

TALKING POINTS FOR DELIVERY BY  
SECRETARY OF TRANSPORTATION SAMUEL K. SKINNER  
U.S. CHAMBER OF COMMERCE  
WASHINGTON, D.C.  
MAY 1, 1989

**NATIONAL TRANSPORTATION POLICY:**

- We will of course make use of work that's been done. Our objective is to go beyond identifying scope of problem and likely general approaches for meeting future needs, and develop a long-range policy of funding and action priorities. What we know & continue to learn will help provide clear objectives.
- I believe the Secretary of Transportation should provide direction and overall guidance for national policy, drawing from all available expertise. We want a coordinated attack on the problems from all sectors.

**FUTURE HIGHWAY PROGRAM:**

- Will examine as part of national transportation policy. Must look at needs, rural and urban, and devise initiatives, with appropriate federal involvement and funding.
- Future FHWA role should provide for national defense, promote interstate commerce, boost national productivity & economic development, and provide equitable service. Specific program structure requires more policy development.
- Federal role will continue in building & maintaining highways serving national interests & purposes, with national benefits. Crucial opportunity to restore state & local authority over surface transportation decision making.

### **SEPARATE CAPITAL AND OPERATING BUDGETS:**

- Favor increased attention to capital expenditures; some merit in separate presentation of capital programs. Capital programs presented with associated revenues might allay concerns that trust fund revenues earmarked for capital programs are being used to help balance the budget.
- Serious concerns that restructuring would add to volume, complexity and cost of computation & presentation of federal budget, without benefit to congressional or Administration decision making. Also concern separate capital budget might weaken efforts to reduce deficit by shifting that burden to operating costs, which provide major share of public services.

### **TRANSPORTATION AS AN ADMINISTRATION PRIORITY:**

- Infrastructure problems & other transportation issues have the President's attention. I have discussed key issues with him, some the result of major transportation problems that surfaced early.
- Can assure you of Administration's keen interest in economic development, public-private cooperation, and infrastructure construction and rehabilitation as high priority essentials to a healthy, competitive economy.
- **Evidence:** Administration endorsement of increased aviation budget. Expect to see further examples as policies and subsequent legislation for reauthorization of federal aviation, highway and mass transportation programs are developed.



### **GAS TAX FOR DEFICIT REDUCTION:**

- President Bush stated quite clearly during the campaign that he does not support increasing taxes. No matter how important it is to reduce the deficit -- obviously a major objective -- an increase in gas taxes for non-transportation purposes is a tax, not a user charge, and the Administration would not support it.

### **INFRASTRUCTURE FINANCING:**

- Massive cooperative effort by public & private sectors. Progress very encouraging. **Examples:** Privately financed Dulles toll road extension & "overmatching" of federal highway funds (more state & local money than required for federal funding).
- Demonstrates recognition of non-federal responsibility for infrastructure financial support. We are seeking ways to improve grant programs to reward such constructive efforts, which I believe are moving us in the right direction.
- Innovative financing, tolls, and other such mechanisms will have to be employed to a greater extent that they currently are.

### **TRUST FUNDS OFF-BUDGET:**

- Strongly oppose. Comprehensive, unified budget necessary to define scope of government activity & spending, and to assure effective use of fiscal resources. Removal from budget process could complicate federal deficit control.
- FY 1989 end cash balances of Highway and Airport & Airway Trust Funds estimated at \$28.8 billion. Highway expenditure commitments are already \$35.7 billion, \$20



billion over cash balance of \$15.7. Cash balances are not being used to reduce deficit; don't even figure in deficit calculations, which are made by comparing total receipts & total outlays annually.

- Annual trust fund spending in excess of trust fund revenues increases the deficit. Taking funds off-budget could induce greater program spending. Committed to reduce deficit, by keeping all discretionary spending "on the table."

### **TRUST FUNDS EXEMPT FROM GRAMM-RUDMAN:**

- Again, exempting trust funds from statutory budget limits would undermine deficit control efforts and efficient government operation. Exemption from Gramm-Rudman would mean inaccurate assessment of net effect on nation's economy of government borrowing.
- If sequestration under Gramm-Rudman were to occur with trust funds exempt, spending reductions for other programs would have to compensate.
- Airport & Airway Trust Fund: if sequestration occurred, no reduction in capital spending, but perhaps somewhat larger reduction in general fund appropriations available to pay FAA personnel. Other DOT programs could be seriously harmed by larger cuts, e.g., USCG safety & drug interdiction.

### **BRIDGES ELIGIBLE FOR REPLACEMENT:**

- There are 130,000 bridges (22 percent) of the 578,000 in the National Bridge Inventory that meet the eligibility criteria for replacement. Of the eligible bridges, approximately 27,000 are on the federal-aid system and 103,000 are off the federal-aid system.



### **DEFICIENT BRIDGES:**

- The number of deficient bridges has decreased annually over the last several years. The decrease in the number of deficient off-system bridges has been sufficient to offset an annual rise in the number of deficient federal-aid system bridges.
- We expect the increase in the number of deficient federal-aid system bridges to continue as the large number of these bridges built in the late 1950s and the 1960s age.

### **FUNDING FOR BRIDGE REPLACEMENT & REHABILITATION:**

- Current FHWA estimates -- total backlog plus accruing bridge needs between 1987 and 2005 are about \$93 billion (1987 dollars). Dividing the \$93 billion total by 19 years equals an annual national bridge program of about \$5 billion.
- Current total annual expenditures for bridge improvements by all government levels estimated at about \$5 billion. Because more than half of estimated needs are existing backlog, bridge program requirements may be temporarily high, then taper off.
- Bridge needs for the future will be justified and addressed in forthcoming FHWA/DOT proposal for post-1991 highway legislation.

### **SUBURBAN TRAFFIC CONGESTION:**

- Indicator of suburbs increased importance in our daily lives. By 1990, work trips to suburbs will exceed those to central city.



- New, expanded facilities for adding capacity, e.g., widening.
- Traffic management can be greatly improved through for reliable traffic surveillance, signal controls, motorist/roadway conditions information systems, HOVs, incident management, and employee/employer-based travel need reduction programs.
- Aggressive development & deployment program for an Intelligent Vehicle/Highway System, to provide comprehensive management, information, and control of traffic flow & congestion incidents. Safety, mobility, driver convenience, and environmental quality can all be enhanced with proper efforts.

#### TRANSPORTATION R & D:

- DOT's R&D for FY 1990 is \$358 million, about \$16 million more than '89. Programs to help create or develop new technologies.
- \$165 million, almost 50%, is to improve national air traffic control system by increasing safety, productivity & capacity.
- \$3.5 million planned for research on highways & pavement.
- \$31 million for the 5-year Strategic Highway Research Program, within the federal-aid highways program. Six main areas: asphalt, maintenance cost effectiveness, bridge deck protection, cement & concrete, chemical control of snow & ice, and long-term pavement performance.
- Funded through 1991 by a one-fourth percent takedown from authorized highway funding.



## **TWO-YEAR FEDERAL BUDGET PROCESS:**

- The two-year budget-cycle would have no significant effect on DOT's capital grant programs, as most are already provided a source of contract authority 2 - 5 years in advance.
- Capital procurement programs might be somewhat favorably affected, by providing more stable & predictable funding.
- In general, significant advantages to a 2-year appropriation cycle, in reducing the burden on the Administration & Congress in the preparation, presentation and approval of Agency budgets. This would allow more time for budget formulation, management and oversight of the Department's programs.

## **SHORTAGE OF PROFESSIONAL ENGINEERS:**

- May be a growing shortage, but federal government should not get directly involved in matters best handled by the market place. Some shortages occur briefly in certain fields, but I believe appropriate adjustments in labor markets will occur.
- Thus, as shortages occur, generally the market will cause wages to increase, and the supply of labor will increase in response. The federal government is not equipped to, and should not attempt, ameliorating temporary imbalances in private sector markets.
- Would be appropriate for DOT to describe to young people the opportunities available in technical transportation careers. In past 2 years, FHWA has



doubled number of young engineers hired annually in its Highway Engineer Training Program.



*Usual*  
 SECRETARY SKINNER'S REMARKS TO THE  
 COAST GUARD ACADEMY CORPS OF CADETS  
 1 MAY 1989

*STET*  
*myself w/ the company as you know*  
*this evening*  
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*Seriously*  
*National Highway &*  
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MANY FAST-BREAKING ISSUES HAVE MARKED MY FIRST MONTHS ON THE JOB. I WILL MENTION THREE THAT SERVE AS EXAMPLES OF THE VARIETY OF ISSUES THAT CONFRONT OUR DEPARTMENT. FIRST, WHEN THE MACHINISTS



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THE BOMBING OF PAN AM FLIGHT 103 WAS A TRAGIC REMINDER THAT WE MUST CONTINUE TO DEAL WITH TERRORISM AS A GLOBAL THREAT. AFTER MEETING WITH THE FAMILIES OF THE PAN AM 103 VICTIMS, WHICH WAS ONE OF THE MOST MOVING EXPERIENCES OF MY LIFE, I DISPATCHED A TEAM OF REPRESENTATIVES, INCLUDING COMMANDER HATHAWAY, TO EUROPE TO STUDY OUR SYSTEM OF OBTAINING, DISSEMINATING AND RESPONDING TO THREAT INFORMATION. ALTHOUGH VERY STRICT SECURITY REQUIREMENTS ARE ALREADY IN PLACE FOR U.S. AIR CARRIERS, I RECENTLY ANNOUNCED SEVERAL ADDITIONAL INITIATIVES DESIGNED TO STRENGTHEN OUR SECURITY POSTURE. ADDITIONALLY, I RETURNED JUST LAST FRIDAY FROM EUROPE, WHERE I PERSONALLY MET WITH MY TRANSPORTATION COUNTERPARTS IN 5 *five* COUNTRIES AND DISCUSSED COOPERATIVE EFFORTS TO COUNTER TERRORIST AGGRESSION.

FINALLY, THE GROUNDING OF THE EXXON VALDEZ AND THE ENSUING 10.5 MILLION GALLON OIL SPILL INTO PRINCE WILLIAM SOUND IS A DISASTER *initially* WITHOUT PRECEDENCE. YOUR COMMANDANT, ADMIRAL YOST, IS IN CHARGE OF THE CLEAN-UP OPERATION IN ALASKA, WHILE I AM COORDINATING WITH THE DEPARTMENTS AND AGENCIES IN WASHINGTON, D.C. ALMOST 1000 COAST GUARD PERSONNEL ARE INVOLVED IN DIRECT SUPPORT OF THE CLEAN-UP EFFORTS; RUNNING A HOST OF SHIPS AND AIRCRAFT UNDER LESS THAN IDEAL CONDITIONS. I HAVE VISITED THE SPILL SITE ONCE AND WILL RETURN THIS WEDNESDAY FOR AN UPDATE ASSESSMENT, *including* AND TO TALK WITH ON-SCENE COORDINATORS.

*Initiatives will also* I WILL ALSO MEET VICE PRESIDENT QUAYLE IN ANCHORAGE, AND ACCOMPANY HIM ON TOUR THROUGHOUT THE SPILL AREA. CLEAN-UP OF THIS SPILL IS MY TOP PRIORITY RIGHT NOW, AND IT WILL ENTAIL A MONUMENTAL EFFORT TO SUCCEED. WE HAVE ALREADY BEGUN EXAMINING MANY SYSTEMS AS A RESULT OF THIS SPILL, AND HAVE INITIATED ACTION THAT WILL MINIMIZE THE CHANCE THAT A DISASTER LIKE THIS WILL OCCUR AGAIN, *our first such situation. we are pursuing* OR *we are pursuing* HELP US BETTER DEAL WITH THE SITUATION IF IT DOES. ACTIONS INCLUDE SEEKING APPROVAL OF COMPREHENSIVE OIL SPILL LEGISLATION, NEW LICENSING PROCEDURES, REVIEW AND MODIFICATION OF OIL SPILL CONTINGENCY PLANS, AND RENEWED *research and development* R+D EFFORTS.

I KNOW THAT SOME OF YOU ARE ONLY 3 *three* WEEKS AWAY FROM GRADUATION AND COMMISSIONING, SO I WANT TO ADDRESS THE COAST GUARD THAT YOU WILL BE SERVING. AS THE PRIMARY FEDERAL AGENCY ENTRUSTED WITH MARITIME LAW ENFORCEMENT AUTHORITY AND THE PROMOTION OF MARINE SAFETY, THE COAST GUARD PLAYS AN INTEGRAL PART IN SUPPORTING THE TRANSPORTATION INFRASTRUCTURE *underpinning* ON WHICH U.S. ECONOMIC STRENGTH *depends* DEPENDS. I FIRMLY BELIEVE THAT THE COAST GUARD *belongs* BELONGS IN THE DEPARTMENT OF TRANSPORTATION. *prock me properly*

ADMIRAL YOST AND I HAVE ESTABLISHED AN EXCELLENT WORKING RELATIONSHIP. I AM FAMILIAR WITH HIS PRIORITIES FOR THE COAST GUARD AND I SHARE THEM. ADMIRAL YOST AND I TOGETHER WILL DO ALL



WE CAN TO MAKE SURE THAT THE COAST GUARD HAS THE TOOLS NECESSARY TO DO ITS JOB WELL. IT IS CRITICALLY IMPORTANT THAT WHILE WE CONTINUE TO BEEF UP OUR DRUG INTERDICTION CAPABILITIES, ~~THAT~~ OTHER TRADITIONAL RESPONSIBILITIES OF THE COAST GUARD ALSO BE PROVIDED FOR, AND NOT PERMITTED TO ERODE. THE COAST GUARD WILL NEED ~~THE~~ PRESIDENT'S FULL BUDGET PROPOSAL FOR FY1990.

I AM FULLY COMMITTED TO SUPPORTING THE ADMINISTRATION'S WAR ON DRUGS. LAST YEAR THE COAST GUARD WAS INVOLVED IN SEIZING NEARLY 529,000 POUNDS OF MARIJUANA, AND OVER 38,000 POUNDS OF COCAINE, WITH A COMBINED STREET VALUE OF MORE THAN \$2.5 BILLION. YOUR INTERDICTION RATES ARE IMPRESSIVE, BUT THE WAR ON DRUGS DEMANDS MUCH MORE FROM ALL OF US. IF THE DIRECTOR OF NATIONAL DRUG CONTROL POLICY, BILL BENNETT, REQUIRES INCREASED INTERDICTION ACTIVITY BY THE COAST GUARD, ~~HOWEVER~~, I WILL DO EVERYTHING IN MY POWER TO SEE THAT YOU GET WHAT IS NEEDED TO MEET THE CHALLENGE.

IN THE LAST FEW YEARS THE COAST GUARD'S PHYSICAL RESOURCES HAVE IMPROVED SOMEWHAT, AS NEW HELICOPTERS, PLANES, PATROL BOATS, AND CUTTERS HAVE BEEN PUT INTO SERVICE. HOWEVER, SEVERE BUDGET CONSTRAINTS EXIST, AND THE COAST GUARD WILL HAVE TO CONTINUE COMPETING WITH OTHER CLAIMS FOR GOVERNMENT FUNDING. RECRUITMENT OF QUALIFIED PERSONNEL IS ANOTHER HIGH, BUT COSTLY PRIORITY. I WANT YOU TO KNOW THAT THE COAST GUARD'S OUTSTANDING PERFORMANCE IN FULLFILLING THEIR CRITICAL DEFENSE AND SAFETY MISSIONS IN STRAINED FISCAL CIRCUMSTANCES MAKES A CASE THAT ANY LAWYER WOULD BE GLAD TO ARGUE BEFORE THE ADMINISTRATION, CONGRESS, AND THE AMERICAN PEOPLE. I WILL PRESENT THE CASE AS VIGOROUSLY AND PERSUASIVELY AS I CAN.

ADMIRAL YOST TOOK ME ON A TOUR OF COAST GUARD FACILITIES IN SOUTH FLORIDA AND THE BAHAMAS A FEW WEEKS AGO. I WAS ESPECIALLY IMPRESSED WITH THE "CAN-DO" SPIRIT THAT I FOUND, COMBINED WITH YOUR MULTI-MISSION PHILOSOPHY. THE COAST GUARD HAS A LEGACY OF PERFORMING ITS DUTIES WITH PRECISION, PRIDE, AND PROFESSIONALISM, TRAITS THAT ARE ALSO PART OF ACADEMY LIFE. BE PROUD THAT YOU ARE PART OF ONE OF THE MOST COST-EFFECTIVE OF ALL GOVERNMENT AGENCIES IN TERMS OF DOLLARS INVESTED TO VALUE OF SERVICES RENDERED.

THERE IS ONE LAST POINT I WOULD LIKE TO MAKE. THE COAST GUARD AND THE DEPARTMENT OF TRANSPORTATION TAKE A "BIG PICTURE" PERSPECTIVE ON DOING OUR JOBS WITH THE BEST PEOPLE AVAILABLE--MEN OR WOMEN. A DOT CASE IN POINT IS MY NEW DEPUTY SECRETARY, ELAINE CHAO. I KNOW THAT THERE IS FIRM COMMITMENT WITHIN THE COAST GUARD TO UNRESTRICTED ASSIGNMENTS, WHERE WOMEN HAVE THE SAME OPPORTUNITIES AS MEN TO COMPETE FOR THE MOST PROFESSIONALLY ADVANTAGEOUS BILLETS. IT IS A POLICY THAT I WILL FOSTER THROUGHOUT MY TENURE.

TO YOU FOURTH CLASSMEN, ENJOY YOUR NEW FOUND CARRY-ON, AND MAY YOUR SUMMER CRUISE TO LENINGRAD ABOARD THE EAGLE BE AN UNFORGETTABLE EXPERIENCE. THIRD CLASSMEN, MAY YOU REVEL IN YOUR CIVIL PRIVILEGES,



COLLARS AND ALL. SECOND CLASSMEN, I UNDERSTAND THAT TODAY YOUR CARS CAN OFFICIALLY COME OUT OF HIDING. I HAVE A BMW FOR SALE IN CHICAGO IF ANY OF YOU FEELS ESPECIALLY RICH! MORE IMPORTANTLY, YOU BEGIN TO TAKE OVER THE RESPONSIBILITY OF LEADING THE CORPS OF CADETS; MAY YOU DO SO WITH DISTINCTION. FINALLY, TO THE FIRST CLASSMEN, WHO WILL SOON MAKE THAT BIG STEP FROM CADET TO OFFICER. WHETHER YOUR FIRST UNIT IS PRIMARILY INVOLVED IN DRUG INTERDICTION, FISHERIES LAW ENFORCEMENT, AIDS TO NAVIGATION OR POLAR OPERATIONS, KEEP IN MIND THAT <sup>your</sup>SHIP IS PART OF A COAST GUARD ~~WHO~~ PRIDES ITSELF ON PROFESSIONAL EXCELLENCE. I KNOW THAT YOU WILL ALL MEASURE UP TO THE CHALLENGE!

HERE'S HOPING THAT EACH OF YOU **ACE** YOUR FINAL EXAMS....

✓ I'LL BE HAPPY <sup>to</sup> ENTERTAIN ANY QUESTIONS OR COMMENTS.

SECRETARY SKINNER'S REMARKS TO THE  
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I AM FULLY COMMITTED TO SUPPORTING THE ADMINISTRATION'S WAR ON DRUGS. LAST YEAR THE COAST GUARD WAS INVOLVED IN SEIZING NEARLY 529,000 POUNDS OF MARIJUNA, AND OVER 38,000 POUNDS OF COCAINE, WITH A COMBINED STREET VALUE OF MORE THAN \$2.5 BILLION. YOUR INTERDICTION RATES ARE IMPRESSIVE, BUT THE WAR ON DRUGS DEMANDS MUCH MORE FROM ALL OF US. IF THE DIRECTOR OF NATIONAL DRUG CONTROL POLICY, BILL BENNETT, REQUIRES INCREASED INTERDICTION ACTIVITY BY THE COAST GUARD, HOWEVER, I WILL DO EVERYTHING IN MY POWER TO SEE THAT YOU GET WHAT IS NEEDED TO MEET THE CHALLENGE.

IN THE LAST FEW YEARS THE COAST GUARD'S PHYSICAL RESOURCES HAVE IMPROVED SOMEWHAT, AS NEW HELICOPTORS, PLANES, PATROL BOATS, AND CUTTERS HAVE BEEN PUT INTO SERVICE. HOWEVER, SEVERE BUDGET CONSTRAINTS EXIST, AND THE COAST GUARD WILL HAVE TO CONTINUE COMPETING WITH OTHER CLAIMS FOR GOVERNMENT FUNDING. RECRUITMENT OF QUALIFIED PERSONNEL IS ANOTHER HIGH, BUT COSTLY PRIORITY. I WANT YOU TO KNOW THAT THE COAST GUARD'S OUTSTANDING PERFORMANCE IN FULLFILLING THEIR CRITICAL DEFENSE AND SAFETY MISSIONS IN STRAINED FISCAL CIRCUMSTANCES MAKES A CASE THAT ANY LAWYER WOULD BE GLAD TO ARGUE BEFORE THE ADMINISTRATION, CONGRESS, AND THE AMERICAN PEOPLE. I WILL PRESENT THE CASE AS VIGOROUSLY AND PERSUASIVELY AS I CAN.

ADMIRAL YOST TOOK ME ON A TOUR OF COAST GUARD FACILITIES IN SOUTH FLORIDA AND THE BAHAMAS A FEW WEEKS AGO. I WAS ESPECIALLY IMPRESSED WITH THE CAN DO SPIRIT THAT I FOUND COMBINED WITH YOUR MULTI-MISSION PHILOSOPHY. THE COAST GUARD HAS A LEGACY OF PERFORMING ITS DUTIES WITH PRECISION, PRIDE, AND PROFESSIONALISM, TRAITS THAT ARE ALSO PART OF ACADEMY LIFE. BE PROUD THAT YOU ARE PART OF ONE OF THE MOST COST-EFFECTIVE OF ALL GOVERNMENT AGENCIES IN TERMS OF DOLLARS INVESTED TO VALUE OF SERVICES RENDERED.

THERE IS ONE LAST POINT I WOULD LIKE TO MAKE. THE COAST GUARD AND THE DEPARTMENT OF TRANSPORTATION TAKE A BIG PICTURE PERSPECTIVE ON DOING OUR JOBS WITH THE BEST PEOPLE AVAILABLE--MEN OR WOMEN. A DOT CASE IN POINT IS MY NEW DEPUTY SECRETARY, ELAINE CHAO. I KNOW THAT THERE IS FIRM COMMITMENT WITHIN THE COAST GUARD TO UNRESTRICTED ASSIGNMENTS, WHERE WOMEN HAVE THE SAME OPPORTUNITIES AS MEN TO COMPETE FOR THE MOST PROFESSIONALLY ADVANTAGEOUS BILLETS. IT IS A POLICY THAT I WILL FOSTER THROUGHOUT MY TENURE.

TO YOU FOURTH CLASSMEN; ENJOY YOUR NEW FOUND CARRY-ON AND MAY YOUR SUMMER CRUISE TO LENINGRAD ABOARD THE EAGLE BE AN UNFORGETTABLE EXPERINCE. THIRD CLASSMEN; MAY YOU REVEL IN YOUR CIVEY PRIVILEGES,



COLLARS AND ALL. SECOND CLASSMEN, I UNDERSTAND THAT TODAY YOUR CARS CAN OFFICIALLY COME OUT OF HIDING. I HAVE A BMW FOR SALE IN CHICAGO IF ANY OF YOU FEELS ESPECIALLY RICH! MORE IMPORTANTLY, YOU BEGIN TO TAKE OVER THE RESPONSIBILITY OF LEADING THE CORPS OF CADETS; MAY YOU DO SO WITH DISTINCTION. FINALLY, TO THE FIRST CLASSMEN, WHO WILL SOON MAKE THAT BIG STEP FROM CADET TO OFFICER. WHETHER YOUR FIRST UNIT IS PRIMARILY INVOLVED IN DRUG INTERDICTION, FISHERIES LAW ENFORCEMENT, AIDS TO NAVIGATION OR POLAR OPERATIONS, KEEP IN MIND THAT SHIP IS PART OF A COAST GUARD WHO PRIDES ITSELF ON PROFESSIONAL EXCELLENCE. I KNOW THAT YOU WILL ALL MEASURE UP TO THE CHALLENGE!

HERE'S HOPING THAT EACH OF YOU **ACE** YOUR FINAL EXAMS....

I'LL BE HAPPY ENTERTAIN ANY QUESTIONS OR COMMENTS.



U.S. Department of  
Transportation

# News:

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

## ADVANCE PRESS COPY

Contact: Bob Marx  
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REMARKS PREPARED FOR DELIVERY BY  
SECRETARY OF TRANSPORTATION SAMUEL K. SKINNER  
THE NATIONAL PRESS CLUB  
WASHINGTON, D.C.  
MAY 2, 1989

It is a pleasure for me to speak here at the National Press Club. I thought things were going well until I saw your May calendar which said that Secretary William Skinner was speaking today....Which only reminds me of a quote by an anonymous source who said, "It doesn't matter what the quote is as long as the name is spelled right." Then again, what's in a name?

I always have had a lifelong respect for the role of the press, even more so after a friend reminded me never to argue with someone who buys his ink by the barrel.

There are a few issues I wish to discuss today, but first I would like to give a review of my just concluded trip overseas. The purpose of my five-day, five-nation visit, was to discuss the whole question of aviation security with my counterparts in Italy, Germany, Switzerland, France and the United Kingdom, and to impress upon them the importance the President and I place on this issue.

On the basis of our preparations for the trip, I anticipated that we would be received in a positive way. But the trip exceeded my expectations. There is a unified commitment, a unified approach to solving the threat of terrorism in the skies. It requires global solutions and none of us have a monopoly on the information or expertise available to counter the threat. This trip provided the framework for progress, but more work remains to be done, and the U.S. is in for the long haul to solve this problem.

