



U.S. Department of
Transportation

News:

Office of the Assistant Secretary for Public Affairs
Washington, D.C. 20590

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Contact: Bob Marx
Tele.: (202) 366-5580

REMARKS PREPARED FOR DELIVERY BY
SECRETARY OF TRANSPORTATION SAMUEL K. SKINNER
JOINT AAAE/AOCI WASHINGTON CONFERENCE
MARCH 1, 1989
WASHINGTON, D.C.

Good morning. I am delighted to be here to talk with you about our future aviation policies.

Making aviation as safe and efficient as possible is an important goal that all of us here share. While that goal is simply stated, we will no doubt encounter some tough obstacles as we pursue it.

Last week's United Airlines incident, for example, once again highlights the need to examine the issue of aging aircraft. The recommendations made yesterday by the ATA/AIA Task Force on Aging Aircraft are commendable and represent the first product of a cooperative international government-industry effort. I look forward to continued cooperation and input from industry representatives in addressing important issues facing aviation today.

As the new Secretary of Transportation and the former Chairman of the Northeast Illinois Regional Transit Authority, I know that meeting the challenge of America's vital and growing transportation is not an easy task, but it's a challenge that we have met in this country since its beginning and will continue to meet during my tenure.

The transportation system in this country is clearly the most comprehensive and most versatile in the world, and this achievement is the result of industry and government working together. If there is going to be a theme in my administration, it's going to be cooperation. We must recognize the role the private sector can play. In many parts of the world, as all of you know, government and industry work hand in glove. Our laws don't allow that kind of relationship, but we certainly can improve the kind of relationships we've had in the past.

My top priority is the development of a national transportation policy, which will be developed in conjunction with industry, the public and Congress, for the sole

- more -

purpose of ensuring that the transportation system meets the needs of the 21st century.

As an active flyer, I take a personal interest in the issues facing aviation today. Most importantly, as Secretary, I believe it is essential that there be a good working relationship between my office and the Federal Aviation Administration (FAA).

While our national aviation system has received intense scrutiny by Congress and the media recently, I have found the FAA to be doing a commendable job. That is a tribute to the hard-working men and women who are on the front lines every day. In fact, the FAA is doing a very good job in delivering service in a system where demand continues to increase. In the meantime, airline flight delays at U.S. airports in 1988 dropped to the lowest level in three years. We are still not satisfied with the current delay statistics, and will continue to work with the FAA and the airlines to improve on-time performance.

The FAA's emphasis on such critical aviation items as airline security, pilot professionalism, airport development, and advanced technology, has made an impressive contribution to aviation without curtailing either efficiency or its needed growth.

There has been a great deal of concern raised by some members of Congress and some members of the airline industry regarding the level of concentration that exists in the airline industry and the continued ability and willingness of airlines to compete. First of all, there is no question that deregulation has provided substantial benefits for the traveling public and our national air transportation system, as evidenced by the number of Americans using the system and the system's growth over the past decade.

In the 10 years since the Airline Deregulation Act, there have been significant changes in the airline industry, including a dramatic increase in passenger demand for air transportation. I believe now is a good time to review those changes and to try to assess the current situation. I have therefore assembled a task force from the Department and the FAA to revisit these issues through a series of projects designed to examine the level of competition in the airline industry. The staff will look at a range of issues and report to me on its progress.

Specifically, I want to identify ways to ensure that deregulation continues to work and that the benefits to American consumers continue. First, I plan to review major Departmental decisions in light of the assessment. Second, I will use the assessment in formulating our policies regarding future developments of the industry and our transportation system. We must ensure that competition remains strong and that the airline industry and our system are responsive to consumer demands.

Airport capacity is another area that must be addressed. We don't have enough runways. We don't have enough airports. Given the greatly increased demand that we've placed on the system over a short period of time, I think it has done fairly well. But, if we are going to have a deregulated environment, we need more capacity.

It is my hope that we will make more facilities available and enhance capacity. A plan to build a third major airport in Chicago needs to be seriously considered. I am encouraged that similar plans are underway in other parts of the country. For

example, there are advanced plans for construction of a new airport in Denver; in Los Angeles, joint civil/military use is being considered at the Palmdale Air Force Base; Dallas/Ft. Worth plans to extend two runways and build two more in the next 15 years; and Atlanta plans to build a new commuter runway within 5 years.

In the meantime, we must find ways of using our existing capacity more efficiently. In this area, the FAA is working on air traffic control procedures and technology to enable us to more efficiently use landing facilities. But, in addition, we need to work with you and other aviation interests to clarify the relative authority and responsibilities of federal, state and local governments to manage limited airport facilities.

Finally, terrorism is a continuing menace, and commercial aviation is a favorite target. Air travel still is one of the safest forms of transportation, but strengthening security for both international and domestic civil air transportation is one of my most important priorities. Clearly, the destruction of Pan Am Flight 103 -- the latest in a string of attacks on U.S. and foreign airlines -- demonstrates the need to take immediate steps to stop terrorism.

As you know, three weeks ago, at the request of the United States and the United Kingdom, a special session of the International Civil Aviation Organization (ICAO) was held in Montreal, to improve aviation security worldwide. As a result, a concrete plan was agreed to by members of ICAO, and additional steps are being taken to make international air travel an even safer mode of transportation. Not only was there wide agreement on the need to impose more stringent security checks in areas of increased security threats, but ICAO members are in agreement that terrorism is not just something to be dealt with by one or two nations, but a global menace that must be treated as such.

The threat to civil aviation by terrorists must also be addressed by a well-defined and supported explosives detection research program. The FAA has made significant investment in security research. For example, thermal neutron analysis (TNA), an explosive detection system developed to detect commercial and military explosives concealed in checked baggage and air cargo, may be in operation by January of 1990. Vapor detection is another promising method to detect explosives and weapons, both metallic and non-metallic, carried by passengers or placed in their checked or carry-on baggage.

Likewise, as we continue this dialogue with our counterparts around the world, the FAA has taken action to tighten security requirements on U.S. air carriers operating out of airports in Western Europe and the Middle East. In addition, we have acted to enhance security at U.S. airports.

It's no secret that the computer access control rule has had a stormy history. Many of you expressed your reservations (no pun intended) during the comment period on the Notice of Proposed Rulemaking. We agreed with a number of those comments and modified the final rule with respect to the time period allotted for implementation and the use of other technologies. I believe we now have an effective, workable program that will help increase the level of security at our airports. I'm sure that this two-day session will make that clear.

I know that many of you are in the process of determining how this new regulation applies to your individual airports. The FAA is committed to working with each of you to identify the most effective way to comply with the rule.

These and other aviation issues are of utmost importance to me, and I plan to take an active role in working with the new FAA Administrator to improve and protect our aviation system. Recently, in fact, I had a chance to visit with air traffic controllers at Chicago's O'Hare International Airport and Miami International. I talked with airport managers, airport security and other personnel, to listen and to learn.

As Secretary, I plan to work to meet not only present needs in the transportation system, but to secure and protect our transportation needs well into the 21st century. My door will always be open to the members of the AAAE and the AOCl, and I look forward to working with you. We have a tremendous amount of work to do to repair, to replace, and to expand our infrastructure. With your help, I am convinced we can do it.

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UNITED STATES DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION

FOURTEENTH ANNUAL FAA AVIATION FORECAST CONFERENCE

A DECADE OF DEREGULATION:
PAST RESULTS AND FUTURE EXPECTATIONS

KEYNOTE ADDRESS

by

SAMUEL K. SKINNER, Secretary
U.S. DEPARTMENT OF TRANSPORTATION

THE MAYFLOWER
WASHINGTON, D.C.

Friday, March 3, 1989

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1 Keynote Address by the Secretary of Transportation

2 SECRETARY SKINNER: Thank you, Bob. What Bob did not
3 quote in those comments, I said, "We are going to have a
4 national transportation policy in this country or there will be
5 a lot of dead bodies all over the Department." I forgot to
6 mention that one of them would probably be mine.

7 I am delighted to be here today with people who
8 understand forecasting and who understand planning. For the
9 last month, as some of you may have read, I have been talking
10 about the need for a national transportation policy in a
11 strategic plan, not only for aviation but for transportation in
12 this country.

13 It is sometimes hard to explain to lay people the
14 importance of strategic planning and policy in running a
15 business, but as I look at the attendance here in this room at
16 this forum, thanks to the FAA, I know I am among people who are
17 simpatico with my desire to have a national transportation
18 policy for this country.

19 It was really quite a surprise to me when I came to
20 Washington and began to learn in depth about all aspects of the
21 Department of Transportation to learn that we did not have a
22 concise, inter-modal strategic plan for transportation for the

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1 rest of this century and beyond.

2 As Bob mentioned, I spent eight years at IBM in the
3 '60s. I think there I learned the skills of planning and
4 planning and planning. I learned the skills of preparation for
5 the future. IBM is one of the great companies in this country
6 because they have planned for their future.

