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DEPUTY SECRETARY MORTIMER L. DOWNEY
TALKING POINTS
Y2K PRESS BRIEFING
JANUARY 3, 2000

- Last week we said the work that has been done over the past months and years made our transportation system ready for the new year — and the events of the last three days has shown that our Y2K work was truly successful.
- Congratulations are due to the many people at the DOT and in every sector of the transportation system who devoted their time and talents over many hours to the Y2K effort.
- At the DOT, more than 3,000 people worked to identify our mission-critical systems and then to fix them. We replaced 61 mission-critical systems with more capable and reliable systems, we retired 5 mission-critical systems and we repaired 310 mission critical systems.
- This work included not only the Department's internal systems but the FAA's air traffic control system and the U.S. Coast Guard's search and rescue system.
- This work not only solved the Y2K problem but will pay benefits for years to come.
- The record of every area of the transportation system has been truly remarkable.
- In aviation, we actually moved more planes than just Jane Garvey's plane — and we did it with fewer delays than in previous years.
- In the maritime system, ports and inland waterways are all operating a full capacity on all coasts.
- On the railroads, there are 3,600 freight trains and 255 passenger trains operating at this moment with no Y2K problems.
- Transit systems have all operated normally for the morning rush-hour with no Y2K problems.
- The lack of Y2K problems demonstrates how well the entire transportation community responded to the Y2K problem. Government and industry have worked side-by-side to address the problem by identifying and fixing vulnerable systems and by testing. The testing was not only for the systems and for the connections as well, showing a great spirit of cooperation.

- This cooperation has paid off with the performance we have seen during the last three days.

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Remarks prepared for Delivery by

Deputy Secretary of Transportation Mortimer Downey

During the

Transportation Research Board's Annual Meeting

Panel: *Advancing Innovations to Transportation Practice*

Washington Hilton Hotel

Washington, DC

Good morning, and thank you all for attending this important panel discussion about what the Department of Transportation is doing and plans to do – in partnership with the private sector – to bring more innovation into the transportation enterprise.

Change and technological innovation are two words that I think describe the latter half of the 20th century. Today, industry analysts say that in the 21st century there won't be much that *doesn't change* because of technological innovation – from telephones to toothbrushes.

A surge of change and innovation is also forecast for transportation. Although we may not see flying cars like the old Jetsons cartoon, it's quite likely that within 10 years many of us will be driving hybrid-powered vehicles.

Los Angeles plans to become a test bed for the widespread use of Intelligent Transportation Systems (ITS) to improve traffic flows and overall quality of life. And, as LA moves toward a future of smart vehicles and intelligent highways, maybe some of the intelligence will rub off on commuters and they'll leave their cars in the garage!

Seriously, though, technological innovations like this are not just technology for its own sake, but can help to improve our environment, our quality of life, and our economic competitiveness. We encourage innovation in transportation and in other sectors because it will truly improve the lives of people.

And what counts most are not the specific innovations, important as they are, but rather the climate of innovation – the encouragement that leads to new processes, new methods that, in turn, lead to new products or services that meet real needs.

Today, we are gradually providing the technologies, institutional framework, and experience needed to convert the nation's surface transportation infrastructure into an "intelligent" system and to convert future cars, trucks and buses into safer, more "intelligent vehicles. Already, we are seeing positive results -- business being done in a new way.

For example, there have been several instances in cities with Advanced Vehicle Location (AVL)-equipped buses -- which often use satellite systems to pinpoint the location of a vehicle -- where bus operators have observed accidents, crimes, or medical emergencies which warrant quick response by emergency personnel. AVL technology not only offers passengers and station managers real-time schedule information, but also allows drivers to quickly notify emergency personnel, who can use the system to determine the location of the trouble. In the latter case, the technology can mean the difference between life and death.

Bus operators in transit systems with AVL report a greatly increased feeling of security with the silent alarm, listen-in feature, and rapid response capability that the system provides.

This is an example of how innovative thinking can turn technologies intended for other uses – like Global Positioning Systems (GPS) Navigation and cell phones – into lifesaving devices.

Another example of innovation innovation is the new smart card systems. Ventura County, California transit officials estimate that their smart card system will save the system \$9.5 million per year in reduced fare evasion; \$5 million in reduced data collection costs; and \$990 thousand by eliminating transfer slips. New York's MTA estimates that their Smart Card system will save \$70 million per year in fare evasion.

Innovation in the form of new materials and new methods will help us build stronger infrastructure. With dedicated funding of \$20.4 billion from 1998-2003, TEA-21 will help us build new bridges and renovate others. And, High Performance Steel (HPS) – in which DOT has invested millions of research dollars in recent years– will make our bridges stronger and more corrosion-resistant than ever. This product, developed under a cooperative research program with the FWHA, the U.S. Navy and AISI, is now commercially available for highway bridge construction.

We are proud of this success and will continue to partner with industry in transportation R&D that is in the national interest.

Extraordinary changes are taking place at the beginning of this new millennium. As a nation, we are leaving the industrial economy for the electronic marketplace. Under Dr. Neil Lane's stewardship, the National Science and Technology Council is putting together a national team to develop the science and technology agenda to support this transformation.

