

Remarks prepared for Delivery by
Deputy Secretary of Transportation Mortimer Downey

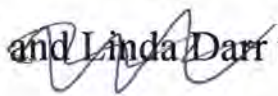
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Peggy for
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during the

Executive Leadership Conference
Annapolis, Maryland
Thursday, March 2, 2000

Bo + Bob-

Thank you (MC). You've heard from a number of leaders about how we can all become better leaders and, just as important, how we can work smarter to serve our #1 customer, the American people. It's all a process of working together – working better together – as we have said many times.

Before I get into the ^{heart} ~~theme~~ portion of my remarks, I want ^{you to get} ~~to give~~ you a report on one of the initiatives that involves working together. At ^{our} ~~one~~ session in Baltimore, we heard about the opportunities that focusing attention on human factors could create for our safety mission. I'd like to call on Kelley Coyner and Linda Darr  to let us know where we are on putting that initiative into action.

Thank you Kelley and Linda and all of those who are working with them on that issue. *Special thanks to Linda Daur*

Last week, Neil Armstrong, the first man on the Moon and a self-described “nerdy engineer,” said that space exploration does not rank among the top 10 engineering achievements of the 20th century, as ranked by the National Academy of Engineering. But, as you may have read, the automobile and the airplane ranked #2 and 3 respectively on a list of top 20 technological achievements of the last century. Let me put it another way: Transportation is 2/3 of the top 3 -- in the opinions of the who’s who of engineering who put the list together, including Armstrong.

We all know that transportation is a basic necessity for people if they want to live good and fulfilling lives. We say that to each other, but it’s even more important that folks outside the DOT family recognize that. But, isn’t it even more exciting that auto and aviation transportation are viewed as a technological achievement of the 20th century! In discussing the list during a speech at the National Press Club, Armstrong said:

. . . the 20th was the first century in which technology . . . touched people in ways that were previously unimagined . . . Engineering helped create a world in which injustices could not remain hidden.

Of course, we've known that transportation is a vital component of our economy and people's lives. ^{But this perspective from Neil Armstrong} But, ~~a perspective that clarifies our place in the world order helps to remind others as well as to support the~~ idea that our stakeholders and our customers need to be brought into our circle of thinking to maximize our opportunities for success.

Yesterday and this morning, we heard about the successes of some major private sector companies in the transportation industry – American Airlines, Boeing, General Motors, and Yellow – and there's a lot we have to learn from them. At the same time, we've talked about where we are as an organization in the midst of a transformation effort. But sometimes it's hard to see where we are when we are in the middle of (and I ^{think} agree we are in the middle) of change. Fortunately, we have some good outside observations of where we are, and I'd like to share ^{these} ~~this~~ with you.

Secretary Slater referred yesterday to the "scorecard" that gave a high -- and well-deserved -- grade to the Coast Guard. To put it in context

^{grade comes out of}
- [^]this is the second year of a three-year process that is looking at performance of government entities, much like the private sector looking ^{measures like} at earnings per share. It's well funded by the ^{Charitable} Pew Trust, managed out of ^{out} Syracuse University and being reported ^{now} through well-respected media sources (*Government Executive* and *Governing* magazines) ~~for~~ ~~example~~). The project evaluated states last year and cities this year, and will move to ^{county} local governments next year. At the Federal level, they are evaluating a few agencies each year, including last year's report and this year's update on FAA and the ^{new} Coast Guard report published this week. The President's Management Council (PMC) supported the Federal government's participation, and ~~OST and PMO~~ have encouraged the departments and agencies to participate.

To date, a total of ^{Federal} 20 agencies have been reviewed so far with an average grade of B-. Importantly, ^{Syracuse's} ~~their~~ overall comment was that "(able) managers generally (~~or gradually~~) are producing important results despite scarce resources and management failings." That's good news – as is the conclusion that the Coast Guard and it's top-notch ~~ed~~ planning

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performance (which we know are aligned with our DOT goals) is overcoming deficiencies in staffing and equipment.

A Government Executive article in this month's issue ^{also} serves as a strong endorsement of how much better the Coast Guard will do when we get on with our goal of reequipping and addressing its readiness needs. Government Executive also comments favorably on the progress FAA has made in addressing their system needs.

The Government Executive issue that reported on the Syracuse-managed evaluations also includes a column on performance management, using our ONE DOT efforts as a lesson. The author, Paul Light, a scholar now with Brookings, concluded that DOT is "well on ^{the} ~~our~~ way to becoming a model for other agencies." In fact, he suggests that DOT is "well on its way to becoming the *Comeback agency of the next decade."

Paul, in his recent book, Tides of Reform, concluded that that reform movements seem to come and go like tides and often have certain buzz words attached to them. It's ^{why} ~~time~~ we've emphasized management

tools like PPBS and MBD; at other times, oversight is in the ascendancy^{ency} IG's and GAO, and at other times it's employee-driven involvement that ^{is} works. (Mr. Downey, I think employee involvement always works! PA)

Light's message is that people -- leaders like yourselves -- need to do whatever it takes to accomplish their goals and ^{not} ~~don't~~ get too hung up on labels. Let's keep our sights on what it is we're trying to accomplish, both short and long term. We ^{should} ~~can~~ take ~~some~~ heed ^{of} ~~from~~ his observation that DOT, while making great progress, beginning with top leadership focus, is "still some distance from becoming a high-performance organization."

One example of success that Light pointed to was FAA's efforts to "get better every day" and their ability to meet the Y2K challenge. He noted that "the FAA has the guts to ask hard questions about itself." For example, in doing a customer satisfaction survey for Vice President Gore last summer, Jane Garvey and her leadership chose airline pilots, among the toughest, most knowledgeable customers for the FAA and got useful results from the survey about how well we communicate through our

safety regulations. Let's contrast that with another regulatory agency that chose instead to survey librarians on how ^{the agency was} ~~they were~~ doing at fulfilling publication orders.

Don Carty of American Airlines said yesterday that how well you do as an organization or company comes down to what the customer wants and whether you're delivering. Jane Garvey and her employees want to know if the FAA is delivering for its customers, among them the pilots and the airlines, and, if not, what can we do to turn it around.

Government is more challenged than ever to evaluate its programs and policies and to be more responsive to its customers. Many of you have heard the results of that interagency evaluations of our department-wide HazMat program, and you know how that one-year effort has shown how ^{can} we improve performance in that vital safety area.

Getting back to Paul Light's observations, he suggests that DOT would receive even higher grades on managing for results if we had measures for all of our goals, not just the 2/3 that we are measuring, and if we could tie those measure to a meaningful reward system, ~~according~~.

~~to Light~~. Those are things we can get done as we do our performance plan and as we implement the PMC's new evaluation system.

Finally, ~~and somewhat comforting~~, ^{des} is Light's conclusion that it's up to Congress to make the next move – tying the budget to performance – ^{giving} recognizing ^{how to} the agencies that do well, ~~and~~ I think we could link our recent ^{best} successes to our performance.

The bottom line is that we're moving in the right direction, and Secretary Slater and I have confidence that, with your leadership and skills and those of your employees, we will continue to make progress, and that progress will focus on the right issues.

Several weeks ago, some of us were at the Senior Leadership meeting in Herndon, VA, and we asked each table to list what they believe are the top priorities for DOT to accomplish over the next year. Of the 87 items people listed, almost 80% were our Flagship Initiatives! And it's also significant that 80% of our flagships and our corporate management strategies were mentioned.

^{Besides} Another good indicator ~~was~~ the fact that we agree on the very top

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priorities, and they are the key issues for the Department. ^{it's significant that} Every table put
FAA reauthorization on its list, and I can assure you that there wasn't 'n
FAA person at every table.

^{on an department}
~~So~~, the leadership is clear on what DOT's priorities are, agency-
^{basis} wide. This is good news!

Now, your job is to make sure the word spreads throughout the
Department as to what our priorities are and that we all work together to
accomplish them. Many of these goals -- the FY 2001 Appropriations
process, procurement reform, ITS and safety -- are multimodal, and this is
where we really need to follow our ONE DOT management strategy.

During the last Executive Leadership Conference in Baltimore, we
heard that a web year equal ^s ~~(3)~~ 3 months. Therefore, Secretary Slater and
I and the political appointees that ~~we have~~ ^{are} on board ~~were~~ counting on 3
remaining web years left to work with you on these issues. After that, it's

up to you to continue the hard work we've begun together and to realize
that "model agency" that Paul Light referred to in his column. ^{Each of the appointees,} Secretary

^{beginning with Secretary}
Slater and I have brought our experience and our own unique leadership

skills to DOT, and we are working with you to make it a better organization. That's the objective for any one of us who takes the helm of this Department, and we've had some outstanding leaders over the years. But, it is the career leaders and employees that will need to keep the focus on the priorities and on making DOT a high-performing agency -- a model for the rest of the government. You are the ones who can keep up the momentum -- especially in a period of transition.

Yesterday, you heard and talked a lot about leadership with John Maxwell.

It will be up to you, the leaders in this room, to use all of your talents and to work with and develop the leaders among your staffs, to carry the torch and to go for the gold! (Olympic Gold!)

All of our focus -- career leaders and political appointees alike -- over these past several years has been to make DOT a more effective and responsive agency. We have put together Strategic and Performance Plans that have been named "the best in government." But, more importantly, we have achieved results. We have begun to make loans

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importantly, we have achieved results. ~~Later this month, for example,~~ ^{have begun to make} we will begin awarding loans under our innovative finance program for

infrastructure known as TIFIA (the Transportation Infrastructure Finance and Innovation Act). ^(Comment on WASH + the Vienna Elevator) ~~And we have~~ ^{we've} made great strides in improving rail

grade crossing and highway safety. *We are on the brink of achieving clean financial statements for the Department. And we broke the back of the 42K monster just to mention a few interagency successes.*

Yesterday, you heard from Dr. John Maxwell about the 21

Irrefutable Laws of Leadership. ~~One of the favorites~~ based on what I've

from your book — there was real resonance to
heard today ~~was~~ the Law of the Lid, which Maxwell said is the "most

important leadership principle you will ever learn." The law says that

leadership ability is the lid that determines a person's level of

effectiveness. The lower an individual's ability to lead, the lower the lid

on his potential. The higher the leadership, the greater the effectiveness.

Maxwell also said it's important to bring leaders on board ~~who are~~ ^{effective}

~~effective~~ ^{when you} because ~~if their~~ employees have potential as effective "leaders,"

^{have the good sense not to} they ~~will not do well~~ or follow ^{an ineffective} a leader who is not effective. And, of

course, the organization will not do well. "Everything rises and falls on

leadership," according to Maxwell.