In my discussions, every country indicated a strong desire to install proven, state-of-the-art explosive detection devices such as our thermal neutron analysis devices,

- more -



or TNA, in their airports as soon as possible. The first TNA device is scheduled to be installed in the U.S. at JFK Airport in July. When I was in London last week, British Transport Minister Channon announced his agreement to place a TNA device at Gatwick Airport.

In fact, by January 1990, we expect to have a total of six TNA devices installed in airports both domestic and foreign, with more on the way. These devices have been developed and tested here in America at a cost of over \$60 million in FAA research and development funds, with a very high success rate of detection. I have not only offered our technical expertise to other countries, but I also have asked for their advice as well.

In other words, we want to work with other countries on aviation security, not around them, so that we can work quickly and effectively to counteract the threat of terrorism.

The question on everyone's mind is what to do with electronic devices. We are also working on a plan in cooperation with other nations, on how to check items such as computers, radios and so on. A total ban of all such items on airplanes is an option we have to consider, but if we can develop a plan for increased passenger safety without banning these items -- and I believe we can -- we will try to do it. At the same time, we will not compromise safety for the sake of expediency.

While in London, I met with a widow of one of the victims of Pan Am Flight 103. I have had several such meetings with the families, yet I know that such meetings cannot make their pain go away, nor reduce their need for answers to their questions. In part, that is why the whole issue is high on my agenda and why our efforts are so important -- as a nation we can learn from that horrible tragedy.

I want to also emphasize that American airlines are safe to fly and airline travel is still one of the safest forms of transportation available. We are, however, working to make it better. The FAA already has announced several significant steps to increase security standards here at home. We are not going to ask anything of our aviation partners that we will not ask of ourselves. I believe that within the year, you will see some major changes.

I am also looking forward to having Admiral Jim Busey on board as FAA Administrator, once the Senate confirms him. I met with the Admiral in Italy, and he shares my desire to redouble our efforts, in concert with other governments, to improve our aviation security systems worldwide. We owe it to the travelling public to do just that.

Aviation security is but one of the major challenges that we have had to deal with since I became Secretary of Transportation. The Alaska oil spill -- one of the worst environmental and economic disasters this nation has ever faced -- is another. This tragedy not only requires a massive commitment of people and money to contain and clean up the spill, but reevaluation of our whole approach to the water-borne transportation of oil and a review of contingency plans dealing with oil spills. President Bush has made clear his commitment to cleaning up Prince William Sound, and as his national coordinator on that effort, I plan to follow through on his commitment.

The entire country has a vested interest in seeing that the Exxon Valdez disaster is cleaned up immediately -- with minimum cost to the American taxpayer. The



beaches affected in this spill are covered with oil sludge that is proving to be very difficult to remove. I am leaving for Alaska tomorrow to get another first-hand look at the progress to-date. Exxon, the oil industry, the state of Alaska and the federal government must focus on getting as much beach cleaned as possible before winter arrives in October.

The Eastern Airlines strike is another issue this Administration has dealt with. Throughout the strike, the FAA's main role has been to ensure that Eastern is operating safely. We have also monitored service to ensure that it wasn't widely disrupted. According to a Washington Post poll, approximately three-quarters of the American people supported the view of the President -- that labor-management disputes should be resolved by negotiation between the parties, not by government intervention.

Further intervention, beyond the many months of mediation that occurred before the strike, would have been fruitless -- indeed counter-productive -- in my view. The President also was right in emphasizing that the nation cannot and 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.

There are other major challenges facing transportation in our nation today. My highest priority is the development of a national transportation policy based on an up-to-date and complete assessment of our transportation needs well into the 21st century. That process is underway in the Department.

In developing such a strategic policy, my goal is to make transportation more efficient, more cost-effective, and, above all, even safer 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.

There is no question that we have the best transportation system in the world. With a 40-year phase of building our nation's basic transportation infrastructure drawing to a close, we now have a nearly complete system of intra and interstate highways. We also can boast of a fine network of waterways and airports, the finest air traffic control system in the world, and a revitalized railroad system.

However, 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 inter-city highways, upon which American commerce depends, 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 maintain and continue to improve our transportation infrastructure. With the Interstate Highway System nearly complete, we have to make the transition from pouring concrete to maintaining, managing 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.

As one example, better inter-suburban 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. I have asked the Department's Urban Mass Transportation Administration and the Federal Highway Administration to make suburban mobility a top priority. Support of commuter van pools and other programs are being urged.

The Federal Highway Administration, in fact, estimates a need for additional capacity of 11,000 to 15,000 lane-miles on urban interstate highways outside of existing right-of-way, to ensure adequate mobility in the system. FHWA figures show that highway travel increased 8.4 percent between 1985 and 1987. Roads and bridges need repairs and improvements to handle even current traffic volume. And, through the year 2005, total backlog and accruing bridge needs on the federal aid system could be as much as \$72 billion.

But with our present federal budget constraints, the cost to government of new project construction is becoming especially prohibitive. Where new highway construction is required, an increased level of local commitment will be needed. Increased private-sector investment in new infrastructure construction also presents a promising funding alternative. We would like to see state and local governments work more closely with developers in building or improving roads, and with business and industry to devise other revenue sources, such as leveraged financing and user fees.

New construction will have to be targeted to meet specific present and future needs, especially as traffic congestion continues to worsen. I recently announced a new approach to urban mass transit grants which gives priority to projects that have higher local contribution. This will encourage local governments to seek private funding sources, whether they are developers, existing businesses, or citizens. Also, with this approach, the federal government will be able to contribute to more projects.

The bottom line is that more public-private partnerships and more fully private initiatives throughout transportation can help provide improved commuter transit, greater construction funding -- even creative safety initiatives. And, I am happy to report that 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.

On a different note, when it comes to safety, the 1980s has been an era of unprecedented improvement in transportation safety. More and more new cars are being delivered with automatic crash protection, and safety belt use continues to increase. In fact, we've gone from about 10 percent safety belt use in the early 1980s, to over 46 percent today -- and much higher in many states. This increased safety belt use has saved an estimated 11,000 lives since 1984.

According to the National Highway Traffic Safety Administration, highway travel in this country is now safer than at any time in modern history. There is good news for Americans in virtually every critical part of the highway safety picture:

- The highway fatality rate per 100 million vehicle miles has dropped from 3.3 in 1980 to 2.4 in 1988, the lowest in history.
- All new cars produced after September 1, 1989, will be equipped with either an air bag or automatic safety belts.



- There are now child safety belt use laws in all 50 states and the District of Columbia.

- Our efforts in the area of drunk driving are also paying off. Age 21 is the legal drinking age in all 50 states and the District of Columbia. As a result, teenage fatalities attributable to alcohol are down 34 percent. In fact, most states have also toughened their drunken driving laws for drivers of all ages.

The 1980s have also brought us new safety challenges in the transportation sector. Most notably, the illegal drug epidemic which continues to plague this country, has left its mark on the transportation industry too. Unfortunately, since January 1987, there have been over 60 major rail incidents in which one or more key employees tested positive for illegal drug use. As you may know, final rules to require drug testing for approximately four million transportation workers in safety-related positions were issued in November 1988.

We know that drug testing works, and random testing is particularly effective. For example, the Coast Guard began random testing five years ago, and the percentage of those testing positive dropped from 10.3 percent when the program began in 1983, to 2.9 percent last year. Since testing began at the Department in September 1987, 14,429 random drug tests have been conducted; 103 of those tested positive for illegal drug use, including 64 air traffic specialists. I am very encouraged by the low numbers testing positive, and I hope they will go lower still.

I will be working closely with the Administration's Drug Czar, Bill Bennett, to mobilize whatever further resources he deems appropriate for the Department in the fight against illegal substance abuse.

Finally, as an instrument-rated pilot with a long-time love of aviation, I will be working closely with the FAA to ensure the continued safety and efficiency of our aviation system. I've had a chance to visit with controllers at numerous FAA towers across the nation. I've watched them at work, and I can tell you that there is one message that comes across loud and clear: Our traffic controllers are young, enthusiastic, hard-working professional people performing one of the toughest jobs in the federal government today.

The FAA is doing a consistently fine job of fulfilling its safety, security, and air traffic control missions. In fact, largely as a result of outstanding work by controllers, we have seen near midair collisions and controller errors decrease to the lowest they have been in four to five years.

There are many items on the aviation agenda which I believe need to be examined, especially aviation infrastructure needs. The whole issue of airport capacity must be addressed immediately. It is estimated that the U.S. airport and airway system will service nearly a half-billion passenger enplanements by the end of the year, versus less than 300 million enplanements in 1979. In addition, domestic traffic is projected to increase 4.4 percent annually through the year 2000, and departures at airports with FAA towers are expected to grow by 31 percent. A number of major airports are operating at or near capacity.

Since the dynamics in the airline industry have changed dramatically, I believe now is the time to assess the overall situation. I have assembled task forces from the



Department and the FAA to look at a wide range of aviation topics, including competition. Most important, I want to identify ways to ensure that airline deregulation continues to work; that benefits to consumers continue -- that we continue to have adequate airport and air traffic capacity to meet our needs in the decades ahead.

These are but a few of the pressing issues facing us in transportation today. I am here to get a job done: to ensure that our transportation system remains the best in the world and that we have a policy in place to ensure our transportation needs into the next century. This follows the Bush Administration's plan to meet both urgent short-term priorities, as well as working toward solutions to the long-term challenges facing the nation. The President is building a better America by keeping the economy strong -- and that means no new taxes, seizing international opportunities for peace, and investing in our future. It's no easy task, but rest assured that for my part, I'll give it my best shot.

Thank you.



NATIONAL PRESS CLUB LUNCHEON SPEAKER, SECRETARY OF TRANSPORTATION SAMUEL SKINNER, NATIONAL PRESS CLUB BALLROOM, TUESDAY, MAY 2, 1989

X-2-1 page# 1

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SECRETARY SKINNER: Well, that's quite an introduction. It's like the other day when I walked in to see the President on what is another crisis. And he turned to me and he said, "You know, we had a great transportation system in this country until I selected you." (Laughter.) I hope he means that with a sense of humor.

Well, I'm delighted to be here. I must say that you're right, being with the press is not new to me. As United States Attorney in a very high profile office, I was required by my position to interface with the press on a regular basis. And of course, in the private sector as a lawyer for Sidley & Austin, I had the opportunity to serve as general counsel for a period of years for the Chicago Sun Times. So, I think that combined with a lifelong respect for the press and the role of the press has allowed me to communicate with the press and to the American people on issues of vital importance to them in the area of **transportation**, and to do so without fear or without any real concerns. Because if you can work with the press over an extended period of time in Chicago, we say you can work with the press anywhere in the world.

It's an interesting time for transportation in this country. It's ironic that as we focus on the various jobs in government, one of the jobs that we probably least focused on -- at least until recently -- is the Secretary of Transportation, the **Department of Transportation**, and the role that it plays. Yet, it is one of the most vital departments in our government. Our government's economy and our ability to compete worldwide is determined greatly by the way our transportation system functions and how effective it is in the international markets that we deal with.

It is ironic that the day after the Pan Am 103 tragedy occurred that the President would announce my nomination, because there has been no issue that I have been obsessed with more, as Secretary of Transportation, than that of airline security and aviation security in general. That thought and obsession really struck home when I had the opportunity to meet with the families of the Pan Am 103 victims a couple of months ago.

It is very difficult to describe that meeting. You are speechless, as you're introduced to fathers, mothers, sons, wives, and to try to explain what happened, why it happened, and what can be done to prevent it from happening again. It was that meeting and the meeting that our President held with the families shortly thereafter that has given the Department of Transportation the resolve to deal with this issue of aviation security.

I just returned from a five-day, six-nation visit to Europe to discuss aviation security issues throughout Europe. I met with my counterparts, the ministers of transport in Italy, Germany, Switzerland, France and the United Kingdom. I met with the interiSw



ministers of those countries as well on some occasions. I met with the airline heads. I met with another family victim who was kind of in between. She's a British citizen, her husband was a United States citizen, and she's part of neither group. So we asked her to meet with the new ambassador to Great Britain and myself to discuss the whole problem of aviation security.

And it was on the basis of the preparation for that trip that I anticipated that we would receive a somewhat positive response. But as a Chicago lawyer and formal prosecutor, I am not the most experienced in international affairs. Some would say the real risk of sending me over is like sending the bull into the china shop. And my impatience on issues, I was concerned, might get in the way of diplomacy, in the ways that things are done in the global world.

Well, much to my delight, I was received as the representative of the United States of America in every country with the utmost courtesy. Every transport minister I met with shared my concern that we do something about the problems of **terrorism** and committed to me to work with us in dealing with these problems. Once I explained to them that I understood that if we're going to solve the problem of international terrorism as it relates to aviation safety, we must work together and not alone, and that I was willing to work with them and share our technology and our expertise with them, they couldn't have been nicer.

In a time when one expects the United States to be treated sometime with a little concern or disdain in the world, it was awfully nice to see the respect that each one of those countries have for the United States and for our Department of Transportation and what we're doing. But more important, it was very heartening on behalf of those families to receive the kind of commitment and support I received in every part of the world.

The problem of terrorism and aviation terrorism is not over. It is a long-standing problem, a much complicated problem. And if something's going to be done about this, as I've indicated earlier, it must be a unified commitment by government, by industry, and by the travelling public. We are in this for the long haul. The progress we made last week in Europe is just the beginning. It will be a project and a priority within my administration and the President's administration as long as we are here.

The President is totally committed to my efforts. He not only met with the families of the Pan Am 103 victims, but immediately put into place a number of steps in the area of intelligence gathering and in the area of dealing with families as well as dealing with these problems that are already paying dividends. I, as his point man, am totally committed as well, and I look forward to carrying out his program and his objectives.

I want to emphasize, before I talk about a couple of specifics, that aviation travel is still one of the safest forms of travel in



NATIONAL PRESS CLUB LUNCHEON SPEAKER, SECRETARY OF TRANSPORTATION SAMUEL SKINNER, NATIONAL PRESS CLUB BALLROOM, TUESDAY, MAY 2, 1989

-2-1 page# 3

the world. If you look at any statistic that you come up with, you will see that aviation travel is extremely safe. And travel on American flag carriers is even safer because of the steps they are taking on terrorism.

Many of you may have heard that there's been some concern on safety among American corporations. One corporation in particular issued a travel advisory. And when I got on the flight back from London Thursday, I was delighted to see two things. Number one, the American flag carrier I was flying on was full and people were waiting to get on. Number two, sitting next to me were two senior executives of that same corporation that had issued that travel advisory.

I think their recognition and our recognition and the American people's recognition that a number of steps taken by the airlines and the **Federal Aviation Administration** and the Department of Transportation have made significant strides in tightening up security, not only here, but abroad. And I'm delighted to see that. I'm delighted with the progress that we've made. We will be implementing a number of steps earlier -- later this year that will ensure that safety and travel are synonymous. And so, if you're asked the question, "Well, is it safe to fly?" you can say that aviation safety continues -- aviation travel continues to be one of the safest ways to travel in this country and throughout the world.

It was very interesting also to see the reception that we received in Europe concerning the devices we know as thermal neutron analysis, or TNA. These are the state of the art explosive detection devices that the FAA has spent some \$60 million in developing. The first device is scheduled to be installed at JFK airport in July. And I was delighted when I was in London last week that the British Transport Minister, my good friend Paul Channon announced that the second device would go into the Gatwick airport in Great Britain. And I suggest that we will have a number of those state of the art devices installed in airports throughout Europe, because everywhere I went I received a very good reception.

What we hope to do working with these countries is take this state-of-the-art technology and advance it by lightyears if we can. We were discussing with the French Transport Minister the desire for the French to play a significant role in the development of technology. And I said the United States of America is committed to having the best system in the world. And if the French scientists and engineers develop that system, we're going to put it in this country. And if we can develop that system jointly, using the best brains and expertise in Great Britain, in France, in Germany, in Switzerland, the United States and Italy, and that ends up being a combined device, that's what we'll install. There is no room in this area for parochialism where it gets in the way of aviation security. I think we have a commitment to develop techniques and expertise and to develop the state of the art further than it is.

One of the other areas that's of concern to many of you in this



NATIONAL PRESS CLUB LUNCHEON SPEAKER, SECRETARY OF TRANSPORTATION SAMUEL SKINNER, NATIONAL PRESS CLUB BALLROOM, TUESDAY, MAY 2, 1989

-2-1 page# 4

room who travel is the area of electronic devices. What do we do about electronic devices similar to the device that was used, it appears, to destroy Pan Am 103? Well, I have a boss that's pretty interested in this issue as well, the President of the United States. And everyone asks me -- a reporter was in to see me today -- about the decision-making process, and was he really involved? And I said all you have to do is look at his thirst for knowledge and his desire to make the best-informed decision he can, is to look at the role he's played in getting everything, in learning everything he can about what we're doing in the area of aviation security and particularly electronic devices.

If we're going to work a program and it's -- if we're going to develop a

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NATIONAL PRESS CLUB LUNCHEON SPEAKER, SECRETARY OF TRANSPORTATION SAMUEL SKINNER, NATIONAL PRESS CLUB BALLROOM, TUESDAY, MAY 2, 1989

X-2-2 page# 1

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program that's going to work in the area of electronic devices, it's got to work with other nations. We can't do one thing and have other nations do another and have a lack of consistency exist between one country and the other in the area of aviation travel.

All of the governments I met with have agreed to work with us in developing a standard program for handling of these devices. A total ban on all such items is an option we have to consider, but there are a number of other options that we're seriously considering as well. We have to come up with a solution that makes sure that if these devices go on airplanes, they're safe, that they're not -- a bomb is not inadvertently planted within one of those devices. And if means a little extra time, I can assure you we will not compromise safety for the sake of expediency.

This commitment, as you can tell, is a very serious thing with the Department of Transportation and with the President. It's the right thing to do. More importantly, it is something that has to be done. And finally, it also allows us to make sure that -- the families who are very concerned -- that the lives lost over Lockerbie are not lost in vain, that something good will come out of this tragedy.

I am encouraged by the reception that I have received, and I am encouraged with the progress that we are making. But I remind you, in the media, that -- do not look for immediate results. We didn't solve hijacking on airplanes overnight. It took an extended effort by airplanes, airport operators, and governments. But now we have a system that's save from hijacking. I look forward to the day we'll have the same system for explosives.

Exxon-Valdez -- the Alaskan oil spill, the most significant environmental disaster this nation has ever faced. Another tragedy -- a tragedy without the loss of life, but a tragedy just the same. And the question is, what is going to happen as a result of the disaster in Alaska. And I think the jury is still out. We can do two things. We can sit here and blame everybody, but I would only make the following observations. This spill is the largest spill in the history of the American oil industry. Ten million gallons of heavy crude went into the water within three hours. This tanker drove into a reef buried some fifty feet at fifteen miles an hour. The tragedy, as bad as it is, could have been four times worse, if the United States Coast Guard working with Alaskan authorities, other military authorities and the Exxon company had not offloaded 40 million more gallons that was on this tanker in a very precarious state.

Number two, there is no technology available in the world today that can handle a spill of this magnitude in the waters in Prince



NATIONAL PRESS CLUB LUNCHEON SPEAKER, SECRETARY OF TRANSPORTATION SAMUEL SKINNER, NATIONAL PRESS CLUB BALLROOM, TUESDAY, MAY 2, 1989

X-2-2 page# 2

William Sound in early spring. What we've got to do is number one contain it and restore or create an environment this summer in Prince William Sound and further south that will let nature do its work.

As the national coordinator to this effort, I can assure you that the President is totally committed to this. He recognizes the work, the wondrous work of nature. He wants us to make sure we're doing everything we can so nature can do its job.

It is an important effort. It is not only important for Prince William Sound, and for Alaska, it's important for this nation. At a time when we are becoming more and more **energy** dependent upon foreign governments for our energy, we have a crisis of major magnitude that threatens our ability to explore domestically the many sources within this country. The entire country therefore has a vested interest to see that the Valdez disaster is cleaned up immediately with a minimum cost to the taxpayer.

It is going to be a difficult problem. It is not easy. I leave for Alaska tomorrow to get another firsthand look to progress to date. But the oil industry, Exxon, the state of Alaska, and the federal government, must focus and will be focusing all summer on getting as much beach as possible cleaned up. Several thousand people are already working on this ~~problem~~ in Alaska, and that workforce will double or triple before the month of May is out.

If we're able to restore Alaska to its natural environment, the oil industry will have demonstrated to the American people that they are capable of cleaning up their mess. If they don't, I think it will be very difficult for those oil companies and giants to develop domestic reserves. And therefore, at the same time that the **Russians** are running out of oil, the **Chinese** demands are growing, and the American demands are growing, we will find ourselves where the **Arabs** have a more dominant position in the market than they've ever had before -- the **Mideast** countries.

So therefore, it is important. It's important that we have the kind of commitment. It's important also that we learn from some of these things so that we can do everything we can to prevent this from happening again. We are virtually on the cutting edge of technology in Alaska today on how to deal with a spill of this magnitude. The expertise that we learn from this can be put -- and hopefully will not have to be put -- to use. But if it is ~~necessary~~, it will be developed. And ~~at the same time~~, the industry will be forced to develop contingency plans that make sense, that are financially sound, and work.

That effort is ongoing. I am delighted to have the support not only of the President, but of all parts of government, in this responsibility, and I think you can be assured that significant progress is going to be made. Much of it will depend upon the weather and our ability to use the same kind of technology that took us to the Moon and put it to work in Prince William Sound. But I



NATIONAL PRESS CLUB LUNCHEON SPEAKER, SECRETARY OF TRANSPORTATION SAMUEL SKINNER, NATIONAL PRESS CLUB BALLROOM, TUESDAY, MAY 2, 1989

-2-2 page# 3

want you to know that everything is being done.

Eastern Airlines is obviously an issue that also came on, as we say in aviation, my radar screen. It's interesting to note that that decision, as controversial as it was at the time, that three-quarters of the American people supported the view of the President, that **labor management** disputes should be resolved by negotiation between the parties, not by government intervention. You cannot create a harmonious relationship between labor and management through congressional act. It's got to be done by the parties.

That poll, I think, recognizes -- and it appeared in no less distinguished a newspaper than the Washington Post -- that the -- that that poll indicates the American people understand -- that they don't believe the government should involve and they don't want Congress determining how much they should be paid and what their working conditions are. It's interesting when you -- that issue comes up, and you ask a reporter or a newsperson whether they want their contract negotiated by Congress, I've yet to get a yes on that question, and, -- but I think it's indicative of a philosophy.

One of the big problems for any Cabinet officer is making sure we continue to look at the forest, instead of the trees. The President said in my swearing in, "Some say Sam is a global thinker." I said to him, "Mr. President, did you say I am a global thinker?" and he said, "No, I didn't say that." He said, "Some people say you are." (Laughter.) Well, I hope to prove by the time I finish my term as Secretary of Transportation that I am a global thinker, and that I can see the forest for the trees. And the forest that we're looking at is the development of our national transportation policy, my highest priority.

What this is, is this is an assessment and the development of a program that will meet our transportation needs for the 21st century. This process is already under way. It will be developed with the assistance of industry, scientists, environmentalists, and strategic planners. It is something that is absolutely essential if we can get -- if we can get this policy put together and we can get support from the administration and get support from the Congress, and get support from the industry, we will be able to put in place a program for the rebuilding of our nation's infrastructure and the development of our transportation system. This is absolutely essential to our country's economic vitality, and for our **national defense**. that is staggering. It is not exciting or sexy to tSe about infrastructure. No one wants to go home and say, "What did you do for lunch? Oh, I heard this fascinating speaker. He spoke on infrastructure." But it's as important as anything we're doing. It contains -- controls -- our life; it will control the future of our economic system; and it is something we depend on and take for granted.

Well, don't take it for granted any more. You can't take it for granted. It's got to be rebuilt and it's got to be rebuilt



NATIONAL PRESS CLUB LUNCHEON SPEAKER, SECRETARY OF TRANSPORTATION SAMUEL SKINNER, NATIONAL PRESS CLUB BALLROOM, TUESDAY, MAY 2, 1989

(-2-2 page# 4

across the board. And that's going to require a lot of money and a lot of effort.

And it's all areas. And we have highways; we have bridges; we have mass transportation. In Chicago alone, we did an estimate of our infrastructure for mass transit. We came to the conclusion, working with experts, that we had a \$13-billion dollar infrastructure and there were \$6 billion dollars worth of needs between now and the year 2025. It's imperative, if we're going to deal with this problem, that we start now.

The Federal Highway Administration estimates there's a need for an additional 11,000 to 15,000 lane miles for interstate highways. Through the year 2005, the total backlog of accrued bridge needs in the federal aid system could be as much as \$72 billion. New highway construction is required; new bridge construction is required; expansion of capacity is required.

Traditionally, the federal government has played a significant role in this but that role is changing. And I think what you're going to see is the local commitment to infrastructure rebuilding on highways, bridges, airports, and et cetera is going to be increased. And we're going to be looking for better ways to pay for this cost of rebuilding. Private sector -- the people that use the system -- will

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NATIONAL PRESS CLUB LUNCHEON SPEAKER, SECRETARY OF TRANSPORTATION SAMUEL SKINNER, NATIONAL PRESS CLUB BALLROOM, TUESDAY, MAY 2, 1989

X-2-3-E page# 1

dest=notvpol,dot,transpo,airport,terr,europe,uk,intel,faa,cia,nsa  
dest+=rlrd,hiwy,drugab,alcohol,drug,narenf,narcot  
data

be required to pay. And finally, we're going to see increased use of user fees.

All of this, however, is an indication that we have a lot to do and a short period of time to do it, and right now no plan that everybody's signed off on to get there. Now you know why this is so important. Now you know why this is the legacy that George Bush and I want to leave as part of this administration. And now you know why the people working on that within the Department of Transportation have basically a blank check in that regard.