Last month in Chicago, we unveiled the *National Research Plan for Aviation Safety, Security, Efficiency, and Environmental Compatability*. This plan will guide our aviation research activities over the next 25 years in a way that supports defined national goals and priorities. It will ensure that the American people get a safer and more efficient aviation system at a reasonable cost.

This and other Plans are part of a new decision-making architecture at the Federal level and DOT that will help move America toward a high-tech transportation system that saves lives, money and time while providing all Americans access to affordable, environmentally friendly transportation.

We have for you today the Department's lead administrators for each of our operating modes. They will give 3 to 5 minutes of brief remarks about their strategies and plans for advancing innovations. Then, we will invite comments, questions and discussion between you, the audience, and the panelists.

(Introduce all panelists, then turn the microphone over to Adm. Loy, who in turn will introduce Kelley, etc. You should sum up/wrap up the discussion at 11:55 am.)

Order of Panelists: Admiral James Loy, USCG
 Jane Garvey, FAA
 Kenneth Wykle, FHWA
 Jolene Molitoris, FRA
 Rosalyn Millman, NHTSA
 Nuria Fernandez, FTA
 Albert Jacquez, St. Lawrence Seaway -
 John Graykowski, MARAD
 Kelley Coyner, RSPA

Remarks Prepared for Delivery by
Deputy Secretary of Transportation Mortimer Downey
During the
University Transportation Centers Program
Student Of The Year Awards
Washington, D.C.
JANUARY 10, 2000

You will be introduced by Kelley Coyner.

I am pleased to be here tonight to recognize outstanding students in the field of transportation. I have had this honor several times before and am always impressed with the students and their accomplishments.

Life is full of challenges, but if we prepare well -- as we did for Y2K -- we know that we can conquer them. Planning for the future is what brings us here tonight. The students we are about to meet are being honored not only for what they have achieved, but for what we think they will achieve.

You -- the students of today -- are the ones who will help to continue the successes and to ensure our continued ability to meet the unpredictable demands of the future.

The transportation field has become more complex and multifaceted in recent decades. The straight line from point to point that once defined our transportation system has been replaced by intricate, interconnecting transportation and information webs. Transportation experts of the 21st century must know more than simply how to move people and goods.

In the past, “transportation expert” was synonymous with “engineer.” Today, successful transportation professionals must understand new technology, electronic commerce, contemporary finance, geo-political trends, environmental impacts and defense and security issues. In other words, they must be well trained in more than one discipline and continue to renew their skills long after graduation.

And they need to possess the spirit of innovation. I spoke about innovation earlier today at a Transportation Research Board session convened specifically to address the topic.

While we cannot predict the future, nor imagine what tools we will need to meet its challenges, *technological innovation* will be major force shaping transportation in the 21st century. It will ensure our economic and national security, enhance our environment, and -- most importantly -- save lives.

But if we do not take advantage of innovation -- if we cannot develop new tools as we need them -- if we do not have the skills to use the tools we develop in innovative ways, we will not be able to sustain our country's current prosperity.

To ensure a successful transportation future, it is vital that we develop an educated and motivated workforce. One of the ways the U.S. Department of Transportation advances this goal is through the University Transportation Centers program.

Created in 1987 in response to the need for a better-trained, better-educated, and diverse transportation workforce, the UTC program has attracted talented, committed men and women to transportation education, research, and technology transfer ... forward-looking people who are ready to accelerate the innovations that offer genuine promise for meeting the transportation challenges of a new century and a new millennium.

Over the past thirteen years, the UTC Program has grown and increased the presence of transportation on college campuses across our nation. We began with 10 centers in 1987. In 1998, President Clinton signed the Transportation Equity Act for the 21st Century, or TEA-21, which authorized \$195 million for grants to establish and operate up to 33 University Transportation Centers throughout the country. Ten of these centers -- which are designated as regional centers -- were selected in a competition last year. The other 23 centers are located at universities named in TEA-21; 14 of these 23 TEA-21 centers are new to the UTC Program.

President Clinton and Vice President Gore made education and research important priorities as soon as they came to office in 1993. They have always supported a strong education and research agenda, including hiring new teachers, paying off college costs for graduates who teach in underserved areas, toughening academic standards, and making major investments in long-term research that will improve the quality of life for all Americans. They have promoted partnerships between the public and private sectors in environmental and healthcare technologies, information and space technologies, and, last but definitely not least, transportation technologies.

The UTC program demonstrates DOT's commitment to excellence in education and research. And that's not all . . .

In addition to the University Transportation Centers Program, DOT invests in students through the Federal Aviation Administration's Air Transportation Centers of Excellence Program. Begun in 1990, these centers help FAA conduct critical air transportation research.

Tonight, in the spirit of what we call One DOT, the Department shatters traditional institutional boundaries by honoring students from both the UTC and Air Centers programs. We are proud of their achievements and of our ability to support the programs that will lead to a better transportation future for our nation.