Another important point Maxwell and others made yesterday, and

which we are doing at meetings like this, is that ^{we need to step back and} we frequently evaluate

our own leadership effectiveness and consider ways to improve it. This

is not easy, particularly for ^{some} those who have decades of experience! But,

we can always learn new techniques and learn how to be better leaders.

We should also recognize and learn from the leaders on our staffs and help them develop to their full potential.

Another "irrefutable law," according to Maxwell, is the Law of Navigation. It says, basically, "Anyone can steer the ship, but it takes a leader to chart the course." Leaders need to see the entire landscape and to consider the long term, not just the next year or two. This law fits in

well with our 2025 Trends and Choices effort as well as our Strategic and Performance Plans. It is our responsibility as leaders to chart the course and to see that we stay on course.

That's the basis for such efforts as

the foundation for

There's lots of opportunity for input in these processes

and we I appreciate that input. But it is

see that these processes are in fact clearly

are stories

Let me

Finally, I'll just mention one more "irrefutable law" from yesterday, the Law of Connection. This law says basically that "people won't go along with you if they can't get along with you," and that you can't just lead with a title. You have to make a connection with your employees and let them know you're listening to them and care about what they have to say. And, as Secretary Slater and I know, there are no two words more powerful than "Thank You."

even titles like "Czar"

continuous

It's been a pleasure working with all of you here and in the

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trenches throughout the country to make our transportation system the envy of the world. And, I look forward to seeing more accomplishments and positive results that we are able to do both as individual modes and as ONE DOT.

Thank you.

, to see that those #2 + #3
engineering ^{marvels} ~~marvels~~ get the care +
feeling they ~~deserve~~ deserve.

As Paul Light said, we can be a model agency, and I want to us to commit that we can achieve that goal and ~~Recognition~~ offer to others the land of lessons we've learned from the Boeings, the yellows, the Gais, and ~~the~~ ^{the} IBM's, the Florida State University ~~PSO's~~ of the world. We are on the edge of that accomplishment - let's get there.

**Remarks Prepared for Delivery by
Deputy Secretary of Transportation Mortimer Downey
during the
Harbor Safety Committee National Conference
“Progress for the 21st Century”
Windows on the World, World Trade Center
New York, New York
March 6, 2000, 8:30 – 9:45 am**

On behalf of the Department of Transportation (DOT) and Secretary Slater, I am honored to address the people who are working hard on a very important part of the Marine Transportation System (MTS) -- the users and local coordinators.

As you may know, a collaborative effort to assess and reform the MTS began in earnest two years ago, when we convened a series of regional listening sessions.

As a result of this exchange of views and ideas, and the additional time and energy of many dedicated folks across the country, we created a powerful tool – a report to Congress with an in-depth analysis of the current MTS; relevant trends, pressures, and issues; and then a desired target -- recommendations for the future, with a vision statement and principles to guide the process.

The vision is this:

“The U.S. Marine Transportation System will be the world’s most technologically advanced, safe, secure, efficient, effective, accessible, globally competitive, dynamic and environmentally responsible system for moving goods and people.”

This vision has many components, all of which are necessary pieces of the whole. Similarly, MTS is a vital component of our economic system.

And you and the Harbor Safety Committees represent fundamental elements of both the MTS and the U.S. economy.

That is why the fulfillment of this vision depends to a very large degree on you, the local stakeholders of the MTS. We can, and will, be engaged in the necessary policy dialogue in Washington, but what you do at home really counts. Your cooperation and coordination is critical to ensuring the ultimate utility and value of our efforts at the national level.

So, I am here to issue both an appeal and a challenge: An appeal for your continued support of our national efforts in this endeavor and a challenge to you to pursue the MTS vision at the local level.

Last September, Secretary Slater delivered the MTS Report to Congress. This Report was the result of a successful, diverse, and multi-modal partnership representing the maritime industry, federal agencies, environmental interests, and other stakeholders.

It took time and a real effort to break down the barriers and establish trust – but it is now the foundation for future success.

Since the delivery of the MTS report, the leadership agencies for this initiative, especially the Coast Guard and Maritime Administration, have been busy addressing the next step: implementing the recommendations of the Report.

I have some encouraging news to pass to you today concerning efforts that are currently underway to meet these challenges. Let me briefly list some key activities that are in direct support of the recommended actions from the Report.

- First, we are setting up a second round of MTS outreach, to keep the momentum that led to the report. Regional Dialogue Sessions are planned for this spring and summer to provide feedback on actions taken since the Regional Listening Sessions held in the spring of 1998. These important opportunities for two-way communication will take place in seven ports throughout the nation.
- Second, we have taken the steps we promised to take on the creation of an MTS National Coordination Structure. This structure was recommended at the Regional Listening Sessions, the National MTS Conference, and by the MTS Task Force.

At the National level, there are two main components that will report directly to Secretary Slater and to me: the first is the MTS National Advisory Council, which is a public-private, non-federal organization chartered by the Secretary and sponsored by the Maritime Administration. The second is the Federal agency counterpart, known as the Interagency Committee for the MTS and led by the Coast Guard.

Admiral Loy and Mr. Graykowski will speak in more detail about current efforts regarding these two important pieces to the MTS Coordinating Structure, but it is clear to me that those bodies, individually and operating collectively, should have the right people in the right places to work comprehensively for maritime progress.

This will become apparent as the MTS initiatives take shape for the public. We are eager to demonstrate this for Congress, which requested the MTS assessment report.

We hope to be able to testify at future House and Senate hearings on this topic, and we look forward to a supportive reception and response by Congress.

As I said, I am issuing an appeal and a challenge. I have addressed the appeal – our need for your support of our efforts. Now I would like to address the challenge.

What does this challenge entail?

A primary element will be broad-based coordination among local committees across the nation and between local committees and the federal agencies. This is a new or expanded role for the existing Harbor Safety Committees that are already doing a great job at addressing the safety issues affecting their own ports and waterways.

During preparations for the Y2K rollover, we counted on the cooperation of the local maritime entities to share readiness and remediation information, to test systems, and to exercise contingency plans.

Without widespread participation in this effort, and especially at the level of the individual operator, we would not have been able to ensure the safety of the shipping and boating public, and the continuity of operations for businesses that rely on the Marine Transportation System.

Now that we are safely into the Year 2000, the Harbor Safety Committees will continue to address their local operational issues, but now we ask that you do this within the context of a National Marine Transportation Coordinating System. With your excellence in coordinating issues affecting your members, we need your help in forming the local coordinating structure for the entire Marine Transportation System.

As you form new Committees or work to reform existing ones, consider the following simple strategies for success:

- Be inclusive;
- Take a team-based approach to decision-making; and,
- Share your results.

A more diverse membership will bring more viewpoints and experiences to the table. Working cooperatively will also lead to a better product that is respected by the people who helped to create it, and those members can help spread the word to others, making success as contagious as this year's flu – and a whole lot nicer!

Such a structure is ideally suited to take up the issues laid out in the MTS report.

We hope that your group will address such important topics as recreational boating; crime and terrorism; and dredging. These are just a few of the issues facing our transportation system today.

We need your input and attention to safety, security, the environment, and other critical areas to help solve the problems and improve marine usage for everyone.

As current or future members of Harbor Safety Committees, you are in the ideal position to encourage cooperation across the local community. You and your business partners can help implement the MTS vision. You know best how the steps we take together will impact your business. And you can demonstrate flexibility and openness to these new structures. Your leadership in this area will be very important in fostering a climate of cooperation.

We at DOT have learned that we can't operate solely in the realm of individual modes of transportation – that we must plan and work together across the transportation spectrum, involving our partners in aviation, in highways, and in rail.

We also know that we can't limit ourselves to a single zip code -- policymaking and implementation has had to expand beyond political and geographical boundaries to reflect the local, state, and regional nature of the issues that face our industry.

The transportation system is a complex one, requiring coordination and cooperation with our neighbors and our customers.

The 1998 Annual Report of the Port Authority of New York and New Jersey acknowledged: "Business relationships and transportation and communication links play a vital role in helping spread prosperity throughout the metropolitan area."

These relationships must be working because the New York-New Jersey region is experiencing remarkable economic growth. In 1998, this region gained 170,000 jobs, including a seven percent increase in regional construction.

This outstanding economic health, seen across the U.S., is part of our record-breaking strong national economy. With the lowest unemployment in 30 years, and last year's achievement of a very real budget surplus of \$124 billion, this Administration has been able to focus on paying down the debt and putting much-needed funds into our national transportation system.

We will invest a record \$50.5 billion in federal funding for transportation in Fiscal Year 2000.

President Clinton has asked Congress to continue this support for our investments, proposing \$55 billion for FY 2001. This funding enables us to continue the work we have begun to repair, advance and expand our transportation system, such as moving forward in our efforts to improve the Marine Transportation System domestically and abroad.

The FY 2001 budget includes \$159 million for the MTS – funding that will be put toward new initiatives and capital investments like the Great Lakes Ice Breaker.

We will use this funding wisely, through continued strategic planning and partnerships with customers and stakeholders in government and in industry.

In doing so, we are often reminded that today's economy is a global economy. That means that our customers and our partners can be any person, any business, and any level of government or organization around the world.

And while the Internet may link us all, the Internet alone cannot create and deliver the goods. The system is made up of individual people and businesses. It is the cooperation of each of these individuals that enables the delivery of goods and information across the global network.

You are that individual, that local partner.

As we continue our work toward the MTS vision, we look forward to your insight, experience, and advice – as well as your help, to make this a long-term success.

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Remarks for Deputy Secretary of Transportation Mortimer Downey

for Delivery to the

**President's Council on Integrity and Ethics - Executive Council on
Integrity & Efficiency**

Retreat on Inspector General Relations with Stakeholders

Library of Congress
Room 119 Jefferson Building
Washington, DC
1:30 - 3:30 pm

Thank you, Ken, and everyone, for letting me come in during the last half of this important discussion about IG relationships with stakeholders -- and vice versa. In the interest of getting back to the discussion, my remarks will be brief.

I think it is important that both the IG and the agency they oversee make the effort to establish productive relationships so that each does their job well and serve the American people to the fullest.

As Deputy Secretary -- and COO of a large agency -- I am fortunate to have a birds-eye view of the issues, the projects and the people involved. From that perspective and from a little distance, I can see and support the benefits of the IG's work in auditing and investigating DOT's programs and projects.

We have had a good working relationship with Ken Mead and his staff, and I think it has a lot to do with good communication. Secretary Slater and I and our modal administrators have made it a point to listen to and work with the Inspector General rather than be defensive about the scrutiny. I'm not prepared to say we love the limelight, but we realize that the objectivity that the IG provides can help us to correct deficiencies and to avoid future problems.