I would make a couple other comments and then entertain any questions you might have. We also have to deal with safety on the highways. The Department of Transportation is very proud of our safety belt program. We've gone from 10 percent safety belt use in the 1980s to over 46 percent today. We estimate that increased safety belt use has saved an estimated 11,000 lives in the last five years. All new cars produced after September 1, 1989, will be equipped with either an airbag or automatic safety belts. Child safety belt laws are in all 50 states and the District of Columbia. As a result of our effort to get the drinking age raised to 21 in all 50 states and the District of Columbia, teenage fatalities attributable to alcohol are down 34 percent.

There's another area we have to deal with, though, and that's the area of drugs. Since January of '87, for example, there have been over 60 major rail incidents in which one or more key employees tested positive for illegal drug use. Illegal drug use is at epidemic proportions. It requires all of us to address this at the very top priority, and we are doing so.

I am proud that the Department of Transportation has the most effective, comprehensive random drug testing program in government. I am proud that my name appears in a leading case approving drug testing in selected cases. And I would like nothing better than to have my name on a case issued by the Supreme Court approving random drug testing for safety-related jobs across the board. I find a great deal of support within industry for that. I find a great deal of support within the administration and with the American people. And it does work.

Let me give you just one number. The Coast Guard began random drug testing, as all military organizations did, approximately five years ago. And the percentage of those testing positive dropped from 10.3 percent when the program began in '83 to 2.9 percent last year. This is an indication that it does work. It's a deterrent to use, and instead of just concentrating on what we're doing about the supply of narcotics, we also must work on the demand side. As a former prosecutor who's been involved in drug prosecutions for



NATIONAL PRESS CLUB LUNCHEON SPEAKER, SECRETARY OF TRANSPORTATION SAMUEL SKINNER, NATIONAL PRESS CLUB BALLROOM, TUESDAY, MAY 2, 1989

-2-3-E page# 2

longer than I'd like to admit, I recognize we must have a multi-faceted approach and I'm encouraged that the administration and the Department will be in the leadership.

And as I indicated to Bill Bennett, there are two people that have blank checks on the resources of the Department. One is the group that's working on our national transportation policy. And the other is the Drug Czar Bill Bennett, one of the most thankless jobs in government. He has -- he walked into my office and I said to him, "Bill, what do you need? How can we help you? You are the President's point man, I know what it's like to be a point man. Everybody in government has to support you, and I'm here to totally support you," and I urge you to support him as well.

Finally, something that we can end up on which I think you'll understand and understand very well, and that's the area of domestic aviation safety. What are we going to do about the crowded airways within our own state? One of the interesting side benefits of the trip to Europe was I got an opportunity to fly in the environment and to listen to the controllers in Europe. I won't publicly identify the country, but I'll indicate to you that there was no question in my mind, as I listened to the various countries in the air traffic control systems, that the President of Lufthansa was absolutely right when he told me "You have the best air traffic control system in the world. And why; you may have faults," he said, "I wish all of my European counterparts would come to the United States and take that system and put it to work in Europe."

So, let's not assume because the workforce is in the process of being rebuilt that we have a second-rate system. We must keep it first rate. I don't know if any of you have been to a control tower or to a radar room, but if you get a chance, do it. It's, in my opinion, one of the toughest jobs in government. You have life and death decisions that you must make every day on the radar screen and one mistake can mean a disaster. And you must do that for eight hours a day. I've met with probably 300-400 controllers all over the country, I've talked to them, I've watched them, I've listened to them. And I am convinced that the new workforce that's been created by the FAA is first-rate, doing a first-rate job, and what we've got to do is support them. Whether it's in pay demonstration programs, expansion of equipment, building new systems because capacity in our system is stretched. Travel will grow at the rate of 4.4 percent annually, and we need to have adequate airport and air traffic capacity; and that is a matter we are committed to.

Needless to say, our agenda is busy, it's exciting, it's different. We have put together a team of some outstanding professionals from both from within the beltway and without; they are from all walks of life; but they, as I, are committed to making our transportation system a little bit better. I wish we had however, a few less crises over the next several months so we can do something about some of the other things we are dealing with.



NATIONAL PRESS CLUB LUNCHEON SPEAKER, SECRETARY OF TRANSPORTATION SAMUEL SKINNER, NATIONAL PRESS CLUB BALLROOM, TUESDAY, MAY 2, 1989

1-2-3-E page# 3

With that in mind, I'll be glad -- I guess they've been lining up the questions here. And I know a couple of the people who submitted questions because they were trying to tell me before, what they were going to ask me, to get a first-hand in. But, are these the ones here I'm supposed to take? Oh, these are your notes. Here, all right.

So, I think the part it might be, to entertain some questions. I can't believe you all submitted questions like that.

MR. HOLMES: Who will pay for the increased airport security, passengers in the form of a ticket tax, airlines, or the government?

SEC. SKINNER: This probably comes -- see, now the question is the Great Karnac is now going to say, "Who submitted this question." (Scattered laughter)

The great Karnac guesses the ATA. (Scattered laughter and applause.)

We believe the users who benefit from the system, should pay for the increased technology. They have the ability to impose a security fee, it's really relatively small compared to the cost of air travel, and well worth it; and we believe those funds that are generated through that security tariff, is what should be used to pay for these. We believe it's as much -- we've paid \$60 million to develop the technology, we now think it's time for the passenger and the user to do his share. So, that's where we are on that issue.

MR. HOLMES: How long will it be before the TNA devices are available in American airports?

SEC. SKINNER: The Great Karnac couldn't possibly guess who wrote this question. But the great Karnac suggests that it will be in July. It'll be July at JFK will be the first device. The second, thanks to my cooperation of my counterpart in the United Kingdom will be in Gatwick sometime shortly thereafter. And they hopefully will have them in Europe and the United States, a number of them before the next year is out.

MR. HOLMES: Will the CIA and NSA be more actively involved in alerting aviation authorities to terrorist threats?

SEC. SKINNER: Intelligence gathering is an important part of any anti-terrorism program. It is something that requires international cooperation. If you're going to properly assess threats and disseminate the information to thwart threats, you must have the cooperation of the governments and countries that you're involved in. They have, in many cases, the best sources of intelligence gathering and the CIA, American intelligence gathering organizations, the FAA, and those foreign country intelligence organizations must work together. There is a commitment to work



NATIONAL PRESS CLUB LUNCHEON SPEAKER, SECRETARY OF TRANSPORTATION SAMUEL SKINNER, NATIONAL PRESS CLUB BALLROOM, TUESDAY, MAY 2, 1989

-2-3-E page# 4

together. The system needs improving. We are in the process of improving it. I have every reason to believe, because the president of the United States has indicated to General Scowcroft that he wants complete and full cooperation within the intelligence communities within the United States that that will happen. I'm also belief (sic), from my visits to Europe that the foreign governments also believe that.

"Now, let's talk about dissemination. There's probably a question in here on this but I'll get to it before it comes out. Why don't you tell everybody about every threat? First of all, if we were to disclose confidential intelligence information on every threat, we would basically dry up the sources of intelligence, because lives would be at stake.

Number two, if we disclosed the information publically, the terrorists would go somewhere else and we would have no advance notice of where they're going. So instead of going with airline X, they'd go to airline Y within a few minutes notice and we would have no ability.

Number three, you don't stop them if you let them know you're looking for them. You take steps to catch them and deter them. Number four, there are hundreds of false and bogus threats that are received every year and if we were to broadcast those, people would take them for granted, so that when we seriously have a threat that we need to disseminate to the American people and to people travelling on airlines from this country, it has to be credible and it won't be credible if there's hundreds of them out there. People will take them for granted. They'll ignore them and then when there's a real one, they won't be able to separate the wheat from the chaff.

MR. HOLMES: You mentioned a possible ban on videocassette recorders, lap-top computers and the like. What is the status of rule-making or do you plan to proceed with such a rule?

SEC. SKINNER: The Great Karnac says that maybe President Bush sent this question -- (laughter) -- because he asks me this question all the time. We're trying to get an agreement between the countries of Europe, the ECAC organization, and our own. If we can get -- it's a very difficult problem to deal with -- I think you recognize how many reporters and how reliant we've become on electronic devices, and it's important that we develop a program that works and that it work consistent with other countries.

It's very hard to ban them coming out of the United States if they're not banned coming in by foreign governments who have a lot to say about what goes on in their own country, and rightly so. I'm encouraged that we're coming close to a policy in that regard that we think will be effective. But it's something that's going to evolve, and the long-range answer is to develop the technology that'll allow us to use TNA type technology with the luggage that goes into the cargo hold, and to use vapor or some other kind of



NATIONAL PRESS CLUB LUNCHEON SPEAKER, SECRETARY OF TRANSPORTATION SAMUEL SKINNER, NATIONAL PRESS CLUB BALLROOM, TUESDAY, MAY 2, 1989

X-2-3-E page# 5

detection for explosives at the passenger screening. But it's going to require an all out effort.

Also, the Great Karnac says that Bob Hager from NBC could have asked this question too.

END



## PROPOSED TALKING POINTS -- DENVER PRESS AVAILABILITY

May 3, 1989

- WITH AIR TRAVEL DEMAND TODAY GROWING SO MUCH FASTER THAN SYSTEM DEVELOPMENT, WE MUST LOOK FOR WAYS TO INCREASE AIRPORT CAPACITY
- BY THE END OF THIS YEAR, IT IS ESTIMATED THAT THE U.S. AIRPORT AND AIRWAYS SYSTEM WILL SERVICE NEARLY A HALF-BILLION PASSENGER EMPLANEMENTS -- AN INCREASE OF NEARLY FIVE PERCENT OVER 1988
- DOMESTIC PASSENGER TRAFFIC IS PROJECTED TO INCREASE ANNUALLY THROUGH THE YEAR 2000 BY OVER FOUR PERCENT
- YET A NEW AIRPORT HAS NOT BEEN BUILT IN THIS COUNTRY SINCE DALLAS-FORT WORTH IN 1974
- SO I AM ENCOURAGED THAT THE PEOPLE OF DENVER ARE CONSIDERING A PLAN TO BUILD A NEW AIRPORT
- I AM NOT HERE TODAY TO TELL THE PEOPLE OF THIS CITY HOW TO VOTE. THAT IS A DECISION BEST LEFT TO EACH INDIVIDUAL WITHIN THE CONFINES OF THE VOTING BOOTH.
- HOWEVER, I AM PLEASED TO NOTE THE BIPARTISAN SUPPORT IN FAVOR OF THIS PROPOSAL
- IF THE PEOPLE OF DENVER ULTIMATELY DECIDE THAT A NEW AIRPORT IS IN THE BEST INTERESTS OF THE CITY AND COUNTY, THE FEDERAL AVIATION ADMINISTRATION STANDS READY TO MAKE A SUBSTANTIAL CONTRIBUTION TO THE PROGRESS OF THAT EFFORT
- OBVIOUSLY THIS PROJECT MUST PASS INDIVIDUAL MUSTER, INCLUDING MEETING THE STANDARDS OF AN ENVIRONMENTAL IMPACT STATEMENT AND ALL OTHER LEGAL REQUIREMENTS
- NOTHING WILL ALTER THAT COURSE
- THIS NATION'S AVIATION INFRASTRUCTURE IS A VERY IMPORTANT INVESTMENT.
- THROUGHOUT THE COUNTRY, WE HAVE SEEN EVIDENCE THAT CONTINUED ECONOMIC GROWTH AND PROSPERITY ARE DIRECTLY LINKED TO THE CONDITION OF OUR AVIATION TRANSPORTATION SYSTEM
- I HOPE THE CITIZENS OF DENVER WILL EXERCISE THEIR RIGHT TO VOTE ON THIS ISSUE, NOT ONLY BECAUSE OF THE IMPACT A NEW AIRPORT WILL HAVE ON THEIR LIFESTYLE IN TERMS OF JOBS AND THE ENVIRONMENT, BUT ALSO BECAUSE THE WHOLE QUESTION OF AIRPORT CAPACITY IS A NATIONAL ISSUE.





U.S. Department of  
Transportation

# News:

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

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STATEMENT ON EASTERN AIRLINES MAINTENANCE BASE  
AT KENNEDY INTERNATIONAL AIRPORT  
May 4, 1989

The Federal Aviation Administration (FAA) announced today that Eastern Airlines has agreed to close its maintenance base at New York's Kennedy International Airport following findings of maintenance violations.

The FAA has been investigating Eastern's maintenance practices at Kennedy Airport since February 1989. The investigation began with mechanics' reports to FAA inspectors that maintenance was not being performed and that maintenance records were being falsified to indicate that maintenance had in fact been performed.

The FAA's investigation concluded that Eastern had repeatedly failed to follow its system for recording the maintenance performed, so as to assure that aircraft approved for return to service were airworthy and that required maintenance had been performed.

Eastern was informed on May 3 of the FAA's findings and agreed on May 4 to amend its operations specifications prohibiting it from performing any maintenance at Kennedy Airport and to surrender its Kennedy Airport repair station certificate.

The Eastern Region's investigation raised serious questions about Eastern's continuing analysis and surveillance program, as this program failed to correct the problems at Kennedy Airport even though Eastern knew or should have known of these problems.

The Eastern Region is continuing to depose Eastern mechanics and supervisors at Kennedy Airport to determine whether all the allegations of falsification of records are substantiated.

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REMARKS PREPARED FOR DELIVERY BY  
SECRETARY OF TRANSPORTATION SAMUEL K. SKINNER  
THE WASHINGTON CONFERENCE  
DIRKSEN AUDITORIUM  
WASHINGTON, D.C.  
MAY 8, 1989

- Thank you for that kind introduction, Trent. It's a pleasure to welcome all you to Washington and to discuss with you some of the important issues faces us in transportation today.
- It's an interesting time for transportation in this country. It's ironic that as we focus on the various jobs in government, one of the jobs that we probably least focused on -- at least until recently -- is the Secretary of Transportation, and the role that it plays. Yet, it is one of the most vital departments in our government. Our government's economy and our ability to compete worldwide is determined greatly by the way our transportation system functions and how effective it is in the international markets that we deal with.
- Exxon - Valdez -- the Alaska oil spill, is the first issue I'd like to discuss. I have just returned from a visit to Alaska where I was able get another first-hand look at the progress to date. ... (Discuss findings of visit.) With ten million gallons of heavy crude oil was dumped into Prince William Sound in just three hours, the the Alaska oil spill is one of the worst environmental and economic disasters this nation has ever faced.



- Unfortunately, there is no technology today that can handle a spill of this magnitude in the waters in Prince William Sound in early spring . What we've got to is first of all, contain it and restore or create an environment this summer in Prince William Sound and further south that will let nature do its work. I can assure you that the President is totally committed to cleaning up Prince William Sound, and as his national coordinator on that effort, I plan to follow through on his commitment.

- The entire country has a vested interest in seeing that the Exxon Valdez disaster is cleaned up immediately -- with minimum cost to the American taxpayer. The beaches affected in this spill are covered with oil sludge that is proving to be very difficult to remove. And, at a time when we are becoming more and more energy dependent upon foreign governments for our energy, we have a crisis of major magnitude on our hands, threatening our ability to explore domestically the many sources within this country. Exxon, the oil industry, the state of Alaska and the federal government, must focus on getting as much beach cleaned as possible before winter arrives in October.

- Aviation Security: There has been no issue that I have been obsessed with more, as Secretary of Transportation, than that of airline security and



aviation security in general. That thought and obsession really struck home when I had the opportunity to meet with the families of the Pan Am 103 victims a couple of months ago. It was that meeting and the meeting that President Bush held with the families shortly thereafter that has given the Department of Transportation the resolve to deal with this issue of aviation security.

- Two weeks ago, I spent five days in Europe discussing aviation security issues with my counterparts in six different countries. I met the minister of transport in Italy, Germany, Switzerland, France and the United Kingdom. On the basis of our preparations for the trip, I anticipated that we would be received in a somewhat positive manner. But the trip exceeded my expectations. Every transport minister I met with shared my concern that we do something about the problems of terrorism and committed to work with us to put an end to terrorism in the skies. It was refreshing to see the respect that each one of those countries have for the United States and for our Department of Transportation and what we're doing.

- The progress we made in Europe is just the beginning. More work remains to be done, and the U.S. is in for the long haul to solve this problem. The problem of terrorism and aviation terrorism, in



particular, is not over. It is a long-standing and very complicated problem. And as I have indicated earlier, if something is going to be done about this, it must be a unified commitment by government, by industry, and by the traveling public.

- I want to emphasize, before I talk about some of the specifics, that aviation travel is still one of the safest forms of travel in the world. And, most importantly, travel on American flag carriers is even safer because of the steps we are taking to combat terrorism. The FAA already has announced several significant steps to increase security standards here at home. We are not going to ask anything of our aviation partners that we will not ask of ourselves.

- Furthermore, in my discussions while in Europe, every country indicated a strong desire to install proven, state-of-the-art explosive detection devices such as our thermal neutron analysis devices, or TNA, in their airports as soon as possible. The first TNA device is scheduled to be installed in the U.S. at JFK Airport in July. British Transport Minister Channon also recently announced his agreement to place a TNA device at Gatwick Airport very soon.

- In fact, by January 1990, we expect to have a total of six TNA devices installed in airports both domestic and



foreign, with more on the way. These devices have been developed and tested here in America at a cost of over \$60 million in FAA research and development funds, with a very high success rate of detection. I have not only offered our technical expertise to other countries, but I also have asked for their advice as well.

- In other words, we want to work with other countries on aviation security, not around them, so that we can work quickly and effectively to counteract the threat of terrorism.

- The question on everyone's mind is what to do about electronic devices similar to the device that was used, it appears, on Pan Am Flight 103. Well, we are currently working on a plan in cooperation with other nations, on how to check items such as computers, radios and so on. A total ban of all such items on airplanes is an option we have to consider, but if we can develop a plan for increased passenger safety without banning these items -- and I believe we can -- we will try to do it. At the same time, we will not compromise safety for the sake of expediency.

- I am also looking forward to having Admiral Jim Busey on board as the FAA Administrator, once the Senate confirms him. I met with the Admiral in Italy, and he shares my desire to redouble our effort, in



concert with other governments, to improve our aviation security systems worldwide. While in London, I met with a widow of one of the victims of Pan Am Flight 103. I have had several such meetings with the families, yet I know that such meetings cannot make their pain go away, nor reduce their need for answers to their questions. In part, that is why the whole issue is high on my agenda and why our efforts are so important -- as a nation we can learn from that horrible tragedy.

- Eastern Airlines: Eastern Airlines is still another issue that also came on, as we say in aviation, my radar screen. It's interesting to note that the decision not to intervene in the strike -- as controversial as it was at the time -- was supported by three-quarters of the American people. It is the view of the President and mine, that labor management disputes should be resolved by negotiation between the parties, not by government intervention. Throughout the strike, the FAA's main role has been to ensure that Eastern is operating safely. We have also monitored service to ensure that it wasn't widely disrupted.

- Further intervention, beyond the many months of mediation that occurred before the strike, would have been fruitless -- indeed counter-productive -- in my view. The President also was right in emphasizing that



the nation cannot and 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.

- National Transportation Policy: Of the many other major challenges facing transportation in our nation today, my highest priority is the development of a national transportation policy based on an up-to-date and complete assessment of our transportation needs well into the 21st century. It will be developed with the assistance of industry, scientists, environmentalists, and strategic planners. That process is underway in the Department and we hope to have something on the table before the end of the year.

- In developing such a strategic policy, my goal is to make transportation more efficient, more cost-effective, and, above all, even safer 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.

- While we have one of the best transportation systems in the world, maintenance and capacity inadequacies are already emerging. We do not have enough airports or runways, for example. Our nationwide system of suburban and inter-city highways 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.

- Traditionally, the federal government has played a significant role in building and maintaining our infrastructure, but that role is changing. There must be more state and local commitment to infrastructure rebuilding on highways, bridges, and airports. We are also going to have to find other means to pay for the cost of rebuilding. The private sector, and the people that use the system, will to pay more. and we will have to increase user fees. 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.

- Drugs: Lastly, but equally important, is the drug issue. Since January of 1987, for example, there have been over 60 major rail incidents in which one or more key employees tested positive for illegal drug use. As you know, illegal drug use in this country is at economic proportions. It requires all of us to address this as a top priority, and we are doing so.

- I am proud of that the Department of Transportation has the most effective, comprehensive random drug



testing program in government. And it does work. In the case of the Coast Guard, they began random drug testing, as all military organizations did, approximately five years ago. The percentage of those testing positive dropped from 10.3 percent when the program was begun in 1983, to 2.9 percent last year.

- I will be working closely with the Administration's Drug Czar, Bill Bennett, to mobilize whatever further resources he deems appropriate for the Department in the fight against illegal substance abuse.

### CONCLUSION

- These are but a few of the pressing issues facing us in transportation today. I am here to get a job done: to ensure that our transportation system remains the best in the world and that we are able to meet our transportation needs into the next century. This follows President Bush's plan to meet both urgent short-term priorities, as well as working toward solutions to the long-term challenges facing the nation. The President is building a better America by keeping the economy strong -- and that means no new taxes, seizing international opportunities for peace, and investing in our future. It's no easy task, but rest assured that for my part, I'll give it my best shot.





U.S. Department of  
Transportation

# News:

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

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REMARKS PREPARED FOR DELIVERY BY  
COUNSELOR TO THE SECRETARY KENNETH P. QUINN  
U.S. DEPARTMENT OF TRANSPORTATION  
INTERNATIONAL ASSOCIATION OF AIRLINE SECURITY OFFICERS  
SEATTLE, WASHINGTON  
MAY 9, 1989

Good morning. I want to thank the IAASO for inviting me to present the keynote address for this year's conference. It's truly an honor and a privilege. I've had the unique opportunity to meet with quite a few of you in Washington, Bonn, Zurich, and London over the past few weeks. In fact, my ears are still ringing. Your group will never be characterized as shrinking violets, which is as it should be. We've had some very frank discussions, and I hope they will continue today and throughout my tenure at the Department.

Now on my way out here, I was wondering, what exactly is the definition of an airline security officer? For those uninitiated into this special fraternity, it's definitely an obscure and intriguing question -- perhaps one I am best off returning to. If I get it right, I'll get credit for finishing up on the right foot. If I get it wrong, better losing you at the end than at the beginning of my talk. In any event, I do know the right definition of an ASO is not "That SOB who held me up forty-five minutes doing a body search on me, used a thermal neutron analysis device on my pet dog, and made me miss my flight and my connection, just because he detected my cufflink case in the bottom of my carry-on baggage." Perhaps you're a bunch of former agents who left public service to make real dollars in the private sector while still serving our country.

Without a doubt, your theme could not be more timely -- as we all have learned up in the Secretary of Transportation's suite, civil aviation security is one of the most urgent international issues facing governmental policy makers around the world. I am here today to discuss some substantive issues with experts in the aviation security field, and I also hope that my participation will help convey on behalf of Secretary Skinner and the Bush Administration, our federal government's firm commitment to promoting civil aviation security for all peoples. I want to



underscore our conviction that aviation security can best be achieved through informed, coordinated international efforts to counter the threat of terrorism.

As everyone here is aware, the tragic destruction of Pan Am Flight 103 recently demonstrated that civil aviation remains a target for criminal and terrorist acts. Many of you here have contributed to very significant strides made in research, technology design, and operation of systems to protect the traveling public. But as your conference theme notes, we must remain vigilant in our obligation to ensure the public safety, and we must press ahead with the development and implementation of new technical designs, in order to counter the ever more sophisticated tactics and equipment being utilized by terrorists.

The third element of your conference theme addresses my own area of competence. I am by no means a physicist, an enforcement officer, or an explosives expert -- though of course, working with Sam Skinner, I do know something about explosions! Actually, he's a very relaxed, easy-going guy -- no temper at all. But, in fact, on your conference theme, I can speak from experience to the issue of "teamwork" in international aviation security.

Permit me to begin by giving a review of Secretary Skinner's recent trip overseas. The purpose of this five-day, five-nation visit was to discuss the whole question of aviation security with officials in Italy, Germany, Switzerland, France and the United Kingdom, and to impress upon them the importance with which the President and the U.S. Department of Transportation view this issue.

On the basis of our preparations for this trip, we anticipated a positive reception. But the response exceeded our expectations. There is a unified international commitment to countering the threat of terrorism in the skies. It is a problem requiring global solutions, because no one country has a monopoly on the information or expertise sufficient to effectively counter international threats of terrorist sabotage. This trip provided a framework for progress, but more work remains to be done. Let there be no doubt that the U.S. is in for the long haul to solve this critical problem.

In discussions with Secretary Skinner, every country indicated a strong desire to install proven, state-of-the-art explosive detection devices in their airports as soon as possible. Agreement was universal that further investment in new technologies and increased personnel is imperative. The American version of such technology, the thermal neutron analysis device, or TNA, is scheduled to be first installed in the U.S. at JFK Airport in July. British Transport Minister Channon has already announced his agreement to place a TNA device at Gatwick Airport.

In fact, by January 1990, we expect to have a total of six TNA devices installed in airports both domestic and foreign, with more on the way. These devices have been developed and tested here in America at a cost of over \$60 million in Federal Aviation Administration research and development funds, with a very high success rate of detection of all types of commercial and military explosives, including plastic explosives. We have not only offered our technical expertise in this area to other countries, but have asked for their advice as well.

We are aware that some countries, such as France, have developed or are developing their own versions of this kind of explosives detection technology. We welcome such development; we want the best security protection that science can devise. We ourselves are continuing to develop better weapons detection



capabilities, including plastic weapons; we are evaluating state-of-the-art commercial detection equipment; and we are soliciting new security ideas from the scientific and academic communities.

There can be no doubt that a global approach to the problem of aviation security is essential. Countries that repudiate terrorism must persevere in using both their best technology and their best people to develop successful countermeasures against terrorist sabotage. It is important to recognize, certainly, that all countries have legitimate legal concerns about the extraterritorial application of aviation security regulations, as well as sovereignty issues. We are striving to respect and accommodate these concerns. But it is also important to remember we are all in this together; the integrity of our international aviation system depends upon a certain level of consensus and cooperation.

