SECRETARY OF TRANSPORTATION FEDERICO PEÑA
GENERAL TALKING POINTS ON
DEPARTMENT OF TRANSPORTATION'S CALIFORNIA INITIATIVE
AUGUST 1993

- **President Clinton has asked all of his Cabinet members to find ways to jump start the California economy, which has been hard hit by a worldwide recession in the aerospace industry and military downsizing at the end of the Cold War.**

- **Transportation is such a powerful force for economic growth and job creation that it will play a central role in the President's California Initiative.**

- **The Department of Transportation has four strong themes for action to help California:**

1) We will concentrate our limited resources on infrastructure projects we know we can do right away to improve services and create jobs.

-- For example, the Muni Metro Turnback, will improve mass transit for the 135,000 passengers a day on the 22-mile San Francisco Municipal Railway. This $212.5 million project will allow 10 more trains per rush hour -- a 50 percent increase in current capacity. DOT's initial funding increment is $75.5 million.

-- The Red Line Metro extension in Los Angeles is another example. This $1.23 billion project pushes the metro from mid-city into East Los Angeles, a predominantly minority area of the inner city, to the San Fernando Valley. The line will serve people who have no other way to get beyond the confines of the neighborhood. We are delivering a further $49.6 million un funding for the Red Line on this visit.

2) We will get more community input from California so that transportation becomes a bonding element -- uniting communities rather than dividing them.

-- San Francisco, again, is the model for the country. It has the prototype Metropolitan Planning Organization (MPO) which will play an increasingly important role in transportation decisions of the future.

3) We will emphasize the humanization of transportation -- to make sure that each link in the system is something more than bricks and mortar -- an investment that serves a social purpose such as getting people to work, school and medical centers.

-- The BART Fruitvale Station is the best example of "humanization" of transportation. It will be a "transit village" that will mix new residential and retail development with open space and a regional cultural center, a child care center and possibly a neighborhood health clinic.

4) We will provide more opportunities in transportation contracts for minority and women-owned businesses.

-- We are strengthening our short term lending program to target more money to California. Minority and women contractors who can qualify for lines of credit with designated banks will get up to $500,000 line of credit to be used in connection with a contract using Department of Transportation funds.

-- We are strengthening our small disadvantaged business bonding program to allocate $3 million to disadvantaged business enterprises in the City of Oakland and $3 million in the City of Los Angeles. We are also conducting a pilot project in both cities to put surety agents to writing bonds for minority and women contractors at the local site.

- Finally, California will benefit from the Department of Transportation's participation in the Technology Reinvestment Initiative. Under this initiative $500 million will be invested this year to help convert defense technology to civilian uses. Many of these uses are transportation-related, such as the stealth bus and electric car projects -- both of which are based in California.

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SECRETARY OF TRANSPORTATION FEDERICO PEÑA
TOUR OF I-80/480 INTERCHANGE CONSTRUCTION
AUGUST 3, 1993
OMAHA, NEBRASKA

I'm delighted to see the progress you've made here on the I-80/480 interchange.

As many of you know this is the most heavily traveled road in Nebraska. More than 100,000 vehicles a day use this section of Interstate 80, and during construction the traffic has probably been worse sometimes than rush hour on "the Loop" in Chicago.

But state officials and the contractors have done yeoman's work -- despite the wet weather -- to keep things moving and getting the work done.

This is the kind of work that President Clinton had hoped to see -- all over America -- when he submitted his stimulus package earlier this year.

That package contained $4 billion for transportation construction because President Clinton knows that highways like this one are the best job generators in America -- not just for construction work but for the long term jobs that good transportation systems bring.

Right from the beginning, President Clinton has been committed to investments in transportation to renew this economy and get America moving again.

Bill Clinton knows that we can't compete in the world economy with axle-breaking potholes and falling bridges.

He's fighting for the kind of investments we need to pay for work like this.

But if we're going to afford these kinds of investments, we first have to get our fiscal house in order.

So I'm happy to tell you today that victory is within our grasp on the President's overall economic growth and deficit reduction plan.

Congressional negotiators are putting the final touches on an agreement even as we speak.