Truck safety is a good example of how the role of the IG can be a catalyst for positive outcomes. Yesterday, the Secretary and I were joined by Members of Congress and Ken Mead in unveiling a new agency that will focus on truck and bus safety – the Federal Motor Carrier Safety Administration (FMCSA). With new leadership and resources, our goal is to reduce motor carrier traffic fatalities by 50 percent over 10 years through a comprehensive effort in partnership with safety groups, industry, and federal, state and local government authorities. Quite frankly, much of the impetus for action came from the IG's observations that we were not doing all that could be done on

this important safety issue.

Inspectors General play an important role in ensuring that the Government Performance and Results Act remains a valuable tool for making government efficient and accountable. GPRA is a valuable tool only if we are going to be precise about what we intend to do – have specific goals – and measure and be able to verify what we have done.

Inspectors General, in partnership with agency leaders and personnel and private sector stakeholders, are holding government agencies to a high standard. They make us answer the questions: How are you measuring the results and how accurate and relevant are the data? We at DOT want to choose the best measures and to produce the data that tells us, clearly, how we're doing. And we have divided up responsibilities to do formal evaluations, including some joint efforts on key issues such as hazardous materials safety.

The Year 2000 computer problem -- known as Y2K -- was another good example of the constructive role that IG's play in objectively reviewing data and information. Had we relied solely on our own assessments, I'm not sure we would have had such a Happy New Year -- and we certainly had happier Congressional hearings when we could report that our progress reports had been verified.

We have also worked well with the IG in ensuring that our financial statements are recognized through a "clean opinion." This is vital for running the kind of programs and managing the level of funding that DOT does. If we don't know what our financial situation is, then we can't be fully accountable. If we can't document our costs, we can't recover them from users, as we would hope to do. With the IG's findings, based on objectivity and expertise, we now have a useful tool for managers to use in producing accurate accounts for the programs they operate. The accounting standards expected and the process for producing such accuracy are rigorous -- as they should be.

To conclude, I just want to say that I think that two vital ingredients go into making government both good and effective -- and they are: Ethics and Efficiency. And, it is the Inspectors General of the Executive Branch that help to ensure we truly are ethical and efficient. IGs are important, but I have to say, it is one of those jobs that lends itself well to the expression: It's a tough job, but somebody's got to do it!

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**Remarks for Delivery by
Deputy Secretary of Transportation Mortimer Downey
FAA Aviation 2000 Conference
Washington Convention Center
March 8, 2000**

Panel III: 8:00am – 9:45am, March 8
Government & Industry Aviation Programs for the Future

Since 1992, the U.S. has sought to conclude Open Skies aviation bilaterals with its aviation partners throughout the world. On the whole, this effort has been extremely successful. We now have 43 open skies agreements – 6 in the Asia/Pacific region; 19 in Europe/Africa; 6 in the Near East/Central Asia and 12 in the Western Hemisphere.

We have also taken strides in the direction of a fully liberal aviation regime with Japan. We hope to build on the progress that has been made and to achieve full liberalization of the Japanese market in future discussions with Japan.

We have been deeply disappointed by our lack of success with the United Kingdom. The unwillingness of the British Government to consider a broad expansion of our aviation relationship is regrettable not only from the perspective of aviation policy, but also because it ignores the vital needs of our two countries.

We will continue to make every effort to further liberalize our international aviation markets. We believe international aviation has a vital role to play in continuing national and international economic growth and prosperity. For this reason, it is important that air services not be constrained unnecessarily by governmental restrictions.

Last December, Secretary Slater hosted a ministerial conference in Chicago – the first world-wide conference of transport ministers since the historic Chicago Aviation Conference in 1944. The purpose of the conference was to provide a forum for the world's aviation leaders to focus on the critical aviation issues for the 21st century.

Our ultimate goal following the Chicago conference remains what it has been for some time now: That the nations of the world will move forward on the issue of worldwide aviation liberalization and establish a true international aviation network capable of fully supporting the emerging global economy.

Our strategy is to advance on any practical front in arrangements that are bilateral, plurilateral, regional or global.

We plan to continue our efforts to pursue open-skies markets for U.S. airlines with bilateral partners. We also intend to make as much use as possible of existing regional forums. APEC has already embraced air transportation liberalization and the subject is on the agenda for the meeting upcoming later this month. We intend to table a draft text for a multilateral air transport agreement for consideration and discussion by APEC members.

The European Commission has invited the United States to enter into a dialogue toward creating a “transatlantic aviation area.” While we will each bring to the discussion our own views on this issue, this dialogue could be the prelude to a future regional agreement.

The Organization for Economic Cooperation and Development (OECD) is currently examining both liberalization and multilateralization of air cargo services. The OECD intends to circulate a draft multilateral agreement this month, with plans for a workshop for member countries to discuss the proposal in June.

Advancing the dialogue and furthering the goal of aviation liberalization worldwide will mean continued economic growth and better service for customers from all countries and regions. While we pursue liberalization in these various fora, we will also continue to seek opportunities for new air services in our bilateral aviation relationships.

I'd like to turn now to the subject of alliances . . .

Last December, the Department issued a report, the first in a series, entitled "Global Deregulation Takes Off". This report provides a broad picture of how immunized alliance development has affected traffic and fares in the transatlantic market. The report shows that multilateral alliances are playing a key role in the competitive and evolving international aviation marketplace. These alliances are providing improved, more competitive services in literally thousands of markets, and such cooperation given carriers a way to mitigate the limitations of bilateral agreements, ownership restrictions, and licensing and control regulation.

Multinational alliances have fueled enormous increases in improving traffic connections, both in markets that have had poor interline service and in markets that already have the benefit of seamless service by other individual airlines.

Alliances are one way the airline industry has responded to aviation liberalization and the evolving competitive environment. They are also the only way to provide better service to thousands of passengers in long distance, low-density international markets.

We realize that international aviation and its competitive dynamic are constantly changing. We will continue to monitor the development of alliances within the context of aviation liberalization in order to evaluate their effect on the aviation industry and consumer welfare.

Remarks for Deputy Secretary Mortimer L. Downey Federal Motor Carrier Safety Administration Inauguration Rollout

U.S. Department of Transportation

Nassif Building, Room 2230

March 8, 2000

10 am - 12 noon

- Good morning to everyone here at DOT headquarters and to ^{all} those employees and guests joining us by satellite broadcast from our division offices. We welcome all of you to today for this important event: the inauguration of our newest modal administration, the Federal Motor Carrier Safety Administration.
- It's an opportunity for the people who helped shape the Motor Carrier Safety Improvement Act and played such a major role in bus and truck safety to ~~participate in this inaugural event and~~ get the new agency off to a good start.
- ^{especially} We thank Members of Congress and leaders from safety groups, organized labor, law enforcement, commercial passenger carriers, and trucking organizations for being here -- and we particularly thank those who made it through the blizzard for our first effort at this event and are here again today.
- We look forward to working with all of you in the months and years ahead as we work to improve motor carrier safety on our nation's roads and highways.
- The new agency -- our first to be created in the 21st century, is taking us into the future with a full commitment to use modern technology to support all of its activities and interactions with its customers, and we'll hear more about that later.
- Safety, in all modes of transportation, is the Department's top priority, and we are always seeking new gains. Working together we can reach the ambitious goal Secretary Slater announced last year -- to cut fatalities due to truck and bus crashes in half over the next decade.
- Now I'd like to turn the program over to Secretary Slater to tell us more about the new Federal Motor Carrier Safety Administration and how we can and will reach this challenging goal. Mr. Secretary . . .

At this point, read letters
from DOTIS + VDOTIS. F
S-1 has not done
so.

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 Members of Congress who played a crucial role in the passage of this important law:

- Congressman Nick Joe Rahall, ranking member of the House Ground Transportation Subcommittee, ~~along with Congressman Jack Quinn.~~

- We are also pleased to have Congressman Jim Oberstar, ranking member of the House Transportation and Infrastructure Committee, here with us and would like to ask him to say a few words.

- Congressman...
Congressman Tom Petri, Chairman of the ~~Sub~~ Ground Transportation Subcommittee

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

first to sign the performance agreement.
— commit a performance agreement —

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

- Today marks another important step toward our goal of improving Motor Carrier safety.
- We look forward to working with all of you, here in Washington and in the field, to ensure the safety of Americans on our nation's roads both now and into the future.
- Thank you all for coming.

Slater, Cirillo, members of Congress, etc to join us for the ribbon cutting.

**REMARKS PREPARED FOR DELIVERY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
TRANSIT GENERAL MANAGERS MEETING ON ATTB
WASHINGTON, D.C.
MARCH 11, 1996**

Good afternoon. I'd like to welcome you all to this presentation on the Advanced Technology Transit Bus -- and I'm glad to see that none of you were frightened away when you heard the words "advanced technology" and "transit bus" joined together.

I know that there's always some hesitation in any industry when a federal agency becomes involved in technology development. Those of us with a few years of transit experience bear more than a few scars: we all remember the White Book and Transbus -- or at least *I* do -- but we learned some powerful lessons from that experience.

The most important lesson was that the federal government can't force technology on an industry ahead of its time. We can -- and should -- work with industry to develop and deploy new technologies, but it has to be done cooperatively. In the case of transit, it's critical that everyone affected -- operators, manufacturers, suppliers, the riding public -- be fully involved as we create a new bus for the 21st century.

We've already met with members of many of your technical staffs, and many of them serve on a peer review panel that's

monitoring this project's development. Today's meeting -- the first at such a high level -- is an expansion of this process.

Of course, after our experiences in the 1970s, it's reasonable to ask why we're even bothering to go once more unto the breach. The simple answer is that the federal government has multiple goals at stake, and this project is an excellent way of fulfilling them.

We want to enable transit to help meet vital national goals -- greater energy efficiency to reduce our dependence on petroleum, especially imported oil -- better air quality -- and improved mobility for all Americans, including the disabled.

Transit can help to achieve these goals, and we want to direct federal resources towards buying products that enable you to do so.

What we're doing with this bus is consistent with what we're doing in other areas that affect these goals, such as the Partnership for a New Generation Vehicle, our initiative with Detroit's Big Three.

And, if we are going to succeed in that initiative -- producing a vehicle with three times the fuel efficiency at today's levels of comfort and safety -- transit will need a new model if it is to be competitive.

We want to ensure that America has strong transit systems that can do their part in meeting urban America's mobility challenges.

That's why -- as you heard Secretary Peña announce this morning -- the President's 1997 budget will propose a 25 percent increase in operating assistance -- raising it to \$500 million a year, the level we supported last year and still believe is right for these circumstances.

And it's why we've increased capital funding and promoted funding transfers that let FTA obligate a total of \$6 billion last year -- the most ever for transit.