Thus, we have stressed that we want to work with other countries on aviation security, not around them, so that we can all quickly and effectively counteract the threat of terrorism. Secretary Skinner is very anxious to maintain the momentum begun at the International Civil Aviation Organization (ICAO) meeting in Montreal. Through ICAO, we have opened an effective line of communication with foreign governments. ICAO has in place a set of security standards and recommended practices to combat terrorism incorporated into Annex 17 to the Chicago Convention. One hundred fifty-nine countries have acceded to that convention. But these measures need updating. We will continue our efforts to persuade ICAO to make changes in their rules and regulations that strengthen international aviation security.

While in London, Secretary Skinner met with a widow of one of the victims of Pan Am Flight 103. He has had several such meetings in Washington, D.C., with the American families involved in that tragedy, and has established a liaison within the Department to assist them in communicating to us their concerns. While official condolences cannot make their pain go away, nor reduce the need for answers to their questions, facilitating their access to the Administration and helping provide the real answers they seek, is vitally important to the public's accurate understanding of the aviation security problem, and what is at stake. The loss of Flight 103 is in part why the whole issue of aviation security must remain high on our agenda, and why our security enhancement efforts are so important. As a nation, as a global community, we must learn from that terrible catastrophe -- but we must learn the real lessons; not the popular media's interpretations, but the professional lessons.

Some very important changes in security policy and procedures -- as you surely know -- have already occurred. In March, we amended Federal Aviation Regulation Part 129.25 to require foreign airlines serving the U.S. to submit their security plans to the FAA for acceptance. We will use the standards and recommended practices contained in ICAO Annex 17 to evaluate the adequacy of those plans. Also in March, a team of Secretary Skinner's personal representatives from the Department of Transportation were sent to Europe to gather information on the current system for obtaining, disseminating, and responding to threat information. An in-depth review based on that delegation's findings was conducted in coordination with the Department of State, the FAA, and the nation's intelligence community.

As a result, Secretary Skinner announced the following initiatives to be undertaken by the Department and the Federal Aviation Administration:



- First, we have initiated rulemaking that will change airline security programs to require the installation and use of explosive detection systems such as thermal neutron analysis (TNA) units at the earliest feasible date.
  - \* TNA represents, in our estimation, a major technological breakthrough in the detection of explosives in checked baggage and cargo. The detection is done by computer, with no human interpretation involved in the process. While the current TNA technology has some limits, and currently by no means eliminates the need for other security measures -- like security officers, just to pick an example -- it is the best available technology to detect explosives, including hard-to-detect plastic explosives like those believed used in the destruction of Pan Am Flight 103.
  - \* The Department of Transportation and the State Department are pursuing negotiations with foreign governments to permit installation of TNA units in major international airports.
- Second, we are assigning to selected locations 56 additional FAA security specialists presently funded in the FY1990 budget, and are requesting 120 more. Deployment of these personnel will bring our total security force up to almost 700 persons, who will provide continuing oversight of carrier compliance with FAA security requirements, and provide consistent FAA support for and contact with U. S. airlines.
- Third, we are improving the security bulletin system. These improvements will ensure that countermeasures to be taken by U.S. airlines in response to threats are clearly specified; that airlines acknowledge receipt of bulletins, and that airlines notify the FAA of responsive actions taken within a strictly limited time. Airline compliance with security bulletins will become mandatory. We are also discussing with foreign governments new procedures for more effective coordination of the international assessment and dissemination of security information.
- Fourth, FAA will propose changes to airline security programs to (1) require the use of state-of-the-art X-ray and metal detection equipment, and (2) ensure that appropriate security threat information is distributed to pilots in command of airline flights.
- Finally, we are proposing formation of a National Aviation Security Advisory Committee, chaired by FAA's director of Civil Aviation Security, and composed of members of the aviation intelligence community, to further enhance the coordination of aviation security threat and countermeasure information.

These new initiatives are in addition to the stringent security measures that are already required of U.S. air carriers. As soon as the tragic loss of Pan Am Flight 103 revealed that heightened measures have become necessary to counteract the increasing sophistication of terrorist capacities, we responded. Immediately after the loss of Flight 103, the FAA ordered significant tightening of U.S. air carrier security requirements at airports in Western Europe and the Middle East. The following actions were mandated by the FAA:



- Airlines must complete 100 percent X-ray or physical inspection of all checked baggage;
- Passengers must not have access to checked baggage following security inspections;
- Airlines must perform a positive match of passengers and baggage to ensure that no bag gets on board the aircraft if the passenger does not;
- Through questioning, passengers who meet certain criteria, and others selected at random, must undergo screening.
- Small packages and parcels that are shipped through passenger counters are X-rayed or physically examined prior to shipment.

Let me reemphasize that we consider these actions, and those announced by Secretary Skinner on April 3rd, to be in addition to strict, responsible security requirements already in place for U.S. carriers. The Department has utmost confidence in the security posture of our country's airlines, and we are calling on other governments to adopt similar extraordinary measures for their airlines. We want the American traveling public to enjoy just as stringent security standards regardless of the carrier they fly.

The baseline fact of aviation security is that U.S. air carriers are safe to fly; airline travel is still one of the safest forms of transportation available. We are, nevertheless, working to make it better. The FAA already has announced several significant steps to increase security standards here in America. We are not going to ask anything of our aviation partners that we will not ask of ourselves. And within the year, you will be seeing further significant security changes.

For example, the question of the day is what to do with electronic devices. -- Oh, now let me see, I believe the right definition of an airline security officer has something to do with electronic devices. It will no doubt come to me.-- As I was saying, electronic device detection: We are working to devise a plan in cooperation with other nations on how to effectively check items such as computers, radios, and the like. A total ban of all such items on airplanes is an option we have to consider, but if we can develop a plan for increased passenger safety without banning these items -- and we believe we can -- we will try to do it. At the same time, under our regulatory authority in providing for the public safety, we will never compromise security for the sake of expediency.

The enhanced security measures that are under consideration or in the process of implementation, combined with those already in effect, will help inform and assure the public of our commitment to ensure -- to the maximum degree possible -- the security of the American and the international traveling public. This is the most appropriate memorial that we can erect to the memories of those who died in those awful seconds in Scotland.

I would like to take a moment to comment upon the issue of when the United States will make public information on aviation security threats. It has been alleged that we have no such policy. Professionals like yourselves know that is not true. Any time we believe that general or specific threats cannot be effectively countered by the security measures available to us, our airlines' professional security officers, and our aviation partners, we take action.



In certain regards, the easy policy would be to publicize threats and let international travelers determine which might affect their plans, or might be applicable to their flights. Of course, such a policy would be a gross abrogation of the responsibilities entrusted to those of us who are charged with assessing the security of civil aviation, and responding as trained and knowledgeable professionals. Let there be no mistake about it -- publicizing threats would dry up the flow of intelligence needed to ensure the safety of the American and international traveling public.

We are firmly convinced that publicizing every threat -- even if, as is typically the case, it can be easily countered by the U.S. carriers -- would have the paradoxical result of making all us less, rather than more, safe. It would undoubtedly increase the number of hoax threats. It could conceivably make it much harder for the security community to sift through the threat information effectively, and it might also become difficult to prevent assessments from becoming unduly influenced by extraneous public reactions. The U.S. government policy in publicizing aviation security threat information is this:

If the United States has information on a specific and credible threat to civil aviation which cannot be countered, we will strongly recommend to the air carrier that it cancel the flight. If the threat applies to a U.S. carrier, the FAA will cancel the flight or flights in question, if the airline will not do so.

If necessary to ensure further the security of the traveling public, the Department of State will issue a public notice about this threat. Such an advisory will be publicized widely using U.S. and foreign media, our embassies, and the travel industry itself.

Our approach to threats is, finally, a simple but effective one: we put the information in the hands of the aviation security professionals who can evaluate, direct, and implement appropriate measures to counter threats. To flood the public with undifferentiated threat information would seriously confuse everyone; not improve air security; and disrupt -- and likely impair -- intelligence gathering capabilities. Publishing such information would wreak unnecessary havoc with the international aviation system, and increase the incentives for terrorists and others to make threats. Ultimately, threat information would be rendered useless.

Let me emphasize that there is not and cannot be a double standard between the travel security information available to U.S. government personnel and the American traveling public. Government employee accessibility to security bulletins is not, and has never been, government policy. Moreover, if official warnings to airlines regarding terrorist threats are not kept properly secure by federal government entities, Secretary Skinner has made it very clear that security bulletin information will not routinely be made available. We cannot jeopardize lives by permitting unauthorized and politically-motivated disclosure of security data and methods.

There is no higher priority in the Department of Transportation than aviation security. It is crucial that those of us on the front lines of aviation security do all in our power to help the public avoid hysteria and place the terrorist threat against international civil aviation in perspective. Generally, our skies are safe, and traveling on United States air carriers remains one of the safest forms of



transportation in existence. Again, let us not forget that the terrorist threat is a global one -- between 1979 and 1988 approximately 70 percent of explosions aboard civil aircraft took place on other-than-U.S. aircraft.

As I have noted, we are working with the International Civil Aviation Organization to develop throughout the world a more uniform and integrated approach to combating terrorism. Secretary Skinner's efforts overseas, conferring with governmental counterparts in Europe regarding anti-terrorism initiatives, meeting with heads of the major European and U.S. airlines, and discussing with appropriate security personnel abroad regarding our security programs will be an on-going priority. We will continue to verify that our security programs are being effectively carried out. Members of the U.S. Congress are aware of the Administration's -- and Secretary Skinner's -- strong desire to also work with them in strengthening aviation security through technological research and development efforts, and through greater human resource allocation.

We are determined to counteract wanton and barbaric attacks against the public by international terrorists and criminals. We will continue to use our federal regulatory powers; we will continue to consult with the U.S. Congress and the airlines; and we will continue to work hard in developing a funding strategy for the initial acquisition of state-of-the-art explosives detection devices that will help stimulate their affordable production. We will also be diligent in our international initiatives.

But the right definition of an airline security officer remains to be answered. Is that by any chance the person who enters the magnetometer 10 steps behind you, but exits 10 steps ahead of you?

Thank you very much.



REMARKS PREPARED FOR DELIVERY BY  
SECRETARY OF TRANSPORTATION SAMUEL K. SKINNER  
DOT AWARDS FOR HEROISM  
MAY 10, 1989  
WASHINGTON, D.C.

We are here today to recognize the flight crew and attendants of United Airlines Flight 811 for their extraordinary skill and courage in bringing their badly damaged aircraft to a safe landing on February 24, 1989. Their actions resulted in 346 people being brought back to safety in Honolulu.

Captain David Cronin, the flight crew and cabin crew, exemplified the highest standards of professionalism after a cargo door blew open and left the 747 with a large hole in its fuselage, only two engines on one wing operating. Unfortunately, nine passengers were swept to their deaths.

Captain Cronin and his flight crew displayed superb airmanship and great courage in quickly making a series of critical decisions which enabled them to bring the jumbo jet back to Honolulu for a landing. Because of the gaping hole in the fuselage, the flight attendants were faced with a crisis situation. Deafening hurricane-like winds swept through the cabin, collapsing ceiling panels and sending debris swirling through the interior. The flight attendants quickly implemented emergency



procedures, fastening life vests onto passengers and reassuring them.

All the hours of training and critical decision-making paid off when Captain Cronin was able to land the crippled aircraft safely. The actions of Captain Cronin, his flight crew, and the flight attendants are deserving of the Department of Transportation's Award for Heroism. As a token of our appreciation and gratitude, I would now like to present the crew of United Flight 811 with this prestigious award.

The Award for Heroism is hereby presented to: Captain David Cronin, First Officer Gregory Slader, and Second Officer Mark Thomas, for your bravery, courage, and extraordinary skill in bringing United Airlines Flight 811 to a safe landing.

**Pause for flight crew to approach stage for awards.**

Further, this award is presented to the flight attendants of Flight 811 for their bravery and outstanding performance: Laura Brentlinger, Sarah Shanahan, Darrell Blankenship, Sharol Preston, Robyn Nakamoto, Edward Lythgoe, Linda Shirley, Tina Blundy, Jean Nakayama, Ilona Benoit, Curtis Christensen, Ricky Umehira, and Leonard Jenkins. Those not in



attendance today include: John Horita, Richard Lam and Mae Sapolu, who is still recovering from injuries received on the flight and for whom we wish the very best. **(Pause for attendants to approach stage for awards.)**

We thank all of you. We owe each and everyone of you a debt of gratitude for your bravery in the face of certain danger. You truly are heroes.





U.S. Department of  
Transportation

# News:

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STATEMENT BY SECRETARY OF TRANSPORTATION SAMUEL K. SKINNER  
REGARDING EXXON OIL SPILL CLEANUP ANNOUNCEMENT  
May 10, 1989

At the direction of the President, White House Chief of Staff John Sununu and I have been meeting on a regular basis with representatives of Exxon regarding the status of the oil spill cleanup effort in Alaska. The latest of these meetings occurred yesterday at the White House. U.S. Coast Guard Commandant Admiral Paul Yost and I also met with Exxon representatives last Thursday in Valdez to personally review their cleanup plans.

It is mainly as a result of these meetings that Exxon has agreed to take the actions they have announced today.

Exxon has acknowledged that they need to do more, and the substantial increase in manpower and resources described today will allow them to accelerate the pace of the cleanup. The Coast Guard and the Defense Department will continue to work with Exxon in order to meet the President's objective of returning Prince William Sound to its natural state.

As the national coordinator for the cleanup effort, I will continue to monitor the work of Exxon and report regularly to the President and Governor Sununu. The President wants the job done right, and as his senior representative on this issue, I plan to make sure that happens. If that means Exxon, upon its assessment, has to continue the cleanup effort in the spring of 1990, so be it.

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STATEMENT OF SECRETARY OF TRANSPORTATION  
SAMUEL K. SKINNER  
BEFORE THE COMMITTEE ON  
MERCHANT MARINE AND FISHERIES  
SUBCOMMITTEE ON COAST GUARD AND NAVIGATION  
UNITED STATES HOUSE OF REPRESENTATIVES

MAY 11, 1989

OIL SPILL LIABILITY AND COMPENSATION

GOOD MORNING MR. CHAIRMAN,

I AM VERY PLEASED TO BE HERE THIS MORNING TO REITERATE THE ADMINISTRATION'S CONTINUED STRONG SUPPORT FOR COMPREHENSIVE OIL SPILL LIABILITY AND COMPENSATION LEGISLATION. I HAVE TRANSMITTED A BILL TO THE CONGRESS THIS MORNING AND, ALTHOUGH I WISH WE COULD HAVE MADE THE BILL AVAILABLE FOR YOUR REVIEW SOONER, I WANT TO ASSURE YOU THAT WE HAVE BEEN WORKING AROUND THE CLOCK TO GET IT TO YOU TODAY.

WITH ME TODAY IS ADMIRAL PAUL A. YOST, COMMANDANT OF THE COAST GUARD, RECENTLY RETURNED FROM VALDEZ, ALASKA.

FIRST LET ME SAY, MR. CHAIRMAN, HOW PLEASED I AM THAT YOU ARE HOLDING A HEARING ON THIS MATTER AS QUICKLY AS YOU ARE.



THIS COMMITTEE HAS BEEN A LEADER IN THE SEARCH FOR A BIPARTISAN OIL SPILL BILL FOR SEVERAL YEARS, AND IT IS NOTABLE THAT H.R. 1465 WAS INTRODUCED BEFORE THE EXXON VALDEZ DISASTER THAT HAS PROMPTED SO MUCH RECENT CONCERN. WE HOPE THE SENATE WILL PROCEED JUST AS QUICKLY WITH LEGISLATION AND ALSO WITH ITS ADVICE AND CONSENT TO RATIFICATION OF THE INTERNATIONAL PROTOCOLS. WE CONSIDER THE INCLUSION OF THE 1984 INTERNATIONAL PROTOCOLS IMPLEMENTATION AN ESSENTIAL ELEMENT OF THE PACKAGE.

MY COMMENTS TODAY ARE MADE WITHIN THE CONTEXT OF BOTH BILLS AND SHOULD BE CONSTRUED AS AN EFFORT ON THE PART OF THE ADMINISTRATION TO WORK WITH THE CONGRESS TOWARD ENACTMENT AS SOON AS IS POSSIBLE.

TODAY I WILL ADDRESS SEVERAL MAJOR ISSUES OF CONCERN TO THE ADMINISTRATION AND OF COURSE, WE WILL BE AVAILABLE TO WORK WITH YOU ON THE TECHNICAL DETAILS.

I SHOULD NOTE, AT THE OUTSET, THAT WE SUPPORT MANY ASPECTS OF THE LIABILITY AND COMPENSATION SYSTEM ESTABLISHED BY H.R.1465. HOWEVER, OUR POSITION DIFFERS FROM YOUR BILL IN SEVERAL KEY AREAS.

FIRST, WITH RESPECT TO RESPONSIBLE PARTY LIABILITY LIMITS, THE ADMINISTRATION RECOMMENDS RAISING THE LIMITS FOR TANKERS, AT \$500 PER GROSS TON, TO \$78 MILLION. THAT AMOUNT



IS COMPARABLE TO THE CURRENT SHIPOWNER LIABILITY LEVEL UNDER THE INTERNATIONAL PROTOCOLS.

SECOND, WE AGREE THAT THE SHIPOWNER LEVELS OF LIABILITY SHOULD BE BACKED UP WITH A COMPENSATION FUND, PAID FOR BY A FEE ON OIL, OF \$500 MILLION PER INCIDENT. THIS BILL WOULD BE THE QUALIFIED AUTHORIZING LEGISLATION TO FINANCE THE FUND AND WOULD EXTEND COLLECTION OF THE 1.3 CENT PER BARREL FEE FOR THE FIVE YEARS EXTENDED. BUT WE ARE ALSO PROPOSING THAT THE FUND CAN BE RAISED TO A HIGHER PER INCIDENT LEVEL WHEN THE PRESIDENT DETERMINES THAT IT IS NECESSARY TO DO SO.

THIRD, CONSISTENT WITH LONG-STANDING EXECUTIVE BRANCH VIEWS, WE DO NOT BELIEVE THE COMPENSATION FUND SHOULD BE AVAILABLE FOR A BROAD RANGE OF SPECULATIVE OR THEORETICAL THIRD PARTY DAMAGES. HOWEVER, WE WOULD PROVIDE THAT THERE BE NO PREEMPTION OF REMEDIES AVAILABLE UNDER STATE LAWS FOR SUCH DAMAGES, EXCEPT TO THE LIMITED EXTENT NEEDED TO IMPLEMENT THE PROTOCOLS.

FOURTH, WE WOULD KEEP THE OUTSTANDING BALANCE IN THE TRANS ALASKA PIPELINE FUND AVAILABLE FOR UNCOMPENSATED COSTS ARISING FROM THE EXXON VALDEZ SPILL, PENDING RESOLUTION OF ALL CLAIMS.

FIFTH, WE PROVIDE IMPROVED ENFORCEMENT AUTHORITY UNDER THE CLEAN WATER ACT. THE PRESIDENT CAN ORDER REMOVAL TO AVOID



THREATS OF FURTHER POLLUTION. HIGHER CIVIL PENALTIES AND COURT-IMPOSED INJUNCTIVE RELIEF ARE AVAILABLE.

SIXTH, WE ESTABLISH A HIGH CIVIL PENALTY--UP TO \$10 MILLION -- TO BE ASSESSED AGAINST SPILLERS IN THOSE CASES WHERE NATURAL RESOURCES ARE DESTROYED AND CANNOT BE RESTORED OR REPLACED. THIS PENALTY IS IN ADDITION TO THE SPILLER'S LIABILITY LIMITS.

WITH RESPECT TO A NUMBER OF OTHER ISSUES, WE SUPPORT THE HOUSE APPROACH TO "INLAND OIL BARGES", AS THEY ARE CALLED IN THE CLEAN WATER ACT. WE ARE AWARE THAT THERE ARE SOME WHO SUGGEST THIS CATEGORY OF VESSEL SHOULD BE AFFORDED SPECIAL TREATMENT DUE TO THE LOW MARGIN OF PROFIT ASSOCIATED WITH THESE OPERATIONS--AND WE ARE SYMPATHETIC WITH THAT. ON THE OTHER HAND, THESE BARGES OPERATE IN CONGESTED AND ENVIRONMENTALLY SENSITIVE AREAS AND PROTECTION FROM THEIR SPILLS MUST BE PROVIDED. WE THEREFORE SUPPORT THE COMPROMISE APPROACH OF H.R. 1465 IN APPLYING THE SAME LIABILITY LEVELS AS THOSE FOR SHIPS OTHER THAN TANK VESSELS.

WE ALSO SUPPORT YOUR APPROACH IN MAKING THE DOMESTIC FUND AVAILABLE TO STATE GOVERNMENTS FOR IMMEDIATE CLEANUP COSTS. WE VALUE THE STATES AS PARTNERS IN RESPONSE EFFORTS, BOTH ON OUR REGIONAL RESPONSE TEAMS AND AS INDEPENDENT AGENTS IN EFFECTING A QUICK RESPONSE TO OIL



SPIILLS. THE FUND ADMINISTRATOR MUST HAVE CONTROL OVER THE DIRECT DRAW AND WE URGE YOU TO CONSIDER THE LESSER AMOUNT OF \$50,000 AS AN INITIAL DRAW. THIS WOULD IN NO WAY AFFECT THE TOTAL AMOUNT THAT A STATE COULD ULTIMATELY DRAW IN INCREMENTAL LEVELS, AS LONG AS THE FUND ADMINISTRATOR COULD BE ASSURED THAT THE NECESSARY AGREEMENTS BETWEEN HIS OR HER AGENCY AND THE STATE ARE BEING EFFECTIVELY CARRIED OUT.

THE DEPARTMENT SEES NO NEED FOR THE PROVISION IN H. R. 1465 THAT "REQUIRES" THE GOVERNOR TO AGREE ON THE LEVEL OF CLEANUP. WE ARE COMFORTABLE THAT THE MECHANISM EMBODIED IN THE REGIONAL RESPONSE TEAMS, WHERE STATES HAVE A FULL VOICE IN THE LEVEL OF CLEANUP, IS SUFFICIENT TO ENSURE THAT STATE GOVERNORS' CONCERNS OVER ADEQUATE CLEANUP ARE MET. EVEN IN A CASE AS COMPLEX AS THE EXXON VALDEZ, WE ARE CONFIDENT THAT AGREEMENT CAN BE REACHED, AS IT ALWAYS HAS IN THE PAST.

THE IMPLEMENTATION AND ULTIMATE ADOPTION OF THE 1984 PROTOCOLS IS AN ESSENTIAL PART OF OUR PROPOSAL. WE MUST REMEMBER THAT WE MAY NOT ALWAYS HAVE THE RESOURCES OF AN EXXON WITH WHICH TO RESPOND TO A SPILL OR A U.S COMPANY WITH LARGE RESOURCES AGAINST WHICH WE CAN EFFECTIVELY PROCEED.

THE PROTOCOLS WERE NEGOTIATED IN 1984 WITH EXTENSIVE GUIDANCE FROM BOTH HOUSES OF CONGRESS. SIMPLY PUT, THE



PROTOCOLS PROVIDE HIGH LIMITS OF LIABILITY FOR SEAGOING TANKERS CARRYING PERSISTENT OIL IN BULK--\$78 MILLION FOR SHIP OWNERS AND \$260 MILLION PER INCIDENT FROM THE INTERNATIONAL FUND. THEY OFFER PROMPT AND CERTAIN RIGHT OF RECOVERY FOR BOTH PUBLIC AND PRIVATE VICTIMS OF OIL SPILLS AND THEY DEMAND COMPULSORY INSURANCE.

BESIDES PROVIDING A COMPREHENSIVE AND EFFECTIVE INTERNATIONAL REGIME, THE PROTOCOLS PROVIDE BENEFITS NOT AVAILABLE UNDER A PURELY DOMESTIC SYSTEM. THESE INCLUDE ENFORCEABILITY OF U.S. JUDGMENTS IN FOREIGN COURTS AND COVERAGE OF SPILLS AFFECTING U.S. WATERS FROM VESSELS IN INNOCENT PASSAGE (NOT CALLING AT A U.S. PORT). FURTHER, THE INTERNATIONAL FUND REMAINS LIABLE IF THE DISCHARGER HAS LEGITIMATE DEFENSES OR IS INSOLVENT FOR ANY REASON WHATSOEVER.

AS YOU KNOW MR. CHAIRMAN, HOUSE LEGISLATION HAS SUPPORTED THE PROTOCOLS SINCE 1984, AND THE ADMINISTRATION HAS VIGOROUSLY SUPPORTED THEIR INCLUSION IN EVERY HOUSE BILL SINCE THAT TIME. STATE GOVERNMENTS, INDIVIDUALLY, AND THROUGH THE COASTAL STATES ORGANIZATION AND THE NATIONAL GOVERNORS' ASSOCIATION, HAVE STRONGLY SUPPORTED THE PROTOCOLS, EVEN THOUGH THIS MEANT ACCEPTING LIMITED PREEMPTION OF STATE LIABILITY STATUTES WHERE NECESSARY IN EXCHANGE FOR THE BENEFITS OF THE PROTOCOLS.



THE INTERNATIONAL REGIME IS ALSO GOOD FINANCIAL INSURANCE. ASSUMING OUR FUTURE SPILL EXPERIENCE (EXCLUDING THE EXXON VALDEZ) REMAINS ABOUT THE SAME AS DURING THE PAST EIGHTEEN YEARS, OUR FINANCIAL RETURN WOULD JUST ABOUT EQUAL OUR CONTRIBUTIONS TO THE INTERNATIONAL FUND. A SINGLE CATASTROPHIC SPILL IN THE RANGE OF \$150 MILLION IN AN EIGHTEEN YEAR PERIOD WOULD RESULT IN A NET ECONOMIC BENEFIT. OBVIOUSLY THE EXXON VALDEZ INCIDENT WOULD HAVE GENERATED SUBSTANTIAL NET BENEFITS TO THE U.S. FROM THE INTERNATIONAL FUND.