7 Most major companies in the world, both in this
8 country and abroad, have strategic plans that work. A company
9 that has a strategic plan and policy that works is a company
10 that is successful.

11 I want no less for the transportation system in this
12 country, and that is why I am totally -- with a big "T"--
13 committed to developing a national transportation plan for this
14 country.

15 One of the most pleasant things that has happened to
16 me since I arrived in Washington is to spend time with people
17 within the industry, on the Hill, and within the Agency and
18 learn from them that they, too, have this desire and thirst for
19 a national transportation plan.

20 If I have heard it once, I've heard it a hundred
21 times: "absolutely essential"; "long overdue"; "When do we get
22 started?"; "How can we help?". These are all words that are

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1 music to my ear, and the turn-out here today, the largest turn-
2 out in the history of the Forecasting Conference, I think is
3 further indication from industry and from the FAA that they,
4 too, recognize the importance of this plan.

5 Now, let me tell you that it is not going to be an
6 easy task. I do not think anybody has ever done a plan of this
7 magnitude for transportation in this country, and very few
8 companies have done so in this magnitude, but it clearly can be
9 done.

10 It is just going to take the cooperation of people
11 like those in this room, the various agencies within the
12 Department, as well as industry in general.

13 It will also require the cooperation not only of
14 industry but of Congress. I have spent over sixty hours on the
15 Hill individually visiting with Senators and Congressmen since I
16 have become United States Secretary of Transportation. That is
17 not accidental.

18 They are our partners in the development of a national
19 transportation plan, and they are my partners in the development
20 of that plan. I plan to work with them on a regular basis to
21 develop it.

22 We cannot develop a policy in this country without the

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1 full cooperation of the Congress, and that is why I have spent
2 so much time on the Hill, meeting them, learning of their
3 concerns and, at the same time, learning from them about the
4 problems that face aviation.

5 I do not have to tell you the growth in aviation and
6 the magnitude that we probably can expect through the end of
7 this century. It is quite, quite significant. I think, since
8 deregulation, the growth has increased dramatically, even beyond
9 most forecasts or predictions.

10 I have seen nothing in the numbers that I have
11 reviewed that leads me to believe that this growth will slow.
12 It is, therefore, necessary that as part of our transportation
13 policy, we meet this demand with capacity throughout the United
14 States and throughout the free world. That, too, will require a
15 great deal of effort from all of us in this room and all of us
16 throughout the country.

17 I do not have to tell you the quality that is
18 represented by the Federal Aviation Administration. Bob is
19 absolutely correct. I think the president knew I was a pilot,
20 but I doubt that he knew, even though we have known each other
21 for some time, the depth of my love for aviation and aviation
22 history, what it has meant to this country, both on a national

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1 strategic basis, as well as the growth of our economy. If I am
2 anything, I would say that I am an aviation junkie.

3 I am proud of it. I am proud of my association with
4 the Federal Aviation Administration. I think they are doing one
5 heck of a job and if anybody doesn't believe that, you spend the
6 time I have in the field, at regional centers, in regional
7 offices, with the special team down at Eastern in Miami, and
8 there is one message that comes across loud and clear.

9 They are professional people trying to do a
10 professional job in one of the fastest growing industries in the
11 country. I am delighted to have them as my partners. I am
12 delighted with the work they have done already in the
13 development of the preliminary statistical and forecasting base
14 that we are going to use as part of our plan.

15 Let me also say that there are very few companies, let
16 alone business entities, in this country that have lost a good
17 portion of their workforce and have rebounded as fast as the
18 FAA. We, of course, need additional help from Congress.

19 I am delighted that the president has placed the FAA
20 at the top of his list of priorities. I urge all of you who
21 understand aviation and our needs to clearly communicate that
22 need to the Congress of the United States.

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1 We need your help. These are tough times.
2 Transportation budgeting has taken a licking in the last eight
3 years and it has got to stop if we are going to meet the demands
4 of the future. It is going to stop this year, because the
5 president is committed to it, I am committed to it and you are
6 committed to it.

7 I am delighted to see so many people here who can be
8 our spokespersons in the field and in Congress on this very,
9 very important year for aviation.

10 Let me also say that we are learning more and more
11 every day about problems of aviation. The aviation incident
12 last Friday, a tragic incident over the Pacific Ocean, is just
13 another demonstration of how important it is for the FAA and
14 industry to stay ahead of the power curve on issues involving
15 aircraft safety.

16 The FAA is the best controller of air traffic in the
17 world and they are the best managers of aircraft safety in the
18 world. They do not have a monopoly on all knowledge. We are
19 learning as time goes on. Hundreds of people have worked with
20 the industry task force that announced its report last week on
21 the problem of aging aircraft.

22 I want to urge you, as forecasters who are concerned

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1 and planners who are concerned about aviation safety that there
2 is no higher priority in the Department of Transportation than
3 safety in general and aviation safety. We are totally committed
4 to it. We are committed to it with time. We are committed to
5 it with people. We are committed to it with resources.

6 As we learn from every day about the needs and demands
7 placed upon industry, the FAA and the airlines, as the result of
8 aircraft that are flying 450 knots at 41,000 feet, we are going
9 to put that knowledge to work in safety-related decisions and
10 directives and we will continue to do so.

11 Let me also mention that when we talk about the
12 Federal Aviation Administration, it is an extremely tough time
13 because of the problems of airport capacity. With one exception
14 possibly, there have been no new major airports built in the
15 United States since the 1970s. There is one on the drawing
16 board and if anybody is here from Denver, I am sure you are
17 aware that that airport is extremely controversial.

18 The NAZ Plan (phonetic) system that the FAA began
19 several years ago is just one step out of many to build capacity
20 within our system. At the same time we are building capacity,
21 we must also make sure, in the deregulated environment, that we
22 have competition within the airline industry.

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1 One of my first steps upon confirmation was to
2 establish a task force within the Department of Transportation
3 to look at all aspects of airline competition. The purpose of
4 this task force is to design a framework within which we can
5 make decisions affecting competition through the rest of this
6 year and beyond.

7 We are totally dedicated, as the president is, to
8 deregulation of our industry. We are totally dedicated to doing
9 everything we can to increase capacity within the system and, as
10 I have indicated to you, as part of our national plan to build
11 capacity in the future.

12 You recognize also that safety and security go hand in
13 glove. Recently, I had the opportunity to appear as the head of
14 the Illinois delegation at the International Association Civil
15 Aviation Organization meeting in Montreal.

16 The subject of that meeting, which was attended by 33
17 nations, including my counterparts from approximately twelve
18 countries not only from throughout the free world, but from the
19 USSR, was to attack the problems of terrorism that exist in this
20 country.

21 I was encouraged by the results of that conference
22 which will hopefully lead this spring to a major new initiative

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1 on an international basis in the fight against terrorism. In
2 the meantime, the Federal Aviation Administration is doing
3 everything they can within the law to make sure that we deter
4 terrorism.

5 Whether it is within this country or abroad, whether
6 it be new devices and expending money on state-of-the-art
7 research, TNA and vapor, or whether it be training countries and
8 personnel throughout the world on security measures, the FAA is,
9 has been and will continue to be the leader in the world on this
10 issue.

11 Now, let me just make some final observations that I
12 think are really very, very relevant. These are very, very
13 tough times for aviation in general. We are going through a
14 very, very significant period of growth. We are experiencing
15 growing pains.

16 They are growing pains that sometimes are very
17 painful. They are growing pains that are exciting in some
18 aspects and, in all aspects, they are extremely challenging. I
19 cannot conceive of us being successful in addressing these
20 problems during this growth period if we don't work together.

21 This is not a "we and they" environment we work in.
22 This is an "us" environment we work in. The Department of

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1 Transportation and the Federal Aviation Administration, like the
2 rest of our administrations, are one team. It is "we". Those
3 are the words and terms we speak in.

4 We agree to disagree, hopefully not violently, but we
5 agree to disagree and when it is all over, we go forward with
6 the best possible program we can put together for the American
7 people. That is my pledge to Congress; that is my pledge to the
8 president; that is my pledge to the Department of
9 Transportation; but, more importantly, that is my pledge to the
10 American people.

11 I look forward to working with you on these very, very
12 exciting problems. I believe that together, as we look back
13 four years from now, we will be able to say that we went through
14 a growing period and continue to have the best, most economic,
15 most successful, aviation system in the world.