Our support can't just be financial, since there are limits to what we can do as we work to end the budget deficit. However, we *can* help you in other areas.

Many of you are under pressure to help cut noise and pollution in your cities and reduce wear-and-tear on pavement. You also need buses that are economical to operate and that keep your costs low in an era of tighter funding at all levels of government. We want to help manufacturers build buses that do all of these things and build here in America at a profit.

We also wanted you to benefit from a bus that incorporates the newest technologies and materials as an integral part of its basic design -- advances like intelligent transportation systems

and high-tech materials made available through dual-use programs with the Defense Department.

You can't get the most out of these advances through retrofitting or even by adding them onto today's bus designs. Integrating them into the vehicle from the ground up will get us the maximum possible benefit.

The final reason we're developing the ATTB is that we want to support America's bus industry -- making it competitive both at home and abroad. This industry produces thousands of good, high-paying jobs, and we want to ensure its stability.

We've met with manufacturers and suppliers as part of an effort to ensure their future prosperity -- in fact, some of you participated in a meeting last September and gave the transit agencies' perspective on these issues -- and we see this vehicle as one of the ways to ensure American bus builders' long-term success.

Those are our reasons for starting this project, and I think you'll agree that they're sound. Of course, the best reasons and the best of intentions won't matter if they don't result in a reliable bus that gets the job done. We won't have accomplished anything if we end up with a bus that you don't want to buy or that your riders don't want to use.

My time at the MTA and Gordon Linton's on the SEPTA board provide some appreciation of transit's needs, but we really

need to hear from you -- the people who manage these services day-to-day. Your involvement will ensure that we stay on course and make the most of this opportunity.

Now, I'd like to ask Gordon to offer FTA's views on this project and to give you some more detail. Gordon...?

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**REMARKS PREPARED FOR DELIVERY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
AMALGAMATED TRANSIT UNION
NATIONAL LEGISLATIVE CONFERENCE
WASHINGTON, D.C.
MARCH 12, 1996**

Good morning. I'm glad to see so many of you here this morning. I suppose we're all flattered when people come to hear us -- although sometimes it's for the wrong reason.

When he was Vice President during the Carter Administration, Fritz Mondale once was surprised -- and thrilled -- to find a large crowd on hand when he flew out of Lewiston, Maine's airport.

Before he rose to address the crowd, he turned to one of his hosts and said, "I'm really very, very flattered. There must be about two thousand people here."

His host agreed and said, "Yup. This is the first time a Boeing 747's ever taken off from Lewiston, and everyone turned out to see if it'll take off okay." *That's* the sort of thing that keeps public officials humble.

My topic today isn't aviation, but transit -- and especially President Clinton's commitment to the transit industry and to the men and women who work in it. Over the years you've given voice to their concerns, and the President shares your commitment.

During the past three years he has fought for economic policies that have succeeded in improving the economic security and quality of life for American families.

Today, the once-dreaded Misery Index -- the combined rates of unemployment and inflation -- is at its lowest rate in 27 years -- and perhaps it's time we found it a new name.

We have more than 8 million new jobs -- just as the President promised we would during his campaign four years ago -- and 400,000 of them are in transportation.

The budget deficit -- which forces up the interest rates you pay for mortgages and car loans today and which steals from our children's prosperity tomorrow -- has been cut from \$290 billion in 1992 to \$164 billion last year.

The President has committed to eliminating it entirely in seven years. And, it's worth reminding ourselves, we would have no deficit at all if we weren't saddled with the interest on debts run up by the prior administrations over their 12-year reign.

In fact, the success of President's 1993 plan to cut the deficit has already lowered interest rates, and that has allowed more American families to buy houses, lifting homeownership to a 15-year high. By year-end, in fact, it should be at an all-time high.

Things *are* better in America today than they were four years ago. Things *are* good for most Americans. But we all recognize that "good" isn't good *enough*, and that our mission isn't yet complete.

We still face real challenges as we work to ensure that all Americans share -- and share more fairly -- in the successes of the past three years and as we seek to guarantee our future prosperity.

That's because -- in real terms -- more than half of all Americans earn the same or lower wages as they did a decade ago.

The working members in the average family spend more hours on the job today than they did a quarter-century ago, and -- in a time when our children need their parents more than ever -- that's troubling.

And as there's more downsizing and corporate restructuring, people feel less secure -- not just about their jobs but also about their health care, about their retirement, and about their children's futures.

It's a paradox that so much good news can coexist with so many challenges, and that a future brimming with opportunity is also a future which so many Americans are worried about.

The situation is like that which America went through a hundred years ago, when we went from being an agricultural society to an industrialized society. Now we're moving into an age dominated by information and technology and global markets.

This transformation is creating new opportunities, but it also challenges our ability to sustain traditional values and a sense of community.

President Clinton has laid out a comprehensive set of strategies to deal with these challenges.

It begins with a balanced budget plan to do away with the deficit but still protect our obligations to our parents, to our children, and to our future through investments in Medicare, Medicaid, environmental protection, and education.

You've all read about the differences between the President and Congress, but what you don't hear about is how much there is in common.

The seven-year balanced budget plans proposed by the President and Congress now have in common about \$700 billion in savings -- more than enough to balance the budget, give a tax cut targeted to working families, and protect the priorities that the President has set out.

So at this point the issue isn't whether we can balance the budget, but whether we should sacrifice vital priorities just to satisfy a rigid ideological agenda, and give tax cuts to those who don't need them.

I think that would be wrong, and I believe that the American people do, too. *They want* clean air and water -- *they want* good schools for their children -- and *they want* a secure retirement for their parents.

So *let's agree* on those savings we already have in common -- *pass* a balanced budget plan -- *and move on* to the other challenges we face.

We can-- *and we should* -- do more to strengthen our families and to provide economic security to people who work hard but *aren't* getting raises and *don't* have access to health care or stable pensions or lifetime education and training.

The *President's* balanced budget plan shows that we can move forward on *all* of these fronts.

He wants Congress to pass health insurance reforms that require insurers to be fair. Fairness means covering people who have lost their insurance because they've changed or lost their jobs, and not discriminating against people who have pre-existing conditions.

He wants to ensure that American workers can take their pensions with them when they change their jobs, so they don't lose the retirement security they've worked so hard to earn.

He wants to increase education opportunity by offering new tax deductions for the cost of tuition and training -- new merit scholarships for top students -- more loans for college and jobs training -- and universal availability of the computers and new technologies that are essential to today's learning.

He wants to improve conditions for lower-paid workers through a 20 percent increase in the minimum wage, which -- in real terms -- is now at a 40-year low.

And he also wants to protect the increase we gained in the earned income tax credit -- a program that rewards work and that's improved the lives of 14 million working Americans.

Those initiatives are designed to help *all* working Americans, but we also need strategies targeted to specific industries. Now, I'd like to talk about some of the things we've done to support the transit industry.

In President Clinton's first three years in office, we've recommended three of the highest mass transit budgets ever -- more than \$4 billion annually -- and Congress has supported two out of those three.

You can guess *which* Congress didn't fully support our request -- but they'll get another chance when the President's detailed 1997 budget request goes to them next week.

In addition, under President Clinton we've strongly supported states' increased ability to transfer funds between highway and transit programs, and we've worked to make this ability benefit the nation's transit systems.

Last year alone, \$800 million in flexible funds were shifted to transit, just part of the \$2 billion that's been transferred since the inception of ISTEA -- the Intermodal Surface Transportation Efficiency Act.

Including flexible funds and carryovers, last year FTA -- listen to this -- obligated a total of \$6 billion -- that's \$6 *billion* for transit -- the most *ever*.

Our commitment goes beyond the greater use of flexible funds, important as that is.

We've announced a dozen new transit starts -- some in places with long histories of rail transit, like New York's Queens Connector and Boston's South Boston Piers Extension -- others in places with newer transit traditions, like Portland and Salt Lake City -- which will have a light rail line in place for the 2002 Olympics.

Under President Clinton, more than \$4.6 billion has been committed to date for these projects -- projects that are going to make transit the best choice in those cities. More of these projects will be announced and funded in next week's budget proposal.

Even with our strong support for expanding transit, we haven't wavered on the basics: maintaining existing services. Under this administration, federal grants now help to purchase 8,000 buses and paratransit vehicles each year and to replace aging facilities and trackage in every rail city.

We've helped transit agencies control their operating costs by ending unnecessary requirements and regulations. Our new electronic grant-making system -- simplified procurement guidelines -- and streamlined grantee certifications are all examples of bringing common sense to government.

We've given operators expanded flexibility in using capital funds for spare parts and bus overhauls so that they can make the most of their operating assistance to save service.

We're taking action to ensure the safety of transit workers and riders -- as Secretary Peña recently did with his emergency order to make commuter rail operations safer.

And last month the Secretary met with the security chiefs of transit agencies from around the country as part of his effort to

beefed up our intelligence operations to prevent the terrorist problems other nation's transit systems have faced.

We've stood with you -- and turned back -- assaults on the Davis-Bacon Act -- on the collective bargaining rights of Amtrak employees -- and on the 13(c) protections that are at the core of transit workers' rights.

What we've accomplished on 13(c) is especially noteworthy, because we didn't just continue to ensure workers' rights but also worked with you and with management to make the process more effective and to make sure it didn't disadvantage transit in the planning and funding processes.

We acted administratively to streamline 13(c) and cut red tape in order to speed up procurements and save transit agencies money -- all without placing workers at risk.

But in spite of this, there are still some advocates of repeal. The threat *hasn't* ended. This is a battle that we'll need to fight again this year.

The same is true of the fight for operating assistance. In a time when many want to zero it out completely, we've fought for it and we've managed to preserve it. Here, too, the threat still exists.

Congress managed to cut operating assistance to \$400 million in this year's budget, a level they view as a way to zero it out. Transit needs -- and deserves -- more than that.

So I'm pleased to say that, in the budget he's submitting to Congress next week, the President will propose to increase operating assistance by 25 percent -- to \$500 million.

It's a level that transit operators need in order to maintain their services, and it's a line that *we're* drawing. I promise you that we're going to fight hard for it.

Cutting operating aid and trying to repeal 13(c) aren't the only ways that transit skeptics are trying to hobble this industry.

I mentioned how much ISTEA's flexibility has meant to transit -- \$800 million last year alone. Well, transit's adversaries want to end that flexibility.

They don't trust state and local officials to make the right choices for their communities -- to choose transportation projects on their merits rather than whether they happen to fall into some rigid category.

They'll have a chance to do that next year, when ISTEA expires and must be renewed. They'll try to change ISTEA to fit *their* picture of how federal transportation funds should be spent -- and transit has no place in that picture.