I WOULD ALSO LIKE TO ADD THAT OUR CREDIBILITY IN THE WORLD MARITIME COMMUNITY HAS BEEN CALLED INTO QUESTION BY OUR FAILURE TO RATIFY THE PROTOCOLS. SIXTY-NINE NATIONS NEGOTIATED THE 1984 PROTOCOLS. THE CONGRESS AND THE ADMINISTRATION SENT THE U. S. DELEGATION TO THE DIPLOMATIC CONFERENCE WITH TOUGH OBJECTIVES. AS BELIEF GREW THAT THE U. S. WOULD BECOME A PARTNER IN THE IMPROVED CONVENTIONS, MANY DELEGATIONS BECAME MORE FLEXIBLE AND THE U.S. GOAL OF AN INTERNATIONAL REGIME WITH HIGH LIABILITY LEVELS WAS ACHIEVED.

SOME HAVE EXPRESSED THE VIEW THAT THIS ESSENTIALLY DIPLOMATIC CONSIDERATION MAY NOT BE IMPORTANT. I THINK OTHERWISE. THE U. S. HAS BEEN A LEADER IN WORLD MARITIME SAFETY AND ENVIRONMENTAL NEGOTIATIONS. I BELIEVE THAT WE WILL PUT THAT POSITION OF LEADERSHIP AT RISK UNLESS WE MAKE



GOOD ON WHAT WAS CONSIDERED TO BE A PROMISE TO RATIFY THE PROTOCOLS IF OUR GOALS WERE MET.

MR. CHAIRMAN, THIS CONCLUDES MY STATEMENT. I LOOK FORWARD TO WORKING WITH YOU AND THE SENATE IN MOVING QUICKLY FORWARD IN ENACTMENT OF OIL SPILL LIABILITY AND COMPENSATION THAT WILL PROVIDE THOSE DAMAGED BY OIL SPILLS WITH SWIFT AND SURE RELIEF, AS WELL AS ADEQUATE FUNDS FOR CLEANUP AND RESTORATION OF OUR NATURAL RESOURCES.

THANK YOU



REMARKS PREPARED FOR DELIVERY BY  
SECRETARY OF TRANSPORTATION SAMUEL K. SKINNER  
PRESIDENTIAL ROUNDTABLE POLICY FORUM  
OLD EXECUTIVE OFFICE BUILDING  
WASHINGTON, D.C.  
MAY 11, 1989

- Thank you for that kind introduction, Senator Nickles. It's a pleasure to be here today, and discuss some of the important issues facing us in the Department of Transportation.
- I 'll speak of several specific issues the Department is very busy with right now -- the Valdez oil spill, aviation security, the Eastern Airlines strike, our national transportation policy, and our anti-drug measures. But first I'd like to make some general remarks on DOT and the Bush Administration's first few months in office.
- Since the Bush Administration has come into office, a number of tough, high-profile issues -- even crises -- have arisen and demanded action. It has fallen under the Department of Transportation's mandate to have had to deal with several of these.
- Now, the first 100 days of any Presidential Administration are bound to be interesting -- interesting in the challenges and tasks they present, and interesting in how these are handled by the new folks in town. It has certainly been an interesting time

at the Department, but that's true only partly because of the more urgent issues we've faced.

- It's an interesting time, a critical time, for transportation in this country, simply. It's a little ironic that as recent events have commanded so much attention for transportation issues, people seemed surprised. Apparently, excellence and safety in transportation are taken for granted by Americans as the normal condition for our national system. So any significant incident, large or small, potentially affecting that excellence is going to be noticed. The importance of transportation in our national life has become much more widely evident as we have had to handle problems, and this wider awareness has really focused attention on the Department and what it does.

- At the beginning of this Administration, when looking at the various areas in government, one of the jobs probably least focused on was the Secretary of Transportation and the role of that Department. Yet, transportation is one of the most vital departments in our government. Our national economy and our ability to compete worldwide is determined to a great degree by the efficiency and effectiveness of our transportation system -- by how well our transportation industries and services really work, as an interlocking



network for moving people and goods around the globe.

- Transportation is playing a crucial role in the Bush Administration's agenda, not only because of some major incidents. It is also because the role and the priorities of the Department of Transportation are central to President Bush's priorities for this country. High among these is a vigorous and resilient economy, fostered through long-term investment in our nation's future. By encouraging increased public-private cooperation, and by offering larger entrepreneurial opportunities in the provision of public services, government can become more cost-effective. With this Administration's commitment to no new taxes, cost-effectiveness counts.

- Public-private initiatives show promise in providing funding alternatives for our transportation needs. For example, private contractors operate 16 bus routes for the Los Angeles Regional Transportation District at savings ranging from 33 to 45 percent over the RTD's previous costs. And a "reverse commute" program in Philadelphia transports inner-city workers from high unemployment areas to job-rich suburbs. Such options represent a trend of public-private cooperation

meeting needs where government efforts alone have not been adequate.

- Given present federal fiscal constraints, it is certain that state and local government, with business, will have to do more. DOT has gone out front in needed privatization, particularly in our efforts to foster private competition in urban mass transit development. We have been very active in this area, trying to get more transportation per tax dollar through our grant-making criteria. In March of this year, I announced a new initiative to give higher priority and faster response to mass transit projects that "overmatch" federal grants the most. This makes grant funds act as "seed-money," instead of "handouts."

- **Exxon - Valdez:** The Alaskan oil spill is the first major problem I'd like to discuss. It is the largest spill in the history of the American oil industry, and one of the worst environmental and economic disasters this nation has ever faced. Ten million gallons of crude oil went into the water within three hours. The tragedy, as bad as it is, could have been four times worse, if the United States Coast Guard, working with others on the scene, had not off-loaded 40 million more gallons that were on the tanker in a very precarious state.



- As the national coordinator in the cleanup, I can assure you that President Bush has been personally involved from the start. The President is totally committed to returning the environment in Prince William Sound and further south to its natural state. He has instructed his team to make sure we're doing everything we can, so nature can also do its job.

- The entire nation has a vested interest in seeing that the Exxon-Valdez disaster is cleaned up as soon as possible -- with minimal cost to the American taxpayer. At a time when we are becoming more and more energy dependent upon foreign governments, we have a crisis of major magnitude that threatens our ability to explore many domestic resources. Under the direction of the President, White House Chief of Staff John Sununu and I have been meeting on a regular basis with Exxon representatives regarding the status of the oil spill clean-up effort. Mainly as a result of these meetings, Exxon has acknowledged that they plan to substantially increase manpower and resources to accelerate the pace of the clean-up.

- **Aviation Security:** There has been no issue that has concerned me more as Secretary of Transportation than that of aviation security. This really struck home when I had the opportunity to meet with the families of the Pan Am Flight 103 victims a couple of months ago. It

was that meeting and the meeting President Bush held with the families shortly thereafter that has given the Department of Transportation ever-greater resolve and determination to successfully meet the threat to aviation security posed by international terrorism.

- Two weeks ago, I spent five days in Europe discussing aviation security issues with my counterparts in five different countries. I met the ministers of transport for Italy, Germany, Switzerland, France and the United Kingdom. While I anticipated we would be well-received, the trip exceeded my expectations. Every transport minister I met with shared my concern that we develop effective countermeasures against terrorist threats, and each committed to work with us to put an end to terrorism in the skies. It was refreshing to see the respect that each one of these countries has for the United States; for our Department of Transportation and what we're doing.

- The progress we made in Europe is just the beginning. More work remains to be done, and the U.S. is in for the long haul to do everything humanly possible and technologically feasible in preventing aviation sabotage. But the problem of terrorism and aviation terrorism, in particular, is not over. It is a long-standing and very complicated problem. If something is going to be done about this, it must be a unified



commitment by government, by industry, and by the traveling public; and it must also be an internationally coordinated effort.

- I want to emphasize that aviation travel is still one of the safest forms of travel in the world. And, most importantly, travel on American carriers has become even safer because of the steps we are taking to combat terrorism. The FAA already has implemented several significant steps to increase security standards here at home, and more measures are in the process of implementation. We are not going to ask anything of our international aviation partners that we are not asking of ourselves.

- Furthermore, during my discussions in Europe, every country indicated a strong desire to install proven, state-of-the-art explosive detection devices such as our thermal neutron analysis, or TNA, devices in their airports as soon as possible. The first TNA unit is scheduled to be installed in the U.S. at JFK Airport in July. British Transport Minister Channon recently announced his agreement to place a TNA device at Gatwick Airport very soon.

- In fact, by January 1990, we expect to have a total of six TNA devices installed in airports both domestic and foreign, with more on the way. These devices have

been developed and tested here in America at a cost of over \$60 million in FAA research and development funds, with a very high success rate of explosives detection, including plastic explosives. I have not only offered our technical expertise to other countries, but I also have asked for their advice, as well. France and other countries are working on their own versions of advanced explosives detection technology -- efforts we welcome.

- In other words, we want to work with other countries on aviation security, not around them, so that we can quickly and effectively counteract the threat of terrorism. All countries that repudiate terrorism must persevere in using both their best technology and their best people to develop successful global countermeasures.

- The question on everyone's mind is what to do about electronic devices similar to that apparently used on Pan Am Flight 103. Well, we are currently working on a plan in cooperation with other nations, on how to check items such as computers, radios and the like. A total ban of all such items on airplanes is an option we have to consider, but if we can develop a plan for increased passenger safety without banning these items -- and I believe we can -- we will try to do it. At the



same time, we will not compromise safety for the sake of expediency.

- I am also looking forward to having Admiral Jim Busey on board as the FAA Administrator, once the Senate confirms him. I met with the Admiral in Italy, and he shares my desire to redouble our efforts, in concert with other governments, to improve our aviation security systems worldwide. While in London, I met with a widow of one of the victims of Pan Am Flight 103. I have had several such meetings with the families, and while I know that I cannot make their pain go away, nor reduce their need for answers to their questions, facilitating their access to the Administration is vitally important for them, and for accurate public understanding of that tragedy.

- In part, that is why the whole issue is so high on my agenda and why our efforts are so important -- as a nation, and as a global community of civilized peoples, we must learn from that horrible tragedy.

- **Eastern Airlines:** Eastern Airlines is another issue that also, as we say in aviation, came on my radar screen. It's interesting to note that the decision not to intervene in the strike, as controversial as it was at the time, was supported by three-quarters of the American people. It is President Bush's view -- a view I fully share -- that

labor management disputes should be resolved by negotiation between the parties, not by government intervention. Throughout the strike, the FAA's main roles have been to ensure that Eastern is operating safely, and to monitor service to ensure that it isn't widely disrupted.

- Further intervention, beyond the many months of mediation that occurred before the strike, would have been fruitless -- indeed counter-productive -- in my estimation. The President was right in emphasizing that the nation cannot and 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.

- **National Transportation Policy:** Of the many other major challenges facing transportation in our nation today, my highest priority is the development of a national transportation policy based on an up-to-date and complete assessment of our transportation needs well into the 21st century. It will be developed with the assistance of industry, scientists, environmentalists, and strategic planners. That process is underway in the Department, and we hope to have something on the table before the end of the year.



- In developing such a strategic policy, my goal is to make transportation more efficient, more cost-effective, and, above all, even safer for the American consumer. A sound, well-run, and well-maintained transportation system is essential to this country's economic vitality and to our national defense.
- While we have one of the best transportation systems in the world, maintenance and capacity inadequacies are already emerging. We do not have enough airports or runways, for example. Our nationwide system of suburban and inter-city highways 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.
- Traditionally, the federal government has played a significant role in building and maintaining our infrastructure, but that role is changing. There must be more state and local commitment to infrastructure rebuilding on highways, bridges, and airports. We are also going to have to find other means to pay for the cost of rebuilding. The private sector, and the people that use the system, will have to pay more, and we will have to increase user fees. 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.

- **Drugs:** Lastly, but of no less importance, is the drug issue. As you know, illegal drug use in this country is at epidemic proportions. Since January of 1987, for example, there have been over 60 major rail incidents in which one or more key employees tested positive for illegal drug use. The situation requires all of us to address this as a top priority, and we at the Department are doing so.

- I am proud that the Department of Transportation has the most effective, comprehensive random drug testing program in government. And it does work. In the case of the U.S. Coast Guard, they began random drug testing, as did all military services, approximately five years ago. The percentage of Coast Guard personnel testing positive dropped from 10.3 percent when the program was begun in 1983, to 2.9 percent last year.

- I will be working closely with the Administration's Drug Czar, Bill Bennett, to mobilize whatever further resources he deems appropriate for the Department in the fight against illegal substance abuse.



## CONCLUSION

- DOT is assisting President Bush in keeping America's economy and defense capability strong and competitive. We are helping sustain America as a great power by facilitating increased private sector investment in the rehabilitating or building of transportation infrastructure. It is because of private sector and government cooperation that the U.S. today enjoys the best transportation system in the world. But we must ensure that it -- and the abundant economic benefits it provides -- are accessible to all our people, today and tomorrow. This means greater private sector involvement, and innovative approaches to privatization in appropriate areas of our transportation system.

- I am here to get a job done: to ensure that our transportation system remains the best in the world and that we remain able to meet our transportation needs into the next century. I have discussed a few of the pressing issues facing us in transportation today. Our efforts at DOT follow President Bush's plan to meet both urgent short-term priorities, as well as working toward solutions to the long-term challenges facing the nation. The President is building a better America by keeping the economy strong -- and that means no new taxes, seizing international opportunities for peace, and investing in our future. It's no easy task, but rest assured that for my part, I'll give it my best shot.



U.S. Department of  
Transportation

# News:

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

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## ADVANCE PRESS COPY

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Contact: Bob Marx  
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REMARKS PREPARED FOR DELIVERY BY  
SECRETARY OF TRANSPORTATION SAMUEL K. SKINNER  
LAKE FOREST COLLEGE COMMENCEMENT  
LAKE FOREST, ILLINOIS  
MAY 13, 1989

Thank you very much Gene Hotchkiss. It's a great pleasure to be here this morning in beautiful Lake Forest, home of the permanent training camp of the Chicago Bears, and just about the best place I know to get away from the hype and hysteria of Washington, D.C. And I am deeply honored to receive this degree from what I know to be one of the outstanding liberal arts colleges in America. I am also pleased to participate in this commencement exercise, and to offer my congratulations to each of you and the great institution awarding you diplomas today.

When I accepted this invitation, Gene Hotchkiss very gently suggested that you are eager to get your diplomas, so perhaps I should keep it brief. Michael Ebener was more to the point. He advised me to be on time and be brief or I might find my audience adjourning to the Lantern for an early round of hamburgers. I promise you brevity.

In reality, commencement day marks the beginning of your second education. Every person has two educations in life: one obtained in the classroom, and one gained through real world experience.

Commencement day weaves a common bond since many years ago I, too, was an about-to-be college graduate. In the years since, I have learned that the lessons instilled in us for centuries -- severely-tested and well proven -- remain untarnished by time. They apply to all of us equally. They suggest we flee from principles only at our peril. That is why President Bush is holding steadfast to the fundamental



political and economic values on which this country was founded -those of less, not more, government, renewed self-reliance and faith in ourselves and our future. These are the tools of a free society. How we used them as a nation has profoundly altered the course of history. How you use them tomorrow will determine our future.

Your education at Lake Forest has taught you that the right questions can be as important as correct answers. The diploma you receive today attests to your success in answering academic questions posed during your years at Lake Forest. But other questions remain: how do I use the opportunities a free society affords? What can I do to make my country a better place to live? What can I hope to achieve?

I cannot answer these questions for you as individuals, but as the last bit of advice you will receive before you leave here today with your diplomas, let me offer three basic suggestions to guide you in the years ahead.

First, in your generation's America, as in the America of yesterday, you can be what you want to be. This is still the land of opportunity, where we are free to dream heroic dreams with the undiminished hope that those dreams can be achieved. In this land of freedom, fundamental choices are made by you -- not for you.

But I would remind you, that while you have freedom of choice, you do not have freedom from choice. This outstanding college has prepared you for the decisions of life; no institution can protect you from them. Let your choices be excellence over expediency, long-term objectives over short-term temptations, and principles over privileges.

If you follow this strategy, you can, as former President Reagan has said, "reach beyond the commonplace, and not fall short."

So today, I challenge you to excellence. It must be more than a slogan. It must be your guiding principle. Our times demand it. Your nation deserves it. Your families will appreciate it.

Second, our world is not risk-free. Beyond physical risk lies the challenge of every decision. We have to take chances. But if we make the right decisions, and if we act with courage and determination, the return on our efforts will far exceed the cost. We make change work for us and not the other way around.

If we reject risk because we fear failure then we miss much of the exhilaration of life itself. So do not seek or expect total insulation from the turbulence, the pressures or the uncertainties of life. Don't look for the "sure thing," because it doesn't exist, and do not be unduly discouraged by detours or disappointments. Failures are part of the price we pay for our success.

One of the inspirations of my life, as I hope it will be in yours, is Theodore Roosevelt's famous essay on boldness:

"It is not the critic who counts...The credit belongs to the man in the arena...who strives valiantly, who errs and comes short again, who knows the great enthusiasm, the great devotions, and spends himself in a worthy cause. It is he who at best knows the triumphs of high achievement and at the worst, if he fails at least fails



while daring greatly -- so that his place shall never be with those cold and timid souls who know neither victory nor defeat."

So today, I challenge you to take risks.

The third bit of advice I would offer you is to recognize the importance of duty -- in the sense of our personal obligation to serve our nation and each other. I've spent much of my life in public service, as U.S. Attorney, as head of the Northeastern Illinois Regional Transit Authority, and certainly the greatest honor of my life was being chosen by President Bush to serve as Secretary of Transportation. And I can tell you, I've seen a lot of people in and out of government but I think George Bush is the finest, most decent man I've ever met in government. That's my personal experience having spent ten years with him on a regular basis. He is the most unassuming, thoughtful person that I've met. He has excellent instincts, and he wants to do the right and decent thing. In his first 100 days in office, he has used those instincts to tackle not only the Alaskan oil spill but several other monumental issues: 1) reached a budget agreement with Congress, reducing the deficit approximately \$64 billion; 2) proposed Savings and Loan Reform legislation to assure financial integrity of deposit insurance; 3) achieved Bipartisan Accord on Central America with Congressional leaders.

In my own first few months in Washington I've been given the rare privilege of grappling with some of the most tense situations and difficult issues of our time. Whether it is trying to resolve a strike by a major airline, or working with the international aviation community on stronger rules to deal with international terrorism, or at the President's request, assuming leadership in the government effort to deal with the Alaskan oil spill, I consider public service an honor and privilege. As head of the Coast Guard, the fifth branch of our armed services, I look forward to the challenge of trying to make a significant contribution in the war to keep drugs from our shores. I view public service as a sacred trust and I am proud to serve.

I urge you all to consider public service for at least part of your career. It may not make you rich but the rewards are worth it.

Remember too, that there are varying levels of service and each is equally important in the fabric of our country. We are experiencing a rebirth of the volunteer spirit that guided Joshua James, who holds a place in history as the most celebrated lifesaver in the world. James is credited with saving hundreds of lives from the age of 15 as a volunteer member of the Massachusetts Humane Society, until his death at 75 on active duty with the U.S. Life Saving Service. His deeds prompted the following tribute, which I believe sums up the role of the true volunteer:

"Here and there may be found men and women in all walks of life who neither wonder nor care how much or how little the world thinks of them. They pursue life's pathway, doing their appointed tasks without ostentation, loving their work for work's sake, content to live and do in the present rather than look for uncertain rewards of the future. To them notoriety, distinction, or even fame, acts neither as a spur nor as a check to endeavor, yet they are really among the foremost of those who do the world's work. Joshua James was one of these."

Therefore, I challenge you to serve.



As you dare to excel, to risk, and to serve, you will find that America is a land where by risking a little you can gain a lot, a land where duty goes with choice, a land of opportunity where the limits are your own and the horizons remain endless. You have come far already; remember these things and I have no doubt that your future will be a rewarding one.

You enter into this challenge at an exciting time, one of innovation, self-assertion, and in light of timeless belief that one citizen can make a difference.

As Winston Churchill wrote, "You will make all kinds of mistakes, but as long as you are generous and true...you cannot hurt the world or even seriously distress her. She was made to be wooed and won by youth."

Congratulations and best wishes for every success.



U.S. Department of  
Transportation

# News:

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

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## ADVANCE PRESS COPY

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Contact: Bob Marx  
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REMARKS PREPARED FOR DELIVERY BY  
SECRETARY OF TRANSPORTATION SAMUEL K. SKINNER  
THE PRIVATIZATION COUNCIL'S THIRD NATIONAL CONFERENCE  
"MAKING ENDS MEET: PUBLIC-PRIVATE PARTNERSHIPS INTO THE 1990S"  
WASHINGTON, D.C.  
MAY 15, 1989

Thank you very much for those kind words of introduction. I am delighted to be here today with people who understand the importance of the private sector's role in the delivery of public services.

Your objective of "Making Ends Meet" is particularly appropriate and deceptively simple. You and I both know that we will have to work together to reach this goal in transportation and other basic services.

Before I begin my remarks, I want to talk to you about an item which is occupying a considerable amount of my time and President Bush's: the Alaskan oil spill.

It is the largest spill in the history of the American oil industry and one of the worst environmental and economic disaster this nation has ever faced.

Ten million gallons of crude oil went into the water within three hours. The tragedy, as bad as it is, could have been four times worse if the United States Coast Guard -- working with others on the scene -- had not off-loaded 40 million more gallons that were on the tanker in a very precarious state.

As the national coordinator in the cleanup, I can assure you that President Bush has been personally involved from the start. The President is totally committed to returning the environment in Prince William Sound and farther south to its natural state. He has instructed his team to make sure we're doing everything we can to help nature do its job.

- more -



The entire nation has a vested interest in seeing that the Exxon-Valdez disaster is cleaned up as soon as possible -- with minimal cost to the American taxpayer. At a time when we are becoming more and more energy dependent upon foreign governments, we have a crisis of major magnitude that threatens our ability to explore domestically many resources within this country. At the urging of this Administration, Exxon has announced they will substantially increase the manpower and resources committed to the clean up. The Coast Guard and the Defense Department will continue to work with Exxon in order to meet the President's objective.

The President wants the job done right, and as his senior representative on this issue, I plan to make sure it happens. In fact, this week I submitted a proposal to Congress that would set up a comprehensive liability and compensation system for oil pollution damage caused by spills from tankers and other sources. Success is going to require the coordinated efforts of Exxon, the oil industry, the State of Alaska, and the federal government.

I intend to look back some day and say: "I learned something from this." I learned that government and the private sector must work together to tackle the tough problems facing this country. That is not news to anyone in this room. And the problems in transportation are no exception to the rule.

It is a challenging time for transportation in the United States. These issues are more important than ever before. Our economic strength and ability to compete in international markets is largely determined by how well our transportation system works.

It is my aim to find out exactly what's working and what isn't. One of the big problems facing Cabinet officers is making sure we see the forest instead of just the trees. And the forest I'm looking at will become clearer with development of a comprehensive national transportation policy -- a long term plan to keep the U.S. number one in delivering safe and efficient transportation services.

This is my top priority. The review will assess transportation needs into the 21st century. The process is underway in the Department, with the assistance of the private sector, as well as the essential input of Congress and local governments.

The purpose is not to keep a lot of people busy and generate paper. The purpose is to find out where we are -- to answer some questions about the infrastructure. For instance: What is it? What condition is it in? Who does it serve? What needs improvement? How expensive is it to replace?

We have no time to lose. The transportation infrastructure has got to be restored and expanded to meet future needs. We need work on highways and bridges. We need work on airports. We need work on mass transit systems.

We cannot afford to be like the camper who ran out of firewood after making his coffee. To cook his eggs, he lit the dry grass and held his frying pan over the moving blaze. The eggs came out perfect -- but he wound up a mile and a half from his coffee.

In developing the plan, my primary goal is to make transportation more efficient, more cost-effective, and, above all, safer for the American public.



I expect to see a national policy taking shape by early next year. One thing is clear already: Restoring the transportation infrastructure is going to cost a great deal of money. The question is: Where will this money come from?

Historically, the federal government has played the major role, but that role is declining. The key task now is to find methods to encourage state and local governments and private industry to increase their commitment to rebuilding highways, bridges, railroads, mass transit, and airports.

The driving force behind privatization is stronger now because the need for restoration of the transportation infrastructure may exceed government resources at all levels. In short, we need the private sector like never before.

I plan to pursue policies that make this need easier to meet -- policies that will encourage state and local governments to work more closely with developers in building or improving transit systems.

The bottom line is that public/private partnerships and fully private initiatives can improve transportation services at the local level.

Some folks in Washington tend to forget that decisions regarding transportation systems should be made at the level closest to the people who use them. In my opinion, every major project should really be a team effort between the private sector, community leaders, and all levels of government.

The Urban Mass Transportation Administration has been especially active in fostering private sector participation in transit projects. The operative word at UMTA is competition. The goal is to cut costs, get more capital construction for the buck, and increase operating efficiency.

I recently announced a new approach to urban transit grants which gives preference to projects with a larger contribution from non-federal sources. For rail modernization, for instance, those who contribute at least half the costs from non-federal sources get precedence.

In this way, private funding sources will take a more active and helpful role, knowing that they have a stake in the enterprise. The federal government, in turn, can contribute to a greater overall number of projects. It's a simple fact for the 1990s: Federal dollars stretch further if more is done at the local level.

You might call it "government the hard way," because it requires serious thought about what's needed and where to target limited resources. On the other hand, it is government at its best -- improving public services and sharpening the sense of local involvement in solving transit problems.

But the real advantage of government/private partnerships is that they make things happen. They build things that wouldn't be built otherwise.