This is probably the last thing that students, heading back to school after the holiday break, want to hear, but I believe that education can never begin too early nor last too long. In May of 1997, under Secretary Slater's leadership, DOT initiated the Garrett A. Morgan Technology and Transportation Futures Program, a national education program, the goal of which was to reach and challenge one million students of all ages to focus on their math, science and technology skills so that they are ready for 21st century jobs in transportation industries. We are proud to say that we have exceeded that goal – reaching more than 1.5 million student to date -- and are well on our way to ensuring that we have a workforce that can handle the challenges that the new century will bring.

As these students become acquainted with transportation issues during their pre-college years, we believe they will take an interest in transportation-related courses in college and graduate school and become transportation professionals. In future years, we hope that they will attend this award ceremony!

And now, I would like you to join me in recognizing the outstanding young men and women who possess the spirit of innovation and are ready to use it. Their achievements and their promise are outstanding. Truly, these are the kind of men and women we want to lead us into the future. Therefore, I believe the future of transportation is in excellent hands.

Presentation of awards. Elaine Joost will read the names & you will present the award. A photo will be taken with each student.

Remarks prepared for Delivery by

Deputy Secretary of Transportation Mortimer Downey

During the

**Aviation Safety Alliance
Legislative & Executive Seminar**

Doral Golf Resort and Spa

4400 N. W. 87th Avenue

Miami, Florida ¹⁵

Saturday, January 13, 2000

11 am - 12 pm

The major focus of this seminar, ^{matches the} ~~just as it is the~~ focus of aviation professionals ⁱⁿ from both the public and private sectors, ^{and that's} is how we ensure safety in our national and global airspace for all travelers now and well into the 21st Century.

We all know -- ^{we all} and applaud the fact -- that global aviation ^{continues to show} is ^{growing} growing -- 1.5 billion passengers worldwide will fly this year, including 600 million ^{of them} people in the U.S. alone. Worldwide air cargo is growing even faster and supporting a robust global economy driven by the ^{time-honored} principle that time = money.

Our healthy economy means that these numbers will only increase -- the FAA now estimates that U.S. commercial airlines will serve 1 billion people by 2010.

~~And~~ While these figures are an obvious sign of success, they also present major challenges. As we work to modernize ^{we recognize that it} ~~it~~ our air traffic control system, is increasingly strained. Keeping up with the growing

demands of our people and of today's growing economy is a problem, as we saw last summer. Air travel is safe, ^{and will remain so, but at the risk that it becomes} but the fundamental design of the system ^{And} makes it increasingly inefficient. At some point, the ^{runs the risk of eroding that margin of safety} increasing delay and inefficiency could result in a mistake, and that's something that we cannot allow to happen.

^{History has shown} Our nation has proven time and time again that, if we are determined, we can accomplish just about anything. Sure, there are always naysayers. A good example is the recent transition to the Year 2000 and the need to repair hundreds of thousands of computers in both the public and private sectors. If we didn't do the repairs, ^{we know that} air traffic ^{communications and services} control and electric power systems could have been impacted.

A June 1998 article in Time magazine declared that, "At the current debugging rates, 13 of the 24 largest agencies won't have fixed their most crucial computers in time." And, "at its present rate, the FAA will not make it." ^{They suggested that ... (but we quote about doing to our country's)}

Well, we did "make it." In fact, The FAA met its publicly-stated goal of having all of its systems Y2K compliant by June 30, 1999. Well before December 31, 1999, all 609 of the Department's mission-critical systems, including the U.S. Coast Guard's search-and-rescue system, successfully transitioned through Y2K with no problem. The hard work and determination of ^{3000+ people} 1100 FAA technical ^{not} experts and many others throughout the Department helped to ensure our nation's transportation safety and services ^{were unaffected.}

~~Further,~~ ^{and by its own time constraints} In preparing for the transition, the Department worked closely with the International Civil Aviation Organization to assess the readiness of travel locations, airports and airlines around the world. ^{A similar effort was mounted to the success of the integrity of our time systems and the world}

This accomplishment is evidence that, with hard work and

^{with focused management}

with appropriate funds
determination, government can manage tough challenges and deadline?
B.t. F we are going

air traffic
To enhance safety and efficiency beyond the Year 2000, we need to press ahead with FAA's modernization program. Every day, the new equipment that we are installing reinforces the round-the-clock reliability and integrity of our air traffic control system. Technology that provides more precise, accurate and complete weather information will enhance safety. And, we are implementing programs and procedures *that will support* including the eventual transition to a Global Navigation Satellite System (GNSS) to improve the capacity and flexibility of our ATC system.

Certainly ATC modernization is a complex process. We must keep the current system operational as we modernize, and this is only one reason why we are moving incrementally. We also want to reduce the potential for cost overruns and schedule delays, *we need to* building on the successes and lessons we learn at every step, and *we must provide* leaving open-ended opportunities to enhance systems as technology rapidly develops. The old syndrome of trying to get manufacturers to keep production lines open to *from* run out obsolete systems is over.

