

TALKING POINTS  
SECRETARY OF TRANSPORTATION SAMUEL K. SKINNER  
EMPLOYER HIGHWAY SAFETY MEETING  
SECRETARY'S CONFERENCE ROOM  
JUNE 1, 1989

AGENDA ITEM 1 (Five Minutes)

- Good morning -- and welcome to all of you. I was pleased when Jim Kemper suggested a meeting to bring together corporate and public officials to address the national problem of drunk driving. It is a heartbreaking problem --- and a pocketbook issue for every American.
- I am particularly pleased that Jim has brought together those leaders who have demonstrated their concern through company policies and community outreach.
- As you know, the recent Alaska oil spill is a first hand example of the tremendous economic and environmental costs that results from mixing alcohol with transportation responsibilities.
- More than any other event in recent memory, the Valdez case focused national attention on the importance of unimpaired operation of vehicles, whether cars, ships or planes.

- The nation wants -- and deserves -- a transportation system that offers safety as the top priority for its users. We cannot afford another Valdez, nor can we suffer another Kentucky school bus crash or Maryland train wreck. It seem to me that the marketplace provides the best hope for sending the message that drunk and impaired operation of any kind of vehicle is socially unacceptable.

- All the safety features in the world won't protect innocent bystanders from a reckless or impaired driver. Working to save more lives on our highways through safety belt use and a tough campaign against drunk and drugged driving, are among the greatest challenges facing transportation today.

- While I will have more to say on this issue, at this point I want Jim to extend his welcome and explain what we have planned.



AGENDA ITEM IV (Ten Minutes)

- You have just viewed some frightening examples of why many of us are anxious about our transportation system. The tragic accidents shown in this brief video are etched deeply in the consciousness of millions of concerned Americans.
- We have reason to be enraged about drunken operation of all manner of vehicles. While we can never recover the lives lost in the Kentucky crash nor fully repair the environmental and economic damages resulting from the Exxon oil spill, we must take steps to keep them from happening again.
- It is time to recognize that no single segment of society can guarantee reduction of these kinds of personal and property losses. Only through the combined efforts of the public and private sectors can we provide the education, prevention, and information programs that will make a difference in avoiding these episodes.
- Such a partnership should combine the resources of the government and private sector in a concerted effort to reach millions of Americans with the best possible

program we can jointly support, encourage and implement.

- The best place to reach them is at work -- the place where tens of millions of Americans spend the major part of every day. I am convinced that the workplace is where innovative programs have the best chance to save lives.

- National guidelines and regulations may be set at the federal level, but real success in carrying them out must be found at the state and local levels, with the example of positive reinforcement by the business community leading the way.

- Several states are trying to keep more drunken drivers off the road by reducing the amount of alcohol motorists can legally have in their blood. California, Illinois, Minnesota, North Carolina and Rhode Island have introduced legislation to reduce the allowable blood alcohol content from .10 percent to .08 percent. Three states -- Maine, Oregon and Utah -- already have lowered the BAC level to .08 percent.



- Speaking for the Transportation Department, I assure you of our support and technical assistance for this workplace initiative.

- I look to you for the kind of corporate commitment that will send a message to the marketplace. This marketplace is peopled by your friends and associates in business throughout America.

- The lives saved could be those of your most valued employees. And the money saved could spell the difference between profit and loss.

- Those are the broad outlines of the need for a public/private commitment to reducing alcohol abuse.

- George Reagle, Associate Administrator for the National Highway Traffic Safety Administration, will now provide some detailed information about the proposed Employer Initiative Program.

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REMARKS PREPARED FOR DELIVERY BY  
SECRETARY OF TRANSPORTATION SAMUEL K. SKINNER  
AVIATION OFFICER CANDIDATE SCHOOL GRADUATION AND COMMISSIONING  
NAVAL AVIATION SCHOOLS COMMAND  
PENSACOLA, FLORIDA  
JUNE 2, 1989

Thank you very much for the warm welcome. It is a pleasure to be here at the Naval Aviation Schools Command, the "Cradle of Naval Aviation."

This is a special moment for you, your families, and friends. May I first extend my congratulations to each one of you. I know the last several months have been very arduous. But you have achieved something very precious for yourselves, and for our country.

To fully appreciate the worth of that achievement, let us recall the proud tradition you have joined. Since 1914, naval aviation instruction has been conducted here in Pensacola. Over the decades there have been many changes, but the rigor and excellence of the training imparted here to naval aviators has remained constant. Any review of naval aviation history proves it.

America has fought five major wars in the 20th century, and in every one, naval aviation has made an invaluable, sometimes incalculable contribution. It is appropriate for us to look back at those who have gone before you -- especially to recall their deeds "above and beyond the call of duty," and to remember, in some cases, their ultimate sacrifice to their country.

At least 28 naval aviators have received the Medal of Honor, the highest military award for individual bravery given by the U.S. government. Virtually all of them, at some point in their military career, were schooled or trained here. They are all courageous, gallant men whose memory we should keep alive.

During World War I, 1,147 officers and 18,308 men were in naval aviation service overseas, taking part in 22,000 flights. Of only three men recommended for the Medal of Honor by the commander of U.S. Naval Forces in Europe, Admiral William S. Sims, two were naval aviators: Lieutenant Commander Artemus Gates and Ensign C. H. Hammann, for heroic seaplane rescues of fellow pilots under enemy fire.



Ensign Hammann and Second Lieutenant Ralph Talbot, a Marine Aviation Force pilot who flew many missions behind German lines, were awarded the Medal of Honor.

There were also peacetime pioneer military aviators who, in the interwar years, merited from Congress "special legislation" awards of the Medal of Honor. Two such recipients were naval aviators who made substantive contributions to the advancement of aviation science: Commander Richard Byrd and Machinist Floyd Bennett. With their aerial expedition to the North Pole in 1926, they proved the effectiveness of the airplane as an instrument of exploration, and demonstrated the feasibility of air travel guided only by "advanced" navigational techniques, over terrain devoid of landmarks or reliable compass readings.

During World War II, the heroism of those involved in naval air operations was at times decisive to the course of events. A sense of disaster after Pearl Harbor was unalleviated for months in the Pacific theatre, until the famous April 18, 1942 bombing raid over Japan. This joint services mission, in which modified B-25 bombers of the 17th Army Air Force were launched from the deck of the Navy carrier U.S.S. *Hornet*, struck a deep psychological blow to the enemy. It revived morale at home by carrying the war to Japan in a dramatic counterattack, and set an important precedent in naval and aviation strategy for the rest of the war. Lieutenant Colonel Jimmy Doolittle, who planned and led the raid, was awarded the Medal of Honor.

It was well deserved. The ability of America to use aircraft carriers in relocating the war from our shores to those of the enemy was affirmed; carrier and aircraft production in the U.S. was spurred. Our carrier force destroyed nearly 13,000 enemy aircraft, sank well over two million tons of Japanese ships, and obliterated uncounted billions of dollars' worth of shore installations and supplies. Without rapid development of the carrier-naval aviation force, the course of the war would have run very differently than it did.

Gallant naval aviation performance was legion in the Pacific during World War II, whether carrier or land-based. Medal of Honor winner Lieutenant John W. Finn, an aviation ground officer, is a remarkable example. Throughout the attack on Pearl Harbor, he manned an exposed .50 caliber machine gun normally used for instruction. "Although painfully wounded many times, he continued to man this gun and to return the enemy's fire vigorously and with telling effect ...with complete disregard for his own personal safety."

Navy Lieutenant, Junior Grade, William E. Hall was cited in his Medal of Honor commendation for "extreme courage and conspicuous heroism" as pilot of a scouting plane in the Coral Sea. "In a resolute and determined attack on 7 May, 1942 Lt. (j.g.) Hall dived his plane at an enemy Japanese aircraft carrier, contributing materially to the destruction of that vessel. On 8 May, facing heavy and fierce fighter opposition, he again displayed extraordinary skill as an airman and the aggressive spirit of a fighter in repeated and effectively executed counterattacks against a superior number of enemy planes, in which three enemy aircraft were destroyed. Though seriously wounded in this engagement, Lt. (j.g.) Hall, maintaining the fearless and indomitable tactics pursued throughout these actions, succeeded in landing his plane safe."

Two carrier-based Navy fighter pilots were awarded the Medal of Honor. Lieutenant Edward H. O'Hare was the Navy's first ace, shooting down five bombers



in a single attack against the U.S.S. *Lexington*. Chicago's international airport is named for him. Commander David McCampbell of the U.S.S. *Essex*, who set the Navy record of 34 enemy plane "kills," had 26 of the pilots in his air group qualify as aces.

The land-based Marine pilots were even more flamboyant in pursuing ace status. Major John L. Smith, commanding officer of Marine Fighting Squadron 223 in the Solomon Islands, repeatedly led his outnumbered men into successful aerial combat against the enemy, personally shooting down 16 Japanese planes during a three-week period. Major Robert Galer, another member of the 223rd -- known as the "Fighting Fools" -- received a Medal of Honor for brilliant combat performance in dogfights with the Japanese.

Lieutenant Colonel Harold W. Bauer, commander of Marine Fighting Squadron 212, was yet another intrepid officer and airman. After leading a 600-mile, 26-plane ferrying flight over enemy-infested waters in the South Pacific, he rushed to take on single-handedly an entire enemy squadron attacking the U.S.S. *McFarland*. "Although alone and his fuel supply nearly exhausted, he fought his plane so brilliantly that four of the Japanese planes were destroyed before he was forced down by lack of fuel."

The aces' "kill" tallies were dramatic and important, but the battle of Midway shows another side of naval aviation in the Pacific war. Less than two months after the Doolittle raid, a Japanese four-carrier strike force attacked two squadrons of Marine pilots on Midway Island. The Marines had scant experience and mostly obsolescent planes -- outdated SB2U Vindicator dive-bombers, and F2A Brewster "Buffalo" fighters.

On June 4, 1942, 15 of 25 U.S. Marine F2A fighter pilots were shot down in a daylight attack by Japanese dive-bombers and Zeros. After a second action that night, only 12 of 36 Marine dive-bombers remained operational for the second day's fighting. Marine Captain Richard Fleming led his division's desperate dive-bomber attacks from Midway Island. In the third assault, his crippled plane followed his bomb into the sea near the heavy cruiser *Mikuma*.