Examples are all over the map and increasing every day. Near the Greater Pittsburgh International Airport, regional funding for improvements to the airport parkway was developed by Pennsylvania's Department of Transportation and the nearby township. A local transportation authority issued bonds, and a public-private "transportation development district" was dedicated to retiring them. Here



in the Washington area, a public service corporation has been formed seeking approval to construct an extension to the Dulles Airport toll road.

These and other projects recognize the non-federal role in building transportation infrastructure. Innovative financing, tolls, and other mechanisms should be used to a greater extent -- and the federal government needs to back up this kind of creative thinking.

To do this, federal laws must be changed. At present, the use of a single federal dollar in planning or building a road entails a long list of federal requirements. We are, however, moving in the right direction.

For the first time, the Surface Transportation Assistance Act of 1987 authorized tolls on pilot projects partially funded by federal money.

The Urban Mass Transportation Administration has inaugurated the Capital Cost of Contracting Policy. This program allows UMTA capital grants to pay for depreciation of privately owned transit equipment. There are now dozens of cities around the country using the new policy.

A special office of private sector initiatives within UMTA has been created to promote private sector involvement in public transportation. The agency works with communities, public agencies, and private interests to help create public-private partnerships in transit.

Another DOT effort is the challenge grant program. This is an effort to help small businesses respond to changing local transportation demands. The 'entrepreneurial services program' gives seed money to projects that reduce traffic congestion.

We have also established a technical assistance program to advise those interested in exploring private sector opportunities. This kind of hands-on support is critical to the success of any privatization program.

During the course of this year, the policy review will examine these and other options to encourage the private sector to help "make ends meet" in providing public transportation facilities.

The fact is that government at all levels should treat the private sector as a valuable resource for meeting public needs.

Those who lack the daring and creativity needed to manage public-private partnerships will find the going difficult. The public interest must be served -- and the public has an interest in capital investment offered by the private sector, as well as the continuing control exercised by government.

The ultimate goal is to allow local communities more say in designing systems to meet their needs. After all, even the fanciest transportation systems, supported by the most intense public relations program, will be unsuccessful if they don't take people from where they are, to where they want to go, when they want to go there, and at a price they can afford.

This country faces major challenges in all modes of transportation. As Secretary of Transportation, I am committed to fostering an environment where competition

can flourish. Restoring a measure of market incentives to transportation can only improve service to the traveling public.

That public is my marketplace. In choosing a strategy to serve them, I must know this market, plan finances, anticipate new challenges, and manage operations with the same skill required in any successful enterprise.

I foresee an American transportation network which combines the best elements of the public and private sectors in a natural partnership -- a partnership that responds to changing needs and draws strength from the diversity of its participants.

These are not unrealistic expectations. They are real possibilities and essential to the economic health of this country in 1989 and beyond.

I look forward to working with you.

Thank you.



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REMARKS PREPARED FOR DELIVERY BY  
SECRETARY OF TRANSPORTATION SAMUEL K. SKINNER  
DEDICATION OF AUTO MARINE TERMINAL  
NEW YORK/NEW JERSEY PORT AREA  
MAY 16, 1989

Thank you very much for those kind remarks.

Before I begin my remarks, I want to talk to you about an item which is occupying a considerable amount of President Bush's and my time -- the Alaska oil spill. It is the largest spill in the history of the American oil industry and one of the worst environmental and economic disasters this nation has ever faced. Ten million gallons of crude oil went into the water within three hours. The tragedy, as bad as it is, could have been four times worse, if the United States Coast Guard working with others on the scene had not off-loaded 40 million more gallons that were on the tanker in a very precarious state.

As the national coordinator in the cleanup, I can assure you that President Bush has been personally involved from the start. The President is totally committed to returning the environment in Prince William Sound to its natural state. He has instructed his team to make sure we're doing everything we can so nature can do its job. The entire nation has a vested interest in seeing that the Exxon-Valdez disaster is cleaned up as soon as possible -- with minimal cost to the American taxpayer. At a time when we are becoming more and more energy dependent upon foreign governments, we have a crisis of major magnitude that threatens our ability to explore domestically many resources within this country. At the urging of this Administration, Exxon has announced they will substantially increase the manpower and resources committed to the clean up. The Coast Guard and the Defense Department will continue to work with Exxon in order to meet the President's objective.

The President wants the job done right, and as his senior representative on this issue, I plan to make sure it happens. In fact, last week, I submitted a proposal to Congress that would set up a comprehensive liability and compensation system for oil pollution damage caused by spills from tankers and other sources.



Now, turning to the far more pleasant business at hand this morning, I want you all to know: It's great to be here in the New York-New Jersey port area, one of the busiest ports in the nation, birthplace of land/sea containerization, and just about the best place I know to get away from the hype and hot air that is Washington, D.C.

Anywhere you look these days you'll see change, nowhere more apparent than here in this port. As a Chicagoan, I'm not easily impressed with urban scenes. But on the way over here this morning I was given a helicopter tour by the Port Authority, and I must tell you that the progress being made here is astounding.

This new auto marine terminal -- generating 500 jobs in this port and about 15,000 additional jobs throughout the region -- is cast against a background of skyscrapers, symbolic of successful commerce and business on both sides of this river. And the terminal itself -- representing a \$50 million investment -- is proof positive that you in New York and New Jersey celebrate National Transportation Week 1989 amidst economic growth and promise for the future. Every year more than 500,000 automobiles are imported and exported through the Port of New York and New Jersey. This port area is the largest East Coast hub of double stacked trains. Your transportation networks make you not only the financial and fun capital of the U.S. but the commercial and trade capital as well.

Thanks in no small measure to the Port Authority's aggressive development efforts, New York and New Jersey have been active participants in an economic renewal as welcome as the first cry of "play ball" at Yankee Stadium or a Giants' Super Bowl Championship at the Meadowlands.

I came here today not only to help dedicate this outstanding maritime facility but to open the second day of National Transportation Week.

Today more than ever before, transportation is critical to our economy and necessary to our national defense. America's transportation systems have made our society the most mobile on earth, and have assured the rapid, safe and dependable movement of people and goods throughout the country and around the world.

This week was proclaimed by President Bush to recognize the importance of our transportation system and to honor the millions of Americans who serve and supply our transportation needs. Tomorrow I'll be in Chicago, honoring highway progress and participating in a railroad crossing safety event. Thursday, we move to Dallas for a big salute to aviation and Friday, in Kansas City, it's mass transit day.

Today I want to pay my personal tribute and affirm my commitment to the maritime industry. I know the value of the maritime industry to our economy and to our national defense. It is a multi-billion dollar industry with many facets and many problems too long left unsolved. Many of you are so close to the business you may not think about the magnitude of maritime commerce. The ports' contribution alone to our economy is staggering. Commercial port activities in 1988 generated 1.2 million jobs, a \$50 billion contribution to the gross national product and \$28 billion in personal income.

I know I don't have to tell anyone in this audience that our nation's maritime industry and merchant marine has suffered a serious decline during the past three decades. The steady contraction in the size of the U.S.-flag merchant fleet has



produced grave concerns within our military establishment about our ability to provide sufficient sealift power to our armed services in the event of war.

President Bush has committed his Administration to a comprehensive maritime policy with the ultimate goal of reinvigorating the U.S. maritime industry in the interests of both economic and national security. We will work closely with the Congress and the maritime industry to develop solutions which will correct our maritime deficiencies.

Many skeptics ask how are you going to do what nobody else has been able to accomplish?

Well, for starters, I'm placing more emphasis on maritime affairs. With Elaine Chao, former chairman of the Federal Maritime Commission as our Deputy Secretary, and John Gaughan, former Maritime Administrator as my chief of staff, more maritime experience exists within the inner circles of the Secretary's office than at any other time in the history of the Department of Transportation. I'll bet I've heard more maritime issues discussed in my first 100 days than any of the other nine Secretaries of Transportation heard in their entire tenure in the office. And it will continue to be that way. Elaine and John provide the strong in-house support to get the job done.

Second, the new maritime policy will be an integral part of the strategic national transportation policy we are developing for dealing with our country's transportation needs to the year 2020 and beyond.

It will be intermodal in nature. It will be competitive in tone and scope. I recognize that our government's economy and our ability to compete worldwide is determined largely by the way our transportation system functions and that transportation system has a lot to do with how effective we are in international markets. Put in terms closer to home, we must have ships and ports and trains and highways to keep this auto marine terminal growing.

The national transportation policy working group, which is already at work, will include input from industry as well as the best brains we have in the Department and we expect to see the policy taking shape by early next year. Above all, we will be talking with those in maritime, aviation, highways, rail and mass transit because as we get into implementation of our national policy, we will all have to work together, rather than competing against each other for limited dollars.

I don't have to tell any of you here today about the conditions of our nation's highways and transit systems. I don't have to tell you the problems we face as we handle growth in air travel, highway traffic and problems of commuters. To cope with these problems is going to require money. It's going to require commitment but before we can find the money and make the commitment we have to know where we are going.

That's what this national transportation policy is all about. First, we will identify how big a problem we have on a national basis and a major underpinning of that will be to identify the infrastructure needs.

Second, we will identify those needs that ought to be financed and what the alternatives are and hopefully, we will be able to establish and select alternatives that make a lot of sense. At that point, the national transportation policy will be an implementation document.

It must be a national policy that local officials and governors can buy into, and more importantly, it must be a policy industry can buy into as well.

I'm no Pollyanna about the task before us. It won't be an easy job. If you think aging aircraft, international aviation terrorism, and the Alaskan oil spill have been easy, you should think again. But we must succeed for one big reason. The time is now to plan for the long term. If we don't begin now to prepare our transportation systems to handle the volume in the 21st century and the global nature of economic competition, America will no longer be number one. And none of us is going to allow that to happen.

As I said at the outset, today we marvel at change and the prosperity it brings us. As we stand here amidst change, let us begin to prepare ourselves for the challenges of change in the future. We have the technology, the national spirit and the vision to cope with those challenges. With your help and support, we will chart a course that will see our nation through any storm and maintain our leadership among the economies and nations of the world.

Again, it's been a pleasure to participate in this dedication. Good luck and thank you very much.



**ADVANCE PRESS COPY**

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

REMARKS PREPARED FOR DELIVERY BY  
SECRETARY OF TRANSPORTATION SAMUEL K. SKINNER  
GOVERNORS ISLAND  
NEW YORK, N.Y.  
MAY 16, 1989

Thank you very much for those kind words of introduction and thank you all for being here. I came here today to celebrate the second day of National Transportation Week.

Tomorrow I will be in Chicago for a salute to highways. Thursday, we move to Dallas for a big aviation event and Friday, in Kansas City will be mass transit appreciation day. Today we are paying tribute to the maritime industry. Later this morning I will participate in the dedication of an auto marine terminal on the Jersey side of the Port and, of course, I couldn't come to New York without coming to Governors Island to discuss a few things with you.

This traditional week was proclaimed by President Bush to recognize transportation's importance and to honor the millions of Americans who serve and supply our transportation needs. It's also a week to honor heroism in transportation. Think of the courage and skill and leadership of Captain David Cronin and the flight crew of United Flight 811 in bringing a badly damaged 747 back for safe landing in Honolulu. Or Captain Robert Schornstheimer and the flight crew of the Aloha, also landing a seriously damaged plane under the most adverse circumstances. Or Anthony Falzo, a 17-year railroad veteran, who leaped from a braking Conrail train, snatched two small boys who had wandered onto the railroad track and sheltered them with his body as the train passed over them. Or you -- the young men and women in the United States Coast Guard -- who have chosen as careers to risk your lives every day of the year in search and rescue missions at sea. Such heroism is an American tradition worthy of recognition.

John Paul Jones, America's first naval warrior, who sailed a vessel the Coast Guard probably wouldn't even let out of the harbor today, said "I wish to have no connection with any ship that does not sail fast for I intend to go in harm's way." Jones wrote those words to a French supporter of the American colonists in 1778, but I thought how easily the same thing could be uttered by Admiral Yost today in



one of his many pleas to Congress on behalf of your budget. Indeed the Coast Guard sails in harm's way every day, whether it's on Capitol Hill fighting for a budget or on a rescue mission in the North Atlantic or a drug bust off the Florida coast or cleaning up the nation's largest oil spill in Alaska.

I want you to know the Coast Guard is one of the most important parts of the Department of Transportation. Regardless of how stormy the seas, I think you should remember there is only one United States Coast Guard and you are a part of it and I'm proud of you.

These are very interesting times for the United States Coast Guard because after 200 years it's still performing its traditional missions of search and rescue, navigational aids and safety. And, of course, you stand ready to defend our domestic shores at any time. We find ourselves mired deeply in two additional issues that are just as important as the mission we've performed for 200 years.

First of all, you are in the fight against drugs. There is no question that one of the top problems facing this country today is the problem of drugs. It is pervasive. It exists in almost all aspects of life. It is something that exists with the poor, the wealthy, the middle class, the East, the West. It is a problem of national proportions, and the U.S. Coast Guard is at the forefront of the drug interdiction fight. One of the first things I did after becoming Secretary of Transportation was to take a two-day trip to South Florida and the Bahamas to meet with Coast Guard personnel, and there is no question in my mind that the Coast Guard is doing an outstanding job in what is a very difficult mission.

In addition, we're in the forefront of another fight -- this time in Alaska. Admiral Yost, your outstanding Commandant, called it a war to restore the environment of Prince William Sound closely as we can to its natural condition. The Coast Guard is the lead agency in Valdez. The industry and the state of Alaska and many others were not ready for a spill of this proportion. It is the largest spill in the history of the American oil industry and one of the worst environmental and economic disasters this nation has ever faced. Ten million gallons of crude oil went into the water within three hours. The tragedy, as bad as it is, could have been four times worse, if the United States Coast Guard working with others on the scene had not off-loaded 40 million more gallons that were on the tanker in a very precarious state.

As the national coordinator in the cleanup, I can assure you that President Bush has been personally involved from the start. The President is totally committed to returning the environment in Prince William Sound to its natural state. He has instructed his team to make sure we're doing everything we can so nature can do its job. The entire nation has a vested interest in seeing that the Exxon-Valdez disaster is cleaned up as soon as possible -- with minimal cost to the American taxpayer. At a time when we are becoming more and more energy dependent upon foreign governments, we have a crisis of major magnitude that threatens our ability to explore domestically many resources within this country. At the urging of this Administration, Exxon has announced they will substantially increase the manpower and resources committed to the clean up. The Coast Guard and the Defense Department will continue to work with Exxon in order to meet the President's objectives.

The President wants the job done right, and as his senior representative on the issue, I plan to make sure it happens. In fact, last week, I submitted a proposal to



Congress that would set up a comprehensive liability and compensation system for oil pollution damage caused by spills from tankers and other sources. The bill dramatically enhances our ability to compensate victims of major oil spills and to restore our fragile environment.

I can tell you it is going to be a long haul. We are dealing with over 300 miles of beach and very, very difficult terrain. We do not have the technology or the experience that we would like to have to be fully equipped to fight a spill of this magnitude.

So, to some degree, the Coast Guard, working with other military personnel in the area, and thousands of others in Alaska, will be writing the book on how to deal with the largest oil spill in history. What we learn there and what we do there will be the benchmark for the future if, heaven forbid, we have another.

The energy future in this country is dependent on how we do in Alaska this summer. If we are able to demonstrate to the American people that we can restore the environment and put it into a situation close to where it was before the spill, the American people may be more inclined to allow the petroleum giants of the world to explore for much needed new sources of oil and gas in other areas.

If we don't and there's permanent destruction of the environment in Alaska, then all of the American people, not only the environmentalists, will think long and hard about such ventures. I don't have to tell you the impact of that.

It's an important battle in Alaska and we are ready to win and we are ready on a total commitment basis. We have a game plan, a multi-quarter game plan that's going to require total commitment.

Some good comes even from adversity. Sometimes the Coast Guard has not received the recognition it deserves. As a result of your efforts in Alaska and involvement in drug interdiction, the Coast Guard is being recognized by the American people as the service that goes quietly on its way doing its job, often, returning to John Paul Jones, running fast and sailing in harm's way.

Each of you has my admiration and I am honored to salute you as a part of National Transportation Week.

Thank you very much.



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  
OPERATION LIFESAVER EVENT  
CHICAGO, ILLINOIS  
MAY 17, 1989

Thank you very much for those kind words of introduction. Before I get into my brief remarks this morning, I want to talk to you about an item which is occupying a considerable amount of President Bush's and my time -- the Alaska oil spill.

As the national coordinator in the cleanup, I can assure you that President Bush has been personally involved from the start. The President is totally committed to returning the environment in Prince William Sound to its natural state. He has instructed his team to make sure we're doing everything we can so nature can do its job.

The entire nation has a vested interest in seeing that the Exxon-Valdez disaster is cleaned up as soon as possible -- with minimal cost to the American taxpayer. At a time when we are becoming more and more energy dependent upon foreign governments, we have a crisis of major magnitude that threatens our ability to explore domestically many resources within this country. At the urging of this Administration, Exxon has announced they will substantially increase the manpower and resources committed to the clean up. The Coast Guard and the Defense Department will continue to work with Exxon in order to meet the President's objectives.

The President wants the job done right, and as his senior representative on the issue, I plan to make sure it happens. Last week I submitted a proposal to Congress that would set up a comprehensive liability and compensation system for oil pollution damage caused by spills from tankers and other sources. The bill dramatically enhances our ability to compensate victims of major oil spills and to restore our fragile environment.

Now, turning to the far more pleasant business at hand, I am happy to be here at the Randolph Street Station to participate the nation's largest Operation Lifesaver



event involving major corporate support. I'm especially glad to see so many people at this hour of the morning so enthusiastic about saving lives.

Operation Lifesaver has always been a cooperative effort between the states, railroads and public service groups to promote public awareness of rail-highway grade crossings. Since it was initiated in 1970 by the State of Idaho and the Union Pacific Railroad, Operation Lifesaver has had strong rail industry support and I see many railroads represented here this morning. It has always been a successful, popular program, generating widespread public interest. But the level of interest in this program and the week-long events planned by groups here today tops all our expectations.

I must warn you the journey you are about to take -- your mission -- won't be easy. You have your work cut out for you. The Indiana Operation Lifesaver Train will travel a corridor which experienced 1,387 rail-highway grade crossing accidents in the last 10 years. This equates to an accident approximately every third day. Those accidents resulted in 150 fatalities and 625 injuries to motorists. With the level of interest in Operation Lifesaver expressed here this morning, and the week-long events planned by groups here, I am confident you will make a major contribution not only to rail and highway safety in this corridor, but in the nation as well.

I especially want to congratulate the Indiana Railroad Association; Indiana Operation Lifesaver Committee; the Chicago Regional Operation Lifesaver Committee; Chicago South Shore, Metra, Conrail and Norfolk Southern Railroads; and every individual who had a hand in this part of National Transportation Week.

As Secretary of Transportation, I have no higher priority than safety -- in air, sea, highways, rail and mass transit. And in my few months in Washington, I've found that by far the most successful transportation safety progress is made not by edict from Washington but by grassroots efforts such as this. You are the ones who really make a difference.

As a Chicagoan myself, I'm proud of the leadership of Indiana and Illinois in both highway and railroad safety. Governor Jim Thompson was the nation's first governor to appoint a task force on auto occupant protection last year. His goal is to achieve a minimum of 70 percent child safety seat and adult safety belt use by 1990, thus the name "70 By 90 Task Force." They plan to achieve this through a combined education and enforcement approach to increasing safety belt usage. I commend that program to you and ask you to support Governor Thompson's 70 By 90 Task Force as just one more effort to save lives.

As I said at the outset, this event is part of National Transportation Week, proclaimed by President Bush to recognize transportation's importance and to honor the millions of Americans who serve and supply our transportation needs. This morning I honor not only all transportation workers, but those of you who give your time and resources to promote safe transportation.

Let us also honor the brave men and women who risk their lives in transporting others to safety. Think of the courage and skill and leadership of Captain David Cronin and the flight crew of United Flight 811 in bringing a badly damaged 747 back for a safe landing in Honolulu. Or Captain Robert Schornstheimer and the Aloha Airlines flight crew, also landing a seriously damaged plane under the most adverse circumstances. Or Anthony Falzo, a 17-year railroad veteran, who leaped

from a braking Conrail train, snatched two small boys who had wandered onto the railroad track and sheltered them with his body as the train passed over them. Or the young men and women in the United States Coast Guard who have chosen as careers risking their lives every day of the year in search and rescue missions at sea. Such heroism is an American tradition worthy of recognition.

I congratulate all of you and thank you very much for your support.





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  
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REMARKS PREPARED FOR DELIVERY BY  
SECRETARY OF TRANSPORTATION SAMUEL K. SKINNER  
CHICAGO ASSOCIATION OF COMMERCE AND INDUSTRY  
CHICAGO, ILLINOIS  
MAY 17, 1989

Thank you very much for those kind words of introduction.

Before I begin my remarks, let me give you an update on a continuing national news item which is occupying a considerable amount of President Bush's and my time -- the Alaska oil spill. It is the largest spill in the history of the American oil industry, and one of the worst environmental and economic disasters this nation has ever faced. Ten million gallons of crude oil went into the water within three hours. The tragedy, as bad as it is, could have been four times worse if the United States Coast Guard working with others on the scene had not off-loaded 40 million more gallons that were on the tanker in a very precarious state.

As the national coordinator in the cleanup, I can assure you that President Bush has been personally involved from the start. The President is totally committed to returning the environment in Prince William Sound to its natural state. He has instructed his team to make sure we're doing everything we can so nature can do its job.

The entire nation has a vested interest in seeing that the Exxon-Valdez disaster is cleaned up as soon as possible -- with minimal cost to the American taxpayer. At a time when we are becoming more and more energy dependent upon foreign governments, we have a crisis of major magnitude that threatens our ability to explore domestically many resources within this country. At the urging of this Administration, Exxon has announced they will substantially increase the manpower and resources committed to the clean up. The Coast Guard and the Defense Department will continue to work with Exxon in order to meet the President's objectives.

Last week I submitted a proposal to Congress that would set up a comprehensive liability and compensation system for oil pollution damage caused by spills from tankers and other sources. The bill dramatically enhances our ability to compensate victims of major oil spills and to restore our fragile environment.



Now, on a lighter note, I want to kid my good friend, Dan Rostenkowski, a little bit. Dan was in Chicago last month to address the Commercial Club. He made a rather bold appeal for business support for a gas tax to reduce the deficit. Don't you listen to Dan on this issue. I do not believe the federal government should raise any taxes at all. I do think state and local governments will have to pick up more of the burden of transportation services and the cost of building and maintaining our nation's infrastructure. The federal government won't have the money and in many cases local governments can do a better job because they are not bound by so many rules and red tape. Therefore, we shouldn't preclude state and local governments from a logical tax source. So Dan just happens to be 100 percent wrong this time.

Let me hasten to add that Dan is not always wrong. He testified in my behalf at my confirmation hearing, and that definitely proved him to be a man of great wisdom.

Seriously, Dan has been a good friend of the highway program, especially in taking steps to close legal loopholes which were permitting diesel tax evaders to avoid payment of millions of dollars of highway user fees. The Department was having a terrible time with large scale gas tax evaders. And Dan helped get the right language in the big tax reform act a couple of years ago to close those loopholes. A result has been that an estimated \$400 million more in gas taxes were collected last year.

The Chicago Association of Commerce and Industry has always been in the forefront in transportation issues. Whether it's reform of the RTA, or support of development and improvements at O'Hare, or early support of the Staggers Rail Act, or the gas tax issue, you in this organization have a reputation for coming down on the side of the angels. You are the visionaries for transportation in Chicago.

Today, more than ever before, transportation is critical to our economy and necessary to our national defense. America's transportation systems have made our society the most mobile on earth, and have assured the rapid, safe, and dependable movement of people and goods throughout the country and around the world.

This week was proclaimed by President Bush to recognize the importance of our transportation system, and to honor the millions of Americans who serve and supply our transportation needs. Yesterday, during "Maritime Appreciation Day," I dedicated an auto marine terminal in the New York/New Jersey Port Area and talked with the Coast Guard at Governors Island. Tomorrow, we will be in Dallas for a big salute to aviation and Friday, in Kansas City, it's mass transit day.

Today, in Chicago, there's nothing like a tour of the Dan Ryan Expressway to begin "Highway Appreciation Day." We were out there this morning at 10 o'clock, walking around the rehabilitation project near the junction of the Stevenson Expressway. The state and federal governments are in the second phase of this \$250 million project. When it's finished it may provide a little temporary relief, but in the long run we have to look at the bigger picture, at the future. It emphasizes the need for any plan for the future to include ways to maintain and utilize existing infrastructure. We could start by using our highways better, by carpooling and vanpooling and by turning to technology for some answers -- maybe fast rail trains, in some cases. I know a section of the Dan Ryan Expressway is in the Guinness Book of World Records as the most heavily traveled highway in the nation, but if traffic



growth continues as predicted, Dan Ryan will be typical of the strain on our system throughout the country.

And that's why I wanted to come to Chicago today, to share with you my thoughts on our infrastructure and my vision for the future.

Stepping back in time for just a moment, in 1919 a young lieutenant colonel named Dwight Eisenhower was part of the first transcontinental army convoy from the Ellipse just south of the White House to Gettysburg and then along the Lincoln Highway to San Francisco. Counting mudholes, broken bridges, cracked axles, and speeches along the way, the convoy took nearly two months. It averaged 58 miles per day, less than the speed limit per hour in many places today. Later, during World War II, General Eisenhower saw the wonders of the German autobahn. He came home to be elected President and put forth his vision for a "grand plan" for highway development.

Much has changed since President Eisenhower signed the law creating the Interstate Highway System in 1956, touching off a revolution that completely changed this country. It has been a revolution in commerce, in wealth, in personal mobility unrivaled in the world. We have invested billions of dollars in our highway system -- \$120 billion in the Interstate System alone.