We have structured our approach to National Air Space (NAS) modernization with a particular emphasis on air traffic control, the cornerstone of the NAS. Three elements define the approach:

- First, sustaining our current systems while renewing the infrastructure;
- Second, adding safety features; and
- Third, improving the system to increase capacity and efficiency, including all of the CNS/ATM features.

in sentence with change - focus more on partnerships + shared benefits

We are modernizing the system based on a roadmap developed in collaboration with industry and all stakeholders: The NAS Modernization Plan.

Let me mention just a few of the many successes we have achieved so far. To date, we have installed and integrated more than 700 major system and equipment components into the NAS, and provided more than 5,800 hardware and software upgrades. We finished installing the new HOST computer system at all locations -- ^{replace obsolete} which replaced 1980s computers with smaller, faster, more energy efficient machines -- on time and on budget. *There are over \$100 million in savings to be realized -*

[We anticipate an estimated savings of \$15.6 million in reduced electrical power consumption over a 10-year period and a 65% reduction in maintenance costs as a result of the new system.

We have asked the Congress to support us in incorporating innovative funding mechanisms that will link aviation user fee funding to spending. And we need to increase FAA and airport flexibility to fund vital infrastructure projects and introduce new technology.

Don't know what this means.

In the coming months and years, we have a real opportunity to ensure that aviation continues to be the engine for world prosperity and, at the same time, safe for all users.

Thank you, and I look forward the dialogue to follow.

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The major focus of this seminar matches the focus of aviation professionals in both the public and private sectors, and that's how we ensure safety in our national and global airspace for all travelers now and well into the 21st Century.

We all know -- and we all applaud the fact -- that global aviation continues its strong growth -- 1.5 billion passengers worldwide will fly this year, 600 million of them in the U.S. alone. ~~Worldwide air cargo is growing even faster and supporting a robust global economy driven by the time-honored principle that time = money.~~

Our healthy economy means that these numbers will only increase – the FAA now estimates that U.S. commercial airlines will serve 1 billion people by 2010.

And while these figures represent success, they also present major challenges. ~~As we work to modernize which is critical -- our air traffic control system is strained.~~ Keeping up with the growing demands ~~of our people and of today's growing economy~~ is a problem, as we saw last summer. Air travel is safe and will remain so, but at the risk that it becomes increasingly inefficient. At some point, the increasing delay and inefficiency runs the risk of eroding that margin of safety, and that's something that we cannot allow to happen.

History has shown time and time again that, if we are determined,
we can accomplish just about anything, ^{despite the} ~~There will always be naysayers.~~
^{It's not too long since we were successful} ~~A good example is the recent transition to the Year 2000 and the need to~~
^{again handle all those who participated in the effort.} ~~repair hundreds of thousands of computers in both the public and~~
~~private sectors. If we didn't do the repairs, we know that air traffic~~
~~control, electric power systems, communications and businesses could~~
~~have been impacted.~~

^{But I also recall concerns like these in}

A June 1998 article in *Time* magazine declared that, "At the
current debugging rates, 13 of the 24 largest agencies won't have fixed
their most crucial computers in time." And, "at its present rate, the
FAA will not make it." They suggested that DOT and about a dozen
large agencies "flunked" a certain Representative's (Steve Horn) report
card for Y2K and that DOT wouldn't be ready until 2004!

Well, we ^{all} did "make it." In fact the FAA met its stated goal of ~~having all of its systems Y2K compliant by June 30, 1999.~~ Well before ~~December 31, 1999, all 609 of the Department's mission-critical~~ systems, including the U.S. Coast Guard's search-and-rescue system, successfully transitioned through Y2K with no problem. The hard work and determination of 3000-plus people throughout the Department ^{and during} ~~have more important industry~~ helped to ensure that our nation's transportation safety and services were unaffected.

~~In~~ In preparing for the transition, the Department worked closely with the International Civil Aviation Organization to assess the readiness of travel locations, airports and airlines around the world. A ^{similar} ~~smaller~~ effort was mounted to assure the integrity of maritime systems around the world. ^{Stok}

This accomplishment is evidence that, with hard work, focused management and appropriate funding, government can meet tough challenges and deadlines.

But, if we are going to enhance air traffic safety and efficiency, we need to press ahead with FAA's modernization program. Every day, we are reinforcing the round-the-clock reliability and integrity of our air traffic control system by installing modern equipment. {Technology that provides more precise, accurate and complete weather information will enhance safety. And, we are implementing programs and procedures that will support our eventual transition to a Global Navigation Satellite System (GNSS) to improve the capacity and flexibility of our ATC system.}

{Certainly ATC modernization is a complex process. We must keep the current system operational as we modernize, and this is only one reason why we are moving incrementally. We also want to reduce the potential for cost overruns and schedule delays, we need to build on the successes and lessons we learn at every step, and we must provide open-ended opportunities to enhance systems as technology rapidly develops. The old syndrome of trying to get manufacturers to keep production lines open to turn out obsolete systems is over.}

We are modernizing the system based on a roadmap that was developed in partnership and collaboration with industry and all stakeholders: The NAS Modernization Plan. Three elements define the approach:

- First, sustaining our current systems while renewing the infrastructure;
- Second, adding safety features; and
- Third, improving the system to increase capacity and efficiency, including ~~all of the GNS/ATM features~~ *that are helpful to the users.*

While we still have a long way to go, the progress is real. —

~~{Let me mention just a few of the many successes we have~~
~~achieved so far. In one year alone, we installed and integrated more~~
than 700 major ^{NAS} system and equipment components ^{on line last year, with} ~~into the NAS, and~~
~~provided more than 5,800 hardware and software upgrades. We have~~ ^{and}
^{complete installation of} ~~finished installing the new HOST computer system~~ ^{hardware} at all locations
replacing obsolete 1980s computers with smaller, faster, more energy
efficient machines -- on time and on budget. }

^{key} The major tool that will help us ^{to} increase capacity and ^{provide} mean fewer delays, lower costs, and better service ^{for our customers} -- especially for airlines and their ^{we perhaps don't know} customers -- is known as Free Flight Phase I. ~~Free Flight Phase I~~ is an agreement with industry to deploy 5 specific technologies that enhance ATC capacity and efficiency by 2002. So far, these innovations have helped to avoid 4 million minutes of delays and help Northwest avoid 3-5 costly diversions at Detroit each week.

Two examples of these technologies are the *Traffic Management Advisor* and the *Final Approach Spacing Tool*. As aircraft nears its destination, controllers at the en route center and the receiving terminal area will use these tools to achieve meaningful capacity gains by flowing aircraft to the airport at the airport's maximum capacity — taking into consideration weather conditions and airport configuration. This allows up to five or six more arrivals per hour, meaning that up to 1,000 passengers are assured on-time arrival, or are better able to make their connecting flights.

^{These tools - like everything else at FAA - have complicated names + unpronounceable acronyms}
^{But what we can remember is that}

Another Free Flight Phase I tool is the *Surface Management Advisor*, or SMA. SMA assists airlines in managing ground operations — making sure gates and baggage are ready when you arrive, even if you arrive early (how often does that happen!?).

They have These are real benefits. They expand capacity, provide better *support to* service to airlines and their customers, and *in service* help us prepare for growth. *a key step in preparing us*

to continue this Another key to a successful modernization effort *we need* is stable funding.

independent observers have In the past six years or so, at least three Government commissions *, airline executives, and* have warned us about the potential inability of our air traffic control system

to handle the aviation growth that is already upon us. *and* Each of these reports advocated major changes in how the FAA is financed and managed.

This is why the current discussions on Capitol Hill are so important. In order to build an aviation system that can handle the increased capacity we know will occur early in this new century, the FAA needs reliable and steady funding.

In the coming months and years, we have a real opportunity to ensure that our aviation system continues to be the engine for American prosperity and, more importantly, safe for all users.

Thank you, and I look forward the dialogue to follow.

January 20, 2000

1:30-3:00

**Briefing on Ethical and Merit System Principles
for DOT Senior Executives
FAA Auditorium**

Briefing Paper

Event Contact: Melissa Allen, x62332

YOUR ROLE: 5- minute remarks. Melissa Allen will introduce you.

Your remarks should focus on the importance of this topic to the Department, and the seriousness with which you and the Secretary take some of the recent incidents involving DOT senior executives that have occurred.

EVENT: This event was scheduled in response to a number of recent incidents, including those which the Inspector General reported to the Hill.

**Other
Speakers:** Kenneth Mead
Carol Okin, OPM Associate Director for Merit Systems
Oversight and Effectiveness
Marilyn Glynn, General Counsel, Office of Government Ethics

AUDIENCE: About 150-175 DOT Senior Executives and Flag Officers. The briefing will be videotaped for distribution to Washington DC executives unable to attend, and for executives in the field.

**AUDIENCE
ISSUES:** This is a mandatory briefing called by the Deputy Secretary.

SETUP: Speakers will be seated at a table on stage, and will move to a podium during their individual presentations. Auditorium seating for the audience. After formal presentations, there will be a question and answer opportunity for the audience.

Executive Briefing on
Merit Principles and Ethical Principles
1/20/2000

Talking Points

- Welcome and thank you for coming. *for this discussion on ethical lapses*
- This is a critical issue for the Department ~~and~~ ^{- and finally, in terms of public confidence improvement. It's} one that the Secretary and I feel very strongly about.
- As the Department's top executives, ^{we and you} ~~you~~ have ^{the clear} ~~a~~ responsibility ^{to} ~~to model~~ sound judgment and ^{ethical} ~~ethical~~ behavior in carrying out your day-to-day duties. ^{standards} ~~But it~~ ^{doesn't stop there.} ^{Exercise}
- ^{like} ~~You~~ also have an ~~organizational~~ leadership responsibility.
- ^{really} ~~You set~~ the tone for how ^{the} ~~your~~ organization meets ethical and legal standards.
- You set the tone for how ^{these standards} ~~they~~ are perceived and how they are followed ~~by your staff.~~ ^{throughout your organization.}
- You also have administrative responsibility for what goes on in your organization: ^{In other words,} **"The Buck Stops Here."** ^{that phrase says what HSI had made, belongs on each of our desks.}
- ^{this means taking} ~~You have a responsibility to take~~ quick and appropriate action when you become aware that standards and principles aren't being met.