President Clinton wants to continue the progress we've made towards leveling the playing field, and to continue giving state and local officials greater flexibility and authority. Continuing on ISTEA's path is the right way to do that.

Secretary Peña has called for regional workshops this year on what ISTEA's reauthorization should include. I hope -- as the debate over ISTEA unfolds -- that all those with a stake in this will make their voices heard, and that they work together to preserve the progress we've made.

Each of the things I've talked about today is part of President Clinton's comprehensive commitment to America's transit industry and its workers.

Over the past three years this President's initiatives have helped an important industry to grow. I think it's no exaggeration to say that this is the most pro-transit President ever.

As with everything else we do, these initiatives have in common their commitment to working men and women. President Clinton respects the long and proud tradition of standing with working Americans, and today's relationship between the labor community and his Administration builds on that history.

Even with the adverse circumstances we face, our success in protecting worker rights over the past year shows that we can

still accomplish things if we work together -- just as it shows that there are risks if disagreements between us open wedges for those who would roll back generations of progress.

The ways in which we sustain the prosperity of America's workers are changing as we make the transition from a heavy-industry economy to a high-technology, information-based, global economy.

We can't turn back the tides that are changing our world -- but we *can* make the passage smoother for working Americans.

That's in the best tradition of organized labor -- a tradition that fought to create and to preserve workers' rights as America industrialized during the first half of the 20th century. It's that tradition which we look forward to sustaining as we move into the 21st century. Thank you very much.

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Remarks prepared for Delivery by
Deputy Secretary of Transportation Mortimer Downey

During the
American Public Transportation Association
25th Annual Legislative Conference
J.W. Marriott Hotel
14th Street and Pennsylvania Avenue, NW
Washington, DC
Monday, March 13, 2000

Thank you, Nuria (Fernandez). It's a pleasure to be here ^{with transit fronts} and to
speak ^{with} to you about the vital transportation issues of the day, among
them the continued need to invest in America's mass transit systems.
The first message I want to convey to this audience is that the outlook
for transit is bright for a number of reasons.

Sprawl, Congestion Top Public's List

One reason I believe that transit will move to center stage early in
this century is that sprawl and ^{congestion} ~~land use~~ planning are becoming – or in
some regions have already become – central issues ^{in the minds of the} ~~for the~~ public.

In fact, sprawl is now equal to crime as a leading local concern for Americans, according to recent polling of several thousand people nationwide conducted by the Pew Center for Civic Journalism.

Many communities are overwhelmed by the rapid growth that has taken place since the 1990s. ~~And~~ Americans are spending more hours than ever in their cars stuck in traffic. We all know Los Angeles ^{about car position in place like} ~~is~~ ^{and Washington DC} ~~heavy on~~ traffic, but even places like Milwaukee, WI and Raleigh, NC are now dealing with traffic jams.

As a result, legislators are beginning to take action. Last year, 50 state legislatures saw an unprecedented 1,000 measures introduced -- and 200 passed -- to change planning laws to make development ^{smarter.} ~~more~~ ~~orderly and conserving~~. And, at least 6 states -- Maryland, New Jersey, Oregon, Rhode Island, Tennessee and Washington -- have moved to modernize planning laws to address growth, public transit, affordable housing and brownfields recycling.

More than half a dozen governors talked about smart growth, land conservation and brownfields redevelopment in their “state of the state” addresses this year.

Maryland’s Governor Glendening is not only famous for his 1997 Smart Growth legislation, which targeted state subsidies for development outside established cities, towns and designated growth areas, but also for neighborhood conservation and rural legacy programs and his push for major rail transit expansions.

Colorado’s Governor Bill Owens introduced a Smart Growth proposal this year that would seek new funds for transportation and finance access to high-speed Internet connections for rural communities. While some say his plan does not go far enough to stop unfettered sprawl, others give him credit for taking the first step.

We’re going to hear more -- not less -- about sprawl and congestion from around the country. And, the time is ripe for APTA and transit supporters to make the case that transit, along with rational

land use planning, is a key part of the solution to sprawl and congestion.

Transportation Investment = Quality of Life

With today's strong economy, government ^{at all levels can} and industry ~~have~~ the means to invest more in transit and other transportation modes that will help our nation continue to prosper and compete in this new century.

Transit is a lot about getting people to work and ^{we know that} a lot of people are going to work in this robust economy. Unemployment nationwide is now about 4% and ^{some places are about as close to zero as you can get.} is ~~very low~~ throughout the nation.

Transit ridership has increased 16% nationally in the last four years with almost 9 billion people taking transit in 1999, according to APTA's latest figures. So, transit is fulfilling a real need out there, and we need to work together to fulfill that need and to help people get where they need to go. As the Secretary has said, "If people can't get to work, they can't go to work."

President Clinton and Vice President Gore understand people's need for mobility and have long supported investments in our public

transportation systems. ^(over) In their recent FY 2001 budget, ^{we} they have proposed \$6.3 billion, a 9 % increase over 2000, ^{to} ~~will~~ continue the innovations and investments in infrastructure envisioned under the Transportation Equity Act for the 21st Century (TEA-21).

We have proposed increasing capital investment grants to \$2.6 billion in FY 2001, a 6% increase over 2000, including \$529 million for the replacement, rehabilitation and purchase of buses and the construction of bus-related facilities. These funds are an investment in transit infrastructure and will help make our nation's bus fleet more accessible to those with disabilities and more environmentally-friendly.

On the rail side, we propose investing \$1.1 billion to modernize and improve existing guideway systems for both heavy and light rail ,

commuter rail and ferry boat operations. We are also proposing \$1.1 billion for the construction of new fixed guideway systems and extensions to existing fixed guideway systems. These funds represent a federal commitment to improve the productivity and competitiveness of our metropolitan areas.

Last month, Vice President Gore announced \$211 million in grants for new transit projects in 12 urban areas for this year. From Pittsburgh to Chicago and from Denver to Portland, we will invest in mass transit projects that are key to revitalizing our cities and creating more livable communities. This proposed transit funding is ^{a central} part of the Administration's \$9.3 billion Livable Communities Initiative.

Last month, Secretary Slater announced the first loan guarantee under TIFIA -- the Transportation Infrastructure Finance and

Innovation Act -- a \$600 million loan guarantee ^{by} between the U.S.
Department of Transportation, ^{to back up money provided to} the Washington Metropolitan Area
Transit Authority, ^{by the} and Lehman Commercial Paper, Inc.

TIFIA is an innovative financing method that expands the base of financial capital for major national and regional transportation projects. By leveraging public and private investments, backed by Federal guarantees, state and local governments can better meet the ever-growing transportation needs of their regions.

For the Washington Metropolitan Area Transit Authority (WMATA), this means acceleration of its \$2.3 billion Capital Improvement Program. With the expected completion of the Green Line in 2001, WMATA is ensuring that the entire system can safely and efficiently carry passengers to work, to school, to an improved quality of life. For the District of Columbia and the entire Washington Metropolitan Region, it means an upgraded and modernized system, easier access, less congestion, and improved mobility. Heaven knows

we need these transit upgrades – the DC area is Number (2) in the nation for traffic congestion after Los Angeles.

Last Spring, DOT announced a new program -- the Railroad Rehabilitation and Improvement Financing Program (RRIF) -- that will make \$1 billion in credit assistance available to public or private sponsors of intermodal and rail capital improvement projects.

We've
not yet
~~been~~
issued,
the reg.

Join you in recognizing Senator

And let me take a moment to ~~recognize the~~ **Honorable Paul Sarbanes**. DOT would not have all of this good news for transit if it weren't for the Senator's leadership and perseverance. Several days before the passage of ISTEA and on a Sunday, he took the train from Baltimore to Washington to make sure that transit was well represented and its successor. His commitment to the American people ensured that a guaranteed level of surface transportation funding and TIFIA were included in TEA-21. He deserves much of the credit for the significant projects that will be advanced over the next several years.

I don't
understand
his
sentence

In February, we saw the beginning of Amtrak's high-speed Acela Regional service as the switch was turned on to electrify the Boston to New Haven lines. *So we hope to see the beginning of the truly high-speed service west of Bos* I mention the advent of high-speed rail because when the business and other people *base case* who take high-speed rail to New York or Boston arrive at their destinations, they will need good transportation, and transit *ought to be looking to* will likely fulfill some, if not most, of this demand.

A Commitment to Safety (or Safety -- Our #1 Priority)

Of course, safety will continue to be this Administration's and DOT's highest transportation priority. Many of the provisions in TEA-21 and most of our programs are focused on improving safety and saving lives. And, we are seeing progress as fatalities in virtually every mode of transportation have been reduced, including transit. But, we should not be complacent because there is room for improvement.

Today it is my pleasure to announce DOT's Federal Transit Administration Safety Action Plan 2000. Under this plan, FTA will *put safety at the top of its priorities. It will*

- Enhance its data collection and analysis in order to keep better track of where and how we need to improve safety;

- Look more closely at human factors, such as fatigue and substance abuse, and their impact on transit safety;
- Propose revising the current safety oversight rule to more effectively integrate system safety concepts in the planning, design and construction process;
- Propose partnering with APTA in revising ~~its~~ rail safety guidelines;
- Refine our audit process and collect and distribute industry best practices;
- Promote bus safety, in partnership with industry, by strengthening bus safety oversight in cooperation with the new FMCSA; and
- Cooperate with other agencies to ensure that safety is embedded into the metropolitan and statewide planning and project development processes as specified in TEA-21.

We'll be working with APTA and others to implement this Safety Action Plan between now and 2001. The Plan is the result of work by an interdepartmental task force of transportation professionals and safety experts convened last Spring (April 1999) to examine the Federal role in transit safety. The Task Force especially focused on issues relating to operational best practices, human factors and design

standards. I want to point out that FTA's Acting Administrator Nuria Fernandez and her staff worked hard with others throughout DOT to produce this Action Plan based on the findings of the task force.

Copies of the Plan are available outside on tables just across from the registration area.

all
As you may know, Secretary Slater and I believe in our ONE DOT management strategy in which all modes collaborate to serve the public better. When it comes to joint use of our national railroad system track by light rail transit and heavy rail operators, FRA and FTA are working together to ensure *that this is done with prime concern for* passenger and employee safety. Light rail operators who intend to share use of railroad tracks must comply with FRA's safety rules or submit a waiver petition to FRA, *to assure that we* ~~which may do whatever~~ *we don't see a catastrophic safety failure happen since we just use.* it thinks is necessary to assure safety.