Today, we have 42,004 miles open to traffic, only 495 miles under construction and 295 miles on the planning board. Essentially, the Interstate Highway System is completed -- there are a few projects which will be under construction in the early 90's but the major through routes are completed.

With the Interstate Highway Program winding down and projections of automobile traffic growth increasing, it's up to our generation to plot a new course to carry us into the 21st century. It's all too easy to lose the perspective of the forest for the trees. It is very easy at the Department of Transportation to fight fires and just see trees for your entire tenure. That's what I want to avoid.

One thing that struck me when I took this job is that we had no real strategic plan for transportation in this country. We weren't looking beyond three, four, five years. We would wait until the last minute and authorize a highway or transit or aviation program for a few years. We would not look at the big picture and say we have the best transportation system in the world and what are we going to do to be sure that system continues to be the best over the next 20 years or more.

That's why I am totally committed to doing what we did in Chicago and taking it on a national basis.

Highway infrastructure will be an integral part of the strategic national transportation policy we are developing for dealing with our country's transportation needs to the year 2020.

This comprehensive strategic policy will be intermodal in nature. I recognize that our government's economy and our ability to compete worldwide is determined in large part by the way our transportation system functions.

The national transportation policy working group, which is already at work, will include input from industry as well as the best brains we have in the Department, and we expect to see the policy taking shape by early next year. Above all, we will



be talking with those in maritime, rail, aviation, highways, and mass transit because as we get into implementation of our national policy, we will be working together, rather than competing against each other for limited dollars. There will be fewer federal dollars and more infrastructure needs.

The Federal Highway Administration, for example, estimates there's a need for an additional 11,000 to 15,000 lane miles for Interstate Highways alone. Through the year 2005, the total backlog of accrued bridge needs in the federal-aid system could be as much as \$72 billion. New highway construction is required; new bridge construction is required; expansion of capacity is required; rehabilitation of current capacity is required. Since it won't be feasible to construct all the additional lane miles that will be needed, we'll also have to make more efficient use of existing capacity.

But I know I don't have to tell any of you here today about the conditions of our nation's highways and transit systems. I don't have to tell you the problems we face as we handle growth in air travel, highway traffic and problems of commuters. To cope is going to require money. It's going to require commitment, but before we can find the money and make the commitment we have to know where we are going.

That's what this national transportation policy is all about. First, we will identify how big a problem we have on a national basis, and a major underpinning of that will be to identify the infrastructure needs.

Second, we will identify those needs that ought to be financed, see what the alternatives are, and then we should be able to establish and select alternatives that make a lot of sense. At that point, the national transportation policy will be an implementation document.

It must be a national policy local officials and governors can buy into, and more importantly, it must be a policy industry can buy into as well.

What's going to happen is that state and local governments, user fees and private developers are going to start paying a bigger cost of the infrastructure. You cannot look to Washington to solve the infrastructure problems of this country. The infrastructure problems of this country are going to be solved by state and local governments, by user fees, and developers under a general overall national policy that is fair to everyone.

That's the challenge before us. Some of you may say, "Sam," we know President Eisenhower. We even have a highway named for him. And Sam, you are no Ike."

Well, you are right again. I don't have the time that President Eisenhower had. If we don't move right now to develop a strategic plan -- one that will work and be accepted -- to carry us into the 21st century, America will not remain the number one economic and military power in the world. And none of us is going to allow that to happen.

I'm no Pollyanna about the challenge before us. It won't be an easy job. If you think the challenges of aging aircraft, international aviation terrorism and the Alaskan oil spill have been easy, you should think again. But we will succeed for one big reason. The time is now. I ask your advice. I solicit your help. Maybe the task will be very tough, the decisions hard, the road rocky and rugged, but as those



before us have said about the difficulties they faced, "If not us, who? If not now, when?"

Again, it's a pleasure to be here. Thank you very much.



U.S. Department of  
Transportation

# News:

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

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STATEMENT BY SECRETARY OF TRANSPORTATION  
SAMUEL K. SKINNER  
ON THE DENVER AIRPORT REFERENDUM ISSUE  
May 17, 1989

The vote by the people of Denver in favor of a new airport was the right thing to do; not only because it will make Denver's economy one of the most exciting in the country, but because it also is a positive step in addressing the important national issue of limited capacity of our nation's airports in light of the rapid growth of air travel.

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U.S. Department of  
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# 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  
DALLAS-FORT WORTH AIRPORT BOARD LUNCHEON  
DALLAS, TEXAS  
MAY 18, 1989

Thank you very much for those kind words of introduction.

Before I begin my remarks, I want to talk to you about an item which is occupying a considerable amount of President Bush's and my time -- the Alaska oil spill. It is the largest spill in the history of the American oil industry and one of the worst environmental disasters this nation has ever faced. Ten million gallons of crude oil went into the water within three hours. The tragedy, as bad as it is, could have been four times worse, if the United States Coast Guard working with others on the scene had not off-loaded 40 million more gallons that were on the tanker in a very precarious state.

As the national coordinator in the cleanup, I can assure you that President Bush has been personally involved from the start. The President is totally committed to returning the environment in Prince William Sound to its natural state. He has instructed his team to make sure we're doing everything we can so nature can do its job.

The entire nation has a vested interest in seeing that the Exxon-Valdez disaster is cleaned up as soon as possible -- with minimal cost to the American taxpayer. At a time when we are becoming more and more energy dependent upon foreign governments, we have a crisis of major magnitude that threatens our ability to explore domestically many resources within this country. At the urging of this Administration, Exxon has announced they will substantially increase the manpower and resources committed to the clean up. The Coast Guard and the Defense Department will continue to work with Exxon in order to meet the President's objectives.

Last week I submitted a proposal to Congress that would set up a comprehensive liability and compensation system for oil pollution damage caused by spills from



tankers and other sources. The bill dramatically enhances our ability to compensate victims of major oil spills and to restore our fragile environment.

Now, on a happier note, I want to thank you for your warm Texas hospitality.

This week was proclaimed National Transportation Week by President Bush to recognize the importance of our transportation system, and to honor the millions of Americans who design, serve and supply our transportation needs. These men and women work hard to keep American transportation number one in the world, making a crucial contribution to a strong U.S. economy and defense.

Anywhere you look these days you see change, nowhere more apparent than here in the Dallas-Fort Worth International Airport area. So much planning and development is under way all around us that Dallas-Fort Worth has been described as "the center of the universe" in current aviation development.

At the Department of Transportation, we are so impressed by the Dallas-Fort Worth projects that last December, we announced the commitment of \$100 million in funding from the airport capacity discretionary fund. That is the single largest multi-year discretionary commitment ever made to one airport. And your ambitious West Side Development project itself is proof positive that in Texas you are celebrating National Transportation Week 1989 amidst economic growth and promise for the future. The West Side project, with its proposed new American Airlines terminal and many airfield improvements, will provide major support to the long-term Metroplex Air Traffic Plan. It will increase capacity throughout the National Air Transportation System.

Your Metroplex Air Traffic System Plan alone is a three-year program with a price tag of approximately \$110 million. We have \$1.4 million planned in Fiscal Year 1989 for advanced engineering on this project. We've already requested an additional \$54 million in the Fiscal Year 1990 budget for surveillance radar, trancon expansion and construction of a satellite control tower for FAA support of this important project.

Thanks in no small measure to the Dallas-Fort Worth Airport Board, the Texas Aviation Commission and others of you involved in aggressive development efforts, Dallas and Fort Worth have been active participants in an economic renewal as welcome as a Cowboys victory over the Redskins.

I'd also like us to use this National Transportation Week celebration to honor the brave men and women who risk their lives in transporting others to safety. Think of the courage and skill and leadership of Capt. David Cronin and the flight crew of United Flight 811 in bringing a badly damaged 747 back for a safe landing in Honolulu. Or Capt. Robert Schornstheimer and the Aloha Airlines flight crew, also landing a seriously damaged plane under the most adverse circumstances. Or Anthony Falzo, a 17-year railroad veteran, who leaped from a braking Conrail train, snatched two small boys who had wandered onto the railroad track, and sheltered them with his body as the train passed over them. Or the young men and women in the United States Coast Guard who have chosen careers risking their lives every day of the year in search and rescue missions at sea. Such heroism is an American tradition worthy of recognition.

This year, I am also paying special tribute to one mode of transportation a day. Tuesday, I celebrated "Maritime Appreciation Day" by dedicating an auto marine



terminal at the Port of New York and New Jersey, and talking with members of the Coast Guard on Governors Island. Yesterday we spotlighted our outstanding highway system in a celebration in Chicago. Tomorrow, in Kansas City, it is our turn to recognize mass transit; additionally it's National Defense Transportation Day.

And today we salute aviation.

Aviation will be an integral part of the strategic national transportation policy we are developing for dealing with our country's transportation needs to the year 2020 and beyond.

The national policy will be intermodal in nature. It will be internationally competitive in tone and scope. I recognize that our government's economy and our ability to compete worldwide is determined largely by the way our transportation system functions.

The national transportation policy working group, which is already on the job, will make use of input from industry as well as the best brains we have in the Department, and we expect to see the policy taking shape by early next year. Above all, we will be talking with those in aviation, maritime, highways, rail and mass transit, because as we get into the implementation of our national policy, we will all have to work together, rather than competing against each other for limited dollars.

I don't have to tell any of you here today about the condition of our nation's highways and transit systems. I don't have to tell you the problems we face as we handle growth in air travel, highway traffic and problems of commuters. I certainly don't have to tell you about airport capacity problems. You are wise to be planning already to deal with yours. But a number of major airports today are operating at or near capacity. By the end of this year, it is estimated that U.S. airports and airways systems will service nearly a half-billion passenger enplanements -- an increase of 4.6 percent over 1988. Domestic passenger traffic is projected to increase annually through the year 2000 by 4.4 percent -- yet, yours is the last major airport built in the U.S., in 1974.

To cope with these problems we must do as you are doing in Dallas-Fort Worth, and move rapidly to optimize use of present capacity. Existing infrastructure must be maintained and rehabilitated. Air traffic flow and safety procedures should continue to be redefined. We as a nation also must follow your lead in looking at additional ways to gain maximum benefit from existing infrastructure, such as expanded joint civil-military use of facilities, and the conversion of closed military fields to full civilian operation. Such measures are only a first step. They will not be sufficient over the longer term. Ultimately, we must pour more concrete. We need more runways. We need more gates. We need more airports.

Meeting our needs is going to require money. It's going to require commitment, but before we can find the money and make the commitment we have to know where we are going.

That's what this national transportation policy is all about. First, we will identify how big a problem we have on a national basis, and a major underpinning of that will be to identify the infrastructure needs.

Second, we will identify those needs that should be financed and what the alternatives are, and then we will be able to establish and select alternatives that make a lot of sense. At that point the national transportation policy will be an implementation document.

It must be a national policy that local officials and governors can buy into, and more importantly, it must be a policy that industry can buy into as well.

What's going to happen is that more cost will have to be borne by users of the service, by developers who benefit from the service and by state and local governments. We hope, this can be done at the state and local level under the broad umbrella of a strategic national policy that is fair to everyone.

I'm no Pollyanna about the task before us. It won't be an easy job. If you think aging aircraft, international aviation terrorism, and the Alaskan oil spill have been easy, you should think again. But we must succeed for one big reason. The time is now to plan for the long term. If we don't move right now to develop a strategic plan -- one that will work and be accepted -- to carry us into the 21st century, America will not remain the number one economic and military power in the world. And not one of us is going to allow that to happen.

As I said at the outset, today we marvel at change and the prosperity it brings us. As we stand here amidst change, let us begin to prepare ourselves for the challenges of change in the future. I ask your advice. I solicit your help. Maybe the task will be tough, the choices at times difficult and the yet uncharted course rugged, but those before us have said about difficult issues they faced, "If not us, who? If not now, when?"





U.S. Department of  
Transportation

# News:

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

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## ADVANCE PRESS COPY

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

REMARKS PREPARED FOR DELIVERY BY  
SECRETARY OF TRANSPORTATION SAMUEL K. SKINNER  
NATIONAL TRANSIT DAY CEREMONY  
KANSAS CITY, MISSOURI  
MAY 19, 1989

Thank you very much for those kind words of introduction.

Before I begin my remarks, I want to talk to you about an item which is occupying a considerable amount of President Bush's and my time -- the Alaska oil spill. It is the largest spill in the history of the American oil industry and one of the worst environmental disasters this nation has ever faced. Ten million gallons of crude oil went into the water within three hours. The tragedy, as bad as it is, could have been four times worse, if the United States Coast Guard working with others on the scene had not off-loaded 40 million more gallons that were on the tanker in a very precarious state.

As the national coordinator in the cleanup, I can assure you that President Bush has been personally involved from the start. The President is totally committed to returning the environment in Prince William Sound to its natural state. He has instructed his team to make sure we're doing everything we can so nature can do its job.

The entire nation has a vested interest in seeing that the Exxon-Valdez disaster is cleaned up as soon as possible -- with minimal cost to the American taxpayer. At a time when we are becoming more and more energy dependent upon foreign governments, we have a crisis of major magnitude that threatens our ability to explore domestically many resources within this country. At the urging of this Administration, Exxon has announced they will substantially increase the manpower and resources committed to the clean up. The Coast Guard and the Defense Department will continue to work with Exxon in order to meet the President's objectives.

Last week I submitted a proposal to Congress that would set up a comprehensive liability and compensation system for oil pollution damage caused by spills from tankers and other sources. The bill dramatically enhances our ability to compensate victims of major oil spills and to restore our fragile environment.



Now on a happier note, I want you to know that looking at this small part of your latest transit expansion plan here this morning, I thought of that catchy tune "Everything's Up-To-Date in Kansas City." How fitting it is to celebrate National Transit Appreciation Day in Kansas City, for your Area Transit Authority is right in step with the times. Your latest transit development program, which includes 73 new buses such as the one you see here today, numerous passenger shelters, a new maintenance facility, and a \$7.5 million passenger facility puts you not only in step with, but far out front of many other metropolitan areas in the country. I especially want to compliment you on your efforts to involve the private sector in the development and support of this facility. Your creativity and ingenuity in developing a public-private partnership is truly outstanding.

Thanks in no small measure to the Kansas City ATA's aggressive planning efforts, Kansas City is an active participant in a transportation movement as welcome as a Royals' victory in the World Series.

I want to express my appreciation to the American Public Transit Association, National League of Cities, U. S. Conference of Mayors, National Association of Counties, and the National Association of Regional Councils for making me honorary national chairman of the 1989 Public Transit Appreciation Day activities. As a former transit official myself, I know the work of these five organizations and I am highly honored to have been chosen by them to chair this day.

This week was proclaimed National Transportation Week by President Bush to recognize the importance of our transportation system, and to honor the millions of Americans who serve and supply our transportation needs. He also designated today as National Defense Transportation Day.

So I'd especially like us to use this National Transportation Week celebration to honor the brave men and women who risk their lives in transporting others to safety. Think of the courage skill, and leadership of Captain David Cronin and the flight crew of United Flight 811 in bringing a badly damaged 747 back for a safe landing in Honolulu. Or Captain Robert Schornstheimer and the Aloha Airlines flight crew, who also landed a seriously damaged plane under the most adverse circumstances. Or Anthony Falzo, a 17-year railroad veteran, who leaped from a braking Conrail train, snatched two small boys who had wandered onto the railroad track, and sheltered them with his body as the train passed over them. Or the young men and women in the United States Coast Guard who have chosen careers risking their lives every day of the year in search and rescue missions at sea. Such heroism is an American tradition worthy of recognition.

This year, I've been paying special tribute to one mode of transportation a day. Tuesday, I celebrated "Maritime Appreciation Day" by dedicating an auto marine terminal at the Port of New York and New Jersey, and talking with members of the Coast Guard on Governors Island. Wednesday, we spotlighted our outstanding highway system in a celebration in Chicago. Thursday, we were in Dallas for a big salute to aviation. And today, in Kansas City, we wind up the week with Mass Transit Appreciation Day.

Transit will be an integral part of the strategic national transportation policy we are developing for dealing with our country's transportation needs to the year 2020 and beyond.



The national policy will be intermodal in nature. It will be internationally competitive in tone and scope. I recognize that our government's economy and our ability to compete worldwide is determined largely by the way our transportation system functions.

The national transportation policy working group, which is already on the job, will make use of input from industry as well as the best brains we have in the Department, and we expect to see the policy taking shape by early next year. Above all, we will be talking with those in aviation, maritime, highways, rail and mass transit, because as we get into the implementation of our national policy, we will all have to work together, rather than competing against each other for limited dollars.

I don't have to tell any of you here today about the condition of our nation's highways and transit systems. I don't have to tell you the problems we face as we handle growth in air travel, highway traffic and problems of commuters. I certainly don't have to tell you about the value of mass transit. You are wise to be planning to be a prime player in solving congestion problems of the future.

Meeting our needs is going to require money. It's going to require commitment, but before we can find the money and make the commitment we have to know where we are going.

That's what this national transportation policy is all about. First, we will identify how big a problem we have on a national basis, and a major underpinning of that will be to identify the infrastructure needs.

Second, we will identify those needs that should be financed and what the alternatives are, and then we will be able to establish and select alternatives that make a lot of sense. At that point, the national transportation policy will be an implementation document.

It must be a national policy that local officials and governors can buy into, and more importantly, it must be a policy that industry can buy into as well.

What's going to happen is that more cost will have to be borne by users of the service, by developers who benefit from the service, and by state and local governments. We hope this can be done at the state and local level under the broad umbrella of a strategic national policy that is fair to everyone.

I'm no Pollyanna about the task before us. It won't be an easy job. If you think aging aircraft, international aviation terrorism, and the Alaskan oil spill have been easy, you should think again. But we must succeed for one big reason. The time is now to plan for the long term. If we don't move right now to develop a strategic plan -- one that will work and be accepted -- to carry us into the 21st century, America will not remain the number one economic and military power in the world. And not one of us is going to let that happen.

As I said at the outset, today we marvel at progress and the comfort it brings us. As we stand here amidst progress, let us begin to prepare ourselves for the challenges of change in the future. I ask your advice. I solicit your help. Maybe the

task will be tough, the choices at times difficult, and the yet uncharted course rugged, but as those before us have said about the difficulties they faced, "If not us, who? If not now, when?"



Finer  
5/22

REMARKS PREPARED FOR DELIVERY BY  
SECRETARY OF TRANSPORTATION SAMUEL K. SKINNER  
MERCHANT MARINE MEMORIAL SERVICE  
MAY 23, 1989

Good morning, ~~we~~ and welcome to this ceremony commemorating the service and sacrifice of the members of our merchant marine.

Every May, we observe National Maritime Day at events across the country. Some of the settings are impressive like this one. Others are simpler, but all of them are marked by a quiet dignity, ~~for~~ a time to reflect on where we've been, where we are, and where we want to be.

It is an atmosphere totally opposite to the times we are honoring.

The atmosphere for the American merchant marine in World War II was not calm or reflective. It was a time of drudgery, danger, death, and sometimes despair. More than 6,000 seafarers gave their lives in the dangerous and vital duty of transporting material to our armed forces around the world. They were the lifeline of the war effort.

They bridged the oceans and welded the allies into a single wartime organization. They put armies and equipment on hostile territory and kept them there. The military was never knocked off an important beachhead, and every landing was followed by supplies that made the difference between victory and defeat. In short; The naval and merchant fleets delivered the goods.

General Eisenhower put it this way in 1944: "Every man in the Allied command is quick to express his admiration for the loyalty, courage, and fortitude of the officers and men of the merchant marine. When final victory is ours, no organization will share its credit more deservedly than the merchant marine."

Today, President Bush is committed to restoring the U.S. maritime industry's ability to play the same key role in assuring our economic and national security.

A new maritime policy will be an integral part of a strategic national policy developed to deal with U.S. transportation needs into the next century. In the months ahead, the goal of a revitalized merchant marine will be very much on our minds. I ask you to work with me in assuring the success of this effort.



We owe it to the men and women of the U.S. merchant marine. We also owe it to the proud record of the war-time merchant mariners who were there when we needed them. Once again, the many owe much to a few.

On behalf of all Americans, I say thanks for a job well done.

*We will not forget your legacy.*



U.S. Department of  
Transportation

# News:

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

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STATEMENT BY SECRETARY OF TRANSPORTATION SAMUEL K. SKINNER  
BUCKLE UP AMERICA! WEEK  
May 23, 1989

As we observe Buckle Up America Week May 22-29, there is one message that comes across loud and clear -- safety belts save lives. Since 1982, the use of safety belts have saved more than 15,000 lives. And, the use of child safety seats have saved another 840 lives.

Strengthening and promoting auto safety is an important priority at the Department of Transportation. It is also encouraging that 33 states and the District of Columbia have enacted mandatory safety belt use laws. In fact, 47 percent of American drivers now buckle up -- an all time high! Much of the credit is due to the tireless efforts of local and national organizations working to educate the public about the importance of safety belt use and safe driving habits.

In addition, all new cars produced after September 1, 1989, will be equipped with either air bags or automatic safety belts. This is a result of a July 1984 DOT rule that requires all new cars to have this safety equipment by 1990. Approximately 700,000 air bag equipped cars are on the road today, and that number will more than triple to 2.9 million next year, and then double again by 1993. I am delighted that air bags are becoming a standard feature in an increasing number of new cars, and that Americans know that air bags and safety belts combine to form "the winning combination."

More and more people have decided that buckling up is an easy, common sense habit to adopt. The remaining 17 states that do not have belt use laws need only to look at the experience of their neighboring states with such laws on the books. The bottom line is that these laws help save lives: through the use of safety belts, injuries are either reduced in severity or avoided altogether. Buckle Up America Week is dedicated to reminding us of this important life-saving habit.

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KEYNOTE ADDRESS BY SAMUEL K. SKINNER  
SECRETARY OF TRANSPORTATION  
BEFORE  
THE PRODUCTIVITY/QUALITY CONFERENCE  
May 31, 1989

I think we can do a little for productivity if we shorten that resume down a little bit. Go ahead clap if you want to clap, you go right ahead; I agree with you. Well I tell you, if efficiency is anything as it came to this speech -- I got a call yesterday morning and asked can you deliver a speech on quality and productivity in government? I said sure, when. . .and they said tomorrow. So we have gone from acceptance of the speech to appearance here today in 24 hours, and I hope my remarks don't reflect the short period.

I am delighted to be here. . .I guess it is a little hard to see everybody in the back with that bright light. . .but to talk a few minutes about some things I feel very strongly about and to relate them to a new Cabinet Secretary.

Of all the things that I have done, and I am sure in listening to my resume, it sounds like I haven't been able to hold a job very long -- you are probably right, I haven't been able to hold on. . .but I have had the fortunate opportunity, and I use the word opportunity, to make major career changes at least twice in my life. When I got out of the United States Army, I was fortunate enough to work for the IBM Corporation for nine years. I then, at age 30 with three children, decided that I wanted to do what I'd always

wanted to do, practice law in Government, and left IBM on a three year leave of absence to go into the United States Attorney's Office, where I served as an Assistant United States Attorney and, thanks to Senator Percy, Governor Thompson, and President Ford, I was selected as the first career prosecutor to be to be United States Attorney in 1975.

In 1977, I left with the change of Administration and went to the private practice of law where I kept my foot in the public service arena on a part-time basis. And, of course, in November of last year the President called me into his office as the Vice President and asked me to do, as he says, this Transportation thing. (Laughter)

Let me make a couple of observations about that. If I was a lawyer in private practice, and I had any strength, I would probably sue the President for failure to disclose what that Transportation thing is all about. (Laughter) On a personal note, he forgot to tell me about the Exxon disaster, he forgot to tell me that a door was going to go off a 747 (pause in tape), he forgot to tell me that Eastern Airlines was going to have a major strike, and a few other things. And now, true to his word, the other day he called me in on one of my many visits into his office -- and I'm sure he looks at me like I am Joe Blisk, this guy with the black cloud over his head every time he walks in -- he turned to me



and he said, you know we had a great transportation system in this country until you took over. (Laughter)

Lest you think I do anything but revere that man, let me make a couple of personal observations about the man that leads our country. I have known him ten years. As you know from my resume, if you count my time in the Army, I have been around public service since 1960. I have spent numerous hours with this man in crises and in calm, and I want you to know that, setting political party aside because this has nothing to do with it, you are -- in this country -- <sup>lead</sup> by one of the most, probably the most, decent man I have ever met in Government. He is caring, he is concerned; he has dedicated his entire life to something that you and I revere, public service, and he is the most thoughtful human being I have ever seen in a major position in Government. So, I am delighted to serve him and serve the American people and those are my only objectives.

And while we are on service, let's just take a minute to reflect on another great servant, United States Congressman Claude Pepper. He, like George Bush -- although they're in different parties -- epitomizes public service. We may not share -- some of us may not share -- all of his views, but one could not help but be moved by the article that appeared in the Washington Post a week ago Sunday about his distinguished career serving Americans -- needy Americans --

for over fifty some years. So as we think about service and quality in public service, let's think about one man who is at the height of his public service career and another who has just ended one of the most distinguished careers in the history of this country. And let us think about something that both of them have that we can learn from and use -- it is something that I learned a long time ago at the IBM Corporation. And if I sound a little proud of my eight years at IBM, I am. There are many great companies in this country. IBM was the only one that asked me to work for them. That's not quite true, but it sounds good. And that company, in the opinion of many, is considered one of the finest corporations -- if not the finest corporation -- in the world. And there is one thing that I learned there -- more than anything else, that they taught me and has carried me through thick and thin, crises and calm, my entire career -- that is service. I was there to serve customers. We are here to serve people. If you are in the service business, that is what it means. It doesn't mean arrogance, it doesn't mean brashness, it doesn't mean rudeness. It means service. Thinking of others' needs and then meeting those needs. Making customers count. Well, we too have customers. The Department of Transportation has 110,000 employees, but we have millions of customers we serve everyday. Because we, like many of the other Departments, are interfacing with the American people on a daily basis.