- You also have a responsibility to the American public – We must not lose sight of the concept of public trust. ~~We sometimes worry about how we are perceived, but our own actions can make us our own worst enemies.~~ *and we are aware of perception and I'm sorry to have to say this*
- Unfortunately, there have been some recent instances that indicate some executives are not aware of, or have forgotten about, those responsibilities.
- Ken Mead will talk ~~a little~~ *these events* about ~~that~~ and about some other things that have been going on that impact the Department.

Also Joining Us:

Carol Okin, Opm's Associate Director for Merit Systems Oversight and Effectiveness

Marilyn Glynn, the General Counsel of the Office of Government Ethics

- They will remind us all about what the Merit and Ethical Principles are that we are held to, and the consequences of not meeting those principles.
- This is an important issue -- it deserves *this* our focused time and attention *we are giving it today.*
- This being a Presidential election year, there will be significant changes in the political leadership of the Department, no matter what the outcome of the election.

- It will be particularly important for you who are career employees to help the new leaders as they join the Department. For many of them, it will be ^{their} first time in Federal Service.
- We ask you to help them learn the Principles. Teach them by example and help them to make DOT one of the most ethical agencies in government.
- To political appointees: Efforts on your part to influence the application of any non-career employee for a career position is a violation of the Merit Principles that Carol Okin will be discussing.
- So, make us and yourselves proud by not violating that principle.
- Thank you, and now I'll turn the podium over to Ken Mead.

I don't understand his point.

TALKING POINTS

PBSC Advocates Meeting January 20, 2000

- I'm happy to see all the representatives of all the modal administrations coming together to engage in what I understand will be the first of a series of roundtable discussions on the issue of Performance- Based Service Contracting (PBSC).

- In FY99, the Department of Transportation (DOT) spent at least \$1.5 Billion on contractor services -- the equivalent of 10,000 additional employees.

This workforce is a departmental asset, and we

- We cannot afford to be ineffective in our use of this enormous contractor workforce. And we should be careful not to invest too many resources in a workforce that has little commitment to the goals and outcomes that DOT employees are trying to achieve.

using.

own

isn't working with us in a way that fulfills

same

- PBSC provides us a tool for buying this kind of contractor commitment. It is a strategy for sharing programmatic responsibility and accountability for mission execution and success with our contractor workforce, and it is effective in articulating the outcomes expected from our contractors.

where it has been used well it's

we seek in our strategic plans.

The same outcome

- PBSC must be driven and embraced by the program and budget communities. The procurement community cannot handle it alone. Use of PBSC has been demonstrated to improve performance, reduce costs, and stimulate competition. It also implements the principles of the Government Performance and Results Act.

which is why program + budget folks should be demanding its use.

- I have sent out memorandums strongly encouraging the use of PBSC and have identified it as a priority ONE DOT initiative.
- I am committed to increasing the use of PBSC throughout the Department, and as you are aware, the Performance Agreements between the Secretary and your administrators have been modified to include this topic. I believe PBSC is also being considered as a topic at our Leadership Retreat in March.

- How do we define PBSC?
- Essentially, PBSC is structuring an acquisition around what is to be accomplished rather than how the work is to be done. It involves defining the work in measurable, results-based terms. Both positive and negative incentives are included to stimulate the intended results.
- Responsibility and accountability ^{for outcomes become a responsibility of} are shifted to the contractor, and the government's role shifts from intrusive oversight to surveillance. The aim is to free contractors to be innovative and cost effective in performing services, while holding them accountable for the results. ^{activity-based}
- Use of PBSC has been demonstrated to improve performance, reduce costs, and stimulate competition. Some ~~other~~ federal entities have ^{documented} realized 15 percent savings as a result of conversion to PBSC.
- The rewards for government are better contractor performance with less government day-to-day involvement -- we gain contractor commitment to DOT goals by including outcomes and performance measures in the contract and providing contractual incentives for them to meet those outcomes.
- The contractor will have better understanding of the government's expectations and a better shot at meeting those expectations. ^{the} You can realize cost avoidance savings ^{that} can be used elsewhere in your programs. ^{become funds not}
- PBSC will also help correct problems commonly associated with services contracts, including cost overruns, schedule delays, failure to achieve specified results, and other performance problems.
- The Department relies on the tools of acquisition to fulfill a large portion of its research, development and technology mission. Therefore, in order to get the most mission for our money, ^{need to} it is imperative that we implement performance-based principles in every step of the acquisition process. This means that it is essential for us to examine our priority requirements as we consider contracting strategies and define performance-based elements before we issue solicitations.
- Change to a performance-based environment is evolutionary, and a commitment from top leadership is required to make this happen.

- In converting from traditional acquisition approaches, there ^{is} ~~will be~~ an initial up-front investment. There will also be a learning curve for both acquisition and program/technical personnel involved in PBSC as we shift greater accountability to contractors. Training for both program and acquisition personnel is essential.
- To accomplish these goals, commitment throughout DOT is required. My expectations for your role as an Advocate are that you will serve as a resource throughout your modal administration to help break down barriers to accomplishing this initiative.
- Lessons learned need to be shared within organizations as well as throughout DOT. These roundtable discussions provide us with an opportunity to work together on this ONE DOT priority.
- To help speed this evolutionary process, the Federal Highway Administration has agreed to partner with the Office of the Secretary to search for ways to institutionalize PBSC within the DOT environment and to help facilitate the sharing of information among all the operating administrations.
- Thank you.

the process

*for who has reaped
some initial
successes through
PBSC,*

Deputy Secretary Mortimer L. Downey
Talking Points
Federal Aviation Administration Y2K Thank You
January 24, 2000

- I am honored to be here with Secretary Slater, Administrator Garvey, Monte Belger, Ray Long, Mary Powers-King and particularly with all those from FAA who made our Y2K work a success.
- Let me compliment John Koskinen for his leadership at the President's Council on Year 2000 Transition. In 1998, Time Magazine said his job was "not just daunting; it's impossible." Now, we're here to talk about a job well done.
- President Clinton and Vice President Gore gave us the mandate to address the Y2K problem. John created the structure and framework that made the federal government's—and the nation's—Y2K program a truly successful effort.

- Within that framework, we created a very successful partnership with the entire aviation community that should be a model for our future modernization efforts.
- There are many people who are now complaining that it was all hype and the biggest problem on New Year's Eve was boredom. It may have been boring for some but that was only because the work that you did was so successful.
- It's true that the major problem we faced was complaints about the heat at DOT's Crisis Management Center. The air conditioning had not been adjusted for the number of people in the room overnight on New Year's. That may have been the only system we didn't test well in advance.

- There are still some Y2K glitches being reported. Just last week, Halifax, Canada authorities sent about 600 drivers with old drunk-driving convictions a reminder to drive responsibly. That might be a Y2K glitch that promotes safety.
- There were those who questioned whether FAA had the technical capability to get the air traffic control system.
- Time Magazine said in 1998 that FAA would be forced to ground planes. They called our work “laughably poor” and said we would not be ready until sometime in 2004.

- In June, 1998, a Washington think tank released a quote from an unnamed FAA electrical engineer who claimed to be part of the HOST replacement project. The engineer said, “It is impossible to meet the schedule of complete installation and check out and debug this many facilities in 16 months...Any major upgrade of this nature normally takes 3 to 4 years so I see it as an impossible physical task to complete just one part of the FAA's Y2K problem.”
- That anonymous quote shows that the job we faced was unquestionably a big one. But it also demonstrates that, like many other people, our FAA colleague completely underestimated the commitment of the people at FAA to get the job done and the talents and skills that exist in this agency. I won't ask if that person is here today, for fear of embarrassing them.

- But he or she wouldn't be as embarrassed as the gentleman who built a fortress in the Canadian wilderness and protected it by sinking 45 school buses into the earth and covering them with concrete. He admitted to being disappointed afterwards. He said, "My worst fear was that Y2K would be a dud and a lot of people would think we were being paranoid for nothing."
- Very simply, it was people like you who were his worst fear because you made sure that Y2K was a dud. You showed that we do have the technical capability. You proved that government can work with industry to achieve positive results. And you proved, just as John Koskinen did at the President's Council, that American leadership could move the world.

- The worldwide information that was collected here and placed on the fly2k website was certainly a major factor in persuading some foreign aviation authorities that it was time to get serious about Y2K. Whether the motive was to avoid embarrassment or the fear of losing tourism dollars or business investment aviation officials around the world wanted to make sure that the fly2k website said they would be ready by January 1.
- In retrospect, all of this looked very easy to those on the outside. But we all know that the successful Y2K effort took many, many hours of painstaking, hard work. We know that there were 400 FAA systems that would not have been ready without the dedication and commitment of the Y2K team at FAA.

- That dedication and commitment will serve us well for years to come. You will be able to say with pride that you were part of the effort to prepare our aviation system for the 21st century, and that the FAA showed what it can do.
- In November, NBC showed a movie which had planes falling out of the sky and airport systems failing. That was in November. When people understood what you had done, they had a different view. On January 2, the New York Daily News Y2K headline said, “Clean Sweep and Slam Dunk.”
- Thank you for your part in our clean sweep and slam dunk.
- Now, for those of you who missed it on New Year’s Eve, we have a special tape with one of the evening’s highlights.

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**FMCSA Rollout
January 25, 2000
Agenda**

**Room 2230
10 a.m. - 11:00 a.m.**

Welcome & Introduction

Program starts about 10:10a.m. with
brief remarks from Deputy Secretary, who
introduces all speakers.

Deputy Secretary Mort Downey

Speakers

Secretary speaks for 10 to 15 minutes

Secretary Slater

Acting Deputy Administrator speaks
for five minutes

Acting Deputy Administrator Cirillo

Congressional members speak for 5 minutes ea.

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Ribbon cutting/presentation of plaque by
Secretary Slater to Acting Dep. Admin. Cirillo
Photo opportunities

Reception

Meeting & greeting guests

January 25, 2000
10:00 a.m.

Federal Motor Carrier Safety Administration Inauguration Rollout
U.S. Department of Transportation
Nassif Building, Room 2230
Washington, D.C.

Briefing Paper

Event Contact: Nadine Hamilton, Director, Office of Congressional Affairs
Office of the Secretary
x65703

Julie Anna Cirillo, Acting Deputy Administrator
Federal Motor Carrier Safety Administration
x62519

YOUR ROLE: Master of Ceremonies—Open the event by welcoming guests (2 minutes)
and introduce each speaker.

EVENT: The Secretary is inaugurating the new FMCSA before invited VIP guests. He will renew his pledge to cut fatalities in truck and bus crashes in half within the decade and discuss how the new administration can reach that goal. Formation of the new agency is the culmination of eighteen months of controversy over increases in fatalities in truck and bus crashes and strong leadership. This event is intended to be celebratory in nature and recognize the hard work of the Congress and all DOT's partners in safety.

The event will be broadcast via satellite from Room 2230 to gatherings sponsored by FMCSA state offices, where key partners will be invited to watch.

Other Speakers: Rodney Slater, Secretary of Transportation (10 minutes)
Julie Anna Cirillo, Acting Deputy Administrator, Federal Motor Carrier
Safety Administration (5 minutes)
Congressman James Oberstar

AUDIENCE: Members of Congress
Safety groups, labor, law enforcement, commercial passenger carrier and
trucking industry representatives
Approximately 150 to 200 guests

**AUDIENCE
ISSUES:**

Generally the audience will be seeking assurance that the new FMCSA will move quickly and with vigor to implement the provisions of the new safety legislation. Commercial passenger carriers sought a special unit dedicated to bus safety and this has been established as a division in the new FMCSA. In response to the concerns of Congressman Oberstar, labor, and safety groups, a full-time regulatory ombudsman will be appointed to expedite rulemakings.

While not entirely closed to media, only a half-dozen reporters were formally invited as guests and are expected to attend. There will be no question and answer period.

SETUP:

Chairs will be arranged in rows in front half of room with podium in front. Camera will be set up to broadcast the event via satellite.

Displays in room include:

- Enlarged copy of the "report card," the quarterly progress report on the activities of the FMCSA
- Projection of FMCSA webpage, showing how to pay fees or fines, apply for operating authority, and register insurance online
- Enlarged FMCSA organizational chart

10.943

Remarks of Dep Sec Darney

Federal Motor Carrier Safety Administration Inauguration Rollout

U.S. Department of Transportation

Nassif Building, Room 2230

January 25, 2000

10:00 a.m.

Talking Points

- Good morning! We want to welcome everyone to DOT today—not only those here in Washington but ^{all of you} everyone around the country joining us via satellite. We're very happy that you could help us launch the new Federal Motor Carrier Safety Administration. ^{who are}
- It is only fitting that the people who helped shaped the Motor Carrier Safety Improvement Act and play such a major role in bus and truck safety are participating in this inaugural event. Members of Congress, safety groups, ^{organized} labor, law enforcement, commercial passenger carriers, trucking organizations—all are gathered to mark this special occasion. Thank you for being with us today at this inaugural event – and we hope you will continue to ^{stand} work with us in months and years ahead as we work to improve motor carrier safety on our nation's roads and highways.
- For our part, the Department of Transportation and all ^{its} our offices and administrations are proud to welcome the Federal Motor Carrier Safety Administration into the ONE-DOT family.
- ^{Safety is the Department's top priority, and we are always seeking new ways to gain in} Together we can reach the ambitious goal Secretary Slater announced last May—to cut fatalities in truck and bus crashes in half over the next decade. ^{transport safety. working}
- Now I'd like to turn the program over to Secretary Slater to tell us more about the new Federal Motor Carrier Administration and how we can reach this vitally important goal. Mr. Secretary.....

After the Secretary speaks, you will return to the podium.

- Thank you, Mr. Secretary. Now I'd like to ask Julie Cirillo, the Acting Deputy Administrator and Acting Chief Safety Officer for the Federal Motor Carrier Safety Administration to come up and say a few words. Julie....

After Julie Cirillo speaks, you will introduce Congressman Oberstar and any other Members of Congress:

- Thank you, Julie. As was mentioned earlier, the Federal Motor Carrier Safety Administration was created as a result of the enactment of the Motor Carrier Safety Improvement Act. We are pleased to have with us this morning some of the Members of Congress who played a crucial role in getting us here – Congressman Nick Rahall, ranking minority member of the House Ground Transportation Subcommittee along with Congressman Jack Quinn. We are also pleased to have Congressman Jim Oberstar, the ranking member of the House Transportation and Infrastructure Committee, here with us and would like to ask him to say a few words. Congressman....

After Congressman Oberstar speaks, you will ask the Secretary to come back up with Julie Cirillo, and Congressman Oberstar for a ribbon cutting and presentation. *Members of Congress*

After the ribbon cutting and plaque presentation – you'll close the program:

- Thank you all for coming.