President Clinton will win this battle -- just as he has won before -- because the American people are on the President's side.

Our people want action -- now -- to cut the deficit, keep interest rates low and create jobs.

And that's just what the President's plan will do.

The President's plan is the largest deficit reduction in our history.

It has real spending cuts. More than 100 federal programs will be cut by $100 million or more each. The Federal workforce will be cut by 100,000 by 1997.

What's more, the President has insisted right from the beginning on tax fairness. Middle income people will not pay one penny in new income taxes and less than a dollar a week on gas taxes.

Those who can best afford it, families earning over $200,000 a year will pay two-thirds of all new taxes.

The President's plan also offers real incentives for business to foster growth and spur job creation.

The plan encourages real investments in our people and our future -- investments in education, new technology, worker training, defense conversion and, yes, investments in highways like this one.

The President's plan will put an end to drift and doubt.

For the first time in nearly a generation, we'll be facing up to our deficit -- and doing something about it.

When this plan passes, we'll be on our way to lower deficits, lower interest rates, millions of new jobs and more investment in projects like this one that will pay off for our children and their children.

When we do that, we Americans are going to take back control of our future. We're going to revive the can-do spirit that the engineers and workers here have shown - right here on Interstate 80.

And we're going to revive another old American tradition: It's called <u>winning.</u>

Thank you all very much.

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2.79

REMARKS ON BUDGET RECONCILIATION
SECRETARY OF TRANSPORTATION, FEDERICO PEÑA
DALLAS, TEXAS
AUGUST 3, 1993

Thank you for that kind introduction.

Mark Twain used to say, "Everybody talks about the weather -- but nobody does anything about it."

And for nearly a generation, that's been true about our national deficit.

Everybody in Washington talked about it -- but nobody did anything about it.

Until now.

Because we finally have a President who's taking on the deficit, the special interests, and the forces of gridlock in Washington.

We finally have a President who's doing something -- not just talking.

And I believe we're about to see President Clinton's plan acted on by the Congress.

None of this has been easy or popular. It takes guts to cut spending and to raise taxes enough to curb the deficit.

And that's just what President Clinton is doing.

The President has proposed the largest deficit reduction plan in our history -- $500 billion worth -- evenly balanced, dollar-for dollar between spending cuts and tax increases on wealthy Americans most able to afford them.

The cuts are real -- and deep. More than 100 federal programs will each be cut by more than $100 million -- a total of $250 billion in savings.

The Federal payroll will be cut by 100,000 by 1997.

And the taxes are fair. The vast majority -- more than two-thirds of the increases -- fall on well-off Americans earning more than $200,000.

98.8% of American families will see no rise at all in their income taxes -- none.

Most small businesses will see no tax increase at all -- none.

Finally, the gasoline tax now working its way through Congress will cost middle class families about $1 a week. That's all.

And because of an increase in the Earned Income Tax Credit, millions of working families will be lifted above the poverty line.

This is a basic corner-stone of the welfare reform that will come soon.

We believe in rewarding work.

No one who works full time and has children at home should have to live in poverty.

Along with serious cuts and fair taxes, President Clinton's plan calls for investments in our people and our future -- in education, national service, defense conversion, technology and worker training.

There are strong incentives for small businesses to invest in equipment and expansion.

There are capital gains cuts for long-term entrepreneurs who sell their businesses after five years.

These are some of the building blocks of our future prosperity.

This is a job-creating, pro-business budget that has earned the backing of some of the leading CEO's in this nation.

And it's long overdue.

Does anyone here doubt that after twelve years of massive deficits -- a $4 trillion national debt -- the transformation of our country into a debtor nation -- that <u>someone, sometime</u> had to get a grip on reality?

Does anyone here believe that there is some magic mix of cuts and taxes that could curb our deficit without inflicting any pain?

We've had too much snake oil -- too many years of smoke and mirrors -- too much denial of reality.

Now we have a budget that will stop the hemorrhaging, curb the deficit and set us on the way to putting our house in order.

None of this is easy or politically painless.

It's just necessary.

And we're already reaping some of the benefits.

Interest rates have fallen nearly 1% since President Clinton laid out his plan.

That's not because world financial markets are sentimental -- or soft-hearted -- or filled with yellow dog Democrats.

It's because global investors see for the first time ever a deficit reduction plan that will work. That's why interest rates are down.

And because interest rates are down, housing starts are up. Millions of people are re-financing their houses or taking out mortgages on new homes.

Car sales are up -- because more consumers can afford to finance car purchases.

Businesses can borrow to expand.

When we pass the President's budget this week, we'll be locking those gains in.

We'll have a credible plan to cut the deficit and create millions of new jobs.

We'll have done something more, too: we'll have taken responsibility for our future, control of our destiny.

And we'll be well on the way to reviving an old American tradition: it's called winning.

Thank You.

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2.78

SECRETARY OF TRANSPORTATION FEDERICO PEÑA
AMTECH-DAVID P. COOK TECHNOLOGY CENTER
ALBUQUERQUE, NEW MEXICO
AUGUST 7, 1993

I'd like to thank G. Russell Mortenson (AMTECH CEO) for that generous introduction and also for asking me to share this very special moment with you.

This beautiful new Center is a symbol of AMTECH's accomplishment in its first decade, of your vision and of your faith in the future of our country and our economy.

We are living through one of the most exciting times in the history of civilization, a period of stunning technological innovation, unprecedented economic opportunity -- and risk, and a time of sweeping political reform all over the world.

AMTECH's move to this Center signals a new beginning for the 300 scientists, engineers, marketing and software people who work here.

In this new environment you can use the technology that brought AMTECH this far to help us make the best national transportation system in the world even better.

And, no doubt, within these walls you will develop new technology not yet dreamed of.

As we toured this facility a few moments ago, I thought how New Mexico -- this "Land of Enchantment" -- is also a "Land of Technology," with nearby Los Alamos Science Lab, Sandia National Lab, White Sands Missile Range, the National Solar Observatory, the National Radio Astronomy Observatory and a wealth of outstanding private sector organizations like AMTECH.

This company -- born of technology transfer from Los Alamos in 1984 -- is an active participant in two dynamic national initiatives that will transform our economy and our daily lives as much as transcontinental railroading and commercial aviation did.

First, you are proof positive that technology transfer really works. You are a model as the Clinton Administration moves full speed ahead on its Technology Reinvestment Initiative to redirect the nation's defense technology to civilian and commercial uses.

This project will provide over $500 million in assistance to companies promoting dual-use technologies. We hope that it will spawn new companies, even whole new industries -- born of alliances between visionary entrepreneurs like David Cook and the defense scientists, engineers and workers who won the greatest struggle of this century and brought communism to its knees.

President Clinton launched this effort because he is determined not to leave those who won the Cold War for America out in the cold.

And I sought full DOT participation in this effort precisely because of the great potential for using technologies developed for defense in the transportation arena.

It's only a small stretch of the imagination, for example, to conceive new composite materials like those used for the Stealth bomber being applied to coming generations of vehicles and even bridges.

In fact, there is a company in California now working on a "Stealth Bus." (This is a bus you can "see", by the way.)

But the technology revolution doesn't end with dual use technology. The Department of Transportation is leading the Administration's push for a $1.3 billion investment in new high-speed rail corridors and technical research -- including the design of a world-class, American prototype of a magnetic levitation train.

This will be the seed of a whole new, high-tech industry for our country -- supplying a growing network of high-speed rail systems.

A second revolution in which AMTECH is a participant is in Intelligent Venhicle Highway Systems.

Your active support for IVHS and your contribution to toll road technology is already making our national transportation system more efficient.

But we will do more than develop intelligent cars, trucks, and smart highways. We must develop smart trains, smart ships, smart airplanes and airports.

I can foresee American companies leading the world in a range of transportation technologies, and exporting super-sophisticated air traffic control systems, non-polluting vehicles, high-tech safety devices and components ranging from ceramic engine blocks to bridging systems made from composite fibers.

These will be American companies, deploying American technologies -- at home for a change -- and employing American workers who earn American wages.

We will not repeat the mistakes of the past when technologies created here were commercialized overseas.

We want to see the breakthroughs that you discover here in America -- built here in America.

This isn't protectionism, it's common sense.

We're confident that our country can meet the challenge -- and seize the opportunities -- of the global economy.

AMTECH is already doing that.

Today you stand to gain even more because of the promise of growth offered by the North American Free Trade Agreement.

You are already veteran exporters to Mexico. But I believe the NAFTA will expand even AMTECH's horizons.

Ladies and Gentlemen, we are about to create the largest free trade zone in human history -- a market of 370 million people with $6.5 trillion in output.

Contrary to the scare-mongering we hear from some quarters, NAFTA will create far more American jobs -- not fewer.

Our trade with Mexico has been exploding -- and American companies have more than held their own.

We have a multi-billion dollar trade <u>surplus</u> with Mexico; some 700,000 American workers now earn their livings from exports to Mexico. And best of all, those workers, like workers in other export industries earn more than average wages.

So there's no reason to be afraid. That "big sucking sound" south of the border that some people talk about is the sound of Mexican consumers and companies gobbling up U.S. exports.

Mexico is now a bigger market for our manufactured goods than Japan is -- and the prospects of growing sales to Mexico under NAFTA are very, very bright.

This new center we celebrate today is well placed, here in a border state, to take advantage of the dynamic export market that will surge as trade barriers fall across our continent.

That's why I ask you to work actively for the ratification and implementation of the NAFTA Treaty.

With your help we will build a united North American market -- and we will do it with sensitivity to our environment and protection for our high standards of labor.

We are moving forward with NAFTA because it's good for America -- and because we now -- finally -- have a firm foundation to build on.

As the President's budget reduces the deficit and starts our country on the road to sound, fiscal responsibility, we have taken the first step.

But as President Clinton said, this is only the first step.

We need to build on this new beginning -- with health reform, with a renewed commitment to education, with worker training and with incentives for job creation, new technologies and basic research.

Together with NAFTA, these are the building blocks of President Clinton's economic strategy.

It's a strategy aimed at reviving an old American tradition -- a tradition that all of you here at AMTECH are familiar with.

It's a tradition we call: winning.

Thank you for having me, and please accept my best wishes for success in your new corporate home.

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REMARKS PREPARED FOR DELIVERY
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
NEW MEXICO FIRST -- 3RD ANNUAL DINNER
ALBUQUERQUE, NEW MEXICO
AUGUST 7, 1993

I'd like to thank Senator Bingaman for that very generous introduction.

And now that I'm up here-- and I have the microphone -- I'd like to return the favor.

Because Jeff Bingaman is not just a friend, he is one of the truly outstanding statesmen in the United States Senate.

He's a man of great intellect and courage, as he showed this week when he stood firm -- along with President Clinton -- for putting our economy on a strong foundation so that we can have real growth.

With his help, and that of other Democratic Senators and Congressmen and women, President Clinton has taken a giant step toward reviving the American dream by restoring the American economy.

That's what New Mexicans voted for when you helped elect Bill Clinton. And that's what the President is fighting to do.

It hasn't been easy or popular to say we have to face up to the deficit before we can begin to generate good jobs and lasting growth.

But Jeff Bingaman showed the courage to do the right thing.

I should add that while he's dealing with those difficult national issues, Jeff never forgets the people who elected him to the Senate.

Believe me, as Secretary of Transportation, I have to deal with this man -- and I can tell you this: Whether the issue is better access to the Albuquerque International Airport or an much-needed repair for a road on an Indian reservation, Jeff is a very, very tenacious advocate for the people of New Mexico.

I'm also delighted to be here with Governor King, Senator Domenici, and all of you who really care about the future of New Mexico.

Let me congratulate Arlene Roth (President, New Mexico First) and James A. Clark (Dinner Chairman) for bringing us all together and for the outstanding service you provide in convening Town Hall meetings and First Forum Dinners to keep this state's leadership up to date on significant issues.

This type of citizen activism and debate will live up to its name and keep New Mexico first.

We need more of it -- all over this country.

Tonight I want to talk with you about how President Clinton's economic strategy will affect the future of our country -- and the future of New Mexico.

First of all, let me say that it's about time that America actually developed a real strategy for our nation's economy.

For nearly a generation we've been adrift, following an economic fantasy called "trickle down" -- a fantasy that said that all we need do is cut the taxes of the very well-to-do and they will invest and create good jobs for middle class families.

The problem with that theory is this: it didn't work.

Middle class incomes in our country have been stagnant for nearly 20 years.

Middle-class taxes have been rising while costs have exploded for health care, education and housing.

And all this time -- while our deficits were expanding and our national debt quadrupled -- we've also fallen short on investments in infrastructure, new

technology, education and worker training -- the very cornerstones of our economic future.

Many of our people came to believe that America's best days were over and that our government could do nothing right.

Many foreigners concluded that we Americans couldn't face up to reality -- we'd never put our house in order -- we'd never provide for our future.

I'm here to tell you that those doubters and prophets of doom are wrong.

Because we have a vigorous young president who understands the global economy and what we need to do to compete in it.

We finally -- finally -- have a president with the courage to grapple with our deficit -- one very tough political challenge, I assure you.

Under President Clinton's leadership we're embarking on a new way of doing things -- but this new direction is firmly grounded in America's deepest -- respect for work, fairness, opportunity, responsibility and community.

With the passage of the President's budget, we have begun to take control of our national destiny.

We've put an end to drift and denial and begun the long, difficult -- but exciting -- process of revival.

And we are already reaping some benefits.

In the few months since President Clinton proposed his budget, interest rates have fallen nearly 1% in our country -- making it easier for millions of Americans to buy or refinance homes; to buy cars or expand their businesses. No wonder home sales are up, car sales are up and our great American automakers are solidly in the black.

For middle class families and small businesses, the benefits of these lower interest rates are striking. A family re-financing their home from 10% to 7.5% on a $100,000 mortgage, for example, could save up to $2,100 a year.

This is a much, much greater savings than the dime a day or so working families may pay on gasoline taxes to bring down our deficit.

Despite a barrage of propaganda -- from Republican politicians to talk radio hosts to talking heads on TV -- the truth is this simple: President Clinton's plan calls for no income tax increase -- not one penny more -- on any working family earning less than $140,000 in taxable income.

And while the wealthy will finally pay their fair share, millions of Americans who work full time at

minumum wage jobs will be lifted from poverty by an expansion of the Earned Income Tax Credit.

This program -- the EITC -- provides tax credit to the very poorest working families in our country -- and only to people who work hard and file their taxes.

Expanding these credits is a basic building block of President Clinton's plan to end welfare as we've known it.

Because we believe in rewarding work.

No American who works full-time and has children at home should have to live in poverty.

Now that the President's budget has passed -- they won't have to.

I know that this is a sophisticated audience. Those of you here tonight know that today's low interest rates are not determined directly by the President.

They're determined by the hard calculation of worldwide financial markets that judge any President's budget proposals with a very cold, critical eye.

The investors and currency traders who have given our plan a vote of confidence haven't done so out of sentiment or sympathy. Of course not.

After all, they're putting their money on the line.

The reason that interest rates have come down is because these tough-minded investors see that President Clinton has proposed the first credible deficit reducton plan in nearly a generation.

World financial markets can see that the cuts the President proposes are real -- not rhetoric.

More than 100 federal programs -- including hospital re-imbursements under Medicare and Medicaid -- will be cut by more than $100 million -- each.

The federal workforce will be reduced by 100,000 people by 1997.

In fact, well over half of the $500 billion in deficit reduction in the President's budget will come from spending cuts -- and those cuts will be locked into a trust fund exclusively for lowering the deficit.

But unlike the proposals of the opposition, those cuts will not come at the expense of elderly Americans, veterans and the poor.

They will come from redundant, out-dated or wasteful programs.

And when Vice President Gore completes his National Performance Review of the federal government this Fall, I assure you -- I guarantee you -- that there will be more cuts and more savings for American taxpayers.

Because we start from a simple principle: this federal government belongs to the people. You pay for it.

From the President on down, all of us in the Clinton Administration are determined to see that every penny of your tax money is well invested in needed services and investments for our common future.

All of these goals: deficit reduction, real spending cuts, tax fairness, lower interest rates, renewed confidence and job growth -- the credibility of America itself -- were riding on yesterday's vote in Congress.

By passing President Clinton's budget -- by standing up to be counted -- Senator Jeff Bingaman helped to lock in those gains.

In the months and years to come they will produce millions of jobs and a new beginning for our country.

Why? How will this happen?

One reason is that the President's budget doesn't just cut the deficit -- it supports investment and growth by encouraging public and private investments.

For example, there are substantial tax cuts -- retroactive to January 1st -- for small businesses that have invested in new equipment or expansion. Contrary to the scare-mongering, about 90% of American small businesses

will be eligible for a tax cut next April 15 -- not an increase.

For entrepreneurs who invest in new businesses -- and have the vision to hold them for five years -- President Clinton's plan will cut capital gains taxes in half.

This is sure to be a spur to the high-tech companies growing up all over New Mexico.

In addition to business incentives, the President's plan puts a high priority on public investments that will make our country more productive and competitive in the face of global challenges.

We will be shifting our funding priorities to education, training, defense conversion, new technology, housing and community development -- and, of course, to some other things very dear to my heart: transportation and infrastructure.

Right here in New Mexico we target total federal investments of $683 million between 1994 and 1998.

There will be $317 million for improvements in transportation and the environment; $145 million for worker training and higher education; $132 million for housing and communities, and $89 million for better schools for New Mexico's children.

Our estimate is that the economic program embodied in President Clinton's budget will create more than 65,000 new jobs in New Mexico by 1996 -- and more than eight million jobs for the nation as a whole.

President Clinton's budget is the foundation.

But as all of us know, a firm foundation is only the first step in building a house. The President's whole strategy is far broader.

President Clinton intends to make a fundamental overhaul of our national health care system -- and we'll be proposing that soon.

The President knows that unless we make fundamental health care reforms, we'll lose control of our deficit again a few years from now -- and we'll bankrupt our government, private businesses and families alike.

President Clinton also seeks to eliminate welfare as we know it -- and establish the principle that welfare is a helping hand back into the work force -- not a way of life.

He will support a tough new crime bill that will put 100,000 more police on America's streets -- because he knows -- as you do -- that just as much as poverty may create crime -- crime creates poverty by wrecking neighborhoods and families.

President Clinton will ensure a worker training program -- including apprenticeships for young people who do not go on to college -- because he knows that their economic future -- and ours -- depends on it.

We are facing a tough world economy in which ordinary Americans may have to change jobs half a dozen times in their work-lives. President Clinton means to give them the tools to succeed.

And President Clinton believes that our country must have an open, fair trade policy so that we can grow along with our trading partners and rivals around the world.

He will ensure that negotiations for a new General Agreement on Traiffs and Trade -- the wordwide trade talks now under way -- lead to a successful treaty that opens foreign markets to our exports.

And he will see to it that the talks with Mexico and Canada on Environmental and Labor standards to support the North American Free Trade Agreement have real teeth.

President Clinton is determined that NAFTA be mutually beneficial for the United States and our friends in Canada and Mexico. And that means that the environment and infrastructure of border states like New Mexico must be protected and improved -- not degraded.

Ladies and gentlemen, as a son of the border myself, I can think of no single initiative with greater promise for our future than NAFTA.

Together with Canada and Mexico, we are about to create the largest free trade zone in human history -- a market of 370 million people with $6.5 trillion in output.

As New Mexicans know, our trade with Mexico is already central to the United States' export-driven economic growth. Even without NAFTA, U.S.-Mexico trade has more than doubled in the last five years -- from $34 billion in l987 to $79 billion in l992 -- and the balance last year was billions of dollars in the U.S. favor.

Since 1987, this state's exports to Mexico have doubled and your exports to Canada have risen by 60%. From computers and chemicals and scientific instruments to agricultural products and transportation equipment, New Mexico is clearly an export-driven economy.

You are inextricably linked to your neighbors to the South and North.

So is our whole country.

Hundreds of thousands of U.S. workers now earn their living producing exports for the Mexican market. Mexico has actually surpassed Japan as the second largest buyer of U.S. manufactured goods after Canada. And

U.S.- Mexican trade is projected to double by the year 2000 and double again by the year 2020.

So when you hear anybody talk about a "huge sucking sound" from south of the border -- it's not some vacuum cleaner siphoning away American jobs -- it's the sound of Mexican consumers and companies gobbling up American exports.

There's a broader principle at stake in these trade issues.

As the great heavyweight champion Joe Louis put it: "You can run, but you can't hide."

The United States has to gear up and meet the competition from the whole world economy.

We have no real choice.

We can't roll up in a ball inside some "Fortress America".

And we don't have to.

Because if we forge a true partnership between business, labor and government, we Americans are not only going to survive global competition -- we're going to prevail.

We have the best work force, the best transportation system, the most productive industries in the world -- and as President Clinton's economic strategy unfolds -- we're going to make them even better.

You in New Mexico already have many of the strengths that President Clinton's strategy will foster all across America: an educated workforce ready to seize the opportunities of an export-related economy; an abundance of scientific laboratories and high tech companies.

Just yesterday, I signed an agreement with Energy Secretary O'Reilly for expanding research funded by our departments in national laboratories here in New Mexico.

Earlier today, I visited the new AMTECH Center -- a near perfect example of a company born of defense conversion -- founded by scientists from the Los Alamos Lab and venture capitalists with a vision. AMTECH is a leader in transportation technology -- and an exporter to Mexico and other countries aroung the world.

President Clinton's technology policy is geared to support the development of dozens of similiar companies -- especially those defense firms that are seeking to make the transition from purely military to dual-use and civilian technologies.

The President is determined that those who won the Cold War for America won't be left out in the cold.

He means to secure a true "peace dividend" by assisting defense workers to re-train, by assisting defense companies to re-tool their production and research to civilian uses; by ensuring that any military bases we are forced to close can be converted into industrial parks, civilian airports -- or other job-creating facilities.

From my viewpoint at the Department of Transportation, the prospects of defense conversion and new technology are limitless.

We are taking a lead role in the President's $500 million Technology Re-investment Initiative because I believe it will be a catalyst for a revolution in transportation as sweeping in our times as the arrival of railroading or commercial aviation were in theirs.

We are already using the Global Positioning System based on satellites thoudsands of miles in outer space to track trains and trucks, ships and planes here on earth. We're using infra-red vision devices designed to spot tanks in the black desert night -- to help truck drivers move safely on our own highways after dark.

It is only a small stretch of the imagination to foresee American companies leading the world and exporting super-sophisticated air traffic controls, non-polluting cars, high-speed trains, high-tech safety devices and transportation components ranging from ceramic engines to car and bus bodies made from composite materials -- like those developed for the Stealth bomber.

Given your strong scientific and technical bases, many of these products will be made right here in New Mexico.

I know that's true because I've talked with Senator Bingaman about about the Alliance for Transportation Research comprised of the Los Alamos and Sandia Research laboratories, the University of New Mexico and the State Highway and Transportation Department.

This is exactly the sort of research consortium that will be a seed-bed for new transportation breakthroughs.

As in every element of President Clinton's strategy, our bottom-line goal at DOT is the growth of American jobs -- even the creation of whole new American industries, developing American technologies, employing American workers -- who'll be earning American wages.

But let me be very clear: government's role in this vision is not to pick winners and losers. The free market will do that.

What government can do -- and will do under President Clinton -- is to serve as a catalyst for change, to create the incentives for new technologies, pry open foreign markets to the fruits of our genius, foster a new partnership between business and labor, provide students and workers the opportunities to equip themselves for productive lives -- and insist that anyone who receives government help study hard and stay in school.

In the case of companies, we'll ask those who receive research grants or tax incentives to invest right here -- to make money the old-fashioned way: by putting American technology and the American people to work here at home.

That's what it means to have a national economic strategy.

It means that all of the elements have to fit together. Every piece of the program -- from cutting the deficit, to health care, to free trade, to technology policy -- must each reinforce the other.

As they do, the whole will prove to be greater than the sum of the parts.

With the passage of the President's budget, we've laid the groundwork -- but there will be other battles and other debates ahead.

We hope that all Americans may be as engaged in them as those