Captain Fleming was the only naval aviator of Midway awarded the Medal of Honor. He stands as a symbol of all who, "with such fearless determination," faced death squarely in "a blistering hail of fire," and imperiled -- or lost -- their lives in service to their country. He fought "with dauntless perseverance and unyielding devotion to duty, in keeping with the highest traditions of the U.S. Naval Service."

Valiant attacks were also conducted by our carrier-based torpedo bombers. Just one pilot and no planes survived in Torpedo Squadron Eight. Outgunned and outnumbered, suffering terrible casualties, these Marine and Navy flyers nevertheless sowed tactical confusion among the Japanese, providing opportunity for our carriers' ship-killing SBD Dauntless dive-bombers to finally sink all four Japanese carriers. Their sacrifice turned the tide toward American victory in the Pacific.

Korea, of course, was in many respects a very different kind of war than World War II, with a different naval mission. Seven naval men earned the Medal of Honor in Korea -- all for their heroic efforts to save lives. Five were medics attached to land-based Marine units. Two were Navy aviators: Lieutenants, Junior Grade, Thomas J. Hudner and John K. Koelsch.



Lt. (j.g.) Hudner, a U.S.S. *Leyte* carrier fighter pilot, attempted an extremely dangerous rescue of a squadron comrade downed in mountainous, sub-freezing terrain near the Chosin Reservoir. The friend and comrade he unsuccessfully attempted to save was Ensign Jesse Brown -- the Navy's first black pilot.

Lt. (j.g.) Koelsch was a helicopter rescue pilot, who developed several devices to improve rescue retrieval techniques and helo operation in cold weather. Volunteering to extend his tour of duty in Korea, he was later shot down and imprisoned by the North Koreans. His perseverance in defying his captors' brainwashing attempts, and other brutal violations of the Geneva Convention on POWs, provoked especially harsh treatment by his captors. He died in prison of malnutrition, earning a posthumous Medal of Honor. "His steadfast refusal to aid his captors in any manner...His great personal valor and heroic spirit of self-sacrifice..." throughout his ordeal set the standard for the Code of Conduct adopted in 1955 to guide all American prisoners of war.

In Vietnam, the naval mission was similar to Korea. The U.S. Navy took control of the seas, and provided air support for our ground troops. Of only five air aces, two were Navy men: Lieutenant Randy Cunningham, pilot, and his GIB (guy in back), Lieutenant William Driscoll. Of 145 naval personnel who returned from North Vietnam prison camps, 144 were naval aviators -- mostly pilots and navy flight officers. One of the senior pilots among them, and the ranking officer in the Hoa Lo "Hanoi Hilton" prison was Captain (now Vice Admiral) James B. Stockdale.

His Medal of Honor citation reads in part: "Recognized by his captors as the leader in the Prisoners' of War resistance to interrogation and in their refusal to participate in propaganda exploitation, Vice Admiral Stockdale was singled out for interrogation and attendant torture...resolved to make himself a symbol of resistance regardless of personal sacrifice...he deliberately inflicted a near-mortal wound to his person in order to convince his captors of his willingness to give up his life rather than capitulate."

Admiral Stockdale's "indomitable spirit, valiant leadership, and extraordinary courage" alleviated the torture and abuse of all the American POWs. His, and their, unsurpassed valor in the face of the most brutal conditions of war exemplify the ultimate sacrifice of the virtuous citizen, who is prepared to lay down his life for his country.

Your achievement today is in this tradition of the virtuous citizen -- the warrior who throughout our history unflinchingly has offered his country "the last full measure of devotion," in Lincoln's noble phrase. God willing, you will never be called upon to make this sacrifice. The resources, technology, and determination of America are intent upon maintaining freedom and peace in the world, without conflict and loss of life. But the dignity of military service resides in part upon a knowing acceptance of the ultimately dangerous nature of its enterprise. History has taught us that the end of peace in some cases requires the means of war. Should such a day come, as American military officers you will have the advantage of possessing the best training and technology, and serving the most just of nations, in all human history.

So you have begun, and thus far succeeded, in your pursuit of golden wings. Whatever your final assignment or your highest success in U.S. military service, never forget that what you have accomplished today -- qualifying to serve the



United States as a commissioned military officer -- is in itself both an honor and a duty; a privilege and a personal sacrifice, ultimately dedicated to preserving the principles of liberty and self-government in the greatest country in the world.

As military officers, you have promised to defend the Constitution of the United States. This doesn't mean you are defending an aging, increasingly fragile piece of parchment in the National Archives. Nor does it mean you are defending an ever-changing set of legal conventions and arbitrary political arrangements. Rather, you are defending those timeless truths embodied in our founding, principles constituting a nation unique in the annals of mankind. America is a nation dedicated to the self-evident truths that all men are created equal, and endowed by their Creator with certain unalienable rights. Your oath today means that you have pledged to defend the natural rights of all our citizens, as they continue the great experiment of self-government.

Those who drafted the Constitution drew up a challenge as well as a charter. They fashioned a popular government, knowing that the only way it could survive was to enlist the energies and devotion of the people it serves. They crafted a government strong enough to protect our liberties -- but limited enough to keep from crushing them in its embrace. Thomas Jefferson spoke truly: "That government is best which governs least, because its people discipline themselves."

You have disciplined yourselves. You have made a profound personal commitment to the preservation of freedom, at home and abroad. As military officers and potential naval aviators, you have worked hard to earn the opportunity to continue training in naval aviation. In receiving your commission, and graduating from Aviation Officer Candidate School, you are poised to pursue qualification within an absolutely vital area of national defense readiness. Among the aviation essentials you have learned here are military history and strategy. I am sure you have developed a deep appreciation of the critical defense mission of the Navy's air arm.

You will find the present Administration uniquely qualified to know and understand your mission. We have in the White House today a President who was a naval aviator in the Pacific during World War II. He flew torpedo bombers off the carrier U.S.S. *San Jacinto* for three years, earning the Distinguished Flying Cross, and three Air Medals. His DFC commendation reads, "For heroism and extraordinary achievement in aerial flight." He was barely 21 years old.

The new head of the Federal Aviation Administration is Admiral James B. Busey, a career naval aviator. Admiral Busey flew several tours of duty with fighter and attack squadrons in the Vietnam War, and received the Navy Cross for combat while stationed on the U.S.S. *Oriskany*. He later assumed command of an attack squadron on the U.S.S. *Coral Sea*, and was a strike plans officer for the air war over North Vietnam. For the past two years, he has served as Commander-in-Chief of American Naval Forces in Europe and Allied Forces in Southern Europe. I welcome him to our team in a position of vital importance to American aviation.

While I am not a naval aviator, I am an instrument-rated pilot and veteran military officer. I think I can understand some of what you are experiencing today, as you achieve this milestone, and at the same time look forward to the future. I too recently assumed demanding new responsibilities under a new title. As I took the oath of office to become Secretary of Transportation, I felt a strong sense of the national trust which reposes upon those in service to our great nation. I know from



my own military and public service, and from my own love of aviation, that there are tremendous opportunities, as well as tremendous challenges, ahead of you. Fulfilling them will demand -- above all else -- consistent devotion to duty, a capacity you have already shown you possess.

I have a lithograph of President Bush's TBM Avenger behind my desk at the Department of Transportation. It is a beautiful plane -- I love planes -- but is also serves as a good reminder of how young, virtuous, yet seemingly ordinary citizens -- through reserves of extraordinary heroism -- have always won for this nation triumph over threats to peace and liberty.

I know you will continue this tradition. You will meet obligations and opportunities in your careers with the same level of excellence and diligence you have demonstrated here in your Naval Aviation Officer Candidate School. Whether you serve in the United States Navy, Marines, or Coast Guard; whether you are next assigned to Whiting Field or Corpus Christi; whether you finally fly jets, props, or helos as pilots, flight officers, or support officers -- indeed, whether you win your wings and fly naval aviation or not, the contribution you are making to the safety and security of America, simply by striving to do and be your best as military officers, is crucial to America's future.

Each citizen of a democratic republic has a stake in contributing to achievement of its noblest promises. Each of us has an obligation to pass on to the next generation the freedoms our gallant predecessors entrusted to us. We are obliged not only to preserve the glories of the past. We must ensure that the present remains worthy of preservation, so that in another 200 years, our descendants, and our new citizens escaped to freedom from lands of tyranny, can say as proudly as we do today, "I am an American."

Today, this country entrusts to you a critical role in our nation's present and future. To you, and to your families who stand beside you, I offer you the gratitude of an admiring nation, my best wishes, and Godspeed.



U.S. Department of  
Transportation

# News:

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STATEMENT BY SECRETARY OF TRANSPORTATION  
SAMUEL K. SKINNER  
ON INTRODUCTION OF THE TRUMP SHUTTLE  
June 7, 1989

I believe the Trump Shuttle will do much to strengthen aviation competition in the important northeast corridor market. The ultimate beneficiary will be the airline passenger -- gaining efficient and flexible air travel.

This Administration is committed to promoting the benefits to consumers resulting from healthy competition among airlines. The American flying public deserves an environment where air carriers compete for business -- not take it for granted.

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STATEMENT OF THE HONORABLE SAMUEL K. SKINNER  
SECRETARY OF TRANSPORTATION

before the  
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

concerning  
MANDATORY ALCOHOL AND DRUG TESTING IN THE TRANSPORTATION INDUSTRY

June 15, 1989

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

I AM PLEASED TO BE BEFORE THE COMMITTEE ONCE AGAIN, TO ADDRESS AN ISSUE OF THE UTMOST SIGNIFICANCE TO ALL AMERICANS -- THE ASSURANCE THAT OUR TRANSPORTATION SYSTEM, BE IT AIRCRAFT, TRAINS, MOTOR VEHICLES, OR WATERBORNE VESSELS, IS IN THE HANDS OF OPERATORS WHO CAN DO THEIR BEST AND WHO ARE NEITHER UNDER THE INFLUENCE OF ALCOHOL NOR USERS OF ILLEGAL DRUGS.

WHEN I APPEARED HERE FOR CONFIRMATION HEARINGS, I STRESSED THE INSIDIOUS EFFECTS OF ALCOHOL AND CONTROLLED SUBSTANCES ON AMERICAN TRANSPORTATION, AND I STATED THAT COMBATting THIS WOULD BE AMONG MY HIGHEST PRIORITIES. MY FIRST MONTHS IN OFFICE HAVE CONVINCED ME THAT WE HAVE NOT OVERESTIMATED THE PROBLEM, AND IT MUST BE ADDRESSED EVER MORE FIRMLY. IF, AND I STRESS "IF" BECAUSE WE DO NOT YET HAVE THE FACTS, THE EXXON VALDEZ GROUNDING WAS CAUSED BY MISUSE OF ALCOHOL, THIS WILL BE ONLY THE MOST RECENT, MOST GRAPHIC EXAMPLE OF OUR CHALLENGE.

THIS COMMITTEE AND ITS LEADERS HAVE BEEN IN THE FOREFRONT OF THE DRIVE TO FORCE CHANGE WHERE CHANGE MUST COME, AND TO ENCOURAGE THE



MANY VOLUNTARY EFFORTS BETWEEN EMPLOYEE AND EMPLOYER, SUCH AS OPERATION RED BLOCK, THAT ARE AT THE CORE OF TRUE CHANGE. I AM MINDFUL, AS IS THE COMMITTEE, THAT VERY LEGITIMATE AND SIGNIFICANT ISSUES OF EMPLOYEE PRIVACY AND CONFIDENTIALITY ARE CENTRAL TO TAKING STEPS IN THIS AREA. I AM THE "EMPLOYER" OF ALMOST 99,000 AGENCY EMPLOYEES AT DOT, AND I AM EVER AWARE OF THE EMPLOYEE'S INTEREST.

IT WAS THIS COMMITTEE THAT ORIGINATED TOUGHER NEW PENALTIES FOR DRUNK DRIVING CONVICTIONS IN THE MOTOR CARRIER INDUSTRY, THAT APPLIED ENFORCEMENT DIRECTLY AGAINST INDIVIDUALS VIOLATING THE FEDERAL RAILROAD SAFETY ACT, AND THAT ACTED SWIFTLY TO OPEN THE NATIONAL DRIVER REGISTER FOR EMPLOYER AND AGENCY CHECKS OF THE DRIVING RECORDS OF THOSE WHO WOULD OPERATE AIRCRAFT AND LOCOMOTIVES. YOU DESERVE CONGRATULATIONS.

WE ALL RECOGNIZE THAT MORE CAN BE AND MUST BE DONE. THE COAST GUARD, FOR EXAMPLE, HAS ALREADY DRAFTED STATUTORY CHANGES TO TIGHTEN THE MERCHANT SEAMAN LICENSING PROCESS, AND I HAVE SUBMITTED THEM FOR REVIEW WITHIN THE ADMINISTRATION. LAST WEDNESDAY I TRANSMITTED THE COAST GUARD'S PROPOSAL TO GAIN DIRECT ACCESS TO THE NATIONAL DRIVER REGISTER.

THE FEDERAL RAILROAD ADMINISTRATION IS LABORING TO PRODUCE THE VOLUME OF REGULATIONS THAT WILL IMPLEMENT THE "RAIL SAFETY IMPROVEMENT ACT OF 1988". THIS LANDMARK SAFETY LEGISLATION WAS A

DIRECT PRODUCT OF THE BIPARTISAN EFFORTS OF SENATOR EXON'S SUBCOMMITTEE IN THE LAST CONGRESS. THE FAA HAS JUST RELEASED ITS PROPOSED RULE TO USE THE NATIONAL DRIVER REGISTER TO VERIFY DRUNK DRIVING RECORDS OF AIRMEN AND DENY LICENSES OR RENEWALS WHERE APPROPRIATE.

THE QUESTION BEFORE THIS COMMITTEE TODAY IS WHETHER SPECIFIC STATUTORY MANDATES ARE NOW NEEDED, NUMBER ONE, TO SUPPORT THE RANDOM DRUG TESTING MEASURES ALREADY IN PLACE IN THE RAILROAD, AVIATION, MOTOR CARRIER, AND OTHER MODES AND, NUMBER TWO, TO EXTEND TESTING MEASURES TO COVER ALCOHOL. I APPRECIATE BEING ASKED TO PROVIDE MY VIEWS, BECAUSE I AM THE ONE ULTIMATELY RESPONSIBLE FOR ISSUING DEFENSIBLE RULES.

YOUR LETTER OF INVITATION SPECIFICALLY ASKED ME TO ADDRESS THE NEED FOR LEGISLATION SUCH AS S. 561, WHICH WOULD MANDATE BOTH ALCOHOL AND DRUG TESTING IN THREE MAJOR MODES, AND WHETHER OTHER MODES SHOULD BE COVERED. HAVING REVIEWED THE CURRENT AUTHORITIES UNDER WHICH OUR RULES WERE ISSUED, I THINK OUR STATUTORY AUTHORITY FOR THE RAIL, AVIATION, AND MOTOR CARRIER RULES IS BROAD AND STRONG -- I THINK WE'LL WIN OUR CASES ON THE RANDOM DRUG TESTING RULES JUST AS WE WON ON THE FRA POST-ACCIDENT RULE. THE FACTS JUSTIFY OUR RULES, AND THE COURTS WILL SEE THAT.

ON THIS SUBJECT, YOU MAY KNOW THAT I RELUCTANTLY ADVISED CHAIRMAN DINGELL THAT I COULD NOT RECOMMEND TO THE PRESIDENT THAT HE SIGN THE HOUSE BILL IN ITS CURRENT FORM, BECAUSE IT WOULD REQUIRE US TO



START ALL OVER AGAIN ON OUR DRUG AND ALCOHOL RULES AFTER BEING UPHELD IN THE SUPREME COURT. WE, AS A NATION, CAN'T AFFORD THAT.

YOUR LETTER ALSO SOUGHT MY VIEWS ON THE ISSUE OF EXTENDING OUR TEST MEASURES TO ALCOHOL. THE REQUIREMENT CONTAINED IN S. 561 TO ISSUE RULES WITHIN ONE YEAR THAT MANDATE RANDOM ALCOHOL TESTING COULD PRESENT A PROBLEM. THE HERCULEAN EFFORT BY THE SIX DOT AGENCIES IN 1987-88 TO ISSUE THE NEW DRUG RULES DID NOT INCLUDE ALCOHOL. NOW WE NEED TO REVIEW THE ADEQUACY OF OUR ALCOHOL RULES. WHATEVER THE FINDINGS IN THE VALDEZ CASE, THAT SITUATION MAKES CRYSTAL CLEAR THAT WE MAY NEED TO UPGRADE THE LICENSING AND OTHER CONTROLS WE HAVE ON ALCOHOL MISUSE.

I HAVE DECIDED THAT WE MUST STEP FORWARD AND ADDRESS THE ISSUE OF ALCOHOL MISUSE IN TRANSPORTATION NOW. I AM COGNIZANT OF THE COMPLEXITY OF THE SUBJECT MATTER, OF THE COMPLICATED HUMAN MOTIVATIONS THAT ENTER INTO THIS PROBLEM, AND OF THE OVERARCHING NEED TO PROCEED WITH FULL JUSTIFICATION AND CARE, NOT WITH RIGHTEOUSNESS OR VINDICTIVENESS. BUT WE NEED TO START, AND I HAVE JUST DIRECTED MY LAWYERS TO PREPARE AN ADVANCE NOTICE OF PROPOSED RULEMAKING THAT WILL LET US EXPLORE WHAT MORE NEEDS TO BE DONE AND HOW BEST TO DO IT.

THIS IS NOT A STEP LIGHTLY TAKEN. DOT HAS HAD ALCOHOL MISUSE RULES ON THE BOOKS THAT SEEM TO HAVE WORKED FAIRLY WELL FOR YEARS. THE COAST GUARD'S MANDATORY POST-ACCIDENT ALCOHOL TESTING BEGINS IN DECEMBER. I AM CONFIDENT THAT THE GREAT MAJORITY OF

TRANSPORTATION WORKERS DO NOT AND WOULD NEVER IMPAIR THEIR ABILITIES TO CARRY OUT THEIR DUTIES BY MISUSE OF ALCOHOL. BUT IT IS MY CONSIDERED JUDGMENT THAT THE ALCOHOL PROBLEM NEEDS TO BE REVISITED IN AN EXPLORATORY RULEMAKING.

I HAVE ORDERED AN "ANPRM" BEFORE ISSUING SPECIFIC PROPOSALS BECAUSE I BELIEVE WE NEED TO GATHER MORE FACTS AND VIEWPOINTS BEFORE WE LOCK OURSELVES INTO A SPECIFIC APPROACH. THE COMPLEXITIES OF A TESTING PROGRAM FOR ALCOHOL ARE VERY DIFFERENT FROM THOSE OF A DRUG TESTING PROGRAM. ALCOHOL IS NOT, AFTER ALL, AN ILLEGAL SUBSTANCE. AND THE METHODOLOGIES FOR ALCOHOL TESTING DIFFER FROM THOSE OF DRUG TESTING. A LOT MORE THOUGHT NEEDS TO GO INTO THE IDEA OF EXTENDING RANDOM TESTING TO ALCOHOL, AND I AM MAKING IT A HIGH PRIORITY TO GET NEEDED INFORMATION. ALCOHOL HAS A RELATIVELY SHORT PERIOD OF MANIFESTATION IN THE BODY, FOR EXAMPLE, MAKING RANDOM TESTS LESS LIKELY TO UNCOVER A CONDITION CONSTITUTING LEGAL IMPAIRMENT. THE METHODOLOGIES TO COUNTER SUBSTANCE ABUSE ALSO HAVE VARYING EFFECTIVENESS, AND OUR ANPRM WILL EMPHASIZE THE APPARENT GREATER VALUE OF EDUCATIONAL AND TRAINING TECHNIQUES IN COMBATTING ALCOHOL ABUSE, AS WELL AS THE IMPORTANCE OF FOLLOW-UP TREATMENT AND MONITORING OF PERFORMANCE FOR INDIVIDUALS RETURNED TO DUTY FOLLOWING REHABILITATION.

A LOT OF PEOPLE WOULD LIKE TO ACT MORE SWIFTLY. THE HOUSE BILL, FOR EXAMPLE, WOULD MANDATE RANDOM ALCOHOL TEST RULES JUST 90 DAYS AFTER ENACTMENT OF THE BILL. I LOOK AT THE LONG TERM, AND I KNOW



THAT TO DEVELOP ANY PROGRAM THAT WILL ACHIEVE ITS OBJECTIVES AND WITHSTAND LEGAL CHALLENGE REQUIRES MORE CARE AND CONSIDERATION.

WITH THIS IN MIND, MR. CHAIRMAN, I WOULD SAY THAT THE TIMEFRAME FOR ISSUING FINAL ALCOHOL TESTING RULES APPEARS TOO RESTRICTIVE TO PERMIT US TO DEVELOP THE KIND OF ADMINISTRATIVE RECORD THAT IS NECESSARY. SPECIFYING THE FIVE CIRCUMSTANCES FOR ALCOHOL TESTING MAY ALSO LEAVE INSUFFICIENT FLEXIBILITY TO DEVELOP A FULLY JUSTIFIED RULE. IN MY MIND, IT IS MOST IMPORTANT TO COMMIT THE TIME AND EFFORT NEEDED TO DO THE JOB RIGHT, AND I SEEK THE COMMITTEE'S SUPPORT FOR FLEXIBILITY RATHER THAN AN UNYIELDING STATUTORY MANDATE.

I AM ADVISED ALSO THAT THERE MAY BE OTHER ASPECTS OF THE BILL THAT NEED ATTENTION. FOR EXAMPLE, LANGUAGE WAS ADDED LAST YEAR TO A SIMILAR BILL THAT WOULD HAVE PERMITTED US TO HONOR OUR INTERNATIONAL OBLIGATIONS WHEN IT COMES TO THE MANDATORY RANDOM TESTING. THE BASIC PROBLEM IS THAT SOME OTHER COUNTRIES DO NOT PERMIT THEIR EMPLOYERS TO UNDERTAKE THE KIND OF TESTING WE CALL FOR, AND THAT WE NEED THE FLEXIBILITY TO ADOPT RULE CHANGES THAT SOLVE THIS PROBLEM.

IN MY VIEW, MR. CHAIRMAN, MY WORKING RELATIONSHIP WITH THE COMMITTEE HAS BEEN EXCELLENT, AND I HOPE YOU WILL PROVIDE ME THE NEEDED FLEXIBILITY TO DO A GOOD, THOROUGH JOB ON OUR ANPRM. IN THIS VEIN, LET ME TAKE THE TIME TO THANK YOU ALL FOR THE RAPID AND FAVORABLE ACTION YOU HAVE TAKEN ON ALL THE PRESIDENT'S NOMINATIONS

TO THE DEPARTMENT OF TRANSPORTATION. HAVING THE DEPUTY SECRETARY, A GENERAL COUNSEL, AND TWO ASSISTANT SECRETARIES ABOARD ALREADY, AND ANTICIPATING HAVING AN FAA ADMINISTRATOR AND TWO MORE ASSISTANT SECRETARIES SOON, MAKES MY JOB A LOT SIMPLER AND MAKES THE WHOLE DEPARTMENT A LOT MORE RESPONSIVE TO CONGRESS.

MR. CHAIRMAN, THIS COMPLETES MY PREPARED STATEMENT, AND I WOULD BE PLEASED TO TAKE ANY QUESTIONS YOU OR OTHER MEMBERS OF THE COMMITTEE MAY HAVE.



REMARKS PREPARED FOR DELIVERY BY  
SECRETARY OF TRANSPORTATION SAMUEL K. SKINNER  
U.S. CONFERENCE OF MAYORS  
CHARLESTON, SOUTH CAROLINA  
JUNE 20, 1989

- It is an honor to address the distinguished audience present today for this plenary session of the 57th Annual Meeting of the U.S. Conference of Mayors. While I hate to single out one individual, I want to congratulate my good friend Richard Daley who is here today, on his election as mayor of my hometown of Chicago. Although he's only been in office a few months, I applaud his efforts to slash the city budget and reduce spending to put Chicago back on firm financial footing. Mayor Daley not only has my confidence and support, he has the support of the people of Chicago.

- As mayors of some of the most influential cities in America, I know that you are interested in learning about what lies ahead in transportation; whether on land, on the water or in the skies. As many of you may know, one of my highest priorities as Secretary is the development of a national transportation policy for meeting America's transportation needs over the next decade and into the 21st century. My goal in setting forth a national policy is to provide the framework through which decisions on our transportation

infrastructure, services and related needs can be systematically assessed and implemented.

● In order to do this, I will need your input. I know that when residents of metropolitan areas are asked to rank the problems they confront each day, transportation issues consistently head the list. We cannot continue to drive the issue of our national infrastructure out of the Department of Transportation alone. It will increasingly become the responsibility of state and local governments. Virtually every change in public transportation services and in the size and operation of the transportation infrastructure and the way it is operated, requires action by local government.

● Moreover, past approaches to urban public transportation, such as providing additional conventional bus services, frequently no longer meet the demands for mobility and continue to be more costly. These are the types of problems I want to address with the national transportation policy, and I am counting on your help so that this policy can have a positive impact on our economy and national security.

● A key component of this process is soliciting and examining the issues, positions and recommended solutions representing consumers, industry, labor, government and other constituents of the transportation community. I believe it is important



that we reach out to a wide spectrum of transportation users and suppliers to not only broaden the base of our knowledge, but to secure a consensus for a national policy.

- A major part of this effort is an outreach program to obtain your input before this policy is finalized. We will conduct 15 to 20 local workshops to explore local transportation issues and problems. The Urban Mass Transportation Administration and the Conference have organized a workshop for this afternoon which I urge you to attend, and believe you will find a good investment of your time.

- The process is underway and should be completed by the end of the year. Currently we are conducting an environmental scan, have established cluster groups that will conduct the outreach, and have reviewed a great deal of work that has been done so far, both within DOT and by outside groups.

- Obviously, the development of a national transportation policy is a major undertaking. Most important, I can't emphasize enough that it will require participation not only by the entire transportation community, but by elected officials like yourselves, in order to be successful.

●As a nation, we must redirect our efforts toward maintaining the infrastructure we have built, maximizing its efficiency and providing additional capacity to meet future demands. While we have the best transportation system in the world, the infrastructure problem in this country is getting worse and needs to be addressed across the board. Highways and bridges must be modernized and upgraded, and many airports are operating at or approaching the limit of their capacity.

●One area of particular concern to me which I feel must be addressed immediately is the problem of airport capacity. The problems of congestion and delays that we are currently experiencing in many of our major cities are a reflection of the staggering growth in demand on our system.

●I am committed to supporting greater capacity for the air transportation system -- and to finding better ways to maintain the present infrastructure and maximize its efficiency.

●Airline passenger traffic has doubled in the last ten years and could double again by the year 2000. Today, we simply lack sufficient facilities to accommodate traffic growth of this magnitude. At least 16 to 18 airports now are constrained with more than 20,000



hours of delays per year. By 1996, the list could include 34 airports.

● Anyone looking for a prime reason behind these delays should recall one basic fact: Not a single new airport has been built in the U.S. since Dallas-Fort Worth in 1974. Under government pressure, airlines have adjusted schedules to reflect more truth in their departure and arrival times. What they failed to anticipate was a shortage of facilities: runways, taxiways, passenger/baggage space, and other equipment to accommodate the enormous growth in air travel. Everyone, from government to the airline industry, has been complacent, and now we are paying the price.

● Deregulation brought about the development of several new hubs that carriers use to increase the efficiency of their operations. The hubbing phenomenon has also increased the number of flights staging out of our busiest airports. It's not that our system can't handle the present level of traffic, it's simply that the carriers, for valid competitive reasons, all want to use the same airports. System-wide, we have capacity, but unfortunately the capacity isn't always where it's needed the most -- and an airport is difficult to relocate.

● Given the greatly increased demand placed on the system over a short period of time, it has done fairly well. But clearly, more capacity is needed. In a nutshell, it is time to pour more concrete. The delays that have become a routine part of air travel recently helped convince the people of Denver that new a airport is a good idea. Sixty-three percent voted to authorize construction of a new facility. I am encouraged by their decision, and hope it is a catalyst for other cities.

● Many jurisdictions are now moving in that direction. Plans for construction of a new airport in Austin is moving ahead; in Los Angeles, joint civil/military use is being considered at the Palmdale Air Force Base; Dallas/Ft. Worth will extend two runways and build two more in the next 15 years; and Atlanta expects to complete a new commuter runway within five years. New airports have also been discussed for New York, Chicago, Atlanta and Los Angeles.

● At the same time, I think the FAA has done more than its duty during this unprecedented growth. They were adversely affected by the Air Traffic Controllers strike, budgetary constraints that impeded the pace of airport expansion and system modernization, and of course, the debate over what its status should be as a federal entity. The answer to the problem of limited capacity is not merely to increase the number of air



traffic controllers. The problem is much bigger than that, and it is going to take the cooperation of all of us to solve.

- The time to do it is now. It takes a decade or more to move from the talking stage to completion of a new airport. The odds against new airports are still staggering. Local politics, the "not-in-my-backyard" syndrome, and environmental concerns all pose obstacles to new airport construction. Airport construction also requires massive sums of money, not all of which will be coming from the federal government.

- One of the steps being taken to enhance the current system is the FAA's National Airspace System Plan. The NAS Plan is the keystone in updating our system for the 21st century. The Advanced Automation System -- an entirely new generation of air traffic control hardware and software -- is central to the Plan. We must make sure that we are prepared in every way possible for the demands of the year 2000.

- There is also an immediate need to fill the shortfall of air traffic controllers and maintain their exemplary safety record. As a pilot, I know these men and women have one of the most difficult and high pressure jobs in government. New ways must be found to make sure

these dedicated individuals receive the necessary flexibility and support. I am delighted that President Bush has placed the Air Traffic Control System near the top of his list of priorities. The FY 1990 budget includes funding for an additional 695 air traffic controllers, 400 safety and support personnel, and 120 security specialists.

●As I have mentioned, we are developing a short and long-range strategy that will address immediate and future transportation needs to find out as quickly as possible what portions of our infrastructure are most at risk -- and then devise the means to restore or replace them. I must caution, however, that with our present budget constraints, the cost to government of new project construction is becoming extremely 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 alternative.

●As budgets across the board are being tightened and cut, state and local governments should 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. The bottom line is that more public-private partnerships



and more fully private initiatives will help improve our transportation system across the board. A case in point is mass transit. Over the last few years, the Urban Mass Transportation Administration has been working to implement private sector policies that require localities to develop a process to permit the involvement of private enterprise in new, restructured, and existing bus services. So far, the results overall indicate that delivery of services through a competitive process has expanded ridership, reduced costs and improved performance.

● In continuing these policies, I recently announced a new approach to discretionary transit grants, which places the highest priority on projects that have the largest over-match from non-federal sources. As a result, local governments, developers, existing businesses and citizens will take a more active and helpful role, knowing that they have a stake in the outcome

● We undoubtedly face many challenges in transportation today. The growth in passengers through our airports, cars on our highways, and commercial goods movements over land and through the air have outstripped the current level of investment in maintaining and enhancing the efficiency of our transportation system. And while the strength of our economy and transportation deregulation have

expanded travel and mobility to move both people and products, budgetary constraints have not permitted increasing funding levels necessary to meet this increased demand. Support for transportation has increased, but not enough to maintain or replace deficient bridges, to build the new runways and airports that will relieve aviation chokepoints, or to build new arteries into our cities to relieve urban gridlock.

● In this great country of ours, we cannot neglect our transportation requirements and programs through underfunding or conflicting priorities. We need both the commitment of resources to repair and expand the system, and the discipline to insure that our transportation dollars are being spent wisely. To this end, an integrated national transportation policy will identify and propose means of managing the transportation problems America is likely to face as we move into the next century.

● Before I close, I want to mention that this week is National Service Week. As many of you well know, serious problems now exist in our nation such as drug abuse, homelessness, and illiteracy. The current rates of school drop-outs, and teenage pregnancy are staggering and threaten the integrity of our most important resource: healthy, well-educated, well-



motivated young people. It is President Bush's view that we need a new national commitment to community service, a Presidentially led public-private partnership to foster use of this important and powerful tool.

●The President is calling all Americans to service, but he hopes that our young people, as the future of our nation, will lead the way in making service to others an important priority. He is taking the opportunity as we commemorate National Service Week, to announce a major initiative called "YES to America" or "Youth Entering Service to America," to encourage our youth to get involved. I hope that you too will support this important issue and encourage the youth of your cities to participate.

REMARKS PREPARED FOR DELIVERY BY  
SECRETARY OF TRANSPORTATION SAMUEL K. SKINNER  
AIR FREIGHT ASSOCIATION  
CRYSTAL CITY, VIRGINIA  
JUNE 22, 1989

Thank you. It is a pleasure to be with you this afternoon. Your association expressed interest in a number of issues, including international air cargo policy and aging aircraft. Wanting something really controversial, I asked my staff what else this distinguished group has on its agenda. That list included elimination of the U.S. Postal Service, and appointment of an "air cargo czar" who can handle bureaucrats and report directly to me.

I want to say at the outset that I am aware of and appreciate your serious concerns. There are major issues important to you, and to this Administration. While we may not see everything the same way, one thing we all can agree on is that you deserve much more attention than you have received over the last decade.

I want to talk today about certain issues we can do something about -- we already are doing something about -- by working together. Many of you have actively contributed to the recent development of a national air cargo policy. Just last month, the Departments of Transportation and State finalized a



statement that lays out this policy, and gives our reasoning behind some of its provisions.

The air freight industry is, in many respects, the most rapidly changing sector of air transportation. You are ready to "go international." The increasing economic importance to America of having internationally competitive air freight services is clear. The new statement is designed to set forth objectives and guidelines for use by U.S. government officials, as they negotiate and carry out air cargo policy. It will help to ensure that legitimate American national interests are properly represented in international economic policy and trade agreements.

Today, the U.S. leads the world in express cargo services. We want to help make sure it continues to do so. We look forward to your continued participation in implementing this policy, and in working with us to develop air cargo policy for the future, as you expand into international markets.

In order for air cargo policy to be fully effective, it must be part of a national transportation policy. In a decade, we will begin a new century. While the significance of the year 2000 is largely symbolic, it is also substantive. There are many urgent issues confronting aviation -- as well as our other transportation modes

and markets. These issues require a response today adequate to the demands of tomorrow.

It is my conviction that we are embarking upon a new era for transportation, with challenges we are not yet prepared to meet. We are at a point in our national life where we must determine what is required to keep America's transport industries economically vigorous and internationally competitive, and then find ways to do it. We need to see what will be necessary to satisfy likely future transportation demand in this country, and then devise ways to provide it.

I say "we." That is exactly what I mean -- business, industries, academics, government at all levels, and the public -- we are all in this together. America's economic lifeblood is carried by our transportation system, and if that system declines, American productivity and international competitiveness can only decline with it. It is our job -- working together -- to ensure that doesn't happen.

I think the best way to maintain sustained growth and international competitiveness throughout American transportation is to gather and review the facts, and then propose strategic responses to the findings. Successful business operates this way, anticipating future needs and seizing opportunities.



Government -- if it is going to be successful -- needs to operate strategically, too.

The All-Cargo Air Carrier Industry study, co-sponsored by your association and several of its members, is an excellent example of strategic thinking. This is an outstanding and useful report, very impressive in its comprehensiveness and detail. It provides those of us in government both a valuable source of data, and insight into how you view your own industry. It also reflects the kind of industry-association initiative that is so important in today's fiercely competitive global marketplace.

To get the Department of Transportation out front on strategic thinking, I have set formulation of a national transportation policy as one of my highest priorities. It will be an integrated and inclusive analysis of where American transportation is, where it needs to go, and ways it can get there. The national transportation policy will provide a decision-making framework for government and industry to share, as we move forward into the 21st century.

Progress on developing the national transportation policy is well underway. Within the next several weeks, we will be completing an "environmental scan," an overview of our current transportation situation. This

document examines the transportation "landscape," placing the system in context and identifying key issues facing us.

I can tell you right now that, happily, our most urgent issue is growing demand. I say happily, because growth in itself is a positive economic factor. Analyses of future transportation needs generally foresee continuing or accelerating consumer demand in virtually all major transportation markets. Unhappily, our problem is that we are not currently prepared to meet this growing demand with sufficient supply -- in the case of aviation, with sufficient airport and air traffic control capacity.

During the last decade, in the initial period of economic deregulation of the aviation industry, we experienced staggering growth in traffic. The variety and volume of aviation services, including air freight services, burgeoned. Growth in three sub-sectors of all-cargo services was particularly intensive: air couriers, integrated air express operators, and overnight large freight carriers.

Air transportation growth among passenger carriers during this period was also very great -- only a fraction of yours, but still about a 68 percent increase in passenger enplanements overall. This growth has tended to concentrate at certain airports. However,



regional capacity, in terms of airport infrastructure and airspace management resources, has not kept pace.

In aviation, therefore, one of our most pressing problems today -- and in the foreseeable future -- is that of airport and airway capacity. This is the case, despite the fact that system-wide, we have more than enough airspace capacity for the current volume of traffic. The difficulty is that our airspace capacity is not always where it is most wanted or needed. A prime reason is this: Not a single major airport has been built in this country since Dallas-Fort Worth in 1974.

I've said that our major problem is insufficient capacity. More accurately, it is a problem of both capacity and concentration. For valid competitive reasons, more carriers want to use the same airports and regional transportation corridors than can be efficiently handled at present. In certain airports, we lack adequate runways and gates; in some regional corridors, our air traffic control system is becoming overburdened. Public alarm about aircraft integrity and airport noise levels, for example, could very well heighten as aggregate aviation traffic continues to increase.

Nine major airports now are heavily concentrated, as reflected by the fact that a single passenger carrier

controls over 60 percent of all traffic at each. The Department must be concerned about this kind of concentration, as it may significantly reduce competition in the air transportation system. To help ensure adequate passenger carrier competition and regional service distribution, the Department is currently studying the relationship of concentration and competitiveness.

The Department understands that in the freight market, integrated sort centers have been central to the phenomenal domestic growth and success of your overnight, door-to-door delivery service industry. The globalization of the U.S. economy, and its increasingly high-technology composition, plainly demonstrate the critical role that rapid, product-specific sorting and transport will play in America's future international trade. We will keep the differences between freight and passenger operations in mind, as we examine how best to maintain air carrier competitiveness and resolve regional concentration problems.

Nevertheless, the Department intends to see to it that the marketplace benefits of deregulation continue to be strong. This will happen only so long as competition continues to be strong. We are in no sense backing away from economic deregulation, but neither are we backing away from our primary responsibility to protect



the public interest. It was never the intent of deregulation to create a monopoly for anyone. We will therefore continue to carefully monitor aviation safety and market practices, in order to make sure the consumer continues to get the best and most efficient service.

Again, I am not speaking directly about the freight side of the market here. The aviation all-cargo industry is not currently affected by many of the problems we are studying on the passenger side. Moreover, the air freight industry generally is not contributing to peak hour congestion problems, but rather is paying to use expensive facilities when they would otherwise likely be idle. But all-cargo businesses are not immune from some of the difficulties confronting aviation.

Deregulation has afforded enormous economic benefits to the aviation industry and consumers. But deregulation is not a one-way street; it does not mean that government gets out of regulating the aviation business, but picks up the tab for consequent growth. The aviation industry and the public need to recognize that even with deregulation, the primary fiscal responsibility for expanding the system remains where it has always been: with local, regional, and state government -- and business.

Increased development of aviation capacity is absolutely critical to assuring system efficiency, economic vitality, and consumer confidence. I am greatly encouraged by Denver's decision to proceed with construction of a new airport. Other American cities must respond soon, because needs in this area are projected to grow rapidly in both significance and scope.

Because aviation's primary players over the last 15 years failed to think strategically about such future growth, and did not plan how to provide for it, we now must pay the price. More capital investment for construction by the various aviation industries, and by the localities and regions benefiting from expanded business opportunities, is imperative to keeping American aviation moving forward.

The Department, entrusted as it is to protect the public safety and interest in transportation, has an important role to play. We are proceeding with the National Airspace System Plan, to keep our air traffic control system from bursting its seams. But the federal government cannot singlehandedly meet all our needs in transportation growth and development. A coordinated public-private sector effort is what is essential, and desirable.



Speaking practically, this is a positive, not a negative, situation. Public-private initiatives generally produce a more efficient and cost-effective result than those of government alone. Speaking philosophically, in a democratic republic like ours, the federal government should carry only a small part of the fiscal load for public services. Helping with seed money for new and innovative projects, promoting research and development of new technology, and providing expert advice and data are corollary roles to ensuring the public safety and interest in transportation.

With overall air transportation demand growing so much faster than system expansion, we are already in a position where new construction of airports will be completed later than we need them. We already need them. So first we must optimize existing capacity. Infrastructure already in place should be maintained and rehabilitated as soon as possible. We need to continue pursuing renovation of existing facilities, such as the conversion of closed military airfields to full civilian operation. We should also look at expanded joint civil-military use of fields and facilities.

Your industry is a leader in this regard. While remaining very competitive, you have solved your own problems whenever possible. Instead of complaining about government not building new airports, Airborne

purchased a surplus Air Force base in Wilmington. CF's Emery Worldwide shares runway space with the National Guard in Dayton, while FedEx's center has revitalized a sagging economy in Memphis. The phenomenal growth of your industry, and its local economic benefits, confirm my belief that regions don't decline -- products and competitiveness do.

Your industry's record shows a self-sufficient, pro-competitive philosophy that reflects economic reality, while demonstrating commendable public-spiritedness. Among you, critical services are provided to more than 100,000 U.S. cities and towns, including next day service between every possible combination of zip codes in the 48 contiguous states. Your shipments include emergency cargoes of blood and donated organs, as well as other time-critical items. Such services have become vital to our national way of life.

At the Department of Transportation, we are committed to maintaining the quality of that way of life, while addressing the needs of aviation in a manner that is fair to all users of the system. I invite each of you here to continue to give us your thoughtful and informed views on our plans, policies, and regulations. We look forward to working with you in the exciting period ahead.



REMARKS PREPARED FOR DELIVERY BY  
JOHN GAUGHAN  
CHIEF OF STAFF TO SAMUEL K. SKINNER  
U.S. SECRETARY OF TRANSPORTATION  
SOUTHEASTERN ADMIRALTY LAW INSTITUTE 1989 SEMINAR  
ATLANTA, GA.  
JUNE 23, 1989

Thank you very much, Patrick (E. O'Keefe), for that kind introduction. I have the pleasure of working with one of Patrick's friends, Wally Burnett, a bright young strategist who is doing an outstanding job at the Department of Transportation working on the national transportation policy.

I am delighted to be here today representing Secretary of Transportation Sam Skinner, who is at this moment en route to Alaska for his third time since the Exxon Valdez disaster on March 24. While the Secretary is in Alaska, dealing with the physical aftermath on site, this morning I want to discuss with you "the oil spill and the legislative aftermath", and for those who stay tuned to the end, I'll try to give you some thoughts on the Shipping Act of 1984 and its five year review.

As most of you may know, President Bush made Secretary Skinner the national coordinator of the cleanup effort in one of the worst environmental disasters in our lifetime. Ten million gallons of crude oil

went into the water within the first five hours. The tragedy, as bad as it is, could have been four times worse, if Exxon working with the United States Coast Guard, and others on the scene, had not off-loaded 40 million more gallons that were on the grounded tanker.

I've had the opportunity to accompany Secretary Skinner on two previous trips to Alaska and to become personally involved in the early stages of managing the cleanup. I can assure you that the Administration is totally committed to insuring restoration of the environment of Prince William Sound and the President put the best man in the country in charge of the job. Sam Skinner is a man of dynamic energy, leadership ability and total commitment. It's a good thing, because we are in for a long haul. We are dealing with hundreds of miles of beach and very, very difficult terrain. Exxon now has a massive amount of equipment on the scene and this oil spill will provide lessons we shall not soon forget.

To some degree, the Coast Guard, working with thousands of others in Alaska, will be writing the book on how to deal with an oil spill of such magnitude. The beach cleaning effort under way is substantial. A total of 9,200 are employed by Exxon to work on the oil spill. This represents twice the population of Valdez and



makes Exxon the third largest employer in the State of Alaska.

In Alaska we are dealing with the physical aftermath. In Washington, D. C., we are working on the second aftermath, the legislative aftermath. An avalanche of bills has been introduced since the spill. Most of them are aimed at either assuring that a disaster such as the one in Prince William Sound never happens again or dealing with liability issues -- who should pay, who should be paid for damages resulting from future oil spills and for what.

There is little doubt that some legislative changes are warranted. We've been trying to get a comprehensive oil pollution liability and compensation bill through the Congress for years, for example, and have urged the Senate ratify international Protocols on the subject. Alaska sounds like a long way from New Orleans or Norfolk, but suppose the disaster had been a foreign flag tanker grounding off the Florida Keys? Who would be responsible for damages? And how much? And how would the victims collect?

So, some legislative and administrative changes are needed, but we must be very careful not to have an overreaction.

Last month, Secretary Skinner submitted to Congress proposed Administration legislation that would set up a comprehensive liability and compensation system for oil pollution damage caused by spills from tankers and other sources. The bill would dramatically enhance our ability to compensate victims of major oil spills and to restore our fragile environment. It assures adequate funding to clean up any future oil spill to restore damaged natural resources. It also establishes liability to provide compensation to damaged parties.

The Comprehensive Oil Pollution Liability and Compensation Act of 1989 would consolidate existing programs into a uniform system that would eliminate gaps and inconsistencies in coverage. It would apply to oil spills from ocean-going tankers and from barges operating on inland waterways. Spills from on-shore facilities, such as oil terminals, and from offshore facilities, including outer continental shelf oil platforms would also be covered.



In the event of an oil spill, the first level of responsibility would lie with the vessel or facility owner. Tanker owners would be liable for cleanup costs and damages of \$500 per gross ton, with a minimum of \$5 million and a maximum of \$78 million. Outer continental shelf operators are included for a maximum liability of \$75 million. Our one functioning deepwater port is included as well.

To cover costs in excess of the spiller's liability limits, an Oil Pollution Liability Trust Fund would be established. This fund would be financed by a fee of 1.3 cents per barrel on domestic as well as imported oil. Collection of this fee is already authorized under provisions of the 1986 Omnibus Budget Reconciliation Act, and the Administration bill would extend collection of the fee for a total of five years after the effective date of the bill.

Total payments from the fund would usually be limited to \$500 million per incident. However, the President could waive that limitation if warranted in any particular case. The program would be administered by the Coast Guard.

The Administration bill would also provide for U.S. implementation of two international Protocols that establish a similar liability and compensation system worldwide. We must remember that we may not always have the resources of an Exxon with which to respond to a spill or another U.S. company with large resources against which we can effectively proceed.

The Protocols were negotiated in 1984 with strong U.S. influence and were submitted by President Reagan to the Senate in 1985 for advice and consent to ratification. The Protocols offer important protection for U.S. citizens against spills from foreign-flag tankers. They demand compulsory insurance and authorize enforcement of U.S. judgments in foreign courts.

I would also add that our credibility in the world maritime community has been called into question by our failure to ratify the Protocols. 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 ratify the Protocols.

The Administration bill differs from other bills which have been proposed in the House in several significant ways. First, our bill provides a higher level of vessel



liability. It provides for the funds to pay cleanup and restoration costs above \$500 million per incident if determined necessary by the President. It also establishes improved enforcement provisions under the Clean Water Act, and authorizes a civil penalty up to \$10 million where natural resources are destroyed and cannot be restored or replaced. This bill is sound and badly needed. All of us hope the Congress will move quickly to enact this bill.

The other side of the legislative aftermath is prevention. What needs correcting so this will never happen again?

There is the issue of alcohol. If, and I say "if," because we do not yet have all the facts, the Exxon Valdez grounding was alcohol related, this would be only the most recent and most graphic example of the challenge of alcohol abuse in transportation. We are moving to strengthen already existing rules against misuse of alcohol as well as drugs.

Secretary Skinner sent to Congress earlier this week a bill that would tighten the merchant seaman licensing process. It would give the Coast Guard much broader authority to deny, suspend, or revoke documentation issued to merchant mariners who are unfit for safety-

critical jobs because of off-the-job problems such as a drunk driving record.

The new licensing authority is needed. It would establish that a motor vehicle conviction record, involving driving while impaired or other dangerous behavior, could form the basis for suspension or revocation of mariner's papers. It also adds "character" and "habits of life" to the existing criteria for those documents or certificates where it has not been specified in the past. The addition of these two criteria will enable the Coast Guard to assess an applicant's fitness to serve in a safety-sensitive position. Our proposed legislation also makes those documents or certificates that are currently indefinite in duration subject to renewal, as is currently the case with licenses.

As a further safeguard, last week Secretary Skinner sent proposed legislation to the Congress to expand access to the National Driver Register to help the Coast Guard identify licensed or prospective merchant mariners who have driving problems that could affect their job performance. The driving record violations of the Captain in the recent Valdez oil spill highlight the need for the Coast Guard to obtain complete information on the background of any person who has applied for or received a merchant mariner's document.



These three pieces of legislation are sorely needed and prompt enactment is imperative.

As I said at the outset, there will be administrative changes. Earlier this week we announced an advance notice of proposed rulemaking to examine ways to test for alcohol abuse across all modes of transportation. We already have strong federal rules banning alcohol use, possession or impairment on the job. We must do more. The exploratory rulemaking procedure will allow us to collect a great deal more information on what needs to be done and how to do it.

Quite frankly, the complexities of a testing program for alcohol make those of our drug testing program pale by comparison. Alcohol is not an illegal substance, of course, and merely detecting the presence of alcohol does not have the same meaning as detecting illegal drugs. The methodologies for alcohol testing differ significantly from those of drug testing, primarily because alcohol has a relatively short period of manifestation in the body, making random testing less likely to uncover illegal levels of alcohol. That's just one reason why we have to proceed with care and consideration.

Another area we have already begun examining is the adequacy of the nationwide environmental contingency plans. The long and short of the Exxon Valdez experience is that no one anticipated a spill of this magnitude and existing contingency plans were inadequate.

There are all sorts of proposals on the table in both houses of Congress:

- amendments to the Internal Revenue Code to deny tax deductions for cleanup expenses,
- bills related specifically to Prince William Sound,
- bills prohibiting vessels transporting Alaskan oil from transiting waters between the Santa Barbara Channel Islands of San Miguel, Santa Rose, Santa Cruz and Anacapa, and imposing penalties,
- at least two other comprehensive oil pollution liability bills,
- a measure to penalize oil companies up to one year of their profits for spills, and



- Just this past Tuesday, the Senate Commerce Committee passed the "Oil Spill Navigation Safety Act." This bill would also require newly constructed oil tankers to be equipped with double bottoms or double hulls.

This is not the first time the double bottom issue has come up and studies have been made which cast a question on whether or not double bottoms in tankers would prevent the kind of incident that occurred in Alaska.

Double bottoms do provide protection against accidental oil pollution in the case of groundings of limited penetration, and would serve as segregated ballast tanks to reduce operational oil pollution. But they will not provide protection against accidental oil pollution in the case of rammings to the tanker sides or groundings where the penetration is greater than the depth of the double bottom.

In fact, double bottoms can exacerbate a grounding by reducing the ship's buoyancy after the grounding. This will bring the ship harder aground, making it more difficult to free and possibly increasing structural stresses on the tanker.

Protectively located segregated ballast tanks can be placed on the bottom, sides or a combination of both locations, at the owner's option, to protect against accidental oil pollution while also reducing operational pollution due to ballasting operations. Due to the possible disadvantages of double bottoms after a grounding and the uncertainty of where a tanker casualty may occur, the Coast Guard has not mandated double bottoms as the only acceptable means of locating a segregated ballast.

Let me shift gears and touch on the SHIPPING ACT OF 1984.

As any of you with clients interested in the Shipping Act of 1984 are aware, there is a polarization between shippers and carriers focused on two provisions -- the service contracts provision and the mandatory independent action for conference members only.

Many carriers feel these two components have enabled shippers to leverage carriers one against another and keep freight rates at depressed levels. The shippers, however, contend that overtonnaging is the principal cause of the low rates, and that the carriers -- not the shippers -- produced the excess tonnage. The



shippers also point out that service contracts are two-party agreements and no carrier is compelled to enter into such agreements.

I have felt that the '84 Act was an effort to cope with regulation of an industry overtaken by revolutionary changes. The old breakbulk cargo handling operations and port-to-port bills of lading have given way to more efficient intermodal operations and technology featuring origin to destination through bills of lading. I do not believe either the liner companies or the shipper community would want to revert back and have the 1916 Act govern them into the 21st century.

As a new law, borne of compromise, it may well have inherent imperfections. But, I would hope it could be fine tuned, rather than undergo a dismantling process.

My own feeling has been if both parties were able to live with the flaws of the old law for more than seven decades, it makes good sense not to take precipitous action to excise perceived but unverified deficiencies. At any rate, the next opportunity for fine tuning the Act will come after September when the Federal Maritime Commission's five-year impact study, mandated by the Act, is filed with the Congress, the

Departments of Transportation, Justice and the Federal Trade Commission.

The FMC, in my opinion, has been pursuing its mandate in a very responsible manner, collecting and analyzing information on the Act's impact on the ocean liner industry and even conducting hearings and soliciting opinions from all affected parties on a continuing basis. After the five-year impact study is completed, the law requires the President to appoint an Advisory Commission on Conferences in Ocean Shipping. The Commission may or may not have public hearings, but it will meet for one year to study what changes need to be made. And this is when you can provide your views and input.

The Commission will consist of two members of the President's cabinet, four members of the Senate, four members of the House and eight members from the private sector.

If your clients want to effect change in the Shipping Act of 1984, if they want a voice in what happens, it's time to begin working right now on who will be named to represent the private sector on this Commission. At the end of a year the Commission will submit to the President its findings and recommendations for



administrative or legislative actions. That Commission report most likely will be the foundation for future changes to the Shipping Act of 1984.

### Conclusion

Let me conclude by simply thanking you for the opportunity to represent the Secretary here today. I will be glad to answer any questions.

REMARKS PREPARED FOR DELIVERY BY  
SECRETARY OF TRANSPORTATION SAMUEL K. SKINNER  
LOS ANGELES WORLD AFFAIRS COUNCIL  
LOS ANGELES, CALIFORNIA  
JUNE 26, 1989

Thank you for the opportunity to join a group of men and women who recognize that it's time to start thinking globally about transportation and transportation policy.

Stepping back in time for a moment: During World War II, General Eisenhower took a good look at the German autobahn. When elected President, he proposed a grand plan for highway development. Much has changed since Eisenhower signed the law authorizing the Interstate Highway System in 1956 -- touching off a revolution in economic growth and personal mobility unrivaled in the world.

One of the biggest changes is the phenomenal increase in international trade. For the United States, our vital role in the global economy is here to stay and profoundly affects all sectors of the economy -- particularly transportation. In 1988, U.S. exports and imports of goods and services constituted 21 percent of our gross national product -- compared with 13 percent in 1970 and only 9 percent in 1950.



Every day, the air, maritime, rail, and trucking industries move vast numbers of people and products from one part of the world to another. The transportation industry is also an important economic activity in its own right. We have a vested national interest in ensuring that the U.S. transportation system continues to provide the safest and most efficient transport services -- and remains competitive in both the domestic and international markets.

But demand on the system is growing, and the strain is beginning to show. This is particularly true in California. By 1990, California will be bursting with over 29 million residents -- an increase of 5.5 million people since 1980 -- the most that any state has ever added in a single decade.

I don't need to tell you that population growth is already reducing mobility in Southern California to a crawl. During the next 25 years, the number of cars crowding your freeways will increase by 35 percent and the number of miles traveled will jump 68 percent, largely due to increased commuting distances.

As usual, problems in California reflect those in the country at large. Like everywhere else, the U.S.

transportation infrastructure is going to have to perform better and better just to stay in place.

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. My top priority is completion of a comprehensive national transportation policy -- a long-term analysis to keep the U.S. number one in delivering safe and efficient transportation services into the next century. I expect to have it in hand by early next year. The purpose is to find out where we are -- to answer some questions about infrastructure. For instance: What condition is it in? Who does it serve? What needs improvement? How expensive is it to replace?

I feel strongly that a business should be operated with a strategic plan -- and the government should also have a strategic plan. Too often when a problem comes up, the government doesn't look at the big picture. I want the Transportation Department to look at the big picture.

But I am not going to wait until this picture is completed to state in general terms the major issues facing American transportation. I am convinced that the competitiveness of U.S. industry in a global market



may depend on finding versatile strategies to maintain the transportation infrastructure, maximize its efficiency, and build new capacity to meet future demands.

This is particularly true regarding U.S. highways. Eisenhower's great contribution of the interstate highway system is nearing completion. Now, there is a critical need to expand and rebuild. The Federal Highway Administration estimates a current need for 11,000 to 15,000 interstate lane miles beyond what is even feasible to build within existing right-of-ways. Likewise, the backlog of bridge needs in the system could cost as much as \$72 billion through the year 2005.

Aviation is facing similar problem. Airline passenger traffic has nearly doubled in the last ten years. It could double again by the year 2000. Full planes and jammed airports may become the norm, making every day like the Sunday after Thanksgiving -- the heaviest travel day of the year.

Today's facilities simply cannot handle traffic growth of this magnitude. At least 21 airports now are constrained with more than 20,000 hours of delays each per year. By 1997, the list could grow to 39 airports.

Anyone looking for the main reason behind these delays should remember one basic fact: Not a single new major airport has been built in the U.S. since Dallas-Fort Worth in 1974.

Capacity problems are the price we pay today for the complacency of yesterday. It's like trying to put six ounces in a five-ounce bottle -- eventually you've got to get a six-ounce bottle.

Under difficult circumstances, the system has done fairly well, but demand will soon exceed capacity without construction of new airports, runways, gates, and other facilities. Responsibility for new construction falls on state and local governments, community leaders, the airline industry and, to some degree, the federal government -- although the federal government does not build airports.

Many communities, led by forward-thinking leaders, are moving in that direction. For example, plans for construction of new airports in Denver and Austin are moving ahead. Here in Los Angeles, joint civil/military use is being considered for the Palmdale Air Force Base; Dallas/Fort Worth plans to extend two runways and build two more; and Atlanta expects to complete a new



commuter runway within five years. New airports are being considered in New York, Chicago, San Diego, and Minneapolis.

The time to proceed is now. It takes a decade or more to move from the talking stage to completion of an airport. The odds against new airports are still staggering. Local politics, the "not-in-my-backyard" syndrome, and environmental concerns all work against new airport construction.

Airports also require a massive amount of money. Expenses for the first phase of the new Denver airport are estimated at \$1.8 billion. But it is money well spent. If many other metropolitan areas do not expand airport capacity, they will handicap their ability to compete in domestic and world markets.

Just as adequate airport facilities are a key component of economic growth, so is competition within the airline industry itself. I am strongly committed to the benefits of airline deregulation, and will work to ensure that those benefits continue to flow to air travelers.

As Secretary of Transportation, it is my responsibility to see that decisions regarding airline route sales,

landing slots, or airport funding maximize competition in major air markets. It's up to us -- not the airlines -- to encourage competition. The American flying public deserves a marketplace where air carriers compete for business -- not take it for granted.

What about funding for all these necessary improvements? We're looking at funding options. We're looking at needs -- all under the umbrella of our national transportation policy. And once we have identified the needs, we'll look at the options which the government at all levels and the private sector can exercise.

One thing is clear: The federal government cannot unilaterally solve this country's vital transportation problems. Nor can any other single entity. It is only through cooperation among federal, state, and local governments and the private sector that we can find the resources for safe, efficient, and affordable transportation. If there is a theme during my tenure as Secretary, it is that we are all in this together.

I have been in business as well as government, and know that government can learn a great deal from private industry. Often, the obligations of government



can best be met by using the inherent strengths of the private sector.

For example, in the Washington area, there is a pending proposal to extend the Dulles Airport toll road using private financing. Many areas currently are 'overmatching' federal highway and transit funds by spending more state and local money than required to receive federal funding. At the DOT, we are looking at ways to improve grant programs to reward such efforts.

Contracting-out public services to private entities is another method of delivering government services at less cost. A good example is right here in Los Angeles, where private contractors operate buses on 16 discontinued Southern California Rapid Transit District routes at a 33 to 45 percent savings. The Urban Mass Transportation Administration provided funds for lease/purchase of capital equipment, and business took advantage of the opportunity. Public needs were met. The results are good for everyone -- and that's good government.

I plan to pursue policies that encourage state and local officials to work more closely with developers in making capital investments in transportation systems. Public/private partnerships and fully private initiatives

can improve services by cutting costs, providing more construction for the buck, and increasing operating efficiency. It's a simple fact for the 1990s: Federal dollars stretch further if more is done at the local level.

Another emerging trend requires users to directly foot the bill for more of the services they use. You will see more toll roads and bridges. Whether imposed at the state or federal level -- probably both -- user fees will play a larger role in financing new and upgraded transportation facilities.

State and local government officials are also ahead of the curve if they use the current window of opportunity to increase local and state gas taxes to pay for transportation system improvements. States raising gas taxes now for infrastructure repair and expansion are going to have a competitive edge over those that don't.

Let me make it clear, however, that transportation fees should only be applied toward transportation needs. I oppose using any portion of the federal gasoline tax for deficit reduction. On my watch, the gas tax and other transportation user fees will be used for transportation purposes only. Period.



I believe these resources, as well as wide use of innovative financing mechanisms, will help us meet present and future infrastructure needs.

These are challenging times for transportation. It is a very significant period of growth -- and the growing pains are obvious. Years from now, I hope to look back and say that we weathered this period of expansion, came up with creative solutions, and still have the best transportation system in the world.

To reach that point, transportation policy must be integrated at the top. Our national transportation policy will evaluate short- and long-term transportation requirements, and review ways of meeting them. We will identify the extent of the problem, analyze alternative solutions, and select the ones that make the most sense. In short, my priorities are similar to the hockey style of the great Wayne Gretzky: "I skate to where I think the puck will be."

There is much to do. Today, more than ever before, our domestic transportation system has the power to shape the terrain on which this country will compete in world markets. The economic growth and international competitiveness of American industry depends on

● preparing for future transportation needs -- a future that, in terms of development and construction lead-times, is literally upon us today.



TALKING POINTS PREPARED FOR DELIVERY BY  
SECRETARY OF TRANSPORTATION SAMUEL K. SKINNER  
ILLINOIS GROUP  
WASHINGTON, D.C.  
JUNE 28, 1989

- Good morning. It's great to be with people who know that there is life beyond the Beltway!
- It's an interesting time for transportation in the U.S. -- it seems like it became a lot more interesting, just as soon as I had to take responsibility for how things were going. We've had to handle a whole series of critical issues at the Department of Transportation since this Administration came in. President Bush kids me, "You know, we had a great transportation system in this country until I selected you." I hope he's kidding.
- I'll start with the issue I consider the most urgent, because it is the biggest. It crosses all modes and markets of transportation. That is the emerging insufficiency of our nation's major transportation infrastructure.
- The condition of our roads and bridges, and the capacity of our existing airports and highways are becoming inadequate for the demand placed upon them. That is why formulation of a national transportation policy is my highest priority.
- I believe the best way for American transportation to meet the challenges of today -- and the 21st century -- is

through strategic planning. We need to gather and review the facts, see where we are and where we want to go, and then find ways to get there. Successful businesses with smart leaders operate this way, anticipating future needs while seizing opportunities as they arise. Government, if it is going to be successful, needs to start thinking strategically, too. We need to plan ahead, so that even as we build to meet immediate needs, we are also providing for the foreseeable future.

- The national transportation policy will be an integrated and inclusive analysis, capable of providing a decision-making framework for government and industry. Progress on its development is already underway, with our first document due out in July. This will be an overview of our current situation, a snapshot of the transportation "landscape," that places the system in context and identifies key needs. I can tell you now, though, that our major problem will be catching up and keeping up with the growth in demand. We absolutely must build new infrastructure, and rehabilitate what we have, or our economic vitality and international competitiveness will be seriously impaired.

- It's ironic my nomination was announced the day after the Pan Am Flight 103 tragedy, because aviation security is the issue that means the most to me. We are



working hard to make the skies secure from the threat of international terrorism. Last week, the FAA announced new intensive screening requirements for all portable electronic equipment taken onboard U.S. airlines serving Europe or the Middle East.

- We have greatly tightened aviation security. Tougher regulations; more security personnel; state-of-the-art weapons detection technology; and international cooperation will help prevent another Pan Am 103.

- I have made aviation security an on-going top priority in the Department. President Bush is totally committed to our efforts; this is personally a very important issue for him.

- I have gone to Europe to consult and negotiate with my counterparts in several nations about our security initiatives, with excellent results. We have received welcome support from the President and from distinguished members of the legislative branch. The problem of aviation terrorism is not over; it's not easy to solve. If we're going to be effective in preventing terrorist attempts against civil aviation, it will only be through a unified, international effort by government, by industry, and by the traveling public. I think the response so far is heartening.

- The Exxon-Valdez oil spill is the largest spill in the American oil industry's history -- 10 million gallons of heavy crude. Had the U.S. Coast Guard not responded rapidly in offloading 40 million more gallons, this tragedy would have been four times worse.
- The Alaskan spill is among the most significant environmental disasters this nation has ever faced. It exceeds any human power or scientific technology to entirely repair. We are doing all we can to ensure that the greater restorative powers of nature are able to operate fully. As the national coordinator in the cleanup, I can assure you that President Bush has been personally involved from the start. We are committed to seeing Prince William Sound and its environs as clean of oil as possible.
- This is a disaster of tremendous importance to America in geopolitical terms . At a time when we are becoming more and more energy-dependent upon foreign governments, competing as oil consumers with other energy-hungry nations like the Soviet Union and the Chinese, we are confronted with an event that threatens our ability to explore and use domestic energy resources. We must develop the technology to prevent or better contain such a spill, or our



vulnerability to international energy markets may create undesirable shifts in the geopolitical equation.

- This spill is important in public policy terms, as well. A positive development is the Administration's oil spill liability and compensation legislation. This legislation would enable the Department of Transportation to borrow money immediately from the U.S. Treasury, to assist with quick cleanup action in case of disaster. The more quickly and thoroughly we can contain a spill, the more limited will be damage to our fragile environment. This bill clarifies industry, state, and federal roles in oil spill cleanup, and authorizes compensation for victims of major spills. The bottom line is that if Congress acts on this legislation, we will have a framework for fiscal responsibility and expedited response in case of another oil spill disaster.

- At the same time, the industry itself must do absolutely everything possible to prevent any such occurrence. It needs to help develop new technology that can contain and cleanup the worst-case spill scenario; devise contingency plans that are realistic and work; and maintain equipment, manpower, and fiscal resources adequate to meeting the threat of large magnitude spills. Just this past week, the American Petroleum Institute proposed creation of five "fire

stations" around the country, to provide rapid response to spills of national significance.

- The Eastern Airlines strike is another issue that came up on my radar screen soon after my appointment. According to a Washington Post poll, three-quarters of the American people supported the President's position that labor-management disputes should be resolved by negotiation between the concerned parties, not by government intervention. You cannot create a harmonious relationship between labor and management by congressional action. That can only be accomplished by the parties involved. We are monitoring safety and maintenance on Eastern very closely, and I can say without any equivocation that flying U.S. air carriers remains one of the safest forms of travel in the world.

- The Department has a responsibility to protect the public safety, and the public interest in transportation. While safety remains our preeminent concern, we are also working to ensure that the passenger airline sector remains competitive. The economic benefits afforded by deregulation will only continue if competition remains strong. That is why we are studying the current air passenger market. Among other things, we need to know if concentration of market sector reduces competition. And that is why we are becoming more



actively concerned with passenger carrier competition and regional service distribution. We want the consumer to continue to get the best, most efficient service -- as well as the safest and most secure.

- We have many other urgent issues going at the Department, including our drug testing rules for the transportation industry. I'm proud that my name appears in a leading case seeking to authorize drug testing among appropriate portions of our workforce. I would like nothing better than to have that case decided by the Supreme Court, upholding random drug testing for safety- and security-related personnel across the board. And I'm proud that the Department itself has the most effective, comprehensive random drug testing program in government. We haven't asked anybody to do anything that we haven't already successfully done ourselves.

TALKING POINTS PREPARED FOR DELIVERY BY  
U.S. SECRETARY OF TRANSPORTATION SAMUEL K. SKINNER  
FAA GROUNDBREAKING CEREMONY  
OKLAHOMA CITY, OKLAHOMA  
JUNE 30, 1989

- It is an honor to be here this morning to participate in the groundbreaking ceremonies for the new \$31 million training building here at the Mike Monroney Aeronautical Center's FAA Academy.
- Not only am I pleased to see that this new Academy building is being named after one of Oklahoma's own -- one of our most distinguished astronauts as commander of the famous Apollo 10 flight which tested the lunar module on the moon -- but this new \$31 million building is part of our National Airspace System Plan which will upgrade and modernize air navigation and air traffic control facilities.
- Academy students will be trained at this new building on advanced automation equipment being brought into our system. The FAA National Airspace System Plan is a very important step in maximizing air traffic efficiency, and the keystone in updating our aviation system for the 21st century. As many of you may know, one of my highest priorities as Secretary of Transportation is the development of a national



transportation policy for meeting our needs over the next decade and into the 21st century.

- The national transportation policy, which is currently underway, is basically a strategic plan for transportation in the next century. Just as I feel it is important that a business be run with a strategic plan, we should should also run government policy by a strategic plan. In other words, my goal is to provide the framework through which our decisions on our transportation infrastructure, services and related needs can systematically assessed and implemented. For example, currently we are reviewing the NAS Plan's status and will make appropriate recommendations for accelerating its implementation.

- The goal is to prepare for the year 2000 by giving our controllers the best equipment necessary to do the job, cutting air traffic delays, and providing better routing for airliners. At the same time, we need to increase the air traffic controller work force and maintain their exemplary safety record.

- I am happy to see that the FAA Academy here in Oklahoma City is rapidly expanding and growing. The air traffic control screen classes now number more than 300 students each, and projections call for more than

30,000 students in all disciplines to attend the Academy this year. In addition, the Aeronautical Center itself, is a major economic factor to Oklahoma City, helping to employ over 5000 people. The groundbreaking today for the new Stafford Building indicates that the Aeronautical Center will continue to have a positive economic factor on the community.

- As a pilot, I know that the air traffic controllers and those involved in this business have the most difficult and high pressured jobs in government. New ways must be found to make sure these dedicated individuals receive our support. In fact, we recently just announced a 5-year demonstration project which should make it possible for the FAA to achieve full staffing at facilities where living cost, highly complex operations, or other factors have made them unattractive locations at which to work. Since the program officially began on June 18, the FAA has received over 500 formal employment bids and over 450 informal job inquiries since the project was announced.

- I am also pleased that President Bush has placed the Air Traffic Control System near the top of his list of priorities. The FY 1990 budget includes funding for an additional 695 air traffic controllers, and 120 security specialists.



● Give the fact that airline passenger traffic has nearly doubled in the last ten years and could double again by the year 2000, our aviation system and the FAA has done remarkably well during this unprecedented growth. The problem of airport capacity which is in part, causing congestion and delays at many of our major cities, has put a definite strain on our air traffic system and air traffic controllers. But, the answer to the problem of limited capacity is not merely to increase the number of air traffic controllers. The problem is much bigger than that. We need more capacity -- more airports must be built and I think it is going to take the cooperation of all of us from local and state leaders to the federal government.

● That is why at the Department of Transportation, we are developing a short and long-term strategy that will address immediate and future transportation needs to find out as quickly as possible what areas of our infrastructure are most at risk -- and then devise the means to restore or improve them. We welcome your input in not only keeping our aviation system the best in the world, but to maintain and improve our transportation infrastructure across the board as we approach a new century as a nation.

- I would like to turn your attention to the reason we have gathered here this morning, and ask that our distinguished guests on the platform now join me for the groundbreaking ceremony.