One of the observations I would make to you as a new Cabinet Secretary -- in the three months or four months I have been here -- seems like four years sometimes -- is that we sometimes lose track of that. We sometimes forget what it is all about. That's why the three career changes that I have made have been so healthy. I'd never practiced any law when I went into the U.S. Attorney's Office, after nine years at IBM. I had never been in private practice when I left the U.S. Attorney's Office. Obviously I had never been a Cabinet Officer, nor served in Washington, until I came here. . .so each of those changes was dramatic. Not only from a personal viewpoint, but from a professional viewpoint. But, every one of those changes has been healthy. It has caused your competitive juices to flow. It has caused you to reflect and learn. . .build on a base and grow that extra step. . .and, hopefully, go that extra mile. So if you are faced with a situation that involves a little change, I encourage it. It keeps one young -- or at least that's what they say -- it keeps one healthy and it is intellectually extremely challenging. It causes one to reflect. . .it causes one to sit back a minute and reflect about -- not only what he or she wants to do -- but what it is all about. And service is what it is all about.

Most of you are from the Government. . .although I see there are a few private sector people in the room. You

clearly aren't doing what you do for the compensation. You clearly aren't doing it for the fringe benefits. You are clearly not doing it for anything other than it is meaningful work -- servicing and serving the public -- the highest traditions of this country.

But, we must look back on occasion and say, what can we learn, what should we be doing? I have been so involved in crises management that I think I understand what each and everyone of you go through on a daily basis, and that's crises management. One crises after another. We don't sit back and look at the proverbial forest for the trees. We continue to want to do a good job on the day-to-day, but it is sometimes good to sit back and reflect -- as we are doing in the Transportation Department -- on developing a National Transportation Policy. A strategic plan for transportation in this century and the next century beyond. What that is, is a game plan for you sports fans. A game plan -- a four quarter game plan -- that will take the transportation system that we know today -- that serves millions and millions of Americans and people all over the world -- and make it as good in the twenty-first century as it is in the twentieth century. It's the best in the world and we've got to keep it the best. And the way you do that is by sitting back, reflecting, marshalling resources and putting them to work for a long-range plan, a global perspective. One of the



things that is fascinating to me since I have been here -- and I hear it everywhere and I hear it from everybody -- is we are now a country that competes in the world. Our citizens. . .our businesses. . .our customers. . .compete in the world. We must be ready to compete in the world, and government plays a significant role in getting us ready. In Japan, in Europe -- as we move toward the economic community -- in South America, Central America, we have businesses and companies working hand-in-glove with Government in getting ready to compete in the twenty-first century. Our businesses and our people must have that same opportunity, but in order to do that, we've got to have that global plan in mind.

In Transportation it involves highways, air and waterways. American people count on us every day. I'm sure everyone of you, in every department, in your own way have that same relationship with the people. One of the things that the American people do is count on us. . . and one thing we must do is listen to them. I have probably -- somebody asked me the other day -- I can't participate in the frequent flyer program for some reason -- but that's alright, if I did, I'm sure I would be a 400,000-mile man this year. . . I've been all over the United States and I've been on two foreign trips, and getting ready for a third. . .I have probably visited well over 5,000 Department of Transportation

employees all over the United States and in Europe. . .I have also met with probably a hundred industry groups and representatives -- all, I might add, with my lawyer at my side. . .I find that I can't have a meeting without my lawyer there. . .for a lawyer that's a scary feeling. . .But, all of this is with a purpose in mind, and that purpose is to listen and learn. I don't think for a minute I know everything about transportation -- even though I don't want you to tell the President that -- but there are an awful lot of people out there that do. . . and we have been in what I call the listening phase. Over the next several days you are going to have the opportunity to listen as well to some of the most talented people in business -- and I have seen some of the people that you have got. . .take advantage of it. . .listen. You will be surprised at what you learn when you listen. I have certainly been surprised at what I have learned. But once we have listened, there is something else we have got to do -- this is something I find is not prevalent in Washington -- and that is we have got to decide and move forward. There appears to be -- from what I have seen -- some reluctance within the bureaucracy. . .and maybe it is true in business as well. . .for people to make decisions and then move forward. It's easier not to make decisions or let someone else do it. It's less controversial. In spite of what you believe, there is life outside the Washington Post.



And when we finally go to our resting point, they will not put on our tombstone, "the Washington Post thinks he is a great guy." What they will say, and what your friends will say, is that he or she was a dedicated public servant who made a difference. In order to make a difference, you have to make change. In order to make change, you have to make decisions and then you have got to have the strength and fortitude to go forward on them.

And, there is something else I noticed -- probably the most pleasant, exciting thing that has happened to me as Secretary of Transportation -- is the quality of work I get from the professional staff at DOT. I never worked with the Department of Transportation, I was only in Justice -- in fact for a month around the DOT, I kept calling it the Department of Justice -- I've finally broken that habit -- but, the Department of Transportation is made up of a highly qualified group of quality people who give me a high quality product. And that comes from someone who's been at IBM where I got a quality product -- to the U.S. Attorney's Office, which we think was the best in the country at that time, where I had a quality product -- to one of our Nation's largest and best law firms where I had, you know, the best of the best of the brightest, the upper 1 percent of the lawyers in America working with me on a quality product. And now to the Department of Transportation, where that quality product is just as good as any I have ever received.

We are entitled to world class quality as a Cabinet Secretary. In spite of what you have heard, these are not easy jobs. There is no heavy lifting, but there is clearly a lot of heavy thinking and the quality of the product that I get makes the decision that I am going to make, easier to make and hopefully of a higher quality. You have also got to have the courage to speak out. Everybody has a little bit different way of dealing with people. I am what I call, the Secretary of Outreach. I believe in not only outreaching to the community -- but within the Department -- and it is not uncommon for us to have meetings on a problem where eight or nine people will be present at all levels who have worked on this problem. You would be surprised (1) it makes them know that their input is being heard. . .it makes them work, I think, a little bit harder to develop a quality product, (2) it gives me a better feel for all of the perspectives. . . they can come into the office and I may ask one person to take one side of the issue and another person to take another side of the issue -- even though they don't agree with it -- just to get both sides of the issue. And finally -- I don't want to sound arrogant -- it is a shot of morale for them to meet the boss and talk to the boss about their problem. So, I think that outreach is very important. But with that outreach goes the responsibility to speak out. I hope that as you go through this and you develop some ideas



and some thoughts on how you can include quality and productivity, you will then have the strength to go forward and implement them. Because this conference will not be of much value if you all go and get a bunch of ideas and you go back and put them in your bottom right drawer. You've got to take them from the drawing board to the game board and I hope and encourage you to do so.

It is no real surprise to you that the American people, in defining the characteristics of high quality service, talk about things as courteousness, polite treatment, prompt quick service, value, well-informed, trouble free -- that means no hassles -- that is what they have come to equate to high quality service. Pretty straight forward, yet few companies and few governments ever live up to that level of quality on a regular basis.

However, the American people have come to expect that from their Government, and they also expect something else. Something else that is why I revere Claude Pepper's career so much, because he had something called empathy. Caring for others. We all care for others in our own way and we all have different ideas on how that caring should be translated into action. But the fact that we have empathy -- the President has it in so many ways I see everyday when I work with him -- and I hope that those of you that have it, will not only share it and carry it forward, but will share it

with others. You should serve as a role model on the characteristic of empathy.

It's hard to take quality and equate that into productivity. You say I really want to do a quality job, then I've got to make sure that I get it done on time and that takes enough time. If I take too much time, I won't get anything else done. . . we all know there's a shortage of resources. So I think that when you talk about quality, you can't automatically equate quality to time. Sometimes the highest quality service is service provided in the shortest period of time. Why should a Social Security recipient have to go to the office five times to get something that could be done with one visit. Quality service in that time is not a lot of time with that individual, but a short period of time. Number two it has got to be integrated with technology. We have at the Department of Transportation. . . and I have a computer in my office. When I left IBM in 1968, we had been through some very tough times at IBM delivering product. We were working literally day and night to make sure our customers got the kind of service they expected on a new system of computers that came on earlier than it was ready. I was into the law and hadn't played with computers -- really hadn't been involved with computers at all until I became Secretary of Transportation -- even though they were an important part of my life for nine years. I went over to the



FAA and saw something that is called the Situation Display -- it's the Advanced Aviation System Display terminal that displays all the IFR or instrument traffic in our air traffic control system in the United States on a real time basis. It's updated every minute. It shows thousands of planes all over; it shows where they are; where they are going; how fast they are going; what altitude they are at. It is the most dynamic on-line computer system I have seen outside the military. It's not cheap I might add, but nothing is. That's the product, that's the system we are going to use, and are beginning to use to deliver quality service to the customers in the aviation community -- that's, of course, the people that fly in our air traffic control system. Quality service there is making sure that we are using state-of-the-art technology to manage the traffic flow in the country. So quality isn't always people, its a combination of people and technology harnessed together. Many of you in the room are managers and quality starts from the top down. Let me tell you a little story -- I won't identify, you will all guess it, but you will all identify it and I'm not going to tell you if you are right. I had the opportunity to meet with one of America's distinguished self-made men a few weeks ago in the Southwest part of the country -- he and I had dinner with his son. We were talking about a company he had been on the board of that he had left. Some of you are already zeroing

in on this -- I am not going to tell you though. He said that when the chairman of that company called him one day and said Mr. X you have not submitted your expense account as a director. He said Mr. Y, the reason I haven't submitted an expense account is because I have been on the board six months and I haven't done anything. Well that then opened up a discussion. He said you have been to the board meetings, he said yes, but we don't make any decisions -- its all fluff. And he said I am not submitting an expense account until I have, in fact, done something. He said, and by the way Mr. Chairman, as long as we are on the subject, let me tell you a little problem I perceive. He said, first of all you don't like your customers. . .you don't like your dealers. . .don't like your product. . .and you don't like your workers. Now he says, I don't know why and how this company expects to be successful -- if you don't like your product you don't like your workers, you don't like your dealers and you don't like your customers. He says what this company needs is a major brain transplant -- a culture change. Because if you don't like customers, like your employees, like your dealers, and like your product -- you're not going to market that product, you're not going to develop a product and you are not going to be able to compete in the world.

Well a number of other people share this former director's position. But I thought that was pretty basic,



but pretty apropos because he was talking about one of the biggest corporations in the world. Where we like our customers most of the time because they are the citizens of America, with all the worts they have, we also have, it's still the greatest country in the world. And we have got to, as managers, set the tone on quality -- that was the point that my friend was making to the Chairman. If you don't set it at the top, no one else will follow it. What management sets at the top, goes down -- if you are perceived as hard working, as industrious, as fair, as courteous and caring for the people you serve and the people that work for you -- they will have the same attitude about people that work for them. That is not something that grows from the bottom up. That goes from the top down. So I think it is important to remember, not only must we have vision and decisiveness, but we also must set the tone.

And then finally as we develop a strategy, we've got to have something else -- it's called fortitude. You not only have to believe in your program -- in your idea, or your suggestion -- but then you have to fight for it. You know, why is it that this country likes sporting events so much? Because we like competition. This country is the greatest country in the world because we have developed -- in the free enterprise system -- the ability to compete. And generally the best idea or product wins in a fair environment. If

you've got an idea, your idea is going to compete with other ideas and other products, and you have got to fight for that idea. You have got to fight for it internally and you have got to fight for it externally sometimes. . . obviously all within the confines of the rules and regulations of your department. If you are not willing to fight for it, you must not believe it.

You'd be amazed -- if you have credibility and you fight for something, and it's a good idea -- that the fact that you have credibility and you've put it on the line for a good idea, is going to carry the day.

A couple of final things as you start your conference. Please remember that, and I know this because I have been inside the Beltway for 3 1/2, 4 months now, and I lived in Illinois. . . everyone expressed shock, "you've lived in Illinois for 50 and one-half years?" I said, "yes, it's not bad." We've got basketball team, we've got two football teams, a great industrial base. . . I mean it's not a bad place to live outside the Beltway. After while when I start talking about some of the things that go on there, they recognize that maybe it's not purgatory to live in Illinois for 50 years. But one thing you do learn -- and I've learned since I have been Secretary -- is with going out and traveling. . . is that you learn so much by talking to the people who are doing the job. It's amazing -- when I sit



down with the controllers at the terminals at the Air Traffic Control Center in Aurora -- how much I can learn about the problems that they are having. When I sit down and in the breakroom with the controllers -- kick out all the other managers -- and we have a candid, frank discussion -- much to the chagrin of those other managers -- you would be amazed at what you can learn. So the solution to many of our problems is right there where the people are doing the job. And the moral of that is -- involve them. Get them involved. Let them help you do your job.

One of the commentators that interviewed me on one of these talk shows -- I think it was John McLaughlin -- said the President has blatant accessibility. I said okay, what is blatant accessibility? I said, does that mean John that as the Secretary of Transportation I can go in and see my boss with a problem? Yes. Okay he does have blatant accessibility. Does that mean that when he wants to know what's going on, he can call me and I can come in directly without going through five layers of bureaucracy? Yes, that's what that means. I said, that's not bad either. So I have decided that blatant accessibility -- although I challenge the word blatant -- but good accessibility between you and you employees is not all bad. Because I am on the receiving end as well as on the giving end and I think that that accessibility allows us to really get a handle on what's really going on.

A lot has been done on the program that you are going to be talking about -- quality and productivity improvement. It's been done at the VA, the State Department, the National Parks Service, at Agriculture and it's even been done at the Department of Transportation. The Internal Revenue Service -- one of the systems that interfaces everyday in a kind of a negative way unfortunately -- because it's paying money and taxes -- with the American people, most of the American people -- has done a lot in productivity with computers and everything else. . . they have a long way to go. But they have done a lot by innovative techniques with computers and with people. And if we don't do that, the demand is growing so fast that you are not going to be able to catch up. You really have no option, you just don't know it yet.

Air traffic control is growing at 5 percent a year in this country. We built an airport in Dallas/Ft. Worth in 1974 -- the last major airport we built in this country was supposed to last us for 75 years -- it had the most complex approach systems in the country, four simultaneous approaches in place, and will be basically within 10 percent of capacity by the end of this year, 25 years after the airport was open.

Demand is growing in all kinds of areas as people grow. And it is important that we make improvements in productivity, not for the quality of service, but just to



catch up. It is an exciting time, in my opinion, to be in Government. It is exciting for a couple reasons: (1) there are many challenges that we have, but we are at peace and have been at peace for quite a while now, (2) we are still in the longest peacetime recovery in American history -- this century -- and that is helpful for a lot of reasons. We are not in crises management in economic areas, and finally, our country is now beginning to be challenged throughout the world on its ability to deliver quality products and quality service. Government will play an important part in determining the quality of that product and the quality of that service that our American businesses will provide as we compete.

You know, I have a little productivity project of my own going on. I've also been appointed, as some of you know, as the National Coordinator for the clean-up of Alaska. Now that is like being appointed the Captain of the Hindenberg. (Laughter) But we are making significant progress there. In fact, I just left a meeting on that. But, during the efforts, the Commandant of the Coast Guard -- who is also doing an outstanding job, Admiral Yost -- went to Alaska. I knew he was coming back -- I could track him on my little computer in my office. So I went out to the airport to meet him and tell him I really appreciated him going to Alaska. Well, first of all, he was shocked that I came out to the

airport -- I said I didn't think much of it at all, I didn't know any better, I guess. I thought Cabinet Officers always went out to meet the people that work for them. But it was just a spontaneous thing -- it's only a few minutes away. But the fact that I came out -- he was touched and I really didn't do it that way -- it was just to show my appreciation. But as we were waiting for his plane to come in. . . his plane says Coast Guard. . . and I mentioned to a Coast Guardsman that was next to me. . . not really knowing the reporter was right there next to me -- that was one of my first lessons in Washington -- check the ID's of everybody that are in line. I said, why does the plane say Coast Guard? It's the United States Coast Guard, we are the greatest country in the world and we ought to be proud of our Coast Guard, it's the greatest Coast Guard in the world -- just mentioned that in passing -- now that appears in the paper and, of course, now it has become somewhat of an issue. The issue on productivity is how we can get the United States Coast Guard painted on those airplanes in the normal course of business without any additional cost. That is my productivity challenge. (Laughter) Hopefully, some of them will have to be repainted in the near future anyway. But the point that I was trying to make in an off-hand way is that until you travel in the world and talk to other people -- and what I did on terrorism in the aftermath of Pan Am 103, I travelled



all over Europe, five countries in five days, met with the transport ministers, the interior ministers, industry, business -- you don't recognize, you sometimes take for granted, how good this country really is and how good our customers really are. Our customers are the American people. You are privileged to serve them, as am I. With that goes responsibility and trust. With that also goes the obligation to make sure that the product we deliver -- in each our own way -- is a quality product and we do it in an efficient and an improved way.

I look forward to seeing you. Good luck in your conference. Thank you very much. (Applause)



U.S. Department of  
Transportation

# News:

Office of the Assistant Secretary for Public Affairs  
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REMARKS PREPARED FOR DELIVERY BY  
SECRETARY OF TRANSPORTATION SAMUEL K. SKINNER  
QUALITY AND PRODUCTIVITY IMPROVEMENT  
MAY 31 1989  
VIENNA, VIRGINIA

I welcome you to the second annual conference on quality and productivity improvement. The theme of the conference is one I can relate to: achieving the quality difference: making customers count.

Much of the business of my department is geared to serving our customer -- the public. That is why my highest priority is the development of a national transportation policy based on an up-to-date and complete assessment of transportation needs well into the 21st century. I want to make sure that transportation is more efficient, more cost-effective, and above all, even safer for the American consumer.

That means providing safer skies for air travelers and ensuring that passengers are able to travel from one destination to another in a timely fashion. It means maintaining safe and efficient highways and byways; and it means preserving the natural beauty of our waterways while maintaining them as an important resource. The American people count on us at the Department of Transportation and I am sure they count on each of you here today. We must listen to what they have to say to us and they have the courage to make the changes that are needed to provide quality services.

We have to show the fortitude and vision to commit ourselves to world class quality. We have to have the courage to change. It seems like a small thing to do when it means so much. But as you know -- and as you have probably already experienced -- it is extremely difficult to change.

The commitment to change must start from the top and work its way down to all within the organization -- and I mean all. At DOT, we have made the commitment to change and to improve the quality of services we provide the American public. I believe in "hands-on" management -- drawing in every segment of the department



into our goals, plans and decision-making process. I invite each of you to get actively involved and make a commitment to quality within your organization.

A recent Gallup Survey (fall 1988) asked the public to define the characteristics of high quality service. The greatest majority of people listed: courteous, polite treatment; satisfy needs (do what they say there're going to do); prompt, quick service; value for the price; helpful, well-informed employees; trouble-free (no hassles). No surprises here. Pretty straightforward expectations, yet few companies can meet those expectations.

Metropolitan Life Insurance recently surveyed a large sample of their customers and found out that their expectations fell into four categories: reliability (perform the promised service dependably and accurately; responsiveness (willingness to help customers and provide prompt service); assurance (knowledge and courtesy of employees that conveys trust and confidence to customers; and empathy (caring, individualized attention provided to customers).

We can all relate to these expectations. We share in them and believe in them.

Americans best private companies have embarked on a quality improvement revolution that is systematic, long-term, and one of continuous and pervasive improvement. These are companies such as Milliken and Co., Federal Express, Motorola, IBM, Corning Glass, 3M, Ford, Tennant, Paul Revere Life Insurance, First National Bank of Chicago, Florida Power and Light, Hewlett-Packard, Westinghouse, Xerox Corporation, American Express, Marriott Hotels, Baxter Healthcare, Weyerhaeuser, Glace Metallurgical, to name some of the more prominent. And in the federal sector, the Naval Sea Systems Command, Naval Air Systems Command, the Internal Revenue Service and certain smaller segments of the Air Force.

Bob Galvin, the CEO of Motorola, recently read from a letter sent to him by the Japanese President of the Canon Company. The letter referred to the fact that now Motorola was the number-one supplier of all the electronics that comprise Canon photographic equipment. As a supplier Motorola had steadfastly sought not only to meet the requirements of the Japanese company, but to exceed their expectations.

The Motorola pager, now captures over 30 percent of the Japanese market. Who said America could't compete?

Let's examine this quality improvement revolution -- and I use the term revolution advisedly, since it is a radical change to the organization. It is commonly referred to as "Total Quality Management" -- total because it involves every part of the business. TQM cannot operate in parallel with structures, practices, procedures, or values that send non-TQM signals to an organization. Quality must be integrated into the values, decision-making and operating fabric of the organization. It must permeate the organization's culture. Thus, TQM is an integrated strategic approach to management.

The quality strategy must originate at the top of the organization. Top Management must provide the leadership for the quality strategy. Management must set the tone, determine the theme, and provide impetus for action. Top management asserts the vision of what the organization can achieve, and must communicate those policies and goals throughout the organization. This means a



visible active presence (management by walking around) and putting in resources to back up the plan.

Yet top management (as important as their involvement is) should not develop the organization's quality strategy in a vacuum. The key to the strategy's success is getting input from the organization's customers and employees.

Every organization should have a whole range of methods for obtaining customer feedback (and they must go far beyond its sales and marketing force) -- such as direct mailings, phone surveys, focus groups and user panels, analysis and follow up of customer complaints. As Jamie Houghton, CEO of Corning Glass maintains: "knowing what the customer wants means constant interaction with them -- observing, listening, talking."

Improvement methods are not done to employees but with employees. Improving work processes will only be successful when all the people in the organization (top to bottom and horizontally across functions) are involved in making it happen. People closest to the problems usually have the best solutions. As David Kerns at Xerox will tell you, there is an almost unlimited source of knowledge and creativity that can be tapped through employee involvement.

TQM as I have described it, is the vision or goal of the government-wide effort to improve quality and productivity. Nineteen federal agencies covering nearly 3 million employees are being asked to implement TQM in order to achieve a very clear objective: To provide high quality, error-free, and timely products and services to the American public, using service delivery systems that are responsive to customer needs and make the most effective use of taxpayer dollars.

Improving operations in the public sector, such as the VA insurance program, the State Department Passport operations, the National Park Service maintenance activities or U.S. Department of Agriculture's meat and poultry inspections -- is no different than any private sector operation. The same TQM improvement principles apply and can be adapted to fit any type of work.

There is no doubt that through TQM, the result will be improved service. For example:

- In a single year, the IRS reduced its federal tax deposit errors from approximately 35,000 to 4,000 per week.
- Lost time due to accidents in Interior's dredging activities has been reduced nearly 80 percent, from 224 workdays in 1984, to 47 workdays in 1987.
- At the NASA Lewis Research Center, the number of disclosures of inventions submitted by employees to the Lewis Patent Office increased 50 percent, from 28 in 1984, to 44 in 1987.

At the Department of Transportation, we too, have made significant strides in improving the quality of service in our programs. One of the most prominent examples is the Federal Aviation Administration's effort to modernize the computer systems supporting the Nation's air traffic control system. FAA's Advanced Automation System (AAS) will provide the backbone for the entire air traffic control system, a system which employed over 35,000 people and cost \$2.3 billion in 1988.



This project goes beyond computer modernization to include a fundamental rehabilitation and expansion of FAA facilities to meet year 2000 traffic demands. Development and installation of the entire modernized system includes 5,600 new controller work stations, new communications, radar, landing systems, and increased use of satellite navigation technology. By the year 2000, the system will annually: (1) Support 196 million aircraft operations -- a 30 percent increase; (2) generate annual fuel savings of over \$250 million; and (3) reduce maintenance personnel costs by 4 percent or \$12 million annually.

In 1987, the Coast Guard, like many other government agencies, was faced with increasing workload demands especially in the drug interdiction and military readiness programs. To help meet this demand, the Coast Guard reduced its number of district offices and consolidated certain management and support functions previously performed in all of their district offices. As a result, approximately 500 positions were made available for high priority operational missions, including search and rescue and maritime law enforcement, with particular emphasis on the Coast Guard's increasingly vital role in drug interdiction.

The Urban Mass Transportation Administration is a small agency of DOT with 443 employees, managing a fairly large and complex grant program with an annual operating budget of approximately \$3.5 billion. Even with its small staff, however, UMTA has been able to achieve improvements in productivity. These changes represent actual productivity improvement and are not a result of simply trimming of excess.

UMTA has made strides in all elements of the productivity equation including reducing inputs, reorganizing and restructuring field staffs. It is also taking advantage of new technology to develop an automated grants management information system to improve both the processing and control of information associated with the award and management of grants. As a result, UMTA has increased its overall regional productivity by 27 percent since 1985, despite a 10 percent reduction in staff resources.

As I indicated, I have made the commitment to continue improving the quality of service within DOT. Just a few months ago, I began the process for developing a national transportation policy, which will provide a strategic framework not only for identifying needs, but for allocating resources and understanding and promoting a competitive economic environment.

We in the government operate in a continually changing world. In such an environment, strategic planning efforts are the only way to ensure that government services meet changing demands. Planning is the key element to taking advantage of new technological innovations and economic growth to meet increasing demands. This planning effort brings with it the opportunity to improve the quality of service to all our customers, both private travelers and commercial users of our highways, waterways, and air lanes.

The principles of TQM are now well known to us -- a customer-based service strategy with clearly defines measures for tracking progress. It also requires continuous improvement of both the products and services; teamwork; training and involvement of all the employees in the organization. If those principles are

implemented in Tandem, the results will be startling. But no revolution is without pain and few are entirely bloodless. No one claims it will occur easily or in a short time.

The "Total Quality Management" effort is very young in the federal government. The majority of agencies are still in the "awareness" stage; while a small number (perhaps 15-20 percent) on the quality improvement revolution. In the forefront are the Department of the Navy and the Internal Revenue Service.

We in the federal government have just begun the TQM journey, but the important thing is that we have begun. Whether you are from a public sector agency or a private sector company, I would urge you to join the quality revolution.