16 Thank you very much.

17 (Applause)

18 * * * * *

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EXCERPTS OF
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14TH ANNUAL FAA AVIATION FORECAST CONFERENCE
MARCH 3, 1989
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- My top priority is the development of a national transportation policy, which will be developed in conjunction with the public, industry and Congress, for the purpose of ensuring that our transportation system meets the needs of the future. Clearly, accurate forecasting must be a key element of the policy development process. I am confident that with your input and participation, we will be able to undertake a strategy that provides a national airspace system meeting the needs and challenges facing aviation today and into the 21st century.
- There is no question that deregulation has provided substantial benefits to consumers. The dynamics in the airline industry have changed dramatically as a result of deregulation, and I think it is time we reexamine the issues. As you may know, I am assembling a working group from the Department and the FAA to look at a wide range of topics. These include: the impact of hubs; airline concentration; computer reservation systems; the need to provide more airports and runways; international competition in aviation; and the financial health of air carriers. I want to identify ways to ensure that deregulation continues to work and that the benefits to American consumers continue. Most importantly, we must work together with industry and manufacturers to make sure that airline travel remains one of the safest forms of transportation. We also must ensure that competition remains strong and that the airline industry and our system are responsive to consumer demands.
- One issue that must be addressed immediately is airport capacity. With air travel demand growing faster than the existing system, we must optimize use of present capacity, and, ultimately, we need to pour more concrete. We need more runways and gates. A plan to build a third major airport in Chicago for example, needs to be seriously considered. In the meantime, we must find ways of using our existing capacity more efficiently.
- An issue of particular concern to all of us, is terrorism. Commercial aviation has become a favorite target for the lunatics of the world. And while air travel is still one of the safest forms of transportation, strengthening security for both international and domestic aviation is one of my most important priorities. The destruction of Pan Am Flight 103 -- the latest in a string of attacks on U.S. and

- more -

foreign airlines -- demonstrates the need to take immediate steps to stop terrorism. Three weeks ago, I attended a special session of the International Civil Aviation Organization (ICAO). As a result of that meeting, a concrete plan was agreed to by members of ICAO, and additional steps are being taken to make international air travel even safer. Not only was there wide agreement on the need to impose more stringent security checks in areas of increased security threats, but ICAO members agreed that terrorism is not just something to be dealt with by one or two nations, but a global menace that must be treated as such.

- Today's conference will review the FAA's forecast of aviation activity between now and the year 2000. In particular, it will focus attention on how our first decade of experience with a deregulated airline industry might influence tomorrow's growth. Such discussions give particular focus to my commitment to develop a national transportation policy.

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SECRETARY OF TRANSPORTATION SAMUEL K. SKINNER
14TH ANNUAL FAA AVIATION FORECAST CONFERENCE
MARCH 3, 1989

Good morning, ladies and gentlemen. It is a pleasure to address the opening of the 14th Annual FAA Aviation Conference. Forecasting is an integral part of the FAA's mission to ensure the safety and efficiency of the Nation's aviation system.

At the Department, my top priority is the development of a national transportation policy, which will be developed in conjunction with industry and Congress, for the sole purpose of ensuring that our transportation system meets the needs of the future. I am confident that with the input and participation of all you who represent this vital industry, we will be able to undertake a strategy which provides a national airspace system that meets not only the needs and challenges facing aviation today, but the 21st century as well.

I know that meeting these challenges is no easy task, but it is a challenge that we have met since the Wright Brothers, and will continue to meet during my tenure.

Last week's United Airlines incident, for example, once again highlights the need to examine the issue of

aging aircraft. The recommendations made earlier this week by the ATA/AIA Task Force on Aging aircraft are commendable and represent the first product of a cooperative international government-industry effort. Since the FAA-sponsored International Conference on Aging Aircraft last June, hundreds of participants in the Task Force have been involved in this effort. It is this kind of cooperation and input from industry representatives that I look forward to seeing more of, as we address the important issues facing aviation today.

There is no doubt that the FAA has been under tough scrutiny in recent years. It is, in fact, doing a very commendable job of delivering service in a system where demand is straining capacity in many places. The FAA's emphasis on such critical aviation items as airline security, pilot professionalism, airport development, and advanced technology, has made an impressive contribution to aviation without curtailing efficiency.

During the past few weeks I have been to more than sixty meetings on Capitol Hill. I have met with major airline chief executive officers, as well as aircraft manufacturers and industry groups to discuss some of the major issues confronting aviation today. I have found that there's a great deal of concern about the

impact of deregulation on competition in the airline industry.

There is no question that deregulation has provided substantial benefits to consumers. Flying is much more affordable to the average American than it was 10 years ago, and as a result an increasing number of Americans are using the system. In the 10 years since airline deregulation, there have been significant changes in the industry, including a dramatic increase in passenger demand. I believe the dynamics in the airline industry have changed as a result of deregulation, and I think it is time we reexamine the issues.

As you may know, I have assembled a task force from the Department and the FAA to look at a wide range of topics. These include: the impact of hubs; airline concentration; computer reservation systems; the need to provide more airports and runways; treaties with other nation; and the financial health of air carriers.

Specifically, I want to identify ways to ensure that deregulation continues to work and that the benefits to American consumers continue. First, I plan to review major Departmental decisions in light of the assessments. And, second, I will use the assessments in formulating our policies regarding future

developments of the industry and our transportation system. Most importantly, we must ensure that competition remains strong and that the airline industry and our system are responsive to consumer demands.

One issue that must be addressed immediately is airport capacity. By the end of next year, it is estimated that the U.S. airport and airway system will be serving more than one billion passengers per year. With air travel demand growing faster than the existing system, we must optimize use of present capacity, and, ultimately, we need to pour more concrete. We need more runways and gates. A plan to build a third major airport in Chicago needs to be seriously considered. I am encouraged that similar plans are underway in other parts of the country. For example, there are advanced plans for construction of a new airport in Denver; in the Los Angeles area, joint civil/military use is being considered at Palmdale Air Force Base; Dallas/Ft. Worth plans to extend two runways and build two more in the next 15 years; and Atlanta plans to build a new commuter runway within 5 years. Carrying out such plans will require a great deal of cooperation between private industry and state and local

governments -- to be frank, much better cooperation than we have seen to date.

In the meantime, we must find ways of using our existing capacity more efficiently. In this area, the FAA is working on air traffic control procedures and technology to enable us to more efficiently use landing facilities. The contract we've awarded for the \$3.6 billion Advanced Automation System is the cornerstone of the FAA National Airspace System Plan. It will provide the capacity needed for continually increasing air traffic into the next century, while substantially enhancing safety.

In addition, we need to work with you and other aviation interests to clarify the relative authority and responsibilities of federal, state and local governments to manage limited airport facilities.

An issue of particular concern to all of us is terrorism. Commercial aviation has become a favorite target for the lunatics of the world. And while air travel is still one of the safest forms of transportation, strengthening security for both international and domestic aviation is one of my most important priorities. The destruction of Pan Am Flight 103 -- the latest in a string of attacks on

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The threat to civil aviation by terrorists must also be addressed by a well-defined and supported explosives detection research program. Since 1980, the FAA has made significant investment in security research and will continue to do research in this area. For example, thermal neutron analysis (TNA), an explosive detection system developed to detect commercial and military explosives concealed in checked baggage and air cargo, should be in operation by January of 1990. Vapor detection is another promising method to detect

explosives and weapons, both metallic and non-metallic, carried by passengers or placed in their checked or carry-on baggage.

At the same time, the FAA has taken action to tighten security requirements on U.S. air carriers operating out of airports in Western Europe and the Middle East. In addition we have acted to enhance security at U.S. airports.

Ultimately, however, the solution lies in the sure prosecution of terrorists. I can assure you that the U.S. government is doing everything in its power to bring them to justice. You don't have to take my word for it, just ask Mohammed Rashid, who is in an Athens jail awaiting extradition for the 1982 bombing of a Pan Am jet.

These and other aviation issues are of utmost importance to me, and I plan to take an active role in working with the FAA Administrator and with you, to improve and protect our aviation system. Recently, in fact, I had a chance to visit with air traffic controllers at Chicago's O'Hare International Airport and Miami International. I talked with airport managers, airport security and other personnel to listen and to learn.

As an active flyer, I take a personal interest in the issues facing aviation today. I want to improve the cooperation between federal, state and local governments and the aviation industry, while adhering to the tenets of a market economy and private enterprise. We must recognize the role the private sector can play.

Today's conference is sure to help us begin to address the issues and challenges that face the world of aviation. We have a tremendous amount of work ahead us, but by exchanging ideas and working together, I know we will be able to meet these challenges.



U.S. Department of
Transportation

News:

Office of the Assistant Secretary for Public Affairs
Washington, D.C. 20590

Contact: Bob Marx
Tel.: (202) 366-5580

STATEMENT BY SECRETARY OF TRANSPORTATION SAMUEL SKINNER
ON EASTERN - IAM DISPUTE
March 6, 1989

I am encouraged by the fact that the unions did not engage in secondary boycott activity this morning. This private labor dispute should be allowed to follow its normal course of action without any secondary boycott activity that would inconvenience millions of Americans and cost them millions of dollars.

The bottom line is, both sides need to get this issue resolved and get on with the business of this country and serving its customers.