This needs full review by FTA + FRA

Passenger rail has many benefits when we think about the challenges of meeting the mobility needs of a growing population in a cost effective and environmentally sensitive manner, and it has a fine

safety record. But it is important that we work together to improve that record. Last November, APTA's Executive Director, Bill Millar, was with us in Pueblo, Colorado for our first rail crash test and the first in the nation to use both public and private funds, and we hope to see him again on April 4 for another test ^{See how +} ^{his use of a two-car train} in (location). This is one time that DOT is happy to have the media cover a crash!

And, continuing our push to make travel safer for Americans was last week's inauguration of our new Federal Motor Carrier Safety Administration (FMCSA). This new agency will work with FTA and others to reach the ambitious goal Secretary Slater announced last year -- to cut fatalities due to truck and bus crashes in half over the next decade.

Conclusion

As you can see, the Administration and DOT are working very hard -- in partnership with APTA and others in the private sector -- to improve mobility and safety and all aspects of our intermodal transportation system.

Now that we've reached the Year 2000 -- the 3rd year of TEA-21 implementation, I've heard that some of you are beginning to think about reauthorization. Well, as one who loves to plan ahead, I'd say it's not too soon. Today and in the weeks ahead, DOT's leadership will be focusing on FAA reauthorization. But, whoever is here one year from now should ^{begin to move} put TEA-21 reauthorization ^{up to be} ~~at~~ the top of their agenda.

Our goal of improving the nation's surface transportation -- our roads, transit systems, highways and terminals -- will be achieved in partnership with state and local governments and the private sector.

Many growing areas of the country are trying to figure out how to reduce traffic congestion and improve the quality of life for their citizens. With strategic planning and effective partnerships like the one DOT has with APTA, I believe that we can meet our nation's transportation challenges -- and that transit will be an essential part of the solution.

Thank you.

Deputy Secretary Mortimer L. Downey
Talking Points
DOT Y2K Thank You
March 14, 2000
Washington, DC

- **Opening:** Thank you all for coming, please rise for the presentation of the colors and remain standing for the singing of the national anthem. Advance the colors. (*Note: The Honor Guard will present the colors & the vocalist will sing the anthem -- the Honor Guard will automatically retire the colors.*) Please be seated.
- **Remarks:** I am honored to be here with Secretary Slater to thank all of you in the Department whose efforts made our Y2K work a success, not only in January but again at the beginning of this month with a very quiet Leap Day transition.
- Let me compliment John Koskinen for his leadership of 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.

- Working with President Clinton and Vice President Gore's mandate, John created the framework that made the federal government's—and the nation's—Y2K program a truly successful effort.
- Within that framework, we at DOT created a very successful partnership with the entire transportation community that is becoming a model for our future partnership efforts. In particular, I want to mention three individuals who worked extraordinarily hard on this effort – Kim Taylor who coordinated the overall Departmental response; Caitlin Hughes who led our outreach effort; and David Smallen who made sure that our message was consistent and clear.
- Our work couldn't have been done without the help of many talented contractors, some of whom are with us today. Let's give them a hand for their work. (*Lead applause*)

- There are some people who complained 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 we faced a major problem with 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.
- We all know there many people who questioned our ability to get the job done—from Congressional committees to Washington think tanks to Time Magazine who said we would not be ready until sometime in 2004.
- We even had our own people questioning our capabilities, like the anonymous FAA electrical engineer who was quoted as saying, "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." 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 did admit 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 made his worst fear happen 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.

- In retrospect, all of this looked very easy to those on the outside. But we all know the many hours that went into this, more than 600 DOT systems, and the many meetings with state and local officials and with the private sector to make sure everyone was aware.
- The dedication and commitment that got those jobs done will serve us well for years to come. You have been part of what Vice President Gore said "surely must be the most interesting time in all of human history."
- In November, NBC showed a movie which had planes falling out of the sky and airport systems failing. That was in November. But, 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 I'd like to introduce Secretary Rodney Slater. Mr. Secretary.....

- *After the song that Steve Van Beek introduces - you will close the program:* Let's give another hand for the Coast Guard Cutters. This concludes our program, thank you for coming and our sincere thanks for a job well done.

###

Deputy Secretary Mortimer L. Downey
Talking Points (Draft 1)

DOT Y2K Thank You

March 14, 2000

Washington, DC

- I am honored to be here with Secretary Slater to thank ^{all of you in} ~~everyone from~~ throughout the Department whose individual and combined efforts made our Y2K work a success. And we did it again at the beginning of this month with a very quiet Leap Day transition.
- Let me compliment John Koskinen for his leadership ^{of} ~~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 ^{at DOT} created a very successful partnership with the entire transportation community that should be a model for our future efforts ^{system} on modernization and ^{for} other areas, too.
- There are ^{done} many people who ~~are now~~ ^{ed} 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 ^{we faced a} ~~the~~ major problem ~~we faced was complaints about~~ ^{with} 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.

- We all know there many people who quesitoned our ability to get the job done—from Congressional committees to Washington think tanks to Time Magazine who ^{said} we would not be ready until sometime in 2004.
- We even had our own people questioning our capabilities. 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 quote shows that our FAA colleague completely underestimated the commitment of the people throughout the transportation sector to get the job done. 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 ~~did~~ 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 ^{made} ~~were~~ ^{happen} 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.

- 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 more than 600 DOT systems that would not have been ready without the dedication and commitment of the Y2K team at the Department.
- We also know how many meetings and contacts people from the Department made with state and local officials and with the private sector to make sure everyone was aware of the Y2K problem and working to fix it.
- 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 transportation system for the 21st century, and you played a role in meeting a challenge that could have had worldwide consequence. You have been part of what Vice President Gore said "surely must be the most interesting time in all of human history."

- 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.

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**Remarks prepared for Delivery by
Deputy Secretary of Transportation Mortimer Downey
Annual RETCO/RETREP Meeting
Holiday Inn Capitol
Washington, D.C 3/16/00**

Acknowledgments:

**Carolyn Blum, FAA Regional Administrator in Atlanta
Pat Poe, FAA Regional Administrator from Anchorage
George Ostensen, FHWA Director Midwest Resource Center**

Canada:

Edda Brown, Emergency Operations, Transport Canada

First, I want to thank you for all of your efforts this past year in supporting the Department's emergency response and national security programs. It was another busy one for you, with the challenge of major disasters like Hurricane Floyd and the numerous smaller ones where the states require assistance from our department.

You are also called upon to support the Department in other important ways as well, such as the WTO conference in Seattle, the NATO 50th Anniversary here in Washington and, of course, preparing for the Year 2000 rollover. As I've said at least several times this year, I don't believe we would have had such a Happy New Year without the effort and preparation by professionals like yourselves throughout the DOT ^{family} complex!

For many of you, your emergency responsibilities are only part of ~~the~~ ^{important things you} ~~what you~~ do on a day to day basis. And in this respect, what you all do is the best example of ^{how} ONE DOT ^{can work}.

Last year, ^{what} ~~after~~ Jerry Malone spoke to you, ^{as} he ^{afterwards} mentioned that you felt that the RETCO program was not as well known within the department as it should be. I can tell you that is not the case today. We are clearly aware of your role and value it brings to the Department. The emergency program is a priority and is recognized as such in the National Emergency Response flagship.

This past year we made great strides in our ability to respond as

ONE DOT to meet the challenges of Y2K. Our Crisis Management

Center served as the ^{Department's} central clearinghouse for collecting, analyzing and

disseminating information from throughout the Department to the ^{ad hoc transport and safety}

^{back to the} national Information Coordination Center. This was an unprecedented

effort for our Department and involved the largest peace time

mobilization of DOT personnel since WW II.

The new web-based information system used in the CMC during

the rollover shows great promise for ~~all operating administrations~~ ⁱⁿ to use

ⁱⁿ for other ^{unprecedented} efforts that involve comprehensive coordination. I had the

opportunity to test the system from my office ^{, from home, and well as} as well as in the CMC ⁱⁿ

New Years's Eve. I took the liberty of suggesting a few changes to

make it a little more user friendly.

By the way, I was ^{particularly} impressed with the ^{free} exchange of information

between Transport Canada's emergency center and our CMC. I think

this attests to the close working relationship that has emerged between

our two departments.

While the Y2K response took a lot of effort and served the American public well, it also allowed us to accomplish a number of things that ^{will} significantly ^{skew's} benefitted our emergency and national security programs. As a result of Y2K, we were able to produce business continuity plans and procedures, identifying essential services. This was strongly needed ^{as a key element in} to complete our COOP and COG plans. I believe we substantially improved our operational ties and relationships with our stakeholders. And, we demonstrated that we can effectively operate to support a major national challenge to our government.

This past year we also made significant strides in the national security arena in support of the White House and the National Security Council. We now have a viable alternate facility for DOT headquarters in the event we must relocate with little notice. While this is a sensitive area, I can tell you that DOT ^{is ready to} can fulfill its obligations under Executive Order 12656 and Presidential Decision Directive 67. The Secretary and I personally participated in two national security exercises this past year, ^{playing high level roles in the process.}

This past year most of our COOP/COG preparedness efforts have been directed from headquarters. Next year, we will emphasize readiness in our regions to fully comply with requirements of PDD 67. The RETCO program, while certainly not directly responsible for ensuring COOP readiness of the operating administrations in the regions, still serves an important role. You must understand what plans are in place, stand ready to mobilize your multi-modal teams and provide information to us through OET.

In closing, I want to emphasize how important it is that you continue to provide timely information on fast-breaking events of interest to the Department. We value your situation reports, and OET knows how to bring them to our attention quickly. You are DOT's eyes and ears and, because of your experience and training, often know what will become a front page item or what will be of interest to the department before others.

Again, thank you for your outstanding work this past year, and I look forward to continuing a cooperative and productive working relationship with you all.

Introduction for

**Michael Wang, Researcher, Center for Transportation Research
Argonne National Laboratory
University of California at Davis
Eno Transportation Foundation's
Global Climate Change Luncheon
Tuesday, March 21, 2000, 11:45 am - 2 pm**

Thank you Damien (Kulash), and welcome everyone. I continue to learn a great deal attending this series on global climate change. With the variety of perspectives on the issue that it's provided. And I look forward to another informative presentation today.

We've all heard and read that global carbon emissions are forecast to increase dramatically if we don't change the way we live -- the current forecast says they will increase by more than 80 percent from 1990 levels. And this doesn't mean that we all need to start bicycling to work or to give up that cross country driving vacation we have planned. We need to put our heads together, here in the U.S. and with other nations, to find practical ways to lower carbon emissions.

Advances in transportation technologies can contribute substantially to reducing those emissions -- transportation accounts for about 26 percent of the nation's emissions, and they are increasing faster than those in any other sector.

Climate change is not the only challenge we face, as the current rise in oil prices remind us. We know that we need to press ahead with clean fuels and energy efficient vehicles -- as we are doing in the Partnership for a New Generation of Vehicles (PNGV) -- so that we can lessen not only the amount carbon emissions, but also our energy dependency.

