



# *Moving America Into the 21st Century*

ADVANCE PRESS COPY

Contact: David P. Prosperi  
Tele.: (202) 366-4570

REMARKS PREPARED FOR DELIVERY BY  
SECRETARY OF TRANSPORTATION SAMUEL K. SKINNER  
TRAFFIC SAFETY SUMMIT  
APRIL 2, 1990  
CHICAGO, ILLINOIS

Good morning. Less than two weeks ago, just a few miles from here in the suburb of Itasca, a 32-year-old man was charged with driving under the influence of alcohol and driving with a revoked license. At the same time, he was also charged with aggravated assault, possession of a hypodermic needle, driving with an open liquor container, and improper lane use.

The officer who pulled him over soon discovered this remarkable fact: The man had not had a valid drivers license since 1979, and had been convicted for drunk driving five times.

But that's not the end of the story. In December of 1986, this same man struck a husband and wife as they crossed a street here in Chicago. According to the case file, the man tried to drive away, but his engine stalled. The woman he struck was trapped under his car. She had been dragged 75 feet and killed. Her husband was injured, and went in for surgery after the funeral. Fortunately, the couple's five-year-old son wasn't with them at the time.

While the officer tended to the victims, the driver escaped on foot, but was arrested the next day.

And what kind of sentence do you think this man got? Remember, up to that point he had been arrested four times for drunk driving and four for driving without a license. Well, the judge gave him five years for reckless homicide and three years for driving under the influence of alcohol. But even though the man had already been convicted of a felony, the judge did not impose consecutive sentences. So the man spent two-and-a-half years behind bars, and was released from prison last June. Nine months later, he was put back behind bars on \$100,000 bond. That was reduced to \$10,000, and he was released Thursday after posting \$1,000.

- more -



U.S. Department of  
Transportation



How many more times does this menace to society have to be arrested before he's put away for good? Does he have to kill someone else first? What is going on that our society puts up with this kind of threat?

Each one of you here today could give me your own version of this story -- with different characters and different circumstances. And each one of you can give me some answers that I'd never be able to get in Washington.

That's why we've asked you to join us today. We need your input. You're the best in what you do from around the country, and we need your expertise. We've calculated that the sum total of the law enforcement experience in this room adds up to at least four thousand years.

That represents an invaluable pool of practical wisdom and insight that can help this country forge new answers. Answers not only on how to deal with the incredible problem of drinking alcohol and driving, but on what we can do to stop people from mixing drugs and driving, and from speeding and other hazardous practices. We also have to determine how best to convince more people to use their safety belts, and to protect their children with child safety seats. And we need to redouble our efforts to enhance truck safety through driver licensing, vehicle inspections, and traffic enforcement.

Last fall, when I went to the President's Education Summit, I saw firsthand just how successful a summit like this can be. The President had assembled in one place senior Administration officials and all the nation's governors to grapple with a single issue of national importance. I witnessed a meeting of minds and a frank exchange of ideas -- including the President himself, one-on-one. At that summit, people were encouraged to lay aside simple rhetoric, and lay out what they really think.

That's what we want to happen at this summit. We're not interested in just talk. We want ideas for action. We want to draw on your collective experience to look for ways to enhance our effectiveness at the federal, state, and local levels. At the most basic level, we've got to come up with a way to get traffic safety on the country's agenda of top priorities.

As a society, we've long since declared war on drugs. But did you know that no one has yet tabulated the toll this war has taken on a nationwide scale? We still don't know how many lives are lost each year due to illegal drugs.

But I can tell you what the carnage was on the nation's highways last year -- 45,500 dead, and several hundred thousand with moderate to serious injuries. That's better than previous years, so we're making progress, but more must be done.

We have to ask ourselves: Why doesn't 45,500 dead on the nation's highways in a single year grip the soul of the American public in a way proportionate to other concerns, such as drugs, or AIDS?

To heighten that awareness and concern, government at the federal, state, and local level, and the private sector, have produced some innovative video messages on critical traffic safety issues. We've brought a few outstanding examples with us today, and I'd like to begin with our new Vince and Larry public service announcements to promote the use of safety belts.



Vince and Larry are two dummies who've made Americans a lot smarter. Today, belt use is the law in 34 states, and 46 percent buckle up, compared with just 11 percent ten years ago. But we still have a long way to go to reach the President's goal of 70 percent safety belt usage by 1992.

The organization that is helping us achieve that goal with the award-winning Vince and Larry campaign is the Ad Council and the volunteer advertising agency that created the characters -- the Leo Burnett Agency. I would like you to meet their representatives. Bob Zabel is from the Ad Council. Tom Coleman, Bob Wyatt, Jill Baskin, and Skip Long are from the Leo Burnett Agency.

We have also teamed up with the Ad Council to tackle another serious highway safety problem -- drunk driving -- and know that this new campaign will be just as creative and effective.

Speeding is another issue we'll be considering at this summit. The State of South Carolina has addressed the speeding problem with an excellent public service message that we liked so much, we adapted into a national speed PSA. It shows the creative genius that can come from the states, and how working together in partnership we can get a lot more done for each other, and for the country as a whole. (Video shown.)

One of the objectives of NHTSA and the Transportation Department has been to describe the traffic crash problem in a much broader context -- to dramatize all the consequences. This next video does that. It measures the costs in human and economic terms. The American Coalition for Traffic Safety produced this tape, and I would like to thank Phil Haseltine, the Executive Director of ACTS, for this excellent effort. (Video shown.)

I will personally send a copy of that video to every Governor in America. It highlights some of the progress we've made, but it also reminds us how much further we have to go.

No one here needs to be reminded of how much more needs to be done. It's our sworn duty to do more. No one knows that better than law enforcement officials. Despite your incredible sacrifices -- and those of the loyal men and women who serve with you -- you are constantly asked to do more with less. Fewer squad cars, less hours of patrol time, uncovered beats, uncovered sectors and counties that have no police officers -- the list is endless. You've got more cars and drivers on the road, more highways to cover now, and suburbs are stretching further and further beyond city borders. You're asked to devote more resources to fight drugs and other crimes, yet you're expected to do no less for traffic safety.

Let us hope that this summit will help ease your burdens -- not only by helping to achieve solutions, but by creating a fuller partnership between the federal government and its state and local counterparts. Let us put aside biases and preconceived notions. Our mission has no political objectives, and doesn't recognize parties. With your know-how and with your spirit, we can return to basics, capitalize on technology, and make the bold decisions that you never shy from making day after day.

That said, let's roll up our sleeves and get to work.

Thank you very much.



TALKING POINTS PREPARED FOR  
SECRETARY OF TRANSPORTATION SAMUEL K. SKINNER  
Y-GROUP  
WASHINGTON, D.C.  
APRIL 3, 1990

- I come from the private sector -- know your concerns.
- When I think about my past year at DOT, I'm reminded of a story by Winston Churchill.
  - Following one of his speeches, Mr. Churchill took questions from the audience. A lady from the Temperance Union had a particularly pointed one.
  - "Is it true what I've heard about how much brandy you drink? I've heard that if you put all the brandy you've drank in this room it would come up to your waist."
  - Mr. Churchill looked down at his waist, and then stepped back. Thoughtfully, he looked down at the floor and said with a great sigh: "Ah, such progress."
  - Then he looked up at the ceiling and said: "And yet so far to go."
  - Reminds me of transportation.
- European trip -- airport security, high speed rail.
- United Europe will be a formidable competitor.



- Berlin Wall on the verge of elections.
- NTP designed for this competitive world.
- President Bush: "No sector is more important to the American economy than transportation. As world trade grows even larger, as we continue our leadership in an increasingly global society, we will become even more dependent on transportation than we are today."
- That's what the NTP is all about.
  - America needs a strategy for the future.
  - Like successful corporations.
- NTP is a strategic decision making framework.
  - Not centralized plan. Guidelines, not specifics.
- Charter for a new era. Transportation system is now essentially in place.
- New era to maintain, modernize, expand system.
- Foundation era must give rise to the innovation era.
  - IVHS, high speed trains, maglev.



- New transportation era calls for new approach.
- New partnership effort will better spur innovation.
- More flexibility essential to competitiveness.
- Look at what deregulation has done.
  - \$40 billion saved by partial railroad and trucking deregulation.
  - Americans now travel 65% more by air, pay 20% less on average. Total savings = \$100 billion.
- Flexibility implies responsibility.
- This will mean raising user fees.
- Administration willing to take the heat.
  - Aviation, maritime, rail.
- What about the states?
  - 18 states have raised user fees over the past year.
  - 33 over last three years -- 9 raised fees twice.
- What does the consumer think?
- Federal commitment has not slackened.
  - Infrastructure, R&D, capacity.



- Stakes are high for global challenges of 21st century.
- You in private sector will lead us there.
- Encourage you to take active interest in public affairs.  
-- Necessary for your business and for your country.
- President Bush: "I know this about the American people: We welcome competition. We'll match our ingenuity, our energy, our experience and technology, our spirit and enterprise against anyone."



FINAL COPY

REMARKS PREPARED FOR DELIVERY BY  
SECRETARY OF TRANSPORTATION SAMUEL K. SKINNER  
INTERNATIONAL FEDERATION OF AIR LINE PILOTS ASSOCIATION  
APRIL 5, 1990  
WASHINGTON, D.C.

When Hank Duffy invited me here, he told me that the International Federation of Air Line Pilots Association has two basic aims: the development of a safe and orderly system of air transportation, and the protection of the interests of airline pilots.

At the Department and at the FAA, we share both those objectives. They fit very nicely in my theme this morning -- "International Aviation in the 1990s: a U.S. Perspective."

Last month I visited Europe where I met with key transportation officials of Belgium, France, and Germany to discuss aviation security and high-speed rail technology. While that first-hand look was very instructive, the most vivid memories I carried home with me were not of transportation at all. Rather, they are memories of my visit to the Berlin wall on the day of the first free elections in East Germany in over fifty years.

The images from that trip are ones I'll never forget: the wall itself, once a symbol of carnage, hate and repression, now filled with life, joy and expression. I watched a political spring burst forth that day as the East German people reached to touch the face of



democracy. It was a moving sight: Life in eyes once dead, hope in hearts once closed, a virtual renaissance in spirits. Images that will stay with me for the rest of my life.

Those images signal a rare opportunity for the world's political leaders to shape history. There is no question that the underpinnings of our future will be freedom and economic opportunity. The emerging democracies in Eastern Europe have a significant challenge ahead in preparing for a world where choices are made by individuals, not central committees, and where investment decisions are made by the marketplace, not bureaucracies.

These are indeed exciting times. Everywhere we look, we see evidence of momentous change, a new global economic environment with significant opportunities for accelerated growth and development. I cannot think of an industry for which these developments hold more promise than the airline industry.

The dramatic change we're witnessing in the world today cuts across all sectors of human activity -- economic, scientific, political, commercial, military. All this means that we may well be embarking on an era of unprecedented global economic expansion -- and with it, unprecedented challenges.



As we move into this decade of change, business activity will rely more and more on air transportation, both for passenger and cargo movements. With the increased trade between countries resulting from this new political environment, travel between countries will undoubtedly increase.

What does all this mean for airline pilots? More opportunity. Added responsibility. A chance to become the first generation in a truly global economy.

The most important message I want to leave with you is this: This Administration wants to work with airline pilots around the world -- to smooth the flight for yourselves and for air travelers. We give top priority to safety, security, technology and human factors, but we need your expertise to make the system work.

I also want to take this opportunity to underscore this Administration's commitment to a free international market. Deregulation of the U.S. airline industry is working and working well. Now, it is high time that we work to deregulate international aviation markets. We want to push the door wide open to free and unfettered competition for air transportation around the world.

Far too many arbitrary, unnecessary governmental regulations remain that impede growth in international



aviation markets. Pent up demand goes unserved. Supply is choked by the heavy hand of government.

As Secretary of Transportation, I have pledged to begin tearing down the walls that were erected to prevent open skies around the world. We intend to work hard to free the so-called "international aviation market" from unnecessary governmentally imposed restrictions just as we did here in the U.S.

It wasn't long ago that these regulatory restrictions were present in our domestic market. Many believed the air transportation system that functioned best was one in which the government told airlines which routes they could serve and how much they could charge. But deregulation of the domestic airline industry changed all that. It stimulated a phenomenal expansion of our domestic air transportation market and produced huge economic dividends for consumers.

Deregulation produced an airline industry that is more creative, more responsive to the marketplace, and more efficient. Hub-and-spoke systems, yield management programs, and sophisticated computer reservation systems are all products of this environment. Innovation spurred by market forces has made our air transportation system efficient.



There is, in my view, no reason why these extraordinary benefits should be limited to our domestic market. It is my hope that all the people of the world can enjoy the same benefits of deregulation that U.S. travelers enjoy. How do we get there? Here are my thoughts.

Number one, we must work hard, within the bilateral context, to establish liberal agreements with as many countries as possible. We have recently proposed to several of our major trading partners, the establishment of an unrestricted aviation regime. The "open skies" proposal is a major step in the development of a new, more progressive era of international aviation.

Number two, we are creating new opportunities for air travel outside the traditional horse-trading bilateral negotiating process.

Last week the Department granted the application of KLM to fly between Amsterdam and Baltimore under a newly established program to expand international air service to more U.S. cities. The award was the first made under the new program and we welcome applications from other carriers.

Number three, the Department, in cooperation with other agencies of government, is considering better ways to create more free trade in international aviation



services. To derive maximum benefit from the economic changes that are likely to occur during the next decade -- to realize our vision of a freer system of international aviation by the year 2000 -- we must develop innovative ways to achieve that goal.

We are looking at alternatives to the bilateral negotiation process. This traditional way of doing business should continue to provide the forum for effecting change. But we may have to try different approaches to foster effective dialogue.

For example, the European Economic Community is scheduled to become a unified economic entity in 1992. The integrated internal European market will include aviation services. The liberalization of Europe as an aviation market should produce many of the same kinds of benefits there that we realized in the U.S. as a result of deregulation.

Developments in Europe and elsewhere may warrant a departure from the one-on-one negotiating system that we have used for over forty years.

The United States stands ready to conduct discussions in any forum -- formal or informal -- in which the prospects for the creation of a genuine market for international services can be advanced.



If we are to realize this goal -- if we are to open up the international aviation marketplace -- there must be a partnership between the public and private sectors, between government and the aviation community, and that partnership must include the people who are going to fly the planes.

Capacity, security and safety concerns are all a part of any truly international aviation system.

In the United States, we are going to deal with our capacity, safety and security issues under the framework of the National Transportation Policy. This strategic policy announced last month by President Bush already has served as the foundation for a recent submission to Congress for reauthorization of the FAA. That proposal includes a 73 percent increase in capital and research spending over five years and a provision to allow local airports to charge a \$3 passenger facility charge for construction of new capacity.

We are going forward with the NAS plan to modernize the air navigation system with state-of-the-art technology.

I know that you who fly in European airspace are very frustrated by the severe air traffic control capacity problems and resulting delays there, which at times produce virtual gridlock. We are seriously concerned



about this situation, which imposes enormous inconvenience on passengers, substantial cost penalties on the airlines. We know that our concerns are shared by European airlines, citizens and governments. Many European observers fear that congestion will deal a setback to aviation liberalization, a prospect that should concern all of us. We hope to work with our European colleagues to exchange experience about the technical aspects of the problem.

We recognize that Europe faces a very difficult task in implementing needed changes because ATC services are provided by over 20 national systems. Clearly, the states will have to come to grips with the political barriers to harmonizing or integrating their individual systems. We are encouraged by the decision of the European Civil Aviation Conference (ECAC) to strengthen the role and authority of Eurocontrol and that Conference's initiative in establishing the Task Force on the Integration of European Air Traffic Systems, with Eurocontrol and ICAO. That Task Force will examine the scope, means and timetable for integration. We hope that national governments will follow through on their commitments to implement these positive steps.

In the United States we have taken steps to make international aviation more secure. One step requires all U.S. air carriers to deploy explosives detection



systems over the next few years to screen checked baggage for international flights from about 40 of the busiest airports in the United States and overseas.

Six Thermal Neutron Analysis (TNA) units were purchased by the FAA and the first one was installed at JFK International. I saw that unit in operation and I was impressed. The second TNA is in place in Miami, and agreement has been reached to install the third at London Gatwick.

We've been working to deploy more FAA security specialists overseas and to make better use of the FAA security bulletin process.

With regard to safety -- which is always the highest priority of the Department and the FAA -- we are giving considerable study to human factors. In that regard, ALPA, in this country, is a pioneer.

I applaud Hank Duffy and ALPA for taking the lead on the alcohol abuse issue as far back as 1972. ALPA brought the problem to the industry's attention almost 20 years ago. ALPA began a Human Intervention and Motivation Study which led to an employee assistance program for professional pilots. ALPA ran that program until 1984 when it became an industry mode, and ALPA deserves enormous credit for this ongoing initiative.



Recent allegations regarding the Northwest Airlines crew in March, however, have cast some doubt into the mind of the public, and the Department is working hard to formulate an approach to this problem that will balance the need for deterrence and the need for rehabilitation. To do so, we need to rely heavily on inputs from labor and industry, such as those that led to the ALPA rehabilitation program.

ALPA's dedication to safety has played a strong role in the positive safety trends seen since the industry was deregulated in 1978. Improved technology and betterments in cockpit professionalism will continue to be central to continuation of those favorable trends.

We hope to have a comprehensive national plan for human factors research that will help us alleviate as many human performance errors as possible. You know better than most that many errors are human performance, whether it's an incomplete communication as occurred recently in the crash of an Avianca Airline flight in New York while on approach to John F. Kennedy International Airport, or an error in judgment somewhere else out there. Since the Avianca crash we've issued a notice asking carriers to use the U.S. Airman's Information Manual which instructs pilots low



on fuel to declare a state of minimum fuel and to declare an emergency.

Our human factors research will focus on automation and technology, aviation system monitoring capability, basic scientific understanding human performance factors, human performance measurement, information transfer, controls, displays and workstation design, training and selection.

When accidents are attributed to human error, in many cases, the basic problem was the way the human being -- the pilot or the controller -- interacted with the automated system. We are working to assure that the people who operate our new Advanced Automation System can interact with it safely and effectively -- from Day One.

I believe it is the responsibility of labor and management working together to lead the world's aviation industry to be more competitive. I urge both labor and management to find a joint solution to differences, without dependence on government intervention. In many instances, I have been encouraged by what I have seen.

By the time I leave this office, I want the United States to be well on the way toward building the transportation system it must have in the 21st century. I



also want to have started down the path I've described today -- a path that leads to a more competitive aviation system for the entire world. As major players, airline pilots can make a strong contribution.

A couple of years ago, we were all inspired by the amazing feat of two pilots -- Dick Rutan and Jeana Yeager -- that began in California's Mojave desert. These two Americans piloted their slender little aircraft through a typhoon across the Pacific, and around the world in seven days without refueling. Together -- along with Dick's brother, Burt, who designed the Voyager -- they were a part of a modern day adventure unmatched since Lindbergh flew to Paris and Chuck Yeager broke the sound barrier.

In the wake of his historic journey, Dick Rutan struck the keynote of our philosophy of competitiveness. As he put it, they had to fill out only two pieces of paper in the six year history of Voyager. One was an application for airworthiness. The other, an application for a tail number.

Voyager did not originate at the Department of Transportation nor from a federal grant. Its birth certificate was a restaurant napkin; its first blueprint a series of doodles by an aeronautical dreamer. Like Dick



Rutan says, "What kind of world would there be if there was no daring?"

It's that question that prompts every generation to challenge the status quo, and to press beyond the boundaries of convention.

Government can't shy from daring, either. We must move forward. We must redouble our efforts in safety and security. We must create a global aviation economy. We must think and plan strategically. These are the challenges I have taken on as U.S. Secretary of Transportation. I welcome your thoughts and assistance as we move forward.

Thank you very much.



REMARKS PREPARED FOR DELIVERY BY  
SECRETARY OF TRANSPORTATION SAMUEL K. SKINNER  
ARIZONA'S AVIATION FUTURE SYMPOSIUM  
APRIL 9, 1990  
PHOENIX, ARIZONA

Thank you, John, for those kind remarks.

I congratulate Arizona for sending to Washington one of America's best -- someone with the energy and leadership of Senator John McCain. As the ranking Republican on the Senate's Aviation Subcommittee, John is the President's point man on aviation in the United States Senate. He is a great friend of the Department of Transportation, and a very effective spokesman for aviation excellence.

John is an ideal successor to that other Arizona stalwart of aviation -- Barry Goldwater. I was a precinct worker for Goldwater in Illinois in '64, so my admiration for him goes back a long way. I'm delighted that Sky Harbor's new terminal will be named after him. It is a fitting tribute to a great champion of American aviation.

This reminds me of another major project in the heart of Phoenix -- the final link in the nation's interstate highway system. It will be completed when the ribbon is cut to open the Papago Loop just a few miles from here in the shadow of Squaw Peak.



The Goldwater Terminal and Papago Loop show that Phoenix is on the move in a fast-moving world. I don't need to remind anyone of the pace of change now sweeping the globe. We see it splashed across the headlines every day. And this dramatic change cuts across all sectors of human activity -- economic, scientific, political, commercial, military. All this means that we are embarking on an era of unprecedented global economic expansion -- and with it, unprecedented challenges.

I cannot think of an industry for which these developments hold more promise than the aviation industry. As tourism and trade increase between countries, so will international travel. And business will rely more and more on air transportation to move both passengers and cargo.

When I was in Europe recently, I had a very encouraging meeting with the Commissioners of the emerging European Economic Community. I was very pleased to hear them talking about airline deregulation, and their desire to take their countries in that direction.

It wasn't long ago that regulatory restrictions similar to theirs hindered the efficiency of our own market. At that time, many believed that air transportation



functioned best when government told the airlines which routes they could serve and how much they could charge.

In Europe and America, the regulation of the airline industry had begun decades before in a totally different time, and under vastly different circumstances. By the early '70s, many began to question the merit of continued government economic regulation over industries that had long ago ceased to be monopolistic, and were, in fact, naturally competitive.

The Air Cargo Reform Act of 1977 led the way by deregulating the domestic air freight business. What continued deregulation did in air travel changed the way of life for many Americans. We now travel 65 percent more by air than we did before the deregulation of the airline industry in the late 1970s. And despite the increased demand, consumers are paying on average 20 percent less per trip. Total savings for the American consumer are estimated to be more than \$100 billion.

The Department recently completed the most comprehensive study of airline competition ever done by the federal government. It clearly showed that deregulation is working. It has produced an airline industry that is more creative and responsive to the



marketplace -- and much more efficient. Hub-and-spoke systems, yield management programs, and sophisticated computer reservation systems are all products of this environment.

Some carriers were not well positioned to compete effectively in deregulated skies, and went out of business. Many entered the business and found the going too rough. All this was anticipated when the Airline Deregulation Act was passed in 1978. It was understood then that some carriers might not survive in a fully competitive environment. But it was also understood that the fit would survive.

One of those survivors is America West. In fact, America West is the only major airline still flying that started up after deregulation. That is a feat for which the airline -- and all Arizonans -- can be very proud.

America West is a winner in many respects. At the Department of Transportation, we welcomed America West into the big leagues in January. That month, the airline's revenues reached the level of \$1 billion per year, so we were able to categorize it as a "major" carrier. Now the tenth largest carrier in the United States, America West more than doubled its net profit last year, and consistently tallies number one for on-



time performance. And it accomplished all this during the era of deregulation.

In my view, there is no reason why the extraordinary benefits of deregulation should be limited to our domestic market. It is my hope that all the people of the world can enjoy the same benefits of deregulation that American travelers enjoy.

The Bush Administration is doing its part to tear down the walls that prevent open skies around the world. We want to push the door wide open to free and unfettered competition for international air transportation.

The Administration intends to work hard to free the so-called international aviation market just as our market was freed in the United States. How do we get there? Here are some of my thoughts.

Number one, we must work within the bilateral context to establish liberal agreements with as many countries as possible. We have recently proposed the establishment of an unrestricted aviation regime to several of our major trading partners. Our "open skies" proposal is a major step in the development of a new, more progressive era of international aviation.



Number two, we are creating new opportunities for air travel outside the traditional horse-trading bilateral negotiating process. Last week, the Department granted the application of KLM to fly between Amsterdam and Baltimore under a newly established program to expand international air service to more cities. The award was the first made under the new program, and we welcome applications from other carriers.

Number three, we're looking at alternatives to the bilateral negotiation process. This traditional way of doing business will continue to provide the forum for effecting change. But we may have to try new multi-lateral approaches to foster effective dialogue.

The Administration stands ready to conduct discussions in any forum -- formal or informal -- in which the prospects of creating a genuine market for international services can be advanced.

There's no question about it: Aviation is the wave of the future. It can do for our country in the 21st century what railroads and the interstate highway system have done in the 19th and 20th centuries. Railroads and highways tied our vast continent together. They opened up new frontiers, and linked our people as never before.



Aviation holds that same potential for the 21st century, but on an even grander, international scale. It only remains for nations -- and states -- to grasp a vision of this potential, and how they can tap into it. Those who expect to capture the future, must plan for the future.

That's what our recently released National Transportation Policy is all about. It's based on the fundamental assumption that America's success in the world requires a long-term strategic approach. No successful corporation would even think of facing the future without a comprehensive strategy. Federal and state governments shouldn't either.

Our National Transportation Policy is not a centralized plan. It is a set of guidelines, not a set of specifics. It provides a strategic decision making framework to help federal, state, and local officials, and the private sector, make long range plans for America's transportation needs. The Arizona Republic calls our Policy "a sound approach."

The Policy is, in short, a charter for a new era. The nation's transportation system in all of its various modes is now essentially in place. The great age of laying the foundations of America's transportation system is basically over.



Now we must embark on a new era of maintaining and modernizing, and expanding, what we now have. We must find new ways to use existing systems. We must develop new technologies and more innovative approaches to financing. The foundation era in transportation must now give rise to the innovation era.

This new transportation era calls for a new approach. In the past, the federal government took the lead in developing the nation's transportation system. The time has come for the federal government to share its leadership role -- not to transfer its leadership role, but to share it -- to create full partnerships with state and local governments and the private sector.

We at the U.S. Department of Transportation are prepared to establish just such a partnership with those of you here in the Valley of the Sun, and with your state transportation officials. We want to do our part in helping you prepare for the future.

Perhaps no issue is more urgent than your need to address the challenge of airport capacity. No major city is exempt from this challenge. And there is no time for delay, especially here in Arizona where aviation is your link to the world.

Your clear skies and great flying weather have already spawned a thriving aviation industry. The increase in air



traffic here in the Valley has been nothing short of phenomenal. In 1951, Sky Harbor handled 241,000 passengers during the entire year. Last year, the count was 20 million. That's the yearlong business of 1951 every four-and-a-half days. That fact summarizes our expectations for Arizona's aviation future.

Your decision to build a third runway for Sky Harbor is very wise. I urge you to get it on the fast track. Don't let the deadline slip. That third runway is essential for Sky Harbor to maintain its safe and efficient service. And, of course, it must be done in a way that follows proper procedures for noise mitigation and other environmental standards.

Another project focused on meeting the need for future airport capacity will be the topic of this afternoon's panel discussion. It will undoubtedly produce a heated discussion, but I hope it will produce more than just talk. What Arizona needs is a plan for action. The stakes are high in the fast-moving world of national and international aviation. Strategic planning is indispensable.

Whatever action you decide to take will involve major issues of air space utilization and air space rights. And this is one area where we in Washington can be of help. But you in Arizona must get the ball rolling.



Across the country, others are on the move. Atlanta's world class international airport has been a tremendous boon to their local economy. Dallas/Forth Worth was forward-looking, and is now reaping the fruit of its 1974 airport. In fact, they are engaged in further expansion. Unfortunately, that was the last major airport built in the United States.

Denver's new airport promises to increase capacity and reduce delays throughout the country's entire airspace system. Two weeks ago, I was pleased to hand Denver's mayor and Colorado's congressional delegation a check for \$90 million for this project of national importance.

Federal handouts, however, will not be the major source of funding in the new transportation era. Increased funding will have to come from the state and local level, as well as the private sector. This will provide state and local governments more flexibility and more control over their transportation dollars. It will also result in better managed projects.

To help airports better utilize existing capacity, as well as expand it, we're asking Congress to allow airports to impose what we call passenger facility charges. This amounts to a special user fee of up to \$3 per passenger per flight -- or more where justified by local conditions.



Sky Harbor, for example, could raise close to \$29 million in one year under this system. This would be in exchange for about \$7.5 million that would become available for discretionary grants for which Sky Harbor could then compete.

Overall, the nation's aviation system stands to gain \$1 billion per year if Congress allows airports to assess passenger facility charges. The nation needs this approach badly. Without it, the ability of our system to expand and improve will be placed in serious jeopardy.

The Administration is asking Congress for a 78 percent increase in the Federal Aviation Administration's capital budget over the next five years. We are asking that the aviation trust fund be spent down from \$7.6 billion to less than \$3 billion over the next five years. We are also requesting an increase in federal aviation user fees.

I've been a pilot since 1957, so I've been around aviation people long enough to know that we are not daunted by serious challenges -- like improving and expanding America's aviation capacity. The American spirit is alive and well.

A couple of years ago, we were all inspired by the amazing feat of two pilots -- Dick Rutan and Jeana Yeager -- that began in California's Mojave desert. These two Americans piloted their slender little aircraft



through a typhoon across the Pacific, and around the world in seven days without refueling. Together -- along with Dick's brother, Burt, who designed the Voyager -- they were part of a modern day adventure unmatched since Lindbergh flew to Paris and Chuck Yeager broke the sound barrier.

In the wake of his historic journey, Dick Rutan struck the keynote of our philosophy of competitiveness. As he put it, they had to fill out only two pieces of paper in the six year history of Voyager. One was an application for airworthiness. The other, an application for a tail number.

Voyager did not originate at the Department of Transportation, nor from a federal grant. Its birth certificate was a restaurant napkin; its first blueprint a series of doodles by an aeronautical dreamer. Like Dick Rutan says, "What kind of world would there be if there was no daring?"

It's that question that prompts every generation to challenge the status quo, and to press beyond the boundaries of convention.

Government officials can't shy from daring, either. We must be forward-looking. But government at any level cannot do it alone. It's going to take the genius and ingenuity of the American people in all sectors --



public and private -- to keep our transportation system the safest and most efficient in the world. Today, America's aviation system is second to none. Working together, we can see that it stays that way.

Thank you very much.



REMARKS PREPARED FOR DELIVERY BY  
SECRETARY OF TRANSPORTATION SAMUEL K. SKINNER  
SIGNING OF MOS-2 FULL FUNDING CONTRACT  
APRIL 10, 1990  
LOS ANGELES, CALIFORNIA

Ladies and Gentlemen. I'm very pleased to be with you today, and to take part in this important ceremony.

I never realized, that on my first visit to this station at Wilshire and Alvarado that I would need a check for \$300 million. That's almost as much as the take for the first weekend of "Teenage Mutant Ninja Turtles." We are in pretty good company.

Last month, I had the honor of presenting President Bush with the very first copy of our new National Transportation Policy. And when I did, I told him that merely publishing the Policy wasn't the end of the ball game. It was just the beginning of the second quarter.

Well I didn't think back on March 8th at the White House that we'd be celebrating an event here in Los Angeles today that would get the second quarter off to such a running start.

That's because of the way this region is approaching the business of rail transit construction. You are providing a good example of how the National Transportation Policy sees the federal-local partnership



evolving as we approach the challenges of a new century.

From Washington, you can expect a strategic approach that will enable you to put your long-range transportation planning on a steady and dependable course. But at the local end, the days of bare minimum matching funds are over. As stated in the transportation policy, all of us must use federal funds to leverage as many non-federal dollars as we possibly can. That's the shape of the new federal-local partnership.

It's not a reduction of federal interest and federal concern: It's making sure that every dollar we can get our hands on goes as far as it can -- and buys as much as possible -- as we seek to meet our partnership responsibilities to rebuild our nation's transportation infrastructure.

The financial arrangements that we are committing to paper today for the construction of the second phase of the Los Angeles Heavy Rail Rapid Transit Line are straight out of the new National Transportation Policy.

You're willing to use federal funds as a base, and then build from there to secure the additional dollars you will need to complete something you believe is an urgent local priority. You've asked for the increased flexibility

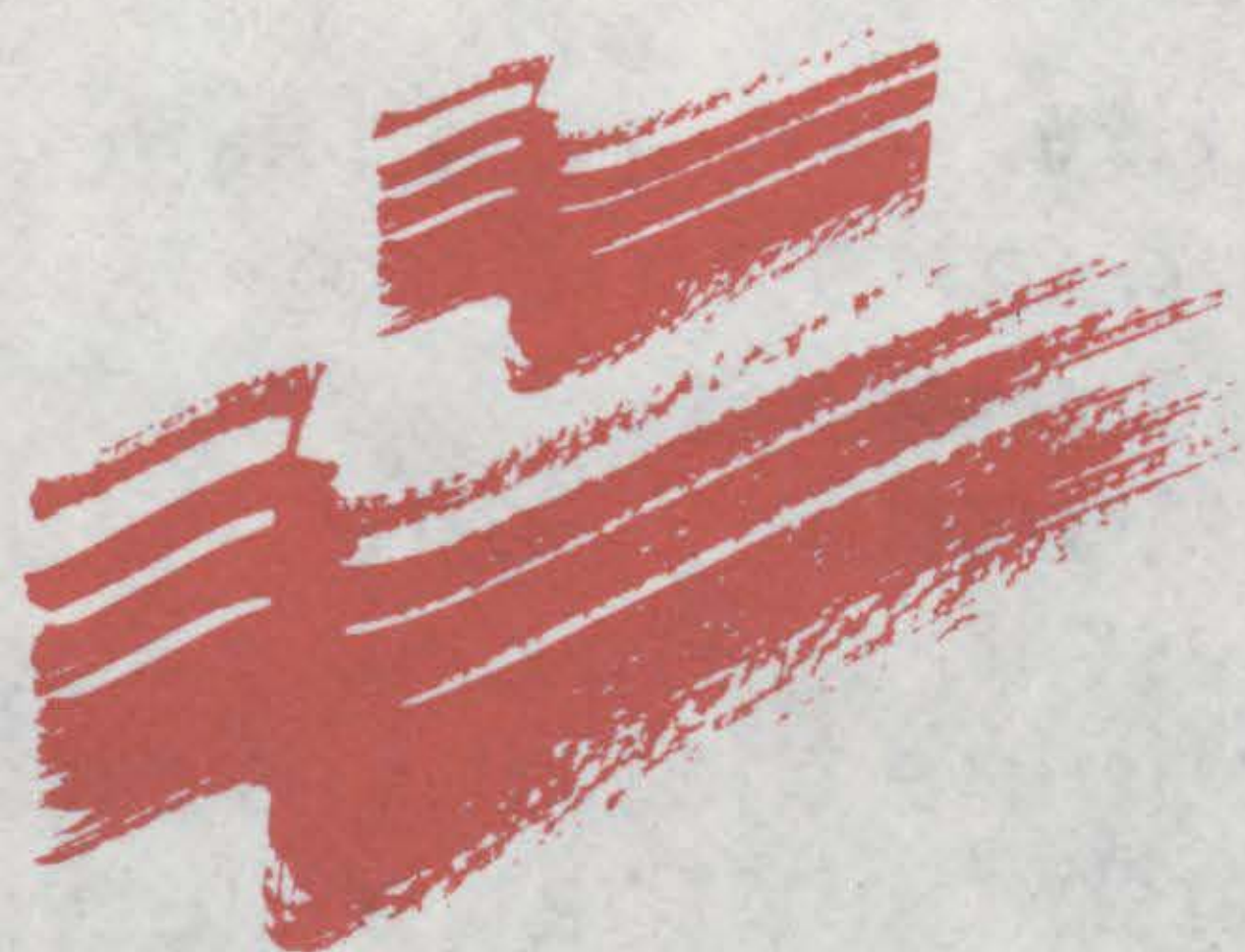


and responsibility you need to make projects like this a reality. We want to provide you with both.

It hasn't been easy. You've had to make hard choices. But that's exactly why you'll have all the more reason to be proud of the product when it is finished. And that's also why I'm pleased to join you here today for this historic ceremony.

Thank you very much.





# *Moving America Into the 21st Century*

ADVANCE PRESS COPY

Contact: David P. Prospero  
Tele.: (202) 366-4570

REMARKS PREPARED FOR DELIVERY BY  
SECRETARY OF TRANSPORTATION SAMUEL K. SKINNER  
AMERICAN AUTOMOBILE ASSOCIATION  
APRIL 11, 1990  
PALM DESERT, CALIFORNIA

The name Triple A is synonymous with highway safety. Some speakers might mistake you as a single issue audience and dwell only on safety issues. At the Department of Transportation, we understand that Triple A interests run the gamut from safety to highway infrastructure to capacity problems at airports and congestion problems in city streets. The National Transportation Policy recently announced by the President covers all these issues and much more.

I want to talk about how that Policy complements the unprecedented opportunity awash in the world today. We stand at the doorstep of opportunities that a few short years ago -- even months ago -- were unimaginable.

Recently I visited Europe where I met with key transportation officials of Belgium, France, and Germany to discuss aviation security and high speed rail technology. While that first-hand look was very instructive, the most vivid memories I carried home with me were not of transportation at all. Rather, they are memories of my visit to the Berlin Wall on the day of the first free elections in East Germany in over 50 years.

That trip had many images I'll never forget. On the one hand was the Wall -- a stark reminder of government restriction at its worst. On the other hand were the people -- bursting with joy at their newfound freedom. Watching East and West Germans moving toward unification was a moving sight.

Those images also offer a rare opportunity for the world's political leaders to shape history. The emerging democracies in Eastern Europe have a significant challenge ahead in preparing for a world where choices are made by individuals, not central committees, and where investment decisions are made by the marketplace,



U.S. Department of  
Transportation

- more -



not bureaucracies. These nations have one striking similarity -- they all have significant deficiencies in infrastructure, especially transportation infrastructure.

We don't have to look beyond our own borders to find infrastructure in dire need of renewal. Our transportation system is, in many ways, the best in the world. But transportation is critical to America's success -- it is, in fact, the engine that drives our economy. The rapidly changing global society, and our leadership in that society, demands that our transportation system run even more smoothly and efficiently.

America's competitive position in the global marketplace depends directly on the state of our roadways and airways, our bridges and rail beds and ports. Our level of national productivity is directly linked to how well we employ strategies that use our existing infrastructure more efficiently -- strategies that find creative ways to expand to meet our needs -- strategies that above all else provide safe and efficient transportation service for all Americans.

That's what the National Transportation Policy is all about. It is based on the fundamental assumption that America's success in the world requires a long-term strategic approach.

Triple A participated in the Policy development process. We went out to the American people in more than 100 public meetings. In essence, what we heard was a call for an improved transportation system -- a system with greater capacity and a sound financial base; a system that supports our national goals in the areas of safety, national security, environmental protection and accessibility for all.

The Policy has stimulated a healthy national debate about America's transportation needs and how to finance them. Like the Triple A, most everyone who cared applauded many points in the Policy but found one or two things to disagree with. That's alright. I don't expect anyone to like everything about it but to view it as a broad umbrella we can use to work together.

The Policy issues a strong call for a partnership between federal, state and local governments to solve our infrastructure problems.

Are the states ready to join that partnership? Are the states willing to find new revenues to meet their transportation needs? The answer is yes. Over the last three years, 33 states have increased transportation user fees or created special funds for infrastructure. Nine states have raised fees twice.

Therefore, we do not, for good reason, support an increase in the federal gas tax. Our position is simply that the gas tax is an attractive and useful source of revenue for states. The more the federal government taps into that same source, the more it takes away from the states. Last year a California legislator told a major newspaper that an increase in the federal gas tax will "kill any efforts in California to improve our roads." He was and still is correct. If the federal governments were to raise the gas tax, it would preempt state and local governments from doing what many of them want to do for themselves.

The National Conference of State Legislatures applauds our efforts to "realign roles and responsibilities." It said that "the proposed move away from inflexible categorical funding and onerous federal requirements has long been sought by the states. State officials are best able to determine the needs in their individual states."



The Highway Users Federation agreed, calling the Policy "favorable to highway users," and noting that it "acknowledges the need for significant expansion of the nation's highway capacity and recognizes the need for preserving existing roads of national importance."

Shortly after the Policy was released in early March, the California Transportation Commission adopted a resolution strongly endorsing it. Cal Trans resolved to continue to work with the Administration and Congress for exactly the things the National Transportation Policy advocates -- "program flexibility, increase discretion to state and local jurisdictions, encourage private sector involvement, assure funding equity and emphasize transportation efficiency and new technology..."

Already the Policy has provided the framework for a legislative proposal for Reauthorization of the Federal Aviation Administration. That proposal calls for a 73 percent increase in capital and research spending over the next five years and allows local airports to levy a passenger facility charge for capacity growth. I know the Triple A has a policy statement against passenger facility charges, but let me say this: the passenger facility charge is only one issue -- a small part of the policy. And it will free up money in the Airport Trust Fund to be spent on some other portion of the aviation system.

When the Policy was announced a few weeks ago, infrastructure and funding issues got the most attention. Today, let me emphasize the eight-word sentence on page 7 of the Policy: "Safety remains the top priority of the Department."

Last week at a National Highway Safety Summit in Chicago we brought together top state and local law enforcement officials from throughout the country for three days. This summit was the strongest show of law enforcement support for safety ever witnessed in this country.

We came away with a list of recommendations that could provide the basis for a legislative, regulatory and administrative agenda for a comprehensive approach to highway safety. But everyone there agreed that any comprehensive highway safety program requires the support not only of law enforcement but Triple A and all groups who care about the fact that more than 90 percent of the transportation deaths occur on our highways.

America must continue to commit itself to a comprehensive traffic safety strategy and do what it can through federal, state and local action to reduce the number of highway deaths. Our National Transportation Policy provides some direction for that effort.

The Policy states that we will continue to work to get safety belt and motorcycle helmet use laws in every state. We will work very hard through public education to keep this usage rates climbing. Surveys show 75 percent of the American people know that safety belts work, but we need to educate people on the need to wear them.

I applaud efforts of the Triple A to educate people on the importance of safety belts and other occupant restraint systems. It's working.

Our Policy states that we must redouble our efforts to get stronger state laws against drunk and drugged driving and to get those laws enforced.



We also must do more to increase law enforcement efforts against speed violators and other traffic law violations. I pledge to you that will be done with active federal support and encouragement.

We need improved driver training and licensing, and greater public awareness of traffic safety concerns. We need vehicles that are more crashworthy and better able to help drivers avoid crashes; improved occupant protection; and close monitoring of potential safety defects in vehicles.

We must have improved motor carrier safety. We must also work to increase pedestrian safety, through heightened public awareness, better crosswalk design, and better signals.

Our agenda includes better and safer highways, through advanced engineering standards and improved maintenance, with special sensitivity to driver needs, particularly the older driver.

These are policy statements. It's the job of the National Highway Traffic Safety Administration, state and local law enforcement and the American people to carry out these policy goals with specific programs. With the help of outstanding organizations such as Triple A, we can achieve these objectives. We must have a partnership for safety.

One of the safety aspects of the 1990s is IVHS -- Intelligent Vehicle Highway Systems. To me, IVHS means giving the car and the highway certain almost human characteristics to lift some of the load off the driver. This array of advanced electronics and communications technology will contribute a great deal toward reducing vehicle delay, increasing highway capacity, and improving highway safety. Should we evolve into full scale automated highways, the benefit will be a more efficient, productive, and competitive America.

The SCANDI system now in use in Detroit is a good example. Within five years, it could give Detroit drivers immediate traffic information over special navigation units in their cars. It could warn of a major accident, then provide quick, safe, alternative routes. This would be displayed on a small computer screen, or even given to the driver audibly.

You and I grew up depending entirely on our five senses to take a car safely down the road. But very soon it may be possible to let drivers "see" through infra-red imaging and sensors that scan blind spots; and control the vehicle with the help of electronic guidance aids; and counteract such classic hazards as falling asleep or following too closely by means of warning sensors.

The vehicle itself will incorporate adaptive cruise control, active suspension, anti-lock brakes -- already in widespread use -- acceleration traction control, and much advanced lighting systems. Route guidance, congestion avoidance, and electronic locator indicators all seem possible in the car of the future.

The National Transportation Policy encourages governments and the private sector to research and develop, to explore these and other ways to push this nation's technological brilliance to make us more efficient and safer on the highways.



In that light, I'm delighted to tell you that the U.S. Department of Transportation and the Triple A are entering just such public/private partnership in a new Intelligent Vehicle Highway System project.

The memorandum of agreement hasn't been signed yet, but things are far enough along that I can discuss it. It will be a cooperative partnership agreement to develop a TravTek (travel technology) system for the Orlando area.

The system involves a prototype, advanced, in-vehicle information device that will display motorist service and real time traffic information to motorists. It will also provide route guidance to the destinations selected by the drivers. In the event of incidents drivers will be notified of the incident and provided with alternate routes that reflect the real time travel times, as impacted by the incident, in the TravTek network.

The TravTek system cost -- including operations and evaluation -- is estimated to be \$8 million. The Department's share will be a little over \$2.5 million. Members of the cooperative partnership include Triple A, General Motors, the Florida Department of Transportation, the City of Orlando and the Federal Highway Administration.

This system is somewhat similar to the Pathfinder on the Santa Monica Freeway corridor in Los Angeles. The difference is that we intend to involve more vehicles and to do some things better in terms of the in-vehicle display and the kinds of information that would be available. And the information and guidance will be areawide in nature as compared with only corridor wide in Pathfinder.

Under the present plan, the TravTek device in about 75 general use, GM rental cars. The device would also be installed in about 25 GM vehicles used by high mileage local drivers.

We expect in-vehicle information systems to provide for enhanced safety, more effective use of the transportation network and increased commercial fleet productivity. The evaluation of this project will contribute hard information on the validity of these conclusions as well as advancing the design of such systems.

Now, we expect the project will be advanced to the operation stage by January 1992. Then it will be operated and evaluated over a one-year period.

These are the kinds of partnerships encouraged by the National Transportation Policy. These are the kinds of research and technological advances that must happen to increase the efficiency of our system. To me, this represents the American spirit -- and that spirit is alive and well.

A couple of years ago, we were all inspired by the amazing feat of two pilots -- Dick Rutan and Jeana Yeager -- that began in California's Mojave desert. These two Americans piloted their slender little aircraft through a typhoon across the Pacific, and around the world in seven days without refueling. Together -- along with Dick's brother, Burt, who designed the Voyager -- they were part of a modern day adventure unmatched since Lindbergh flew to Paris and Chuck Yeager broke the sound barrier.



In the wake of his historic journey, Dick Rutan struck the keynote of our uniquely American philosophy. As he put it, they had to fill out only two pieces of paper for the government in the six year history of Voyager. One was an application for airworthiness. The other, an application for a tail number.

Voyager did not originate at the Department of Transportation, nor from a federal grant. Its birth certificate was a restaurant napkin; its first blueprint a series of doodles by an aeronautical dreamer. Like Dick Rutan says, "What kind of world would there be if there was no daring?"

It's that question that prompts every generation to challenge the status quo, and to press beyond the boundaries of convention.

Government can't be shy from daring, either. But government -- at least at the federal level -- cannot do it alone. It's going to take the genius and ingenuity of the American people in all sectors to keep our transportation system the safest and most efficient in the world. Today, I welcome another public/private partnership with Triple A to advance this cause. Working together, I am confident of success.

Thank you very much.



REMARKS PREPARED FOR DELIVERY BY  
SECRETARY OF TRANSPORTATION SAMUEL K. SKINNER  
WASHINGTON AUTOMOTIVE PRESS ASSOCIATION  
APRIL 12, 1990  
WASHINGTON, D.C.

Thanks, Jim (Healy), for those kind words of introduction.

Franklin Roosevelt once defined three cardinal rules for public speaking: be brief, be sincere, be seated. I assure you, I have every intention of doing all three tonight because I think your questions will be the most informative part of this meeting.

Let me just give you a brief sketch of my philosophy of safety regulation, and relate the National Transportation Policy to safety as well as to the broad opportunity for technological innovation.

First, I consider the National Highway Traffic Safety Administration to be the "honest broker" of highway safety issues. Somebody has to hear all the competing points of view, sort through them objectively, and chart a reasonable path to the goal of improving safety. But safety is the Department's main role, it is not merely a theme. Safety is central to each mode of transportation, a constantly identifiable motivation stimulating a certain perspective and a clear response.

Second, our National Transportation Policy makes it very clear that the Bush Administration's position is one



of reducing unnecessary regulations and more reliance on the free market. We are not going to deregulate safety, but we are going to encourage detailed analyses before we pass regulations.

When the President announced the National Transportation Policy several weeks ago, funding and infrastructure got the media attention. But I'm sure the nation's automotive writers saw that eight-word sentence on page 7: "Safety remains the top priority of the Department."

Our Policy draws attention to highway safety, where more than 90 percent of the nation's transportation deaths occur. Our traffic safety policy seeks to achieve several goals which were reinforced at our first-of-its kind National Traffic Safety Summit in Chicago last week.

At that summit we brought together top state and local law enforcement officials from around the nation for three days. I believe it the strongest show of law enforcement support for safety ever witnessed in this country.

We came away with a list of recommendations that can provide the basis for a legislative, regulatory and



administrative agenda for a comprehensive approach to highway safety.

In fact, NHTSA has embraced eight recommendations and is modifying its three year plan in four areas to accommodate them.

First, NHTSA is going to work to develop and evaluate the effectiveness of strategies to enforce the combination of alcohol, safety belt, and speed laws.

Second, in the area of occupant protection, NHTSA will work to develop a model state safety belt use program for law enforcement. They also will develop enforcement-oriented public information and education materials.

Third, in the area of speed, NHTSA will work with the Federal Communications Commission to permit the use of drone radar. They will evaluate the effectiveness of photo radar, lesser speed measuring devices, and other technologies for speed enforcement.

Fourth, in the area of drunk and drugged driving, NHTSA will work to increase the number of states with laws and enforcement programs designed to reduce impaired driving by youth. They will work to implement a national program to increase support for driving while intoxicated issues among police, judges and legislators.



In fact, we will be considering whether to hold a similar summit next year that could deal with the judicial aspect of traffic safety. NHTSA also will develop and implement drug awareness screening training for all traffic enforcement personnel.

Everyone agreed that America must continue to commit itself to a comprehensive traffic safety strategy, and do what it can through federal, state, and local action to reduce the number of highway deaths. Our National Transportation Policy provides direction for that effort.

The Policy states that we will continue to work to get safety belt and motorcycle helmet use laws in every state.

We want to improve driver training and licensing, and increase public awareness of traffic safety concerns. We must work for more effective state and local enforcement of key traffic safety laws, with active federal support and encouragement, such as the Traffic Safety Summit last week.

We must develop improved vehicles that are more crashworthy and better able to help drivers avoid crashes. We will work toward improved occupant protection and closely monitor potential safety defects



in vehicles. We also need to continue working with states on motor carrier safety.

We want to increase pedestrian safety through heightened public awareness, better crosswalk design, and better signals.

We must have better and safer highways. This can be achieved through advanced engineering standards and improved maintenance, with special sensitivity to driver needs, particularly those of the older driver.

NHTSA's job is to develop specific programs that will help to achieve these objectives. For example, the 1990 NHTSA calendar is committed to substantial activity in four safety rulemaking areas: extension of standards to light trucks, improved standards for school buses, upgraded passenger car side-impact protection, and new rollover protection.

Let me emphasize our commitment to rapid progress on light truck safety rulemaking because that has been a subject of such strong public interest.

By the end of this year we expect to have made decisions on whether to issue rules to assure that new light trucks -- that is, pickups, vans and utility vehicles will have the protections now required for passenger cars. We proposed new rules to help assure continuing



improvement in the safety performance of the light truck fleet, as it continues to grow in size and popularity.

Some people tell me that safety is low profile because it isn't sexy and therefore doesn't sell. But over the last year, I've noticed that automakers began openly pushing safety features more and more. Does that mean the buyers just woke up -- or the sellers?

Whichever, I believe the 1990s will see extraordinary safety advances. The public is alert and attuned to safety, manufacturers are willing. The Department of Transportation and the entire safety community is poised for progress, and technological wizardry begs to be exploited.

Intelligent Vehicle Highway Systems describes one aspect of this potential. IVHS means giving the car and the highway certain almost human characteristics to lift some of the load off the driver.

You and I grew up depending entirely on our five senses to take a car safely down the road. But very soon it may be possible to let drivers "see" through infra-red imaging and sensors that scan blind spots; and control the vehicle with the help of electronic guidance aids;



and counteract such classic hazards as falling asleep or following too closely by means of warning sensors.

The vehicle itself will incorporate adaptive cruise control, active suspension, anti-lock brakes -- already in widespread use -- acceleration traction control, and advanced lighting systems. Route guidance, congestion avoidance, and electronic locator indicators all seem possible in the car of the future.

This opens up a whole new world of research activities. The Department hopes to create a world-class driver simulator, in cooperation with researchers and private industry. This research tool would allow the recreation of virtually any driving situation -- absolutely realistic, capable of extracting authentic human responses.

These are the kinds of research and technological advances that must happen to increase the efficiency of our system. This represents the American spirit that will be needed if we are to remain competitive in an increasingly global economy -- and that spirit is alive.

Many of you will recall a couple of years ago when we were all inspired by the amazing feat of two pilots --- Dick Rutan and Jeana Yeager -- that began in California's Mohave desert. These two Americans piloted their slender little aircraft through a typhoon



across the Pacific, and around the world in seven days without refueling. Together -- along with Dick's brother, Burt, who designed the Voyager -- they were part of a modern day adventure unmatched since Lindbergh flew to Paris and Chuck Yeager broke the sound barrier.

In the wake of his historic journey, Dick Rutan struck the keynote of our uniquely American philosophy. As he put it, they had to fill out only two pieces of paper for the government in the six year history of Voyager. One was an application for airworthiness. The other, an application for a tail number.

Voyager did not originate at the Department of Transportation, nor from a federal grant. Its birth certificate was a restaurant napkin; its first blueprint a series of doodles by an aeronautical dreamer. Like Dick Rutan says, "What kind of world would there be if there was no daring?"

That question prompts every generation to challenge the status quo, and to press beyond the boundaries of convention.

Government can't shy from daring, either. But government -- at least at the federal level -- cannot do it alone. It's going to take the genius and ingenuity of the American people to keep our transportation system



the safest and most efficient in the world. I look forward to working with all of you as we tell our story to the world..

Thank you very much.



INTRODUCTION FOR TRANSPORTATION SECRETARY  
SAMUEL K. SKINNER

Sam Skinner likes to tell the story about the first time he entered the Oval Office to see President Bush. Meeting in the wake of the Pan Am 103 bombing, the Exxon Valdez Spill, and the Eastern Airlines strike, the President joked "We used to have a great transportation system until you came along."

Sam Skinner's career in politics began in 1964 when he campaigned door-to-door for Barry Goldwater. Active in Illinois politics, he worked on George Bush's 1980 bid for presidency and in 1988 he managed the President's statewide campaign. As a protege of Illinois Governor Jim Thompson, Skinner rose to become U. S. Attorney for the Northern District of Illinois, the first career federal prosecutor to do so.

Before President Bush named him the nation's tenth Secretary of Transportation, Skinner served as Chairman of the Northeastern Illinois Regional Transportation Authority, the second-largest mass transit system in the country.

Seen as an Administration "pitch hitter" in crisis situations, Skinner served as federal coordinator for the Exxon Valdez oil spill clean-up, and represented the Administration in San Francisco following the



earthquake. He helped to keep the government out of the Eastern Airlines strike, strengthened international aviation security, and improved moral among his Department's 100,000 employees.



REMARKS PREPARED FOR  
SECRETARY SKINNER TO  
ORANGE COUNTY FLORIDA FUNDRAISER  
APRIL 16, 1990  
ORLANDO, FLORIDA

I would like to begin by thanking the Co-Chairman of the RNC, Jeanie Austin, for inviting me to speak to you here tonight. Jeanie is doing an incredible job for the party in Washington and all across this country. Since Lee Atwater was hospitalized, Jeanie has stepped right in to fill in for Lee at some important events around the country. You should be extremely proud of the work Jeanie is accomplishing. I know I am.

I would also like to acknowledge a few of the people who are helping to elect Republican candidates, and are working for a better, safer, more efficient transportation system here in Orange County.

Terry Griffin, as President of the Orlando Forum, you have created a group of dedicated business men and women committed to electing good Republican candidates to public office. Thank you for organizing this dinner, and for the work you continue to do for our Republican candidates.

Else Sanford is the President-elect of the Orlando Forum, and Jeanie Austin's alternate for State Committeewoman. Else, your work in raising money



and the planning of this event were essential to its success. I wish you much success in running the Orlando Forum next year.

Bill Peters is the Treasurer of the Republican Club of Orange County, and for countless campaigns over the years. Bill, your work on behalf of the Republican Party and Republican candidates is well appreciated. With people like you working at the grass roots, our Party **WILL** emerge as the majority party.

John Sowinski, as the director for a grant given to the Orlando Chamber of Commerce by the Urban Mass Transportation Administration, you are already making a difference for transportation here in Orange County. Keep up the good work.

Well, I could go on all night, but since this is a Lincoln Day celebration, let me talk about Abraham Lincoln for a moment.

Today, all over our land, we remember the birth of one of America's greatest sons, Abraham Lincoln -- a self-educated backwoodsman who became a lawyer, Congressman and President. Whoever would understand in their hearts and minds the meaning of America will find it in the life of Honest Abe Lincoln.



His spirit continues to live on. If you stand to one side of his statue at the Lincoln Memorial in Washington, you can see the profile of a man of strength and wisdom, and by standing on the other side, the profile of a man of compassion.

Abe Lincoln taught us the true meaning of "We, the people . . ." He made us understand that no man is good enough to govern another man without that other's consent. And he lived by his words. "I am not bound to win," he once said, "but am bound to be true."

In the spirit of Lincoln, America has carried forward the dream of democracy, guaranteeing political rights and freedom for all her citizens. And as our nation has matured, we have sought to meet more fully the obligations that spring from our national conscience. In the history of mankind, there has never been a people who've strived harder or done more than we Americans to help all who are truly in need.

This Administration is committed to carry on that tradition. In the past nine years, under the leadership of Ronald Reagan and George Bush, America has once again become the economic wonder of the world. It is the land of opportunity to which people of all persuasions look as a beacon of hope, freedom and



growth. We cut taxes, and other nations took notice. We cut regulations that hampered economic growth, and other nations followed our lead. We relit the flame of opportunity and created millions of new jobs for all Americans.

Now, as we enter the decade of the '90s, the decade of achievement as I call it, the burning question facing America is: will we now prepare the way to continue this legacy of opportunity into this decade and into the 21st century?

In the eyes of the Bush Administration, yes we will. Call it competitiveness. Call it a quest for excellence. Whatever you want to call it, in the year 2000 we want America still at the top of the charts, at the head of the class. In the year 2000 we want America to be number one -- and climbing still higher.

That is going to take some doing. We're going to have to roll up our sleeves and work harder and more efficiently. And we're going to have to be clear from the start about what is the right path, the right way to accomplish that goal.

There are many stories about Lincoln, and one in particular that describes the opportunity before us. As a young lawyer, Lincoln once had to plead two cases in the same day before the same judge. Both involved the



same principle of law, but in one Lincoln appeared for the defendant and in the other for the plaintiff. Now, you can see how this makes anything above a 50-percent success rate very difficult.

Well, in the morning Lincoln made an eloquent plea and won his case. Later he took the opposite side and was arguing just as earnestly. Puzzled, the judge asked why the change of attitude. "Your Honor," said Honest Abe, "I may have been wrong in the morning, but I know I'm right now."

The quest for excellence has been underway at the Department of Transportation with the development of our strategic national transportation policy. It has been a great undertaking that challenged our various modes of transportation to work together to seek new opportunities, to be the very best in a strong and ever competitive international economy -- an international economy that gives us both the challenge of competition and, as it grows and we grow with it, the promise of a century of prosperity ahead.

A couple of years ago, millions thrilled to the saga of two pilots -- a man and a woman -- who rode a typhoon across the Pacific Ocean. They piloted a small, untried graphite ship of the air all around the world. Together, they were part of a modern day adventure unmatched



since Lindbergh flew to Paris and Chuck Yeager broke the sound barrier.

In the wake of his historic journey, Dick Rutan struck the keynote of our Department and this Administration's philosophy. The free market system is so conducive to pioneering that, as he put it: he had to fill out only two pieces of paper in the six year history of Voyager. One was an application for airworthiness. The other, an application for a tail number.

The free market system is the cornerstone of our national transportation policy. It taps the energy and initiative of the people who provide transportation services and facilities and the people who use them.

Maintaining America's position as the world leader in safe, efficient, environmentally responsible transportation is one of the President's top priorities. He recognizes that the United States is entering a new era; that's why our national transportation policy is so important. It evaluates short and long-term transportation requirements and review ways of meeting them.

We need to look at the big picture and make sure the decisions made today will meet our transportation needs in the 21st century. If the nation's transportation system does its part to bring jobs, economic growth and



opportunity to the citizens of this country, then we've done our part for the greater good of this nation.

Let me give you a quick preview of the five major themes that have been incorporated in it.

The national transportation strategy includes a number of new policy directions, including:

- a stronger partnership among federal, state, and local governments;
- new and creative ways to apply user fees, bringing more money and increased stability to our transportation funding;
- the removal of unnecessary government regulations;
- the stimulation of greater private investment in transportation;
- and a major thrust to develop new technology and provide more funding and support for research and development, both in the private and the public sector.

I believe this is the most significant strategy ever developed for transportation in this country. It is designed to ensure that America has the transportation system it needs to remain competitive in world markets



and improve our quality of live. I think it can help build a better America.

Building a better America. That is what George Bush was talking about when, in his inaugural address, he said, "We live in a peaceful, prosperous time, but we can make it better. A new breeze is blowing, and a nation refreshed by freedom stands ready to push on. There is new ground to be broken, and new action to be taken."

Well, that ground has been broken and action has been taken by this President. As we enter the second year of the Bush presidency, the domestic economy remains strong while, around the world, dramatic and hopeful changes are taking place. In the international arena, the President heralded -- in his inaugural address -- the historic era of freedom that was dawning: "The day of the dictator is over."

You know, it's funny. The leaders of the other party have always underestimated George Bush. Do you remember when he was down 17 points in the polls, written out of the race by the media, they said he was finished. Of course, when he gained the lead in the polls, the critics were quick to point out that his support was a mile wide but only an inch deep. And when he won the election with an overwhelming margin, they said he had no agenda, no mandate, no vision for the



future of this country. Everyone predicted that George Bush's honeymoon with the American people would be over in days, not months.

Well, as you know, they were just plain wrong. According to the Washington Post, George Bush's approval rating is around 80 percent. He has given us peace and prosperity. He has taken bold steps both at home and abroad. As he told us, he has done it in a kinder and gentler manner and; read my lips, he has accomplished it with no new taxes.

Remember when the Democrats doubted the President's resolve to stop the flow of drugs and scoffed at the fact that he would come down hard on drug kingpins. Well, today I think General Noriega would probably disagree with that.

Remember when the Democrats said that President Bush lacked an agenda? Well, the President has taken the initiative and demonstrated leadership by offering solutions to the problems of drugs, crime, day care, education and the environment. These are the issues of the 1990s. These are the issues you and I and every American care about.

Now think about it. What did the Democrats propose? Their only answer is that it's never enough and that we need to raise taxes. Their answer is like a



broken record, only they haven't figured out that the American people have taken to listening to George Bush on CD.

Let me give you just one example of what I am talking about. When the President went on national television to announce his drug strategy last year, all you heard from every Democrat on the news media that evening was "We have the solution to the drug problem, we need to raise taxes and throw money at the problem."

My friends, you and I are Republicans because you know that it has been our ideas and our policies that have lead America to the level of peace and prosperity that we have today. It is our ideas and our policies that have shown the rest of the world the path to freedom and democracy. Just think how much easier it would be, and how much better off we would be if we had a Republican majority in one or both houses in the Congress.

I believe that the elections both this year and in 1992, the re-election of the President, reapportionment, and a lot of plain old hard work in the political trenches, could provide us with a real opportunity to win such a majority. But to do that, we need not only your continued support, we need the type of men and women in the Senate and the House, as well as in the governors' mansions and state legislatures who know



and share our philosophy and are willing to do what is right for America. That's why it's so important to re-elect Governor Bob Martinez.

As popular as a President can be, it is tough to get legislation passed if you don't control at least one house of the Congress. The GOP has not had control of the House of Representatives in more than 35 years. When we did control the Senate, during the first six years of the Reagan Administration, everybody witnessed the change that we were able to accomplish. When we are given the chance to lead we can make a difference in the direction of this country.

But it is people like you who are the key to the future of this party. It is individuals like yourselves who give so much, not only in terms of financial contributions, which are important, but in terms of your time and energy. Whether you are a candidate or a volunteer who answers the phone or goes door-to-door, you are an integral part of any future success this party is going to have.

And nowhere is your effort more important or more needed than right now. History tells us that the party in control of the White House loses a significant number of seats in an off-year election. Our goal is to defy that fact. We must hold our own in the upcoming election,



and we will be successful if we have your continued support.

When you think about it, we are living in a rare moment of history. We are experiencing throughout the world not only long-lasting prosperity, but spreading democracy. It is an exciting time to be alive, watching the freedom we take for granted spread like wildfire across Eastern Europe. None of this would have happened without the leadership of Ronald Reagan and George Bush.

I have personally known George Bush for more than a decade. As a result, I am not surprised with his high public approval rating, nor am I surprised by the fact that during his first year in office, he dropped in on 87 U.S. cities, traveled 135,000 miles, won a mini-war in Panama and held three world summits. Nor am I surprised that he held 33 full-blown press conferences and 15 informal ones, gave 54 interviews and delivered 320 speeches. Those are records, my friends, not for the Guinness Book, but for the White House.

In all my years of politics and public service, I have found George Bush to be the most considerate officeholder I have met. When I say considerate, I don't mean just to me. Whether you are a member of the Cabinet, a third-level staffer in the White House, or a



person he meets during one of his trips, he treats everyone with the same level of respect and understanding. Not only is he considerate of others, but he expresses real concern for their problems. It is those kinds of qualities that the American people want in their leaders, and they see those qualities in George Bush.

So why is he so popular? Why has his presidency been a success? I believe one word describes it: Leadership.

George Bush is dealing with the problems of today in the hope of building a better America for tomorrow. He understands the change that is taking place and he understands how to manage these changes. He has demonstrated the experience and the traditional values needed to manage these changes. Our party represents these values, and that is why we continue to hold on to the White House.

George Bush also understands the importance of individual freedom. That is the philosophy of the Republican Party, that is what we are all about. While the Democrats offer the same old tired song of tax and spend, the federal government is the answer to all of our problems; the Republican Party offers opportunity, choice, individual freedom to succeed.



That message is reaching out to minorities in America. Many minority candidates have embraced the Republican Party and what it stands for, and they have won. Minority candidates have won Republican seats not only in Congress, but all across America. But we must continue to get out the message that our party holds the best hope for Blacks, Hispanics, Asian-Americans and others. The President, Jeanie Austin and Lee Atwater certainly are committed to that effort, and to recruiting even more candidates for public office. With your help we can be successful.

We have the candidates and the issues, and the message. Now it is our job, from those of us in Washington to you, the county, state and local party leaders around the country, to put forth the best possible campaigns.

We also have two extremely strong campaigners on our side -- George Bush and Dan Quayle.

I want to take a moment here to talk about the Vice President. Forget what you read in the press or what you hear from the comedians. Dan Quayle is proving to the American people what George Bush knew when he selected him to be his running mate -- he is the right man for the job.



Since taking office, Dan Quayle has traveled to 38 states and raised more than \$7 million for our party. He has never lost an election for public office and he understands the nuts and bolts of politics. I think he is doing outstanding work for this nation; and he deserves a major vote of thanks from each and every one of us.

With George Bush and Dan Quayle, and with the understanding of all of us that campaigns are won or lost outside Washington, D.C., the Republican Party can defy history this year.

There is a story about a fellow who was always asking Abraham Lincoln to give him a job in government. And one day the news was that the customs chief had died, and sure enough, this fellow shows up and asks President Lincoln if he could take that fellow's place. To which Lincoln replied, "It's fine with me if the undertaker doesn't mind."

Well, no bureaucrat, politician, government expert or certified genius sitting in a federal office in Washington has ever been able to replace the economic miracle of free men and women working with their hands, hearts and their heads to build a better future for their families and for a stronger America. It is not the government



but the American people who have made this country great.

As Republicans, we have shown the way in the 1980s. We have demonstrated to the world how strong, creative leadership can make the difference in a free country. But now is not the time to rest on our laurels, we must build on our successes.

You are the key to that future success. You are the leaders who will help move our party into the 21st century. By working together, we can guarantee the promise of a century of prosperity ahead.

Thank you.





# *Moving America Into the 21st Century*

ADVANCE PRESS COPY

Contact: David P. Prosperi  
Téle.: (202) 366-4570

REMARKS PREPARED FOR DELIVERY BY  
SECRETARY OF TRANSPORTATION SAMUEL K. SKINNER  
NATIONAL PRIVATE TRUCK COUNCIL  
CHICAGO, ILLINOIS  
APRIL 18, 1990

Thank you for your support of the National Transportation Policy as "a major step forward in assuring an efficient transportation system for the 90s." The National Private Truck Council is a strong force for progress not only in the transportation industry but in the U.S. economy as well and your enthusiasm will make a difference.

I came here today to discuss one of the most important provisions of the National Transportation Policy -- the need to free the trucking industry of the maze of red tape that threatens the nation's competitiveness, and allow the freedom of the marketplace to work.

I'm talking about two separate issues: one, economic deregulation, and two, uniformity of state requirements. They are provocative and controversial. They cut to the very heart of the economy of this country, and they must be dealt with sooner rather than later. But by far the bulk of the cost to our economy comes from state economic regulation and non-uniformity of state registration and taxation -- rather than federal.

Would everyone in this audience in the food products business raise a hand? Did you know that state regulation costs your industry one-third of a billion dollars a year?

How many of you are in the textiles and apparel industries? You are paying \$19 million a year for unnecessary state economic regulation. How many in the petroleum industry? Eighteen million a year is the price you pay for state regulation. In the paper industry, the cost is \$68 million a year. In the chemical industry, \$33 million a year. In drugs and cosmetics, \$16 million a year.



U.S. Department of  
Transportation

- more -



By now you may be asking yourselves, "why is he preaching to the choir?" The answer is, America needs your strong voice on this issue. If the National Private Truck Council doesn't take the lead, the job before us will be more difficult. I urge you to go back to your hometowns, go out to the American people, to the opinion leaders and commentators, and inform them on this issue.

History tells us we have to go to work. Several bills in Congress, including one from the Administration, would address the remaining issue of federal and state regulation. Some have been hanging around for years. For 15 years many good people have tried non-legislative routes to solve the uniformity issue. The National Governors Association, for example, worked several years on the uniformity issue. Yet the "meter is running" at the rate of between \$4.1 and \$6.2 billion a year in extra costs imposed on truckers -- and indirectly on shippers and consumers -- as a result of unnecessary state regulation and lack of uniformity. And 42 states continue to regulate the rate, routes, and services of carriers, as well as entry into the trucking industry.

Maybe we need a new approach. We are open to suggestions because we want to work with you. Frequently, when there is an impasse such as this the best solution is to take the question to the American people. Let them decide. That's how we developed the National Transportation Policy and that is how we can -- and will -- strengthen America's competitive edge for the 21st century.

The Policy was announced in March by President Bush, concluding a ten month development process. What we heard in more than 100 public meetings was a call for an improved transportation system -- a system that provides for the free flow of goods to keep our industries competitive in the increasingly global market; a system with greater capacity and a sound financial base; a system that supports our national goals in the areas of safety, national security, environmental protection, and accessibility for all.

The Policy provides a strategic framework for an investment of time, of money, and of commitment. It shapes the movement of passengers and goods in the 1990s and beyond. What it says is this: "When a national transportation interest is at stake, particularly the flow of interstate and foreign commerce, federal, state and local restrictions must not be allowed to block achievement of the national goals." This states this Administration's case for supporting further trucking deregulation and uniformity.

If we do not act now, our economy will suffer. That is not an idle threat. Other nations view trucking as the most important component in their economic progress. Canada and Mexico recently deregulated trucking.

For several years our transportation reforms have given us a "leg up" on the Europeans at home and in foreign markets. However, that advantage is about to be overturned. The European Community is coming together in 1992 and part of that unification process will be to abolish virtually all regulation -- both between and within countries -- as well as border customs inspection. At that time, the cost advantage that U.S. shippers enjoyed in the 80's could be lost because of the anticipated gains in the European Community transport efficiency.

European goods will become less costly, relative to ours, in both domestic and foreign markets. That makes it imperative that we take whatever action is necessary



to achieve fully the benefits of competition and to maintain our competitive advantage over European goods. This surely must include elimination of the remaining vestiges of unnecessary economic regulation of the trucking industry at both the federal and state levels and elimination of inefficient duplicative state paperwork requirements.

For example, Texas shippers are basing their distribution centers in places like Arkansas and Oklahoma rather than Dallas. Procter and Gamble finds it cheaper to ship Crisco 600 miles from Jackson, Tennessee, to Tyler, Texas, than from Dallas, Texas -- only 80 miles away. Procter and Gamble is moving the manufacturing of all its soap products from Dallas to Alexandria, Louisiana, because of high Texas freight rates. Texas is a worst-case scenario but by no means the only example.

Morton ships its salt products 225 miles from North Central Ohio to Flint, Michigan, for 76 cents per 100 pounds, rather than serve Flint's needs from nearby Manistee, Michigan -- where shipping rates are \$1.07 per 100 pounds.

Let me outline the case we must take to the American people. It's a positive message and one of opportunity and renewal.

Number one, let's tell the American people that deregulation in a free market actually works. I don't have to tell anyone in this room how bad things were in the "good old days." Prior to the 1980 Motor Carrier Act, the cost of empty backhauls alone was eating private carriers alive. For private carriers, extra cost of empty backhaul mileage in 1976 averaged about 27 percent. A recent study in Florida showed the rate of private carriers re-entering Florida empty has fallen from 58 percent to 10 percent in the decade of partial deregulation.

Deregulation works on the bottom line of the balance sheet of truckers, shippers and every consumer in America. It is estimated that deregulation of freight -- air, rail and truck -- has saved about \$40 billion a year. Presumably a significant amount of those savings was passed on to consumers either directly or in new efficiencies. Competition and the new changed environment have required motor carriers to become more efficient and innovative and offer more service options. Those are all very positive forces.

Number two, let's tell the American people that the original scare that small and rural communities would be abandoned in a free market turned out to be a false alarm. A few years ago we did a survey which showed that over 97 percent of rural shippers and receivers -- those more than 25 miles from an interstate highway -- reported that overall service quality was as good as or better than before deregulation.

Number three, let's tell the American people that there's no foundation for the charge that economic deregulation has affected safety. Safety is, and always will be, the highest priority of the Department of Transportation. As we proceed with economic deregulation, we will never -- ever -- deregulate safety. In fact, we recently held our first-ever traffic safety summit here in Chicago, and improving commercial traffic safety was high on the agenda.

We have carefully monitored the trucking industry's safety record since implementation of the 1980 Motor Carrier Act and have found no link between the presence or absence of economic regulation with safety performance. The rates of fatal accidents, fatalities, and injuries involving large combination trucks has been



consistently lower since 1980 than it was in the pre-deregulation years of 1978 and 1979. The fatal accident rate per 100 million miles driven by these trucks has fallen by one-third since that time. You have every right to be proud of such an outstanding safety record.

Finally, the most important thing I want you to go out and tell the American people about this issue is that we mean business. The crazy quilt of state economic regulations and paperwork requirements and the remaining federal economic regulation is a waste of American resources we can no longer afford. With your help, this is one place we are going to improve your industry's productivity. I am delighted that this is the thrust of your conference. It is a goal the Administration wholeheartedly endorses.

For truckers, another productivity issue is reasonable access off the Interstate Highway System to your destination. This organization has estimated that the nation could save \$2.3 billion annually -- at a minimum -- in direct transportation costs if carriers and shippers were able to take full advantage of the productivity opportunities provided by the more efficient equipment authorized by the 1982 Surface Transportation Assistance Act. Reasonable access is one of the tough issues we plan to address and I can assure you it will be sooner rather than later. We will have a rule on access within the next 60 days. It will provide reasonable access and it will do it without riding roughshod over valid highway safety concerns.

The National Transportation Policy supports your productivity goals in many different ways. It will provide the framework for reauthorization of the highway, transit and highway safety programs next year.

With regard to reauthorization, we recognize the need to preserve the integrity of the Highway Trust Fund. We are well aware that nearly 40 cents of every dollar collected in the trust fund comes from the trucking industry. The trust fund has served us well in the past, and will be an important part of our future. We are going to spend the trust fund in a responsible manner for the purpose for which it was collected -- for transportation.

Under the Policy, you will see us target federal highway resources on systems of national significance which you rely on. You will see strong federal encouragement of research and development not only in truck safety but in highway and bridge construction and in every mode of transportation.

Woodrow Wilson once said that "every great man of business has got somewhere a touch of idealist in him." The men and women of the trucking industry are well known for not only their strong belief in American tradition and values but also for their idealism.

When the earthquake hit Interstate Highway 880 near Oakland, California last year a number of truck drivers in the office of a nearby trucking company were looking out the door at the freeway. They were probably thinking about the loads to be delivered that night. Instead, they saw the top lanes of the highway collapse.

For an hour and a half, the truckers worked alone, pulling people from the wreckage. They even used a crane and stacked containerized trailers on top of each other so they could climb up to reach the victims. They never thought about the unsteady structure, about the possibility of another quake and the threat to their



own lives. They rescued about 40 injured or trapped motorists. When firemen and rescue crews arrived, the truckers led them to those they'd been unable to free.

Such is the spirit of the people who drive the lonely road -- the people glamorized in the popular country song, "18 Wheeler," and the spirit of your entire industry. America can be very proud of the private carrier fleet. I am proud that the President has asked us to work together on national policies that will move America into the 21st century.

In 1956 when President Eisenhower started the Interstate Highway system he had a vision of "uniting the states." The legacy he left us, "Interstates," helped to build the strongest economy and the most powerful nation on the face of this earth. Now it's our turn. We must leave our legacy for future generations. Life is more complicated than it was in the happy days of the "I like Ike" spirit. The world has turned over many times. It's not enough to unite our states. We must rebuild and renew our infrastructure for future generations. We must be creative and innovative -- use the latest technology and research and development. We must free the trucking industry to provide the very best links to those shores that take us to the world marketplace.

With your help, we will do just that.

Thank you very much.





# *Moving America Into the 21st Century*

ADVANCE PRESS COPY

Contact: David P. Prospero  
Tele.: (202) 366-4570

REMARKS PREPARED FOR DELIVERY BY  
SECRETARY OF TRANSPORTATION SAMUEL K. SKINNER  
NATIONAL AIR TRAFFIC CONTROLLERS ASSOCIATION  
LAS VEGAS, NEVADA  
APRIL 19, 1990

Before I talk about some of the critical aviation issues facing you and the nation, I want to take a moment to compliment Steve Bell and Ray Spickler for all of the hard work they have done in putting your association back on its feet. Not only have Steve and Ray helped restore productive working relations with the Department and the Federal Aviation Administration, they have been a positive force in strengthening the credibility of your profession. I know I can speak for Admiral Busey and the employees of the FAA when I say we look forward to continuing to work with Steve and Ray in addressing the concerns of both our national airspace system and our controllers.

On a personal note, and I say this as an active pilot, I don't think you get enough credit for all of the work you do. You have one of the most difficult jobs in the federal government, but about the only time the public learns of the difficulties of your trade is when something bad happens.

Being Secretary of Transportation requires a fair amount of travel, and whenever I'm on the road I make it a point to visit the tower and centers, and talk to some of your colleagues.

There are several stories I could tell, but one in particular does come to mind. The President asked me to travel to San Francisco immediately after the earthquake last October. One of my visits was to the tower at San Francisco airport. It was there that I learned that when the earthquake tremors began, several panes of glass were shattered and part of the ceiling fell in on the controllers. But as you would expect, those controllers on duty picked themselves up off the floor and continued on their task, not knowing what further was to happen and having to deal with additional obstacles in the course of guiding pilots down to a safe landing.



U.S. Department of  
Transportation

- more -



My visit to that tower, less than 24 hours after the quake, demonstrated to me the professionalism exhibited by controllers all across the nation. It drove home to me once again your skill and dedication, as you have performed so spectacularly under far from perfect conditions since the PATCO strike of 1981. That's why I feel very comfortable telling audiences that our nation has the best, the safest, and the most efficient air traffic control system in the world.

That skill and dedication will be increasingly important if we are to meet this nation's growing desire -- and necessity -- to travel by air. I don't need to remind anyone here of the phenomenal growth of aviation in this country over the past decade. Twice as many passengers are flying today than ten years ago, and we'll probably see passenger travel double again in another ten years.

All this underscores just how critical air traffic controllers are to the future of this country. Without a first rate air traffic work force, and without first rate facilities and equipment, U.S. aviation could suffer serious setbacks as America competes in the global economy of the 21st century.

Anyone who's flown in Europe and the Pacific Rim knows exactly what I'm talking about. And everyone of you here in this room has played a part in making American aviation the best in the world. For our part, the Department and the FAA are committed to doing everything we can to see that American aviation stays on top.

Of course, in order for that to happen, we've got to take a number of steps to improve our air traffic control system. And that includes making things better for those who make up the heart of our system -- our air traffic controllers. I'd like to give you an idea of some of the things we're doing at the Department to make things better.

First of all, everything we do relates to our one overriding goal -- safety. I know that Admiral Busey -- who is doing an outstanding job as FAA Administrator -- will continue to see that nothing is allowed to jeopardize safety and security.

After safety comes personnel. We need the right people, in the right numbers, and in the right jobs. We're determined to make sure that our air traffic system is the kind of workplace that attracts and keeps smart, hard working, dedicated people.

This means establishing salary systems that are fair and equitable to all concerned. We recognize that many facilities are difficult to staff because of unique pressures, high living costs, and other drawbacks. Yet these facilities pay the same in most cases as other, less difficult facilities. And still, the General Schedule does not account for these inequities.

In this regard, let me stress that our Pay Demonstration Program is only an interim solution. The ultimate solution is a revised pay system -- finding a new way of paying people.

I strongly support the Office of Personal Management's draft bill to modernize and reform the federal pay system. The proposed legislation appears to lay the foundation to address several significant issues of particular interest to the FAA --



issues like pay compression, simplification of premium pay, internal pay equity, and cost of living in certain locations.

For instance, the granting of recruitment and retention bonuses has the potential to address some of FAA's most serious concerns. The proposed legislation provides that the President's Pay Agent may establish separate pay and job evaluation systems for occupations fundamentally incompatible with the federal national and local pay systems. One circumstance where this would be warranted is for civil aviation and security occupations.

And where would the money come from to pay your future salaries? The Administration's proposed aviation reauthorization bill currently before Congress would increase the use of Trust Fund money to pay for aviation operations.

In fact, we want to see the Trust Fund used to cover 85 percent of the total FAA budget. We would finance this through increased user fees -- which would also finance major increases in capital spending. Facilities and equipment funding alone would increase nearly 130 percent over the next five years. We simply believe that the users of this country's aviation system ought to pay a fair share of the agency's costs of doing business.

Without increased user fees, the Trust Fund would go bankrupt in three years if we used it to cover 85 percent of the FAA's total budget. Since 1982, the Trust Fund has financed only 57 percent of the total FAA budget -- and only 24 percent of operating costs, including salaries.

Any way you look at it, that means the general taxpayer has been subsidizing air travel. And in a time when the competition for general revenues is intense, we believe that a system that is based primarily on user fees is advantageous to the FAA and to air traffic controllers.

I'm sure everyone here today would agree that the FAA's operations are just as important as the capital improvement programs. Why should an airplane passenger's ticket fee pay only for the equipment that helps the plane land, and not for the controller who guides the pilot?

In order to attract the right people for our air traffic system also means listening more closely to what you in NATCA have to say. Admiral Busey and I are personally committed to getting your advice and counsel as we seek to improve the system. We do not believe that all wisdom resides in Washington, so we're making sure the Department and FAA listen to your concerns.

One way we're doing that is through our program called "Partners in Problem Solving." What we've done since 1988 is to bring facility managers together with union representatives for special three-day workshops. Last year, the participants were selected for workshops in pairs -- a manager was paired with a representative with whom he or she worked. They searched for new ways to work together and new approaches to problem solving. So far, the program has been very successful.

According to an independent review, almost all of those who participated in Partners in Problem Solving agreed that the training helped expand their knowledge about labor/management relations. They also agreed that it established new levels of open interaction and discussion between managers and the union representatives they work with.



The independent review found that a large majority believe that the workshops should be offered in the field regularly so they can reach more managers and those they supervise. A number even suggested that the workshop would benefit all members of their unit.

The review concluded that the workshops are clearly effective in promoting positive change in labor/management relations. This year, we're trying to make the program better. We want to involve more supervisors, managers, and union representatives in the Partners in Problem Solving training. We also want to explore differences in implementing the program for the various types of facilities it serves.

Training is particularly important at this time when we're in the midst of rapid technological change. The Department's massive Capital Improvement Program is a case in point.

We're in the midst of a technological revolution in aviation. Glass cockpits, data-link communications, automated air traffic control, satellite navigation, fly-by-wire -- I could go on and on. It's almost impossible today to keep up with the speed of technological advance.

The way we fly, the way we communicate, the way we navigate, the way we control traffic -- all of this is changing before our very eyes. It probably won't be long before we look back and say this was the Pony Express Age in aviation.

I'm glad we're getting this new technology. It's going to give us the capacity to serve millions of additional passengers in the years ahead. And it's going to go a long way toward helping us address the problem of delays.

I'm fully aware of the delay problem, and am committed to solving it. Continued delays have an impact not only on our aviation system, but on our economy as well. But it's important to keep it in perspective. Only 1.1 percent of our total operations experienced delays last year. And of those, half occurred at only five airports. More than two-thirds of all delays occurred at 10 airports. So the problem -- while serious -- is not spread throughout the system. And technology will help immensely in finding a solution.

We're now gearing up for the installation of what will become the largest computer-controlled system ever developed. I'm speaking of our Advanced Automation System that will integrate and improve automation of our primary traffic control facilities nationwide.

The air traffic control system is far too complex to change without considering the human beings who must run the system. It must be designed with the user in mind. In this case, with the controllers, the pilots, and the technicians in the system.

Safety data collected over many years by NASA and the FAA shows that most aviation accidents are due to some form of breakdown of the man/machine system. Where accidents are attributed to human error, in many cases the basic problem was the way the human being interacted with the automated system. So we've got to make sure that the people who will operate the new Advanced Automation System can interact with it safely and effectively -- from Day One.



But if we're not careful, we could actually end up with highly automated systems that degrade human performance. So we're going to pay special attention to how we fit people into the total picture. That's why we're committed to a new aspect of safety called human factors research.

The time has come when we have to ask just how far we can automate flight and air traffic control without getting a reverse effect on safety. Do we want to extend automation to the farthest possible limits? That's a legitimate question, because there are some risks that we haven't identified or studied yet.

We already know that automation will not eliminate human error. It may eliminate some old kinds of human error, but it may also create a whole new class of error that we're going to have to correct.

Today, highly advanced technology is being introduced alongside predominantly manual systems, and pilots and controllers are often moving back and forth between automated and manual environments. This means we now have an unparalleled opportunity for controlled comparisons of two very different types of operating environments.

I'm glad to report that interest in human factors issues is growing. Last year, Congress passed the Aviation Safety Research Act that provides increased funding for human factors research.

The FAA is now in the opening stages of a comprehensive national human factors research and development effort. Working in partnership with NASA, the Defense Department, the aviation industry, and academic institutions, we'll be looking at human factors issues in all types of aircraft, and in air traffic control operations.

This new research and equipment, together with the pilots and controllers who will use it, will help keep American aviation what it is today -- the envy of the world.

I don't believe we're headed for aviation gridlock yet. But now is the time to act to address our many problems before it is too late.

One thing's for sure. There's no single answer. Airport improvement and new airport construction are essential. New air control technology must keep pace with new operational needs. Larger aircraft will be needed to get more productivity for each operation. New procedures will have to be devised. All these factors, and more, will be necessary to take American aviation into the future.

In closing, let me again talk about one of your colleagues, Kevin Bachman, one of the air traffic controllers in Sioux City, Iowa who helped the pilots of United Flight 232. When I heard of Kevin's efforts, I invited him to Washington to be the first recipient of the Secretary's "Way to Go" award.

Kevin agreed to come to accept the award only after making sure that his colleagues in the tower that day also were recognized for their efforts. Kevin said it was not one person who helped guide down that flight, it was a partnership with his fellow controllers.

That's the same kind of partnership we seek -- not only with the aviation industry, airport operators, business groups, states, communities, and especially those of you



at the heart of it all -- those of you manning the nation's air traffic control facilities. In partnership, we will work together to keep America's air traffic control system the safest and most efficient system in the world.

Thank you very much.



REMARKS PREPARED FOR DELIVERY BY  
SECRETARY OF TRANSPORTATION SAMUEL K. SKINNER  
DISTINGUISHED BUSINESS LEADERSHIP AWARD DINNER  
APRIL 24, 1990  
DALLAS/FORT WORTH, TEXAS

I'm delighted to be with you this evening as we honor Bob Crandall for his distinguished leadership of American Airlines, and his dedicated service to the Dallas/Fort Worth metroplex.

These are exciting and challenging times for the transportation industry all across America. This is true in aviation -- and especially true right here in North Texas. Aviation is growing faster here than in any other region in the world.

Back in 1974 when this airport was finished, we all knew it would grow, but no one expected it to grow so fast. We thought DFW would pass Atlanta, and move into second place about two to four years from now. But it's already there. It even looks like Dallas/Fort Worth will pass O'Hare as the world's busiest airport in another three to five years. In fact, we're predicting that your air carrier activity will more than double by the year 2005 -- reaching close to 2.5 million operations a year.

But all this comes as no surprise to you here in North Texas, or to those who know the Texas spirit. Texans think big, plan big, and produce big. So it's natural that



Texas would be home to the free world's largest airline -- American Airlines -- headed by one of America's premier executives -- Bob Crandall.

Bob is the kind of visionary who always seems to stay one step ahead of the competition. He has brought a real entrepreneurial spirit to one of America's major corporations. Early on, for example, he saw the potential of computer technology for his industry.

Under Bob's leadership, American was the first airline to introduce super savers in 1977, and a frequent flyer program in 1981. Now everybody's doing it. American's advanced automation has kept its AAdvantage Program at the top of the industry, and its "denied boarding" record at the bottom.

When the entire industry was struggling through the early '80s, Bob pioneered a Growth Plan that gave the company the competitive edge that allowed it to grow rapidly without disadvantaging any of its existing employees. As a result of all these efforts, and more, American Airlines became the country's number one airline in November of 1988.

Naturally, you don't get to the top without a lot of hard work. In fact, on more than one occasion several years ago, Bob was known to call meetings at four o'clock in the morning. Now most of us would think



that's pushing things just a little too far. Evidently one of his executives thought so, too. He showed up at one of those four o'clock meetings dressed in pajamas!

Bob's ingenuity is also legendary. Some of you may have heard this story, but I found it very interesting to learn that one time -- to save money -- Bob decided it wasn't necessary to pay for a guard in the Carribean. So he bought a guard dog instead. Then he found out how much dog food was costing the company -- so he decided to replace the dog with a tape recorder that barked.

There's no two ways about it -- Bob knows how to save money and make money. That's why he's a great businessman, and one of America's top chief executives. And that's why he's such an asset to you here in the metroplex, and to aviation in the United States. We'll need more leaders like him if we expect to meet the transportation challenges now confronting the country.

America's transportation system across-the-board is becoming choked by congestion. Highway travel delays in urban areas now total more than two billion hours a year, costing America billions of dollars in lost working hours and economic productivity.



Twenty-one primary airports now experience more than 20,000 hours of annual flight delays. By 1997, the number is expected to grow to 39 airports.

This mounting congestion of the nation's highways and airways represents a serious threat to America's competitiveness and economic standing in the world. In a word, that's why my number one priority -- after transportation safety -- has been to develop a National Transportation Policy. We need a comprehensive and integrated strategy to help take America into the future.

As President Bush said when he released the National Transportation Policy in March: "No sector is more important to the American economy than transportation. As world trade grows even larger, as we continue our leadership in an increasingly global society, we will become even more dependent on transportation than we are today."

Nothing better drives home the truth of what the President said than the incredible pace of change now sweeping the globe. Who could ever have imagined a year ago the kinds of change occurring in the world today -- change that cuts across all sectors of human activity?



In international politics, we're seeing the emergence of alliances and realignments that would have been unthinkable just a few years ago. In science, basic research and technological development are expanding at a remarkable rate. And today's global trade and competitiveness far outmatch in intensity and scale that of any period in the history of commerce.

All this means that we are embarking on an era of unprecedented global economic expansion -- and with it, unprecedented challenges. In transportation, we -- as a nation -- must be prepared to meet those challenges.

The nations that lead the world in the 21st century will be those with the safest and most efficient transportation systems. They will be the ones that are the most innovative and the most creative. They will be the countries that capture the future, because they best planned for the future.

And that's what the National Transportation Policy is all about. It is based on the fundamental assumption that America's success in the world requires a long term strategic approach.

The fact is that nations -- just like businesses -- must prepare for the future if they expect to succeed. No successful corporation would ever think of facing the



future without a comprehensive strategy. The federal government shouldn't either.

When we began thinking about a national transportation policy early last year, we started from the premise that it couldn't be imposed from the top down. We knew it was something that could not be dreamed up in Washington for the benefit of the rest of the country.

That's why we went out to the people, and conducted one of the most extensive outreach programs ever conducted by the government. We held 117 public events in 43 towns and cities all over this country. We listened to the American people from every sector and from all walks of life.

The policy we have produced takes a strategic approach to our national transportation problems. It is not a centralized plan, but a call to action. It is a set of guidelines, not a set of specifics. Our strategy provides a decision making framework to help federal, state, and local officials, and the private sector, make long range plans for America's transportation needs.

The National Transportation Policy is, in short, a charter for a new era. The nation's transportation system is now essentially in place. Our interstate highway system is virtually complete. Our aerospace



industry and vast aviation complex is the best in the world. Railroads span our continent like an intricate web. Modern seaports dot our endless shorelines. The great age of laying the foundations of America's transportation system is basically over.

Now we must get on with the task of maintaining and modernizing and expanding what we have. We must find new ways to use existing systems. We must develop new technologies and more innovative approaches to financing. The foundation era in transportation must now give rise to the innovation era.

Nowhere in this new era is the competition going to be more intense, or the economic stakes so high, than in aviation.

When I was in Europe recently, I had the opportunity to go to Brussels, and meet with commissioners of the European Community. My counterparts described for me their vision of the future of aviation for Europe and for the world. As they told me about the potential they believe aviation offers for the economic future of Europe, I couldn't help but be impressed with their principles and strong convictions. It reinforced my opinion that aviation is going to be the rallying ground for economic activity, not only for the 1990s, but into the next century.



The European Community is talking about aviation liberalization, and about free and open skies. If it happens, it will mean competition within Europe, and then across the Atlantic, like we've never seen before.

I know that Bob understands the implications of a united Europe. And so does the College of Business at the University of Texas at Arlington. Without the assistance of American Airlines, the College could not have pulled off a successful conference in December on "Europe 1992: The Next Economic Frontier." As far as competition is concerned, this new frontier might be as rough going as it was out here during the days of the wild west.

It's ironic to think that just a few years ago, regulatory restrictions similar to those now in Europe hindered the efficiency of our own market. Since deregulation in the United States, enplanements have increased by 65 percent. Adjusted for inflation, Americans are flying for an average cost of 20 percent less than before. Aviation is now America's preferred mode of travel, next to the automobile.

There are bills in Congress that would either substantially change the industry by reregulating it or by introducing more piecemeal reforms. The



Administration believes that such changes would cause more harm than good.

The Department recently completed the most comprehensive study of airline competition ever done by the federal government. It clearly showed that deregulation is working. It's been estimated that Americans have saved \$100 billion as a result of deregulation. Although not all travelers and markets have enjoyed the same level of benefits, more travelers are now receiving more service at a lower price.

Any deregulated market anywhere in the world works best when supply and demand equal each other. If they are not in equilibrium, things become skewed. Every businessman would love to have a unique product that no one else makes, and to have control of supply. As we all know, that's why competition is best for an economy and the nation. But in order to have healthy competition, we have to have both supply and demand.

That gets to the heart of the problem in the airline industry today. You can't start an airline today unless you have access to the marketplace -- unless you have capacity -- unless you have the ability to market your product whenever you want, wherever you want, and at whatever price you want.



The U.S. aviation system is projected to have over 750 million enplanements in the year 2000. Without more air traffic control system and ground capacity, opportunities for new service by new and existing carriers will be denied. If we are to realize this goal -- if we are to encourage greater domestic competition, and open up the international aviation marketplace -- there must be a partnership between the public and private sectors, between government and the aviation industry much like you've had here in the Dallas/Fort Worth area -- due in large part to the efforts of leaders like Bob Crandall.

While the federal commitment will continue to be significant in the new transportation era, increased funding will have to come from the state and local level, as well as the private sector. This will give state and local governments more flexibility and more control over their transportation dollars. It will also result in better managed projects.

To help airports better utilize existing capacity, as well as expand it, we're asking Congress to allow airports to impose what we call passenger facility charges. This amounts to a special user fee of up to \$3 per passenger per flight -- or more where justified by local conditions. This airport, for example, could raise close to \$67 million in one year under this system. This would be exchanged



for about \$16 million in entitlement funds -- funds that would then become available for discretionary grants for which Dallas/Fort Worth could compete.

Overall, the nation's aviation system stands to gain more than \$1 billion per year if Congress will allow airports to assess passenger facility charges. The nation needs this approach badly. Without it, the ability of our system to expand and improve will be placed in serious jeopardy.

The Administration is asking Congress for a 78 percent increase in the Federal Aviation Administration's capital budget over the next five years. We are asking that the aviation trust fund be spent down from \$7.6 billion to less than \$3 billion over the next five years. We are also requesting an increase in federal aviation user fees.

I've been a pilot since 1957, so I've been around aviation people long enough to know that we are not daunted by serious challenges -- like addressing our serious capacity problem. The American spirit is still alive and well.

A couple of years ago, we were all inspired by the amazing feat of two pilots -- Dick Rutan and Jeana Yeager -- that began in California's Mojave desert. These two Americans piloted their slender little aircraft through a typhoon across the Pacific, and around the



world in seven days without refueling. Together -- along with Dick's brother, Burt, who designed the Voyager -- they were part of a modern day adventure unmatched since Lindbergh flew to Paris, and Chuck Yeager broke the sound barrier.

In the wake of his historic journey, Dick Rutan struck the keynote of our philosophy of competitiveness. As he put it, they had to fill out only two pieces of paper in the six year history of Voyager. One was an application for airworthiness. The other, an application for a tail number.

Voyager did not originate at the Department of Transportation, nor from a federal grant. Its birth certificate was a restaurant napkin; its first blueprint a series of doodles by an aeronautical dreamer. Like Dick Rutan says, "What kind of world would there be if there was no daring?"

It's that question that prompts every generation to challenge the status quo, and to press beyond the boundaries of convention.

Government can't shy from daring, either. We must be forward-looking. But government at any level cannot do it alone. It's going to take the genius and ingenuity of the American people in all sectors -- public and private -- to keep our transportation system the



safest and most efficient in the world. Working together, we can see that it stays that way.

Today, America's aviation system is second to none -- thanks, in large part, to the vision and persistence of men like Bob Crandall. His leadership of American Airlines reminds me of something the first chief executive of American Airlines said about the people in the aviation industry.

When C.R. Smith was asked why he became involved in aviation, he said: "The people in aviation made me want to get into it. Vigorous people with a sense of humor, their minds big enough to think of the whole world all at once! People whose vision doesn't stop at the horizon."

That sounds like a perfect description of Bob Crandall. And it's the reason this evening's award dinner is such a fitting tribute to him as a leader of a great corporation, and as a dedicated citizen of the metroplex.

Thank you very much.



FINAL COPY

REMARKS PREPARED FOR DELIVERY BY  
SECRETARY OF TRANSPORTATION SAMUEL K. SKINNER  
NORFOLK SOUTHERN SENIOR MANAGEMENT GROUP  
WILLIAMSBURG, VIRGINIA  
APRIL 26, 1990

I admire Norfolk Southern's record as one of the best managed and most innovative companies in the transportation industry, and I certainly appreciate the effort you make toward improving safety. Norfolk Southern was one of the first to submit its random drug testing program to the Federal Railroad Administration, and you have always been ready to work with the Department of Transportation on any safety issue at any time.

I came here today to discuss one of the most important themes of the National Transportation Policy -- to keep the transportation industry strong and competitive. Competitiveness of transportation is essential to economic growth and productivity. Carriers can meet transportation needs most efficiently if they have the latitude to respond to demands and if they are given the chance to compete.

The President's Policy provides a strategic framework for an investment of time, of money, and of commitment. It shapes the movement of passengers and goods in the 1990s and beyond.



If the U.S. is to compete successfully in an increasingly global economy it must have a productive and efficient transportation system. If the progress we have seen in the railroad industry in the 1980s is any indication, a leaner, meaner American railroad industry is poised for a giant leap into the future.

First, as far as capacity, the railroads are not suffering from the congestion we see on urban interstate highways or in the airways. The amount of additional traffic a railroad line can handle can be increased beyond most foreseeable demand, especially in light of the sophisticated signaling and traffic control systems now available. I understand that many lines are presently used at far less than capacity and can take on additional volumes where there is traffic demand, without the need of investment in land and resources required to build new highways.

We are also sensitive to the fact that when the demand is there, the railroads -- as private companies that build and maintain their own rights-of-way -- can be there with the investment dollars.

While the federal government will continue to be a major player, we still recognize the necessity of including state and local governments and the private sector in all of our policy considerations. We cannot



neglect any part of that equation, particularly with the ever-increasing emphasis on the need for additional capacity, making the best use of our infrastructure, and broadening the base for meeting needs of the nation, in transportation finance and operations.

I know that rail traffic growth projections for the next five years are modest and the railroads face some tough challenges in improving productivity and competing with other modes -- water carriers and motor carriers. In addition, you must keep a constant eye on the energy situation for shifts in directions in the movement of your energy-related products -- you must assess the impact of the Clean Air Act on the flow of coal. Your job isn't an easy one.

However, the other side of that coin is that the United States continues to grow in population and those growth patterns will lead to a continued increase in transportation demands for both freight and passenger service. There will be increased demand for transportation between cities and between industrial centers. The cry will be for transportation that is safe, is fuel efficient, and does the least damage to the environment.

I believe you are ready. Your industry has demonstrated an ability to be flexible and adaptable to



change both in the way it does business and in the technology it uses to increase productivity.

Under your leadership, Arnold, the "Triple Crown" service brings the railroad a little closer to the ability to move cargo door to door -- which is an attractive feature for shippers. Being able to run truck trailers in unit trains directly on the railroad has given you a competitive edge in some markets. Norfolk Southern leads the industry in innovations such as this.

Before deregulation, the railroad industry was on its back -- dying. Its obituary had already been written. Bankrupt rail lines and deferred maintenance were the norm. But rail executives were quick to harness the forces of deregulation to rebuild the industry's infrastructure and prepare it for the future.

The Staggers Act shaped the regulatory environment of the railroads, as it relates to pricing, service and financial structure. Increased flexibility under Staggers has allowed railroads to respond more quickly to the pressures of the market and to compete more aggressively for traffic. Since the Staggers Act railroads and shippers have entered into 90,000 contracts covering rates and services. The National Transportation Policy reaffirms the Department's



commitment to preserving the benefits of deregulation. We will resist any attempt to re-regulate.

As a result of deregulation, the railroad industry is a part of the "seamless" flow of commerce that has become a watchword in the National Transportation Policy. Recently J.B. Hunt and the Santa Fe Railroad entered into an agreement. Hunt's trucks pick up the cargo and take it to the railroad for the long haul. Hunt's trucks are stationed at the other end of the rail line to carry the cargo the rest of the way. This is efficient and productive. It saves energy. It saves our highways and it helps relieve congestion.

With a balanced, intermodal system, as called for in the National Transportation Policy, and effective connections between the various modes and ports, each sector of our transportation system can draw on its own strengths and use the strengths of the others. With that kind of efficient intermodal transportation service, American companies will be able to count on having their goods delivered in domestic and international markets at the times they are needed and at economical prices. And that is an ultimate benefit to the consumer.

Your industry has been responsive to changes in the market. The best example is the explosive growth of short line and regional railroads, which has had a



tremendous impact on the industry today and will play an even larger role in the future. Again, Norfolk Southern took the initiative in a very creative and positive way. You helped foster a new market niche for small, regional short line railroads. By leasing your light density routes instead of abandoning track, you have enabled new railroads to spring up. They enter business without heavy acquisition debt.

The phenomenal buildup of short line and regional railroads -- 565 in this country now -- reaffirms my commitment to the magic of the free market. Small railroads have succeeded where major railroads have not because their cost structure is more flexible, operations are not burdened by outdated work rules and rigid craft lines, and rates and services can be tailored to the needs of particular shippers. Small railroads are important to the economies of rural regions because they provide the only alternative transportation option to the highway in a huge part of our country.

The National Transportation Policy also calls for removing inequitable labor requirements that limit productivity in the railroad industry.

The repeal of the Federal Employer's Liability Act, for example, can have positive benefits for shippers,



consumers, the railroads and more importantly for the industry's employees. It is not sound public policy to retain a system of employee injury compensation which is based on establishing who was at fault when fault-based systems have been rejected by virtually every other facet of American industry. Reform of this labor provision is long overdue, and we want to help you accomplish it.

Another area that involves service quality as well as the human factor is safety performance. The railroads have to maintain sound rights-of-way and equipment, and emphasize safe operating practices at all levels in order to keep up reliable, efficient service and maintain the confidence of customers and the public.

In no area is the need to further enhance both the reality of safety and the perception of safety more important than in the transport of hazardous materials. Such products are essential to an industrialized society. But the public is rightly concerned that these shipments be handled with special care, because of the impact of accidents or spills, whether that movement be by rail, truck, or barge. As most of you know, one of the two trains that derailed on Monday -- the freight train in Pennsylvania -- was carrying hazardous material. This focuses public attention on a serious issue, an issue of concern and one that we must work together



continually to solve. Railroads are a safe form of transporting hazardous material. But we must try harder to achieve the impossible -- a zero accident rate.

Norfolk Southern has its roots in an old railroad serving primarily a very colorful part of our nation -- the South -- and another railroad which expanded from Appalachia to the industrial midwest. The folklore built up around accomplishments of the Great Southern Railway and the Norfolk and Western are well-established in railroad tradition. But you do not allow yourselves to be bound by tradition. Change is also very much a part of your heritage.

In conclusion, the National Transportation Policy fairly represents the potential of America's railroads and points the way to an even brighter future for the industry. The railroads offer a tremendously under-used capacity on its existing system -- a system that is financed in the private sector. Our railroad corridors are the only alternative in many areas of the country, where urban congestion frankly prohibits large scale highway building in the future. That's another reason why we want to preserve the systems of regional and short line railroads. They are vital rights-of-way we cannot afford to lose. Policy alone cannot accomplish our objectives. I urge you in the industry to assume the leadership and make the folklore and grandeur of your rich and



colorful past a prelude to a great future for America. I ask your support. I give you my own.



REMARKS PREPARED FOR DELIVERY BY  
SECRETARY OF TRANSPORTATION SAMUEL K. SKINNER  
AMERICAN TRUCKING ASSOCIATIONS FOUNDATION  
KEY LARGO, FLORIDA  
APRIL 28, 1990

I'm delighted to be here. There are two important issues I want to cover today. One, the drug testing procedures and whether we need to change the method of review of negatives; and two, continuing the research partnership, the strong, common bond that has developed between the ATA Foundation and the Department of Transportation.

You will recall that at the ATA convention in Chicago last October I said I am a common sense individual. I understand the difference between what is realistic and what is not and I am looking for realistic solutions to the drug testing issue. As someone who has worked in business, and who understands business, I want to work with you. Whether its on drug testing procedures or improving highway and truck safety, I want our partnership to keep moving forward.

Shortly after the ATA meeting in Chicago, Tom Donohue must have decided to test my word because he contacted me about some concerns over the drug testing procedures. As you well know, the regulations require that all negatives as well as all positives be submitted by the laboratory to a Medical Review Officer before transmission to the employer. This ensures that



the employer cannot distinguish between a negative from the laboratory and a laboratory positive that is verified negative by the Medical Review Officer. The drug testing program promised confidentiality and as a matter of integrity that promise must be kept.

Some MROs are charging what the employers consider an unreasonable amount of money for the administrative chores of receiving and retransmitting the negative results from the lab. As a result, DOT has heard not only from Tom and the ATA but from others requesting an amendment to the regulation.

During a Consensus Conference sponsored by the National Institute on Drug Abuse, the Department discussed two mechanisms that may offer the opportunity to protect employees' confidentiality while avoiding the adverse time and cost impact of sending negative results through MROs.

The first mechanism would involve designation of an employee representative as the recipient of all lab results. There would be a so-called "bubble" or "Chinese wall" erected around the representative to ensure separation of functions. The laboratory results would be sent directly to this official. This office would send lab negatives directly to the company. Lab positives would go to the MRO and, after the MRO's



review, be transmitted to this special office. The special office would divulge all the results to the company which would not know whether they had been turned into negatives by the MRO.

In the second alternative, the laboratory would send negatives directly to the company and positives would go to the MRO. After the lab positives were reviewed, verified negatives would be sent back to the laboratory and transmitted from the laboratory to the company. Again, the company, since it is receiving all the negative results from the laboratory, would not know which ones had been changed by the MRO.

This raises a number of questions and concerns. There are no simple answers. What I'm interested in doing is protecting the individual who takes paragoric or tylenol with codeine or dexedrine pills or whatever and might wind up with a positive test result. It would be turned into a negative later but still might compromise the employee's privacy and cause adverse reaction by the employer. Privacy and confidentiality are my utmost concern.

On the other hand, as I said last October, I want a practical reasonable program that works. I haven't made up my mind what the solution should be. I'm



going to have to ask you to work with me some more on this issue.

This week, I signed a notice of proposed rulemaking, which I expect to be published in the Federal Register next week, asking for comments on a number of questions on this issue. You will have 30 days to file your comments and the Department will issue a decision as quickly as possible.

We simply need more input on questions such as whether the alternatives would compromise confidentiality. Would the company confidant mechanism effectively prevent company officials from knowing who was a lab positive, especially in small companies? How would DOT monitor the success of the mechanism at achieving confidentiality? Would effective enforcement of such requirements as separation of function be possible? Should there be a minimum company size for use of this mechanism?

How much of a new administrative nightmare would we be creating? Would the additional administrative steps result in delays, costs, or administrative errors? How will paperwork on the lab certification of the initial result, MRO verification of the result as a negative, and lab or company confidant retransmission



of the negative result to the employer be handled? Will it protect and safeguard confidentiality?

These are questions that need more input. The questions in the NPRM are very extensive, and I won't belabor the point. I'll just say that this is the place where your input is very important because, I emphasize once again, I haven't made up my mind on this issue.

Now, let me applaud Tom Donohue for molding the ATA Foundation into one of the finest research institutions in the country. You have worked hand in glove with the Department on the commercial drivers license issue. You have planned and developed educational materials to help drivers comply. These materials cover such items as driver compliance requirements, key implementation dates, the driver disqualification provisions, state implementation requirements, employee compliance requirements and penalties for noncompliance. On this single issue, the ATA has made a great contribution to safety.

The ATA Foundation has worked with the Highway Users Federation and the Department on a study to close the truck safety information gap. You've completed a study for the Federal Highway Administration on truck operation cost data collection. You are working on a study for the Federal Highway



Administration to help resolve the uniform truck regulation and taxation issue -- an educational program for use by state governments and trucking associations in resolving this issue once and for all. There are a lot of others but this lets you know I wholeheartedly endorse the ATA Foundation as a research partner. I ask you to look for other opportunities where we can work together.

Just as we've worked together in these two areas -- drug testing and the vital area of research -- so must we work together if we are to have an effective Surface Transportation Reauthorization bill next year. You've heard me say I favor letting the states and local governments assume more responsibility for the highway and transit systems because they can do some things more efficiently. They want more responsibility. They are ready to accept the challenge and the federal government no longer can afford to do it all. You've heard me say and I make this pledge -- the integrity of the trust fund will be maintained and it will be spent for the purpose for which it was collected.

If we have some disagreements I'm sure we can work them out because we both know the ATA and the Department of Transportation share one overriding objective -- a safe, efficient transportation system.





U.S. Department of  
Transportation

# News:

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

STATEMENT BY SECRETARY OF TRANSPORTATION  
SAMUEL K. SKINNER  
ON THE SUPREME COURT DECISION ON  
RANDOM DRUG TESTS FOR DOT EMPLOYEES

April 30, 1990

The Supreme Court decision today approving drug tests for Transportation Department employees is a victory for the American public, which expects and deserves a safe and drug-free transportation system. It is our belief that drug testing is the most effective way possible to ensure that DOT's safety and security employees are drug free.

## ## ## ##



REMARKS PREPARED FOR DELIVERY BY  
SECRETARY OF TRANSPORTATION SAMUEL K. SKINNER  
UMTA'S 6TH ANNUAL PUBLIC-PRIVATE CONFERENCE  
APRIL 30, 1990  
LOUISVILLE, KENTUCKY

Thank you Congressman Bunning. You have to remember, of course, that I'm a right-handed hitter. And I've got a suspicion that if my manager ever took a look at your 2,855 strikeouts, and 224 career victories -- not to mention your two no-hitters -- he would've quickly platooned me with a lefty.

Seriously, Jim, you're doing a Hall of Fame performance on Capitol Hill as a member of the President's team, and we need more players like you.

At any rate, I'm delighted to join all of you in Louisville today. This is an important conference dealing with a critical facet of our nation's transportation system. Without the help of urban mass transit, I don't see any way we'll be able to free up America's increasingly congested cities and suburbs. And I say that as someone who has been involved in mass transit in the private sector.

This is the sixth conference UMTA has held on public-private cooperation. But it's the first since President Bush announced our National Transportation Policy last month. That Policy is the strategic decision-making framework that will guide all this Administration's



transportation initiatives into the future. And that includes mass transit, which is going to play a big role in that future.

The President's Policy makes it clear that we view transit assistance as a permanent and positive element of its overall domestic program. In fact, our Policy has some very relevant things to say to both public and private sector officials involved in building and maintaining America's mass transit systems.

The most important message is simply this: America's transportation needs are so vast and our limited resources so valuable, that we can't afford to waste any time debating among ourselves. The challenges are too great and the stakes are too high -- for the economy of this country and for the quality of life we now enjoy.

That means that all of us in mass transit -- federal and local, public and private -- have to roll up our sleeves, and get to work to forge new partnerships that will take mass transit into the future. From my own experiences, I know that the creativity and flexibility of the private sector will be indispensable for those of us in the public sector to do our job.

As Brian Clymer told you this morning, at the top of our agenda is our proposal for reauthorizing both the federal highway program and the federal mass transit



program. We're now well into the process of developing this comprehensive reauthorization proposal. It will be one of our first efforts, along with aviation reauthorization, at putting the strategic principles of the National Transportation Policy into specific, concrete form.

But even before that formal legislative proposal is ready, I am very pleased to announce here today a new policy that promises to expand private sector participation in urban mass transportation. Effective immediately, UMTA will be operating under the provisions of a new policy designed to facilitate the use of cross border leasing arrangements in the procurement of urban transportation assets.

Cross border leasing will permit foreign investors to purchase U.S. transit equipment, and then lease it back under terms that will generate additional revenues for the same U.S. operators. Foreign concerns can do this, and still make a profit, because of favorable depreciation laws in their own countries.

Experience with cross border leasing suggests that this technique may be a very important instrument for using the energy of the private sector to get greater efficiency and productivity out of our transportation investments. To get a stronger, more competitive transportation



industry across the board, we've got to continue to strive for real competition, and allow the marketplace to work its magic. We want the private sector to compete in every aspect of our transportation systems.

We believe we can create greater entrepreneurship by removing some of the artificial constraints in the current grant delivery programs. We believe that the flow of federal dollars needs to be more stable and flexible.

It is this combination of stability and flexibility that we want to become the hallmark of a new age of federal/local cooperation in transportation funding. From this will come new forms of private sector participation in urban transportation.

There's no doubt in my mind that before this decade is over, we'll see a quiet revolution take hold across the country that will make some fundamental changes in the way we approach transportation financing. They'll be innovative approaches that will involve state and local governments as much as Washington. And they'll involve the private sector as much as each level of government.

We'll see private toll roads begin to supplement our public freeways and turnpikes. The public-private toll



road ventures springing up in California and Virginia are good examples of what can be done.

We could see entire vehicle fleets owned by private interests, but leased to mass transit systems owned and operated by the public sector. We're already seeing it happen in Philadelphia.

Developers and other beneficiaries will be able to realize larger profits by including public transportation elements in their commercial ventures. In many cities, we are seeing the private sector helping finance major transportation projects.

In New York, for example, more than \$100 million in transit improvements were funded by the private sector. In Boston, a private developer leased the South Station, rehabilitated it, and added a downtown mall. He now maintains the space and rents it from the transit agency.

In Miami, a private developer donated the metrorail right-of-way which enabled construction of the Dadeland South Station. In Denver, the local transit agency exchanged a 65-year air-rights lease above the bus terminal for \$400,000 a year and a share of the profits.

We must encourage continued joint development because it will increase cooperation between the public



and private sectors in planning, constructing, renovating, and improving transit facilities. Under these programs the private sector can assist cities in leveraging federal dollars by contributing to the local match.

Across the board, we'll see new attitudes prevail and innovative approaches emerge. The private sector will begin to work side by side with the public sector in performing tasks and functions where its inherent strengths enable it to do the work better and more efficiently.

But I'd like to stress two things that greater private sector participation definitely do not mean. First of all, this Administration is not calling for wide scale conversion of existing public mass transit systems over to private operation.

Second, when we talk about private sector participation, we're not asking private business to make sacrifices for the public good out of the goodness of its heart.

We understand clearly what motivates the private sector. And that's the drive to make a profit. If we in the public sector fail to take this into account, we'll be making a serious mistake.



The private sector can't be expected to invest its money in urban transportation unless there's a reasonable opportunity to make an adequate profit. Where there's a measure of risk, there must be a possibility of profit. In the end, of course, both interests come out ahead -- public and private.

When we talk about coming out ahead, there are three areas in particular where we're committed to winning some victories in mass transit by the end of the decade.

First, we want to tear down the barriers that are preventing disabled Americans from enjoying the mobility that others take for granted. The urban mass transit industry has been debating this issue for almost two decades, and has made progress. But it's time we put the debate to rest, and make a commitment to full accessibility for our disabled fellow Americans.

Accessibility for disabled Americans is no longer an engineering question, or a scheduling issue to be addressed by technical experts. It is a matter of civil rights that should be of concern to all Americans. And let me tell you, it starts right at the top. President Bush himself is personally very concerned that we move quickly on helping disabled Americans get access into the mainstream of American life.



Second, by the end of the '90s, we will use our transportation systems to make sure society will not tolerate the presence of a permanent inner city underclass that is denied access to the jobs and the prosperity that are creating new industries and new economies in our suburbs.

Third, as a former prosecutor, I know firsthand the extent to which drugs contribute to the crime problem in our cities. Drugs are a safety problem in transportation as well, and I can assure you this Administration is totally committed to achieving a drug free transportation system. Random drug testing is a necessary and essential step to providing the safest and most efficient transportation system possible. We want to work with state and local governments and the private sector to make this work.

The American public agrees with us. A recent Gallop poll showed that 60 percent of American workers favor drug testing on the job. And 94 percent think testing of transportation workers in safety-related jobs is a good idea.

The Department of Transportation fully supports the UMTA drug testing legislation introduced by Senator D'Amato last month. It will enable UMTA to reinstate its drug testing requirements for safety-sensitive



employees in the mass transit industry. The new legislation will provide clear statutory authority to reestablish our anti-drug program rule for recipients of federal mass transit assistance.

In the meantime -- in order to ensure public safety -- we strongly urge all local mass transit systems to implement or to continue drug testing where they have legal authority to do so. Having been Chairman of the Chicago area's Regional Transportation Authority for five years, I know that drug testing in mass transit imposes special difficulties and challenges for many of you.

The stakes are too high not to act in every way possible. Studies show that drug abuse is an incredible drain on the nation's economy. It is estimated that \$60 billion a year is lost due to decreased productivity, accidents, absenteeism, medical claims, and thefts.

I sincerely believe that the people in this room, and people like you all over this country, are not the problem. You are the solution. Our job in Washington is to help you solve the nation's transportation problems. We want to be your partner. We want to find ways that the federal government truly will be your facilitator and your supporter -- and will not be the roadblock or obstacle that makes your job impossible.



These are exciting and challenging times for the transportation industry. All anyone has to do is look at the projects you're talking about at this conference and that are on the drawing boards all across the country. Privately owned toll roads, high speed rail corridors, maglev projects, HOV lanes, new highways, toll facilities, and bridges -- all of this, in my opinion, provides us with a great opportunity for rebuilding our nation's transportation infrastructure. And we look forward to working with you on it.

Thank you very much.