I urge Eastern Airlines and the machinists' union to sit down and resolve their differences, and I urge the unions again to forego secondary boycott activity, otherwise this Administration will have no other choice but to submit legislation to the Congress prohibiting such activity and urging its immediate enactment.

The federal government should not get in the middle of this private labor dispute. Our number one priority at the Transportation Department has been and will continue to be safety. The FAA is continuing to make sure that every Eastern plane in the air is safe. If a plane does not meet our inspection standards, we will shut it down.

It is also important that every passenger who is inconvenienced as a result of this dispute be taken care of by the other airlines. Today, I called the heads of the major airlines and asked them to help Eastern passengers whenever possible. These passengers want to travel, and it is up to the airlines to help.

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TALKING POINTS PREPARED FOR DELIVERY BY
SECRETARY OF TRANSPORTATION SAMUEL K. SKINNER
FAA MANAGEMENT TEAM MEETING
BRIEF OPENING REMARKS
MARCH 7, 1989
WASHINGTON, D.C.

- As a licensed pilot, I take a personal interest in the issues facing aviation today. Most importantly, as Secretary, I believe it is essential that there is a good working relationship between my Department and the Federal Aviation Administration.
- While our national aviation system has received intense scrutiny by Congress and the media, I have found the FAA to be doing a very commendable job in delivering a service in a system where demand continues to increase. That is a tribute to the hard working men and women who are on the front lines every day and to those of you present here today. I know because I have had a chance to visit those in the field, such as the air traffic controllers at Chicago's O'Hare International Airport and Miami International. I have also talked with airport managers, airport security and other personnel to listen and learn. I plan to take an active role in working with the FAA to keep touch with the issues you deal with on a day-to-day basis.
- The FAA's emphasis on such critical aviation items as airline security, pilot professionalism, airport

development, and advanced technology, has made an impressive contribution to aviation without curtailing either efficiency or its needed growth.

- I am confident that with your input and participation, we will be able to move forward with my plan to develop a national transportation policy and a strategy that provides a national airspace system to meet the needs of aviation today and tomorrow.

- As you know, I am assembling a working group from both the Department and the FAA to look at the changing dynamics in the airline industry as a result of deregulation. Specifically, I want to identify ways to ensure that deregulation continues to work and that the benefits to the American consumer continues. At the same time, we need to assess where we stand with the National Airspace System Plan and I will be calling on the FAA and the Department to evaluate the NAS Plan and report back to me with their findings.

- It is very important that we recognize the role that the private sector can play in improving and maintaining our nation's transportation system. For example, last week's recommendations made by the ATA/AIA Task Force on Aging Aircraft represent the first product of a cooperative international government-

industry effort. This is the kind of cooperation and input from industry representatives that I look forward to seeing more of as we address the many issues facing not only aviation, but all modes of transportation.

- We have a tremendous amount of work ahead of us, but I am confident that by working together and exchanging ideas, we will be able to ensure the continued safety and efficiency of our aviation system.

TESTIMONY FOR SECRETARY SAMUEL K. SKINNER
AVIATION SUBCOMMITTEE OF HOUSE PUBLIC WORKS
U.S. HOUSE OF REPRESENTATIVES
MARCH 7, 1989

- Appreciate opportunity to appear before committee to discuss the Eastern labor/management dispute...
- Submit my full statement for the record...
- 17 months of arduous bargaining, parties pursuing self-help... We do not take sides... Inappropriate to empanel emergency board.
- Aware that some argued for empanelment of board... legislated settlement.
- Board inappropriate... Administration supports free market principles; allow collective bargaining process to take its normal course.
- Eastern strike alone does not disrupt transportation system... Secondary strike activity would.
- If secondary strike activity occurs, Congress can act quickly, i.e., Chicago mass transit riders on the C&NW last fall.

- Foremost goal of DOT is safety of system. Heightened surveillance and staffing procedures.

- "Fly by the book" - we'll deal with that. Safety first, efficiency next.

- Facts of strike: Eastern and union unable to reach agreement... Mediation Board declared impasse... "30-day cooling off" period triggered... Parties exercised self-help -- Eastern imposed new wages and work rules, and machinists walked out.

- President has assessed situation. Decided facts of this dispute do not justify appointment of board. Two fundamentals of decision:

- 1). Disputes should be worked out by involved parties, without recourse to the President or to Congress;

- 2). U.S. part of global economy. Manufacturing and service industries must remain competitive. Imposed settlement interferes with competitive stance, preventing possible gains in productivity and/or efforts at economical service. Competitive position of airline and industry as whole can be affected.

- Since deregulation in 1978, situation of domestic airlines has changed dramatically. Since no bars to serving domestic routes, reduction of Eastern service to particular point will not mean an end to service. In five strikes since '78, other carriers filled in quickly to provide service. Already seen in this instance with Delta, Pan Am, etc. accommodating Eastern passengers.
- Ability of other airlines to provide service means history of previous presidential emergency boards is no longer relevant in today's economic environment.
- In last 20 years, only 1 emergency board appointed in airline business. Congress ordered board despite fact that Mediation Board had not recommended one. Intervention in that case should not serve as a precedent for interfering in Eastern controversy more than a decade later.
- Another new factor: 1987 Burlington Northern Supreme Court decision... Parties not barred by Act from conducting secondary strikes. Anomaly in labor law.

- Secondary picketing barred in other industries. Secondary activity fundamentally unfair to "neutral" parties, i.e., commuters in Chicago and New York.
- Secondary activity threatened, but has not yet occurred, due to TROs. President believes way to deal with secondary activity is to amend Railway Labor Act.
- Railroad commuters in NY and Chicago, or air travelers in San Francisco or Minneapolis should not be deprived of service because of a dispute between Eastern and its machinists in Miami.
- Regarding legislation before Committee today, such an approach does not serve the interests of the parties or the public.
- FAA vigorously upholding responsibilities for safety of system. Public will find alternate transportation.
- Prepared to deal with "Fly by the book" actions.
- Appointment of Board would delay by up to 60 days the self-help process.

- Far superior to allow economic realities of the dispute to dictate outcome.
- Pleased to respond to questions. T



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THE SECRETARY OF TRANSPORTATION

WASHINGTON, D.C. 20590

March 9, 1989

MESSAGE TO CHICAGO ATHLETIC ASSOCIATION ANNUAL BANQUET

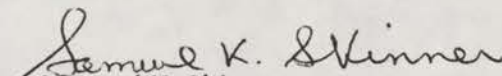
As the Secretary of Transportation and a fellow Chicagoan, it is a pleasure to address -- even if only by letter -- the young participants in the Chicago Athletic Association's Junior Privilege Program. I wish I could be here tonight, but duty calls.

As you all know, the national drug problem continues to escalate in this country. President Bush has stated that fighting the war against drugs and achieving a drug-free America is a national priority. Because we all care deeply for young people like you, we are working hard in Washington to help solve this deadly problem that now plagues our schools, and neighborhoods.

The fight against drugs cannot and will not be solved by the federal government alone. We need your help too, if we are going to rid this country of drugs. I don't need to tell you the terrible things that drugs can do to you; the effect that they can have on your friends and family; the fact that drugs can kill.

As young athletes and future leaders of this nation, you can help by making the right decision, and just say no to drugs -- and by helping your friends to do the same. I congratulate all of you being honored here this evening for your participation in the Junior Privilege Program, and I wish you continued success in your future endeavors.

Sincerely,


Samuel K. Skinner

TALKING POINTS PREPARED FOR
SECRETARY OF TRANSPORTATION SAMUEL K. SKINNER
AMERICAN PUBLIC TRANSIT ASSOCIATION
MARCH 13, 1989
WASHINGTON, D.C.

- Coming from Chicago's regional transit authority, I am well aware of the demands -- and constraints -- that you face. Many urban transportation systems are simply strained beyond capacity. I've noticed that one popular feature in the Washington Post is a column called "Doctor Gridlock," which acts as a forum for practical citizen suggestions -- and for letting off steam. That such a feature is so popular demonstrates the need for us to refocus our mass transit efforts.
- The realities of the current federal budget deficit require a new approach to solving our mass transit problems. In 1964, when the federal government began funding mass transit projects, it was necessary and appropriate to concentrate on building new suburb-to-city rail and road systems. But that won't work in 1994 and beyond. I am absolutely committed to the idea that while there is an appropriate federal role in mass transit, I also strongly believe that we are going to have to look at new and different ways to serve the public if we are to have any hope of relieving urban congestion.

- President Ford once observed, "A government big enough to give you everything you want is a government big enough to take away everything you have." That's a good thought to keep in mind when we talk about mass transit.

- Almost half of the workforce now commutes from suburb to suburb. Yet, many urban road systems and almost all mass transit systems are designed to serve those who live in the suburbs and work in the city, and have a "normal" 9-to-5 or 8-to-5 workday.