We are fortunate to have with us today an experienced environmental scientist and researcher who has been studying the potential for alternative fuels and advanced vehicle technologies for about 13 years. His name is Dr. Michael Wang, and he works in the Center for Transportation Research at the Argonne National Laboratory near Chicago.

In recent years, Dr. Wang has developed a successful fuel-cycle model that analyzes energy and emissions impacts of transportation fuels and advanced vehicle technologies. The model has been used by over 50 organizations in North America, Europe, and Asia. Dr. Wang obtained his Ph.D. on environmental science from the University of California at Davis and his research has been published widely.

When he's not analyzing the latest alternative fuels or transportation technologies, Dr. Wang enjoys hiking, biking and scenic running. In the latter activity, Dr. Wang recommends the California coast near Monterey over Oak Ridge, Tennessee -- where you have to drive 7 miles round-trip to get to a park!

It's my pleasure to introduce Dr. Michael Wang . . .

Remarks prepared for Delivery by

Deputy Secretary of Transportation Mortimer Downey

DISPUTE RESOLUTION COUNCIL MEETING

March 24, 2000

Room 5332

(Hearing Room)

Introduction

- Thank you Judy, and good morning.
- Just 4 months ago, this Council came together as another example of ONE DOT, from all operating administrations and from secretarial offices -- lawyers with litigation and procurement expertise, civil rights directors, human resource experts, and program managers -- to examine the variety of ways in which we have used alternative dispute resolution and to develop new approaches.
- Since you first came together, I was happy to respond to the request from the Deputy Attorney General, Eric Holder, that we report on the Department's ADR activities and our goals for FY 2000 because we have a lot to tell. *(Comment on ADR efforts at MTA)*
- I was pleased to report on a number of these initiatives. In addition to the Secretary's establishment of this Council:

- The Department's Board of Contract Appeals used alternative means of dispute resolution, including mini-trials and appointment of an independent neutral, in seven cases. Settlement was reached in six of the cases.
- The FAA issued a final rule detailing the procedural requirements of its Office of Dispute Resolution for Acquisition for the resolution of both bid protests and contract disputes. Its dispute resolution process emphasizes the use of ADR as the primary means to resolve disputes.
- The Coast Guard provided training to the chiefs of its contracting offices and its procurement attorneys.
- The Coast Guard, FAA, and FRA established mediation programs for discrimination complaints. The FAA also established two new programs at its William J. Hughes Technical Center in Atlantic City, NJ, under which employees and management mediate workplace disputes. The FAA and the National Air Traffic Controllers Association (NATCA) established an ADR Working Group.
- With regard to the goals that we set, I am pleased to learn that you are well on your way to meeting them:
 - You have a Web Site Working Group that is developing a way to communicate our efforts both internally and externally.

- You have already held 2 sessions to increase awareness of how ADR is used in environmental policy conflicts and in procurement. The Chair of your ADR Awareness Work Group has successfully convinced TASC to invite Judy to be the guest editor of the DOT Newsletter next month.
- And you are here today to discuss a draft policy statement that your Policy Working Group developed. My sincere thanks go to Marc Owen, who led our efforts when the President first encouraged us to increase our use of ADR in 1998.
- As Judy mentioned in her introduction, lack of support from leadership is frequently raised as a barrier to ADR. I am here to assure you of my (and the Secretary's?) commitment to ADR.
- When you have reached consensus on a policy statement, you will have an opportunity to present it directly to other DOT leaders at a meeting of the Secretary's Management Council, which I chair, and at the Secretary's senior leadership team meeting.
- I will "suggest" to heads of operating administrations and secretarial officers in those meetings that they assist you in your efforts to promote the use of ADR.
- ADR will help us to improve how we manage for results and innovation.

- As Dr. Deming successfully demonstrated in Japan, and as we heard at the Department's Executive Leadership Conference earlier this month, it's all about process -- a process of working together - - working better together.
- We are working better together as ONE DOT. In addition to your efforts here, I know several of you have also been working in the ONE DOT Shared Neutrals Program, a program to provide mediation as an option to help us resolve complaints of discrimination.
- We are working together with our partners in collaborative forums to leverage resources and share information. You've heard about FHWA's efforts to develop a dispute resolution system and a more effective public involvement process as part of NEPA streamlining mandated by TEA-21.
- ADR will help us to resolve disputes at an early stage, in an expeditious, cost-effective, and mutually acceptable manner. It will help us advance our strategic goals by preventing or minimizing the escalation of disputes in the workplace and with our stakeholders.
- Whenever I think process, I often think about the saying: "If you always do what you have always done, you will always get what you have always got."
- I encourage you to continue to look for innovative ways to incorporate ADR into our business processes.

- I thank you for your efforts on this initiative and look forward to seeing the Council's policy statement.

TALKING POINTS
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
DOT/SBA REINVENTION CELEBRATION
WASHINGTON, D.C.
MARCH 25, 1996

*(This will be an informal event at which you will stand -- without a podium
-- and address federal workers involved in the DOT/SBA MOU.)*

- * I'd like to welcome you to today's celebration of an agreement that will allow DOT to contract directly with 8(a) firms -- another common-sense government step brought on as a result of Vice President Gore's National Performance Review. It brings to small business procurements another reform to give federal workers the tools they need to do their jobs better.
- * Procurement has been one of the major areas targeted for reform by the Vice President because it's the key to our doing government's job well. The federal government is the nation's largest buyer of goods and services, and everyone's heard the purchasing horror stories -- the \$600 hammers, the nine pages of specifications for ashtrays.
- * These were the products of an outdated system that forced federal workers to rely on rigid rules and procedures -- excessive paperwork -- and multiple inspections and audits that cost more than they save.
- * That's never good, but it's especially burdensome for small businesses which may have narrow profit margins and can't afford the delays of a lengthy, inefficient process.

- * That could have caused otherwise competitive small businesses to be forced out of contention for some federal contracts.
- * By enabling employees of the FHWA, the Coast Guard, and our Transportation Administrative Services Center to contract directly with small businesses, and by streamlining the purchasing process, we'll ensure that these businesses will continue to be a source of economic growth while we do DOT's work more effectively
- * We're showing that efficient procurement doesn't have to mean less opportunity for these quality suppliers.
- * I want to thank our DOT staff -- in the FHWA, the Coast Guard, the TASC, and our Office of Small and Disadvantaged Business Utilization -- for their role in bringing about this agreement. It's just one of many innovative actions coming out of our department-wide procurement reform laboratory, and we're proud of all of them.
- * I also want to thank our partners in the SBA. We've cooperated with them on a variety of initiatives, from small business outreach to initiatives such as last year's ITOP computer procurement, and it's a partnership we want to continue to strengthen. Now, I'd like to ask Ginger Lew to offer remarks on behalf of the SBA...

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Remarks prepared for Delivery by
Deputy Secretary of Transportation Mortimer Downey
During a Conference Sponsored By
REBUILD NEW YORK
and the City University of New York (CUNY)
Infrastructure 2000 -- Investing for Growth
Panel: Transportation: Making the Region Run
City University Graduate Center
365 Fifth Avenue at 34th St.
New York, NY
Tuesday, March 28, 2000
10:45 am - 12 noon

Good morning, and thank you Lee (Sander, Senior Vice President, Frederick R. Harris Co.). It's always a pleasure to visit The City and to talk about issues that I ^{spend a lot of time on} ~~am all too familiar with~~ -- issues that are relevant not only here in New York, but throughout the country -- transportation infrastructure and, as the title of this panel ^{aptly} notes, "Investing for Growth."

This nation would not be the economic powerhouse that it is today without the ^{continuing} investment we have made over the last century in our transportation system. And, that truth will endure as we continue to see

growth, ^{even with} including the growth of e-commerce.

~~And~~, Internet companies and marketers ^{however e-commerce is} will continue to need planes, trains, and delivery trucks to get the goods to consumers. There's no way around it. A colleague of mine clicked ^{on} and bought a husky from Oregon on-line, but he couldn't download it to Washington!

Here in the New York-New Jersey region and around the nation, we will not continue to thrive unless we have the vision to plan and invest in transportation infrastructure. ^{And that} We ^{is} need to both maintain the systems we have and create new ones that work together efficiently to serve current and future needs.

At a time when the national economy is showing ^{remarkable} continuing strength, the New York Metro region is enjoying its own economic boom. (# to be added -- NY region job, business growth) But the region's aging infrastructure should make area leaders and citizens ^{a little bit} less-than-confident about the future. The Government Accounting Standards Board (GASB) was "right on" last year when it ^{said that} asked municipalities ^{had} to account for the status of their infrastructure as part of their financial reporting. It's a good test to assure that we're not just considering profit

margins and job creation, *but in fact are only to our necessities for the future.*

Alan Hevesi anticipated the need for such reporting with his
Comptroller's report last year on the City's capital needs, reflecting a
significant shortfall in both transit and highway investment, *as compared with the*
needs. *(over)*

This should be of real concern for the region. *Even with* Despite healthy
budget surpluses at many levels of government, *are we allocating enough* not enough public
~~money is being allocated~~ to cover the cost of repairing and maintaining
all of the region's infrastructure. It's a problem that demands everyone's
attention and ideas – public officials at all levels and, of course,
commuters and businesses that depend on the region's transportation
infrastructure.

The MTA's work since 1982 makes the case for continued
investment – no question that the system is operating better with new
equipment and *that took so many years to tell to the* *decision-*
that the ~~once-controversial~~ metrocard *makers* is making it work
smarter and more effectively, increasing ridership.

Last Summer, the Citizens Budget Commission completed a study (
analyzing infrastructure investments both here in the United States and
overseas. The international comparisons, in particular, demonstrated

that it is feasible to keep systems in a good state of repair and embark on system expansion.

Investment for system capacity will take on greater importance, and the CBC study suggests wisely that this need not translate exclusively into high-cost construction.

A major point it makes is that there are ^{some} ways we can relieve peak-hour congestion without new or upgraded infrastructure. Pricing policies – such as variable fares and tolls – can be effective but still face severe political hurdles. We also need to continue encouraging employers to offer flexible hours to achieve greater transit system efficiency.

TA's And we see that some relatively low-cost capital projects, like the 63rd Street connector ^{– soon to be completed and apparently on budget – or} and the New Jersey access improvements, can have a very positive effect on the system, configuring it more closely to today's demand patterns.

It is important for us to resolve the issue of how we ^{can} continue bringing ^{on} this system to a state of good repair and use ^{at the same time} and build ^{new capacity into} onto our

existing transportation system in a way that improves ^{its} efficiency. Not ^{and the scope of service} one or the other, but a mix that reflects the special importance of transportation in this region.

