOR DELIVERY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
PHOENIX MODEL DEPLOYMENT INITIATIVE ROLLOUT
PHOENIX, ARIZONA
SEPTEMBER 28, 1998

Good morning. On behalf of President Clinton, Vice President Gore, and Secretary Slater, I want to congratulate you for making Phoenix home for the nation's most advanced travel technologies.

I'm glad to be on this platform with those who represent the state, local, and regional agencies whose leadership has made this happen: Director Tom Buick, Mayor Neil Giuliano, Director Mary Peters, and my colleague John Collins, President of ITS America.

I also want to extend my congratulations to the many other public and private sector partners who have helped to make this project happen. Partnership is indeed the key if the promise of ITS is to be realized.

We all want this nation to be ready for the 21st century. The President and Vice President have made advanced technologies a cornerstone of their effort to get this done; and nowhere is this more true than in transportation. Over the past several years we have worked with the Congress to invest more than a billion dollars in intelligent transportation systems, into the research that made these systems possible and into the programs that began their implementation.

This summer, President Clinton signed a piece of legislation we call TEA-21, that's our inside-the-Beltway shorthand for the six-year, $198 billion-plus highway and transit bill that the President and Congress worked out to ensure our transportation future. The bill guarantees $1.3 billion for ITS over the next six years, *and* it also empowers states and localities to use *any* part of their regular federal highway or transit funds for these investments.

This puts the resources into the hands of those, like you, who see the opportunity to make smart travel systems the means of serving the traveling public and have created the partnerships to make it happen. As in any contest, some are farther along than others, but Phoenix is certainly a national leader. We're proud to be your partner in this, one of our four ITS model deployment initiatives nationwide.

The AZTech model deployment uses advanced technologies to link traffic management centers with a network of road sensors, electronic signs, and other communications equipment spread over nearly 200 miles of greater Phoenix roads.

These technologies include synchronized traffic signals, traveler information networks, and bus dispatching systems that use the locating signals offered by global positioning satellites. These advances will improve safety and mobility throughout Phoenix, as John Collins says, saving lives, saving time, saving money. For transportation, it doesn't get much better than that.

The key to the model deployment is that it integrates these different technologies and links them together across jurisdictions. Separately, technologies and services like these can be good. But integrated, they're much better.

Information on how buses are moving and when they are delayed can give a more complete picture of traffic flow. Linked to a travel information system, this gives commuters access to a complete, real-time, real-world picture of what their options are. At the same time, it gives those who are managing the systems real-time information on incidents and how best to respond.

These are the kinds of synergies we envisioned our model deployments promoting, the kind of integration we're seeing here. So, take a bow, Phoenix, for a job well done!

Now, for your encore. Being a leader in anything is not only an honor but a challenge as well. The challenge now is to keep the AZTech services running well, to make continuous improvements that reflect the changing needs of the community and advances in ITS, and to serve as a national role model, providing information and assistance to other parts of the country as America adopts smart transportation services and as we export these technologies around the world.

By committing to the continued excellence and continued improvement of AZTech, and by accepting the responsibility to share the experience that comes with a model deployment, you contribute to the prosperity and quality of life not only of your region but also of the entire nation.

We in the Clinton-Gore Administration look forward to continuing our partnership with you as you make 21st-century technologies an everyday reality in Phoenix. Thank you, and, again, congratulations!

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(In his remarks, the Deputy Secretary referred to Tom Buick, Director, Maricopa County DOT; Neil Giuliano, Mayor Tempe, AZ; Mary Peters, Director of Arizona Department of Transportation; and John Collins, President of ITS America.)