- Let me give you a couple of other statistics to think about. The average workweek -- including commuting time -- for all adults is nearly 47 hours -- almost a whole extra workday over and above the theoretical workweek. The figures for professionals and small business owners are even more telling -- those people are well into the mid-50s in work hours.

- The point is, very few people, aside from shift workers, actually have a normal, predictable, workday. Yet, a great deal of our transit planning assumes that most people work from 9-to-5 every day and never have to stay late for unplanned overtime. How many of you have a workday like that? Of the people you know who work 50 or more hours per week, how many of them have a predictable schedule?

- The vast majority of commuters use their cars not just because they want to, but because they need the flexibility that a car affords. Fewer Americans ride public transit to work today than 10 years ago. The reason for that disparity is that in many cases riding urban mass transit means subjecting oneself to the whims of a monopoly. In too many cities, transit systems have grown unresponsive to consumer demand.

- Any discussion of transportation planning must therefore be rooted in the idea that service must be tailored to consumer needs, instead of wishful thinking about changing consumer behavior to suit the service we chose to provide. If that sounds like plain old common sense, it is.

- When it comes to tailor-made service, state and local governments should consider private provision of certain services. Many of you are already ahead of the curve in privatization. In fact, many localities were practicing privatization before the word was even invented.

- The Urban Mass Transportation Administration has been especially active in fostering private competition. With tight federal budgets, we have had to find ways to get more out of the taxpayers' money in grant-making.

Privatization, particularly encouraging route competition, has been a partial solution.

- I know a lot of you don't like that word -- privatization -- because it carries a lot of baggage. It is not -- as some claim -- a kooky anti-government ideology, nor does it entail an abrogation of governmental responsibilities. It is instead a strategy to use the free market and its inherent strengths to deliver public services with private-sector efficiency.

- For example, in a project that holds great promise for reducing inner-city unemployment and poverty, UMTA provided \$100,000 for technical assistance for a "reverse commute" program in Philadelphia to transport workers from the inner-city to the labor-short suburbs. Accessible Services, a small private operator, has been able to provide all the vehicles and meet all operating costs of the project. The company carries about 160 people to their jobs each day, all without public assistance.

- These programs are working because the key decisions were ultimately made on the local level, and that's the way it ought to be. Call it privatization, public-private partnerships, or whatever you want. The bottom line is getting more service for the taxpayer's hard-earned dollar.

- I want to encourage the kind of innovation and private-sector involvement that is keeping those people in Philadelphia off the unemployment line. I am therefore announcing today a new creative approach to urban transit grants.

- From now on, we are going to give higher priority and faster turn-around to Section 3 grant requests to those of you who "overmatch" federal grants the most. For example, those who can contribute more than the statutory 25 percent in non-federal matching funds for new bus projects will get accelerated treatment. For rail modernization, those who can contribute at least half of project costs from non-federal sources will get priority treatment. This approach places the highest priority on those projects that have the largest overmatch from non-government sources.

- I hope to accomplish a couple of things with this initiative. First, I have a duty to leverage federal contributions as much as possible. Second, I want to see continued and improved cooperation between government and the private sector. Private funding sources, whether they are developers, existing businesses, or citizens, will take a more active and helpful role if they are allowed to have a stake in outcomes. The happy side effect for you is that we will

be able to contribute to more projects with this approach, while maintaining the nation's mass transit systems.

- The role of the federal government in regard to such funding should be to provide seed money for experimental projects or to help put you over the top once as much funding as possible has been raised locally. The result, I believe, will be better project planning and more innovative service provision. In terms of budgetary realities, if you're out hustling to stretch federal dollars by securing additional local government or private-sector funding, I can almost guarantee that you will get a lot more respect and support from Congress than you would by sitting back and complaining about lack of federal funds. You'll soon be receiving letters spelling out the details, but I sincerely hope that we can work together in this effort.

- We also have to place a higher priority on strategies to improve mobility from suburb to suburb. I have asked UMTA to make its suburban mobility initiative a top priority. This will involve garnering greater cooperation from private industry in regard to flexible and staggered work schedules, as well as support for commuter van pools and other programs. And where public transportation systems are unable to provide suburb-to-suburb service efficiently, the way should be

cleared for contracting out existing services or for new service by private operators.

- We should also include developers in mass transit planning. They can give us realistic assessments of where building will take place around transportation arteries. And where it is appropriate, developers should be expected to foot a portion of the bill for improving infrastructure surrounding their projects.

CONCLUSION

If there is any theme to all of this, it's that we all need to cooperate if we're going to avoid national gridlock.

- Mass transit planning must be based on realistic assessments of consumer needs and demands, not on unrealistic hopes of how we might change behavior to suit our services.

- Government at all levels must work with the private sector to build a transportation system that will serve this nation well into the 21st century. One way to stretch our resources is to make greater use of private sector alternatives for service delivery.

I promise you that we will be there to advise you and to provide the necessary support for your endeavors.

Contact: Bob Marx
Tele.: (202) 366-5580

EXCERPTS OF REMARKS
PREPARED FOR DELIVERY BY
SECRETARY OF TRANSPORTATION SAMUEL K. SKINNER
AMERICAN PUBLIC TRANSIT ASSOCIATION
MARCH 13, 1989
WASHINGTON, D.C.

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REMARKS PREPARED FOR DELIVERY BY
SECRETARY OF TRANSPORTATION SAMUEL K. SKINNER
SAINTS AND SINNERS LUNCHEON
MARCH 15, 1989

Thank you very much. Good to see you all. I'm delighted to join the Circus Saints and Sinners. My, what a distinguished and sophisticated group! How did Lee Atwater get in?

But before I address that question in all its shocking detail, permit this relative newcomer to Washington to introduce himself a little further.

I'm here -- not just because of my overpowering charisma (sorry, I can't help it) -- but also because they couldn't find any sinners in Washington. So you get a "skinner." I work in transportation. Planes, trains and automobiles -- and unions. By the way, I don't know if you noticed on your way in, but my appearance is being picketed by Lee Atwater's union -- the International Brotherhood of Negative Campaigners.

And there's something else that's tough about my job. It's minor, perhaps, but how'd you like it if you couldn't even THINK -- about driving above the speed limit???

It's a thrill to sit around that big Cabinet table. I asked the President if he had bitter memories of the Tower nomination. He said "none (Nunn)."

I'm a lawyer and government official from Chicago. I learned some useful things in that rambunctious political environment. Like how to tell when a fellow lawyer is lying. Simple. Read... his... lips.

And I know the difference between a snake that's been run over in the road and a lawyer who's been run over. There are skid marks in front of the snake.

I am pleased to come before this fine organization with its noble cause -- dumping on Lee Atwater. Lee has a reputation as a tough guy and a no-holds-barred campaigner. He's pretty feisty! He's always telling people to put up their DUKES -- except in Louisiana, of course.

You may notice that Lee has a slight stutter. Trouble with words beginning with K-K-K...

But you know, deep down Lee's a pretty good guy. I worked with him on the campaign in Illinois. I know he's a man of many talents and abundant energy. He plays guitar and even owns a restaurant. Great to see you, Lee. Lee was a little late. Had a flat tire on the low road.

I want to help Lee with his image problem.

I mean just because his baby rattle had spikes in it is no reason to give the guy a bum rap. He needs friends. The only club that will have him as a member is Erol's Video Club.

He also has to deal with the fact that he's the second youngest RNC chairman in history. Even Democrats refer to him as "baby-face" -- Baby Face Nelson.

They say that Atwater's campaigns emphasize personal attacks rather than substance. Lee says, "Look, don't believe those no-good, low-down, bottom-dwelling scoundrels."

And last year Congresswoman Pat Schroeder said Lee Atwater was the most evil man in America. Lee complained, "I wish she would stop mispronouncing my name!"

Personally I never thought Lee Atwater capable of low blows until I ate the chili at his restaurant.

I don't know which is safer -- to run a campaign against Lee Atwater or write a Muslim novel.

Satanic Verses are what Democrats call Lee's campaign literature.

I heard the Democrats plan to put a 2.5 million dollar bounty on Atwater's head. That's what they'll pay if he goes to work for them. ✓

Lee wants to put the campaign behind him. He's torn up his old business cards. You know the ones that read-- "Do you need campaign mud? Find a little dirt and then At-water!"

Lee says, "Let bygones be bygones." Besides, he has all the bygones on videotape if he needs them.

Now Lee wants a kinder, gentler America. And anyone who stands in his way will be severely punished.

Just for the record, there is a kinder, gentler White House. Ever since Sam Donaldson left!

Lee is into rhythm and blues now. He's all over the media. Playing on stage with the President and everything. David Letterman show just last night.

At the Inaugural Lee even played guitar while lying flat on his back. He learned how to do that while crooning in the ear of his pit bull.

Lee shows such heart-rending emotion when he sings the blues. He's never forgotten that sad, sad day . . . the angels came . . . and took away his favorite pit bull.

But it wasn't a total loss. Lee's guitar case is made of the finest pit bull leather.

Lee suffered another loss recently. Had to take a big pay cut to get the RNC job. But don't feel too sorry for him. While doing all these campaigns he made a real fortune. In fact, on Valentine's Day he got a card and flowers from Robin Givens.

Now Lee's trying to figure out a way to introduce Miss Givens to David Duke -- especially if she brings along her ex-husband.

Better yet -- Willie Horton.

Lee doesn't like to talk about it, but he also got a Valentine from the guys who committed the St. Valentine's Day Massacre.

But Lee 's doing O.K. His neighborhood is so exclusive even the fire station has an unlisted number.

He lives on a very quiet street. When Lee moved in all the neighbors moved out.

But despite all his wealth, Lee is a penny-pincher. He's so cheap he's used the same piece of dental floss for the last twenty years.

Now that's a cheap shot. And I wouldn't want a roast of Lee Atwater, of all people, to end on a cheap shot. I know Lee Atwater. Lee Atwater is a friend of mine. And Lee is no JFK -- or KKK.

Lee is a unique force in American politics. In my admittedly biased opinion, he is an enormously capable man. He's done a lot for his country and will do much more. I hope that didn't spoil it for you! Thank you for inviting me. I've enjoyed it thoroughly!

ADVANCE PRESS COPY

Contact: Bob Marx
Tele.: (202) 366-5580

REMARKS PREPARED FOR
SECRETARY OF TRANSPORTATION SAMUEL K. SKINNER
ALLIANCE OF AMERICAN INSURERS/INSURANCE INFORMATION INSTITUTE
MARCH 16, 1989
ALEXANDRIA, VIRGINIA

This is the first chance I've had since becoming Secretary to discuss in detail the many issues affecting the automobile. While the Department's purview is far-reaching, our policies in regard to autos probably affect more people on a day-to-day basis than the policies of any other agency of the federal government.

Strengthening and promoting auto safety is a goal that we all share. One of the foremost items on our common agenda is to encourage safety-belt use. Simply stated, safety belts saves lives. I am encouraged by the fact that 31 states and the District of Columbia have mandatory safety-belt use laws on the books. Wyoming is expected to join their ranks tomorrow.

It's hard to believe that we've gone from practically zero safety belt use in the early 1980s, to an estimated all-time high of 46 percent today. Mandatory belt usage laws, and the increased usage that has come with them, together saved more than 4,000 lives in 1987 alone. Airbags, which are becoming more widely available, are also saving many lives. Your public information campaigns are at least partly responsible for this.

However, much more needs to be done to increase safety belt use across the country. Unfortunately, while more and more Americans are buckling up for safety, over half of America's motorists are still unprotected. We still have many states without mandatory safety belt laws. Currently, all 50 states and the District of Columbia require the use of child safety seats for young passengers. While automatic restraint systems are being installed in increasing numbers, it will be several years before they cover the majority of vehicles in use. Therefore, I would like to also see mandatory safety belt laws enacted in every state. Certainly, this will be no easy task. It will require the cooperation of government and the private sector in spreading the important message about safety belt use. To be more specific, we need your help.

Our efforts to combat drunken driving are also paying off. Most states have toughened their drunken driving laws, and every state and the District of Columbia have raised their drinking ages to 21. Those measures, along with public awareness campaigns by groups like MADD, SADD, and RID, are largely responsible for the general drop in drunk driving fatalities, but we still have a long way to go. About two of every five Americans will be involved in an alcohol-related crash some time in their lives.

Each year, about 10 percent of reported motor vehicle crashes are alcohol-related. About one-fourth of all drivers involved in fatal crashes were intoxicated at the time of their crash -- a little simple mathematics demonstrates that thousands of lives could be saved each year if we could somehow eliminate drunken driving. A number of states are moving beyond stiffer penalties for drunken driving. Eleven states have passed laws allowing courts to require offenders to use ignition interlock devices to prevent them from drinking and driving. Others have strengthened laws against selling alcohol to minors. And a number of states are seriously considering legislation to ban the reckless practice of drinking while driving -- so-called open containers. We strongly support these efforts.

A relatively new challenge to all of us is drugged driving. I can tell you that we are on top of this problem. NHTSA is already conducting pilot training programs for law enforcement officers to help them more easily identify drugged drivers and get them off the road.

New technology is also playing a significant role in improving highway safety. I am proud to say that American auto manufacturers are developing safer cars. Anti-lock brakes, for example are standard or optional equipment on many makes and models. Tire technology has improved to give a better grip on the road. Today's American car has much better performance and handling than it did fifteen years ago -- and a better handling or better performing car is one that will help drivers to be more responsive to emergency situations.

Yet, we cannot expect to improve safety by technology and regulation alone. All the safety features in the world won't protect innocent bystanders from a reckless or impaired driver. In the long run, while we must give appropriate emphasis to roads and auto technology, maintaining a strong focus on the driver is the only proven way to reduce highway fatalities.

Within that broad context, and I'll be frank with you here, we have some points of disagreement. For example, we believe it is too early to say that the 65 mile per hour speed limit has had any long-term effect on safety. But here's something worth considering: While average speeds have increased very slightly, they are below the speed limit on highways affected by the new law. With the national limit of 55, virtually everybody was driving above the limit. Sixty-five is a law the American people respect and support, and there's a lot to be said for respect for the law.

On issues like the speed limit -- or the bumper standard, which is a damage issue, not a safety issue -- your industry has lost some credibility with American consumers. That certainly is no surprise to you. The California voter initiative, along with the remarkable support in the House last year for repeal of the McCarran-Ferguson Act, demonstrated a great deal of pent-up consumer frustration and perhaps even anger in regard to insurance. Here's what Kemper's Gerald Maatman said last Fall: "The

public doesn't care any more who's at fault. All they know is that the cost of insurance ... is too high."

Let me tell you a true story that helps explain why consumers feel this way. A single man, 25 years old, last year received his insurance bill and was surprised to find his rate had increased nearly 50 percent. He had not moved. He was not involved in any accidents. And he hadn't had a ticket since his policy was issued. He called his agent, who was equally mystified. So he called the insurance company itself. After being transferred half-a-dozen times, he was finally put through to a clerk in the billing department, who could only tell him that the company's "symbol" system had changed. That consumer changed insurance companies. Such consumer experiences are unfortunately commonplace.

Let me give you another example. Many insurance companies are offering medical coverage discounts, ranging from 10 to 30 percent, to drivers whose cars are equipped with automatic safety belts or airbags. While these safety features have previously been available in very limited numbers, 1989 is the first model year for which these are standard equipment on many U.S. models. On the other hand, a consumer who pays the significant extra money for anti-lock brakes might not get a discount, depending on the company. I think most automotive engineers would agree that anti-lock brakes, by helping drivers maintain control in emergency situations, prevent accidents.

There are few incentives in the insurance system for consumers to purchase special safety equipment or to improve their driving behavior. While most companies offer discounts to drivers with clean records, when somebody gets a ticket they may be stuck with higher rates for three to five years. Once the designated anniversary passes he magically becomes a safe driver again. I put forth as a suggestion the idea of incremental incentives. For example, a young person who keeps a clean record might be offered sliding rates, so as he grows older, that driver can see tangible benefits to obeying speed limits and other traffic laws. In the long run, that kind of structure could produce a safer driving public -- and fewer claims.

Some of you are doing a good job with incentives. USAA, for example, offers discounts or bonuses to consumers who purchase airbags or anti-lock brakes. In addition, the company offers its customers child-safety seats at substantial discount and conducts a number of excellent public information programs. I urge all of you to follow USAA's example by offering such tangible incentives. We all need to work together to make consumers -- especially new drivers -- more aware of the benefits of safety features as well as safe driving habits.

Consumers may believe insurance companies are being unfair. But what is really unfair is our tort liability system. This country desperately needs real and fundamental reform of its civil law system. Spiralling damage awards and defensive health care costs are the engine driving up insurance rates. It is partly a question of responsibility and values; it seems like anyone who has suffered any sort of setback tries to blame others, all too often in hope of securing a lucrative out-of-court settlement. Those who are injured by the malfeasance or negligence of another person are entitled to fair compensation, but non-economic damage awards must be brought under control.

In general, recovery of damages in legal proceedings should be based on who's at fault instead of strict liability, which does not require proof of who actually did

the damage; there should be caps on non-economic damages; and lawyers' contingency fees should be strictly limited. A number of states have already enacted significant liability reforms, but this is an area where Congress should take action as well.

The bottom line is that we must change the system to one in which a larger share of premiums goes to victims for economic damages and a smaller share goes toward supporting the compensation system itself. Once we have done all that we can to fix the tort system, we can seriously consider moving toward a no-fault system.

I believe that we can work together on these issues. We have shown how effective a partnership of industry, consumers, and government can be in our highway safety efforts. Let's build on that progress, and continue to search for innovative, market-driven, pro-consumer strategies to enhance safety -- and give consumers a fair deal in the process.



U.S. Department of
Transportation

News:

Office of the Assistant Secretary for Public Affairs
Washington, D.C. 20590

ADVANCE PRESS COPY

Contact: Bob Marx
Tele.: (202) 366-5580

REMARKS PREPARED FOR DELIVERY BY
SECRETARY OF TRANSPORTATION SAMUEL K. SKINNER
AMERICAN COALITION FOR TRAFFIC SAFETY
NATIONAL PRESS CLUB
WASHINGTON, D.C.
MARCH 17, 1989

I am delighted to be here today to talk with you about highway and auto safety and the many other important issues facing transportation in our nation today.

Strengthening and promoting auto safety is a common goal that we all share. Simply stated, encouraging safety belt use saves lives. I am encouraged by the fact that 32 states and the District of Columbia have mandatory safety-belt use laws on the books. Much of the credit is due to the tireless efforts of organizations such as yours, working to inform and educate the public about the importance of buckling up.

It's hard to believe that we've gone from practically zero safety belt use in the early 1980s, to an estimated all-time high of 46 percent today. This increased safety belt use has saved an estimated 11,000 lives since 1984. In turn, the auto industry has also demonstrated its commitment to safety belt use with the voluntary standard installation of rear-seat lap/shoulder belts in virtually all new cars by 1990.

However, much more needs to be done to increase safety belt use across the country. Unfortunately, while more and more Americans are buckling up for safety, over half of America's motorists are still unprotected. We still have 18 states without mandatory safety belt laws. Currently, all 50 states and the District of Columbia require the use of child safety seats for young passengers. I would like to also see mandatory safety belt laws enacted in every state. Certainly, this will be no easy task. It will require the cooperation of government and the private sector in spreading the important message about safety belt use.

Our efforts in the area of drunk driving are also paying off. Most states have toughened their drunken driving laws, and every state and the District of Columbia have raised their drinking ages to 21. Those measures, along with better public awareness as to alcohol's effect, are largely responsible for the general drop in drunk driving fatalities.

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Yet, the single most important element when it comes to enhancing safety on our highways, is the driver. I am proud to say that American auto manufacturers are once again in the forefront when it comes to developing safer cars. Anti-lock brakes, for example are standard or optional equipment on many makes and models. Tire technology has improved to give a better grip on the road. Today's American car has much better performance and handling than it did fifteen years ago -- and a better handling or better performing car is one that will help drivers to be more responsive to emergency situations.

At the same time, all the safety features in the world won't protect innocent bystanders from a reckless or impaired driver. Working to save more lives on our highways through increased safety belt use and continuing a tough campaign against drunk and drugged driving are but two of the many challenges facing transportation today.

The highway transportation system in this country is clearly the most comprehensive and most versatile in the world. This is a result of industry and government working together. Meeting the challenge of America's future transportation needs will take dedication and hard work. Most importantly, we must recognize the role that the private sector can play in improving our nation's transportation system.

My top priority is the development of a national transportation policy, which will be developed in conjunction with industry, the public and Congress, for the sole purpose of ensuring that our transportation system meets the needs of the 21st century.

In developing such a strategic plan, my goal at the Department is to make transportation more efficient, less expensive, and, above all, safe for the American consumer. A sound, efficient, and well maintained transportation system is essential to this country's economic vitality and to our national defense. Safety across all modes of transportation must always be our most important consideration.

The 1980s have brought us new safety challenges in the transportation sector. Most notably, the illegal drug epidemic which continues to plague this country, has also left its mark on the transportation industry. Unfortunately, since January 1987, there have been 60 major rail incidents in which one or more key employees tested positive for illegal drug use. As you know, last fall the Department issued final rules requiring drug testing for workers in safety-related positions in all modes of transportation. While some of those rules are being challenged in the court, I fully support the rules.

Our transportation system will only remain as good as our policies for its improvement. Maintenance and capacity inadequacies are already emerging. We do not have enough airports or runways, for example. Our nationwide system of suburban and intercity highways, upon which American commerce depends upon, is over-burdened in many places. Maximizing use of existing capacity, and developing new facilities or systems where they are most needed, are crucial transportation objectives.

There is a need to rebuild our transportation infrastructure. For example, when it comes to the highway infrastructure, we know that well-kept roads and bridges are nearly as important as driving habits and motor vehicle safety. With the Interstate Highway System nearly complete, we have to make the transition from pouring new concrete to maintaining and revamping what is already in place. As we make that transition, it will become more critical than ever that all levels of government, highway planners, developers, and law enforcement work together to maintain safety and improve efficiency in the transportation system.

Similarly, better intersuburban transportation systems are certainly needed. An estimated 45 percent of the workforce now lives and works in the suburbs; yet our highway and mass transit systems have not kept up with this trend. A national transportation policy will assess these and similar developments, and recommend cost-effective, efficient strategies for meeting consumer demand.

At the same time, I want to emphasize that the federal government cannot singlehandedly solve America's vital transportation needs. States and local jurisdictions will have to assume a greater share of the infrastructure rehabilitation costs and costs of new projects. One approach we are considering is to create incentive financing programs in which the more funds states and localities contribute, the greater priority the federal government will place on grant applications.

Finally, as a licensed pilot, I also will be taking an active role in working with the Federal Aviation Administration to ensure the continued safety and efficiency of our aviation system.

In fact, as a result of the Eastern Airlines strike, I have been working very closely with the FAA to ensure the safety of any aircraft flown by Eastern. Throughout the strike, this has been the main role of the Department. This particular strike has also reemphasized that the nation will not be held hostage to economic blackmail, nor will we allow the grievances of a few to jeopardize the efficiency and safety of transportation for all of us.

The dynamics of the airline industry have changed dramatically since its deregulation 10 years ago, and I think it's time we reexamine the issues. Currently, I am assembling a working group from the Department, FAA, and other government experts, to look at a wide range of topics, such as the impact of hubs; airline concentration, computer reservation systems; and the need to provide more airports and runways. Specifically, I want to ensure that deregulation continues to work and benefits the American consumer.

The issue of aging aircraft is also an immediate aviation concern. The recommendations made recently by the Task Force on Aging Aircraft represent the first product of a cooperative international government effort. The FAA has already begun the rule-making procedures to require that parts on older jetliners worldwide be replaced or modified. In addition, the President's 1990 budget earmarks approximately \$10 million for aging aircraft research and proposes to add 400 safety inspectors and support personnel to the agency's ranks.

The 1990s will be a critical decade for the transportation system in this country. There is much to be done in expanding and maintaining the infrastructure already in place. We at the Department will need your help. Expert advice and competitive

participation must be sought from all sectors of our society. I look forward to working with all of you in our commitment to maintain a strong, integrated transportation system that will meet today's transportation needs and take us into the 21st century.



U.S. Department of
Transportation

News:

Office of the Assistant Secretary for Public Affairs
Washington, D.C. 20590

Contact: Hal Paris
Tel.: (202) 366-5580

STATEMENT BY SECRETARY OF TRANSPORTATION SAMUEL K. SKINNER
ON THE THREAT OF TERRORISM
March 17, 1989

One of my responsibilities as Secretary is to ensure the safety of airline passengers on domestic and international flights. My second week in office, I traveled to Montreal and encouraged the 33 member countries of the International Civil Aviation Organization to take stronger steps to guard against terrorist attacks in the skies. I have indicated to members of Congress my strong desire to work with them in strengthening this nation's research and development efforts in aviation security, as well as strengthening our human resource needs. I am confident that by working with the Congress we will achieve that goal.

However, after meeting with representatives of the families who lost loved ones on Pan Am Flight 103, and after hearing of the recent developments in the United Kingdom and West Germany, I believe that more work needs to be done.

Therefore, senior representatives on my personal staff will be departing this weekend to England and West Germany to meet with transportation officials in order that we may learn more about this latest revelation.

In addition, next month I plan to travel overseas personally to visit with my counterparts from England, France and West Germany, as well as with the heads of the major European and U.S. airlines and appropriate security personnel, as part of my ongoing effort to work toward a unified, global approach to the threat of terrorism and to insure that our anti-terrorist programs are being effectively carried out.

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REMARKS PREPARED FOR
SECRETARY OF TRANSPORTATION SAMUEL K. SKINNER
ASSOCIATED GENERAL CONTRACTORS OF AMERICA
MARCH 20, 1989
ATLANTA, GEORGIA

Accompanying me today is Federal Highway Administrator Bob Farris. Bob has done an outstanding job overseeing America's highway programs. I know that he has worked very closely with Associated General Contractors and the many other fine organizations concerned about the status and quality of our nation's highways. I appreciate very much his being here with us today.

Transportation is on the threshold of a new era. The post-war phase of building our nation's basic transportation infrastructure is drawing to a close. We have a nearly complete system of intra- and interstate highways, a network of waterways and airports, the finest air traffic control system in the world, and our country's railroad system is back on track.

I have set as one of my top priorities the formulation of a national transportation policy, based on a comprehensive system assessment. A national policy will give the strategic guidance essential to developing a transportation system for the 21st century. But I don't need to wait until our national policy is defined to say

in general terms what lies ahead. There is no question that the transportation future holds great challenges.

Of course, our transportation system will only remain as good as our policies for improvement. Maintenance and capacity inadequacies are already emerging. A number of major airports today are operating at or near capacity. Yet, domestic passenger traffic is expected to increase annually by 4.4 percent from now through the year 2000. By the end of 1990, it is estimated that the U.S. aviation system will serve about one-half billion passengers per year.

The suburban and intercity highways that facilitate much of America's commerce are also over-burdened in many places. The Federal Highway Administration estimates a need for an additional capacity of 11,000 to 15,000 lane-miles to ensure adequate mobility in the system. Their figures show highway travel increased 8.4 percent between 1985 and 1987. Roads and bridges need repairs and improvements to handle even current traffic volume. Through the year 2005, total backlog and accruing bridge needs on the federal aid system could be as much as \$72 billion. Across the board, maximizing use of existing capacity and developing

new facilities or systems where they are most needed are crucial transportation objectives.

The cost to government of infrastructure needs, increasing demand, capacity and efficiency concerns, and new construction funding is becoming prohibitive. There is tremendous pressure for discretionary funds from the Department. The federal government cannot single-handedly meet these pressing needs. We will have to choose among many deserving requests for support, and we will have to balance competing interests.

Increased private-sector investment in new infrastructure construction presents a promising funding alternative. State and local governments should work more with developers in building or improving roads, and with business and industry to devise other revenue sources as well, such as leveraged financing and user fee schemes. It hardly seems too much to ask of those who most directly benefit from infrastructure improvements to foot part of the bill. Local highway needs can be met by forging private-public partnerships, as some communities have demonstrated.

Near the Greater Pittsburgh International Airport, for example, region-wide funding structures for improvements to the Airport Parkway were assembled by Pennsylvania's Department of Transportation and Moon Township. These structures included creation of a Moon Transportation Authority for the issuing of bonds over 30 years, and a public-private "transportation development district" dedicated to retiring the bonds. The transportation development district will raise local revenues through a number of funding devices, such as using LERTA, the Local Economic Revitalization Tax Assistance Act, to divert abated taxes on new construction to the Moon Transportation Authority. If needed for meeting bond indebtedness, businesses will be annually assessed fees based on a trip generation formula.

Cost-effective, efficient strategies for meeting consumer demand are imperative. More effective use of existing facilities is the initial step, but it is not likely to be sufficient over the longer term. For example, we just don't have enough runways or airports. Under difficult circumstances, the system has done fairly well. But if we are going to continue in a deregulated economic environment, demand will soon exceed capacity without the construction of new runways,

gates and other facilities. I am encouraged that Denver and Chicago are considering plans to build new airports, and that similar plans are underway in other parts of the country.

Change is imminent in the way we do transportation business, in any event. With completion of the 30-year Interstate Highway System construction plan, we will necessarily have to redefine the objectives of our nation's federal highway programs. The realities of the federal budget deficit mean that our funding is unlikely to substantially increase in the short term.

The non-federal sectors are doing a good job; the funding numbers show that highway responsibility is being transferred from federal to state and local government. Still, all levels of government face funding constraints. Construction must be carefully targeted to meet present and future needs. For example, traffic congestion is worsening, especially in the suburbs. Today, nearly half our workforce commutes from suburb to suburb, but most highway and transit systems are still oriented toward suburb-to-city commuting.

I have asked the Department's Urban Mass Transportation Administration to make suburban

mobility a top priority. We need to garner greater cooperation from private industry regarding flexible and staggered work schedules. We need to support commuter van pools and other programs. Where new highway construction is required, an increased level of local commitment is essential.

The integrity of the Highway Trust Fund, and the gas tax funding mechanism that supports it, are crucial to the Department. On my watch, the gasoline tax is for transportation; the user fee principle of the gas tax will not be abrogated.

I share your dedication to maintaining infrastructure. It is an important investment: Continued economic growth and prosperity in America are directly linked to the condition of our transportation system. As we have seen, in our free market economy, means other than those of the central government can be mobilized. The federal government does not have to be the dominant player in infrastructure rehabilitation and expansion.

My commitment is strong to an appropriate level of federal highway aid, but new pavement isn't all that is needed. I must emphasize that the time is upon us when America must make the transition from more road surface to better, more efficiently managed and

more versatile surface transportation strategies. Eventually, alternatives should be made attractive enough to motorists that some are willing to leave their cars at home. Innovative business-government ventures can probably do this best.

I have been in business as well as government, and I believe government can learn a great deal from private industry. We need more public-private partnerships and more fully private initiatives throughout transportation to provide improved commuter transit, greater construction funding -- even creative safety initiatives.

Commuter traffic flow will benefit from ventures like the Federal Highway Administration and General Motor's Pathfinder "smart-streets/smart-cars" project in southern California. Based on personal choice, Pathfinder respects the individual's intelligence and freedom, and avoids the coercion implicit in most traffic management plans. Instantaneous traffic data and routing alternatives are provided upon request by in-car computerized information systems, enabling drivers to make informed driving decisions that help avoid congested areas.

Private provision of public services is a promising road to cost-effectiveness in transportation and other areas. Last year alone, states and localities "contracted out" to private companies for more than \$100 billion-worth of services. Urban mass transit has experienced very good results. For example, private contractors are operating 16 routes for the Los Angeles Regional Transportation District at savings that range -- depending on the route -- from 33 to 45 percent over RTD's previous costs.

An even more unconventional transit option is Philadelphia's "reverse-commute" program that transports inner-city workers from high-unemployment areas to suburbs where jobs are available. There could be a lesson in privatization for highway management; some states currently contract out various road design and engineering tasks to increase efficiency and innovation.

Like that of the Pennsylvania public-private initiative, funding structures that combine business and government resources are a proven avenue toward new construction. And public-private funding partnerships for infrastructure improvement are now being actively supported by state legislatures. As statutory restrictions are removed, property developers across the country

are recognizing that fully private-sector financed roadways are an idea with a future. In Colorado and Northern Virginia, there are plans on the drawing board for privately operated toll roads.

Private-sector initiatives in transportation safety are also a critical component in improving our system. Your organization's uncompromising stand on maintaining the integrity of the gas tax for transportation purposes, your commitment to a drug-free workplace, and your efforts to increase public awareness of highway work zone safety are commendable.

CONCLUSION

- Public transportation needs -- commuter, traveler, commercial -- can only be met through greater public-private sector cooperation.
- We need a national transportation policy to provide guidance and direction to our efforts.
- I am fully committed to excellence, efficiency and above all, safety in American transportation.

- Today, the United States has the best transportation system in the world. This is the result of the private sector working together with government.
- We have cooperated well in the past, and we can do even better in the new transportation era ahead.



U.S. Department of
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News:

Office of the Assistant Secretary for Public Affairs
Washington, D.C. 20590

Contact: Robert Marx
Tel.: (202) 366-5580

STATEMENT BY SECRETARY OF TRANSPORTATION SAMUEL K. SKINNER
ON THE FAA SECURITY ALERT
March 23, 1989

A March 16, FAA security bulletin which provided information to air carriers about the possibility of a hijacking of a U.S. airliner in Western Europe was released by unauthorized individuals. I consider this to be a very serious matter, and I have instructed the FAA to begin an immediate investigation to determine who leaked this sensitive information. In addition, my team of personal representatives currently is in London gathering information on this incident as part of its mission, and will report to me as early as tomorrow.

The bulletin did not reference the Easter holiday period nor did it specify an airline or airport. The FAA also did not issue a warning or advisory to U.S. government or military employees. I have stated this before and I will state it again: there will be no double standard of notification.

The unauthorized release of such information compromises our nation's intelligence-gathering efforts, it jeopardizes the lives of airline passengers, and it is counterproductive to the ongoing efforts of the civil aviation community to provide a totally effective security system. I plan to mark this incident high on my agenda when I visit with my counterparts from England, France and West Germany in April. My goal is to continue to work toward a unified, global approach in the fight against all forms of terrorism in the skies.

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U.S. Department of
Transportation

News:

Office of the Assistant Secretary for Public Affairs
Washington, D.C. 20590

Contact: Bob Marx
Tel.: (202) 366-5580

STATEMENT BY SECRETARY OF TRANSPORTATION SAMUEL SKINNER
CONCERNING THE SUPREME COURT RULING
ON RAILROAD EMPLOYEE DRUG TESTING
MARCH 21, 1989

I am heartened by the Supreme Court's decision today that finds post-accident drug testing constitutional. The decision is a major contribution to the cause of railroad safety and bodes well for transportation safety in general. I am pleased that the public will continue to benefit from these rules.