It is, I believe, time to take a bolder approach in considering how to make the New York region's transportation system competitive into a new century. Wall Street takes risks every day, risks that some of us might question, and those investments have made our American economy the strongest it has ever been. The leaders of New York City and the Metropolitan area, from both the public and the private sector, must be willing to take some risks to improve our transportation system.

There's a

We need to consider the transportation needs of the New York metro region in light of expected population, not just in terms of serving commuters today. We need to think about the transportation services that make it possible for 3 million people to enter Manhattan every day, for 2 million jobs to be filled with productive workers.

^{in fact}
People are New York's major economic asset and its competitive advantage. How to move them and how to meet future needs ought to ^{drive} ~~drive~~ ^{be} your ~~most~~ important investment decisions.

The proposed tunnel connection to bring Long Island Railroad into Grand Central station is one example of new capacity now being considered. This is an idea that responds to ^{the} new development patterns ^{that} ~~have occurred over a 50 year period when little or no new transit investment occurred.~~ It would be a big boost for Long Island commuters who work on the East Side. The price tag? At least \$3 billion.

Another oft-mentioned project these days is the proposed Second Avenue line on Manhattan's East Side, fulfilling a 50-year-old promise to relieve overcrowding of the Lexington Avenue line. Commuters on the 4,5, and 6 lines say they have it worse than sardines because at least "Sardines know they'll get a spot in the can." The Regional Plan Association suggests that this spine be the basis for extending lines to

underserved sections of the Bronx, Queens, adding 250,000 riders a day.

The price tag for this project -- at least \$13 billion.

For New Yorkers and for travelers all along the northeast corridor, high-speed rail will reduce trip times, increase access to midtown Manhattan, and we believe it will be the mode of choice -- the preferred way to travel in the near future. But, business and other travelers will need reliable and efficient transportation once they arrive in New York.

Airport access is another big need ^{that needs to be} ~~not contemplated in your current~~ report, but definitely part of the region's agenda. Good air service, accessible to the core, is part of the transportation agenda for all of your competitors -- and most of them are well ahead. New York is not going to be as competitive -- and getting to and from the airport is an important factor.

The problem, of course, is money. I often travel to American cities with big checks to hand out, but let me be quick to point out that I didn't bring ^{my} ~~my~~ checkbook today, nor does it have that kind of balance in it.

But, with the needs for this region to sustain its economic position, the stakes are high and we need to work toward solutions -- creative and thoughtful solutions.

Figuring out how to finance new transportation infrastructure will take time and innovative thinking on the part of many -- public and private sector players. It will take, we at the Department believe, partnerships with the means to tap the underlying values that sound transportation investments can create.

TEA-21, the Nation and the New York Region

The Transportation Equity Act for the 21st Century (TEA-21) will guide Federal investment in transportation infrastructure over the next

^{years} several and will invest ^{more than} a record \$198 billion in surface transportation.

^{with increased gas tax revenues now in hand, that total is now more than \$200 billion}
The Clinton Administration has proposed a record \$54.9 billion

^{budget} investment in our national transportation system for FY 2001, the highest

level in the history of the Department. Transportation infrastructure

investment will total more than \$39 billion under this ^{budget, including} proposal, which

funds for
~~would go into~~ transit, roads, bridges and airports. In addition, we are seeking \$(To be added) billion in new money this year as a result of increased highway tax receipts. I hope Congress will agree that more funds should go for transit.

*that's
part of
the 54.9*

TEA-21, as most transportation planners here know, gives states and localities new flexibility in using federal funds. There's a record \$1.3 billion to develop and deploy Intelligent Transportation Systems as well as flexibility to use transit and highway dollars for this purpose.

Under TEA-21, transportation funding for New York State *has* increases by more than 35 percent compared with ISTEA. New York State will receive an average of \$850 million in transit funding and almost \$1.4 billion for highway construction and repair per year with options to reallocate much of that to transit.

And there may be no better example of the vital and innovative role that government can play than the Transportation Infrastructure

Finance and Innovation Act (TIFIA). Secretary Slater and I came to New York City last September to unveil the first five winning transportation projects to receive lines of credit or loan guarantees under the program. The Farley-Penn Station redevelopment -- a \$750 million project -- was one of the winners and will receive a TIFIA loan of \$140 million and a TIFIA line of credit of \$20 million. The Federal government has committed another \$(120) million to this redevelopment effort, which will improve efficiency and passenger service *as well as* *stimulating development in the west side.*

Over the next five years, TIFIA will provide up to \$10.6 billion for new intermodal facilities, border crossing infrastructure, expansion of multi-state highway trade corridors and other transportation improvements.

The New York Metropolitan region could benefit greatly from TIFIA, but its leaders in the public and private sector will have to make a strong case and show a lot of creativity to win the financial assistance *and use effectively*

the program offers.

Conclusion

The challenges that you face in making the New York region's transportation infrastructure more efficient, competitive and suitable for the 21st century means that we will have to work together to find solutions.

The Federal government can help with funding and with capital financing, but we cannot do it all. ^{across the country,} We are asking our partners in state and local governments and in the private sector to find new ways to fund and finance projects that benefit their citizens and their businesses. It is likely that users will be asked to pay a fair share for using the transportation systems, whether it be rail, transit or air. But I am confident that the capacity exists to finance the projects that are really

needed to support strong economies.

Again, I congratulate Rebuild New York for putting together today's excellent program. Communication at conferences like this are the first step in making sound investment decisions in our transportation and other infrastructure.

Thank you, and I look forward to your questions.

**TALKING POINTS
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
METRORAIL 20TH ANNIVERSARY
WASHINGTON, D.C.
MARCH 29, 1996**

(Introduction to be made by WMATA Chairman Ellen Bozman)

Speakers, per latest draft (in order): Ms. Bozman, WMATA Vice Chair Jack Evans, the Reverend Walter Fauntroy, Senator Sarbanes, Congressmen Hoyer, Davis, and Wynn, you, Gordon Linton, Fairfax Board of Supervisors Chair Katherine Hanley, David Brickley of the Virginia House of Delegates, Montgomery County Executive Douglas Duncan, Prince George's County Executive Wayne Curry, Carlton Sickles of the WMATA Board, and the Reverend Jerry Moore.

- * On behalf of President Clinton and Secretary Peña, I want to wish Metrorail a very happy 20th birthday. Over these past 20 years Metro has grown up to become an indispensable part of this region's transportation system -- not just in the District, but in Maryland and Virginia as well.
- * Metro provides fast, economical mobility both for the transit-dependent and for riders by choice who appreciate its high quality of service, and -- as someone who takes Metro to work every day -- I can testify to that quality.
- * Metrorail also has shaped growth in ways that make environmental and economic sense, and served as the best line of defense against gridlock -- taking tens of thousands

of cars off the road every day. It's hard to imagine how we survived without it.

- * Transit is *the* best solution for this area's traffic problems, and that's why President Clinton is committed to providing the money needed to get Metrorail to the full 103 miles.
- * The President is also fighting for a 25 percent increase in federal operating assistance, which would help to stabilize fares and service levels here and elsewhere around the country -- making transit an even more attractive option.
- * We in the Department of Transportation are proud to have been your partners over the past two decades, and we look forward to continuing that partnership. Let me close by again congratulating Metrorail on its birthday -- and by following Franklin Roosevelt's advice to public speakers: be sincere, be brief, be seated.

#

Closing Comments prepared for

Deputy Secretary of Transportation Mortimer Downey

Metro Office Roundtable

Nassif Building, Room 4200

Thursday, March 30, 2000

1:15 pm

- Thank you for inviting me to participate in your Metro Office Roundtable
- Based on your agenda and the presentations/discussions I have just heard, you have had a busy and productive session.
- In late 1995, when the Department first envisioned establishing metropolitan offices, they were seen as integrated, intermodal, primary program delivery offices that would be located in the largest metropolitan areas which are not also state capitals – such as New York City, Chicago, Philadelphia, and Los Angeles.
- These cities are selected primarily because of their large total Federal-aid transportation programs and because they did not already have a DOT Federal-aid presence (LA) or only had such a presence for one mode (FTA).
- These offices were intended to provide better support for DOT's customers in major metropolitan areas by facilitating more effective and efficient transportation planning and program delivery.

- Based on the evaluations of your offices that the FHWA, FTA, and the Office of Intermodalism conducted, the original metro office concept – with the mission of improving customer service by placing FHWA and FTA staff together and accessible to major urban customers -- has been a success.
- Many customers of the metro offices said that rather than adding a layer, the metro offices have streamlined processes.
- Philadelphia's Deputy Mayor commented in your survey that with freight and commuter rail playing such a large role in the area, it is almost impossible to start a highway or transit project without impacting a rail facility. Thus, the need to think and work as ONE DOT.

Success Stories

- **Highway and Transit Planning, LA Metro Office:**

Participation in the local planning process and concurrent review by FHWA and FTA staff in the LA Metro Office have saved up to three months in processing time for major projects and greatly reduced the need for major revision of the required document/information submissions.

- **Philadelphia Metro Office:**

In Philadelphia, the Metro Office assisted the city in obtaining Federal funding for a major project design necessitated by traffic engineering safety concerns on the street below an elevated rail line. The Metro Office was instrumental in coordinating with

FHWA, FTA, and the Southeastern Pennsylvania Transportation Authority (SEPTA).

- **Chicago Metro Office**

The metropolitan planning organizations in the Chicago area report that the Chicago Metro Office has improved the planning process. Specifically, the metro office's coordination of issues relating to the Chicago MPO's 2020 Transportation Plan with EPA resulted in significant time savings. The metro office is a single level of Federal presence. This reflects the delegation of authority for TIP approval, TIP modifications and certification reviews.

Note: Information above was excerpted from the reports on the evaluations of the Los Angeles, Philadelphia, and Chicago Metro Offices.

- So, working as ONE DOT, and perhaps in the future as a ONE-stop Federal government in the field, makes sense and helps us to serve our customers better.
- But there is an important question we must ask: Is this the most cost-beneficial way to accomplish our goals? Are there alternative means of providing the same, if not higher, level of service using fewer human and financial resources?
- It is up to those of you in the "Next Steps" Group - the intermodal group formed to examine the feasibility and benefit of expanding the metro office concept to other cities throughout the country - to take what you have learned here, and your knowledge of your administrations' programs and resources and determine whether,

how, and to what extent we should expand our intermodal presence.

- Members of the Secretary's Management Council, including the Deputy Secretary, look forward to your recommendations.
- I thank employees from the metro offices and the Boston Metro Team for their time and devoted attention to this task.
- You serve as excellent examples of working better together to achieve results, which is what ONE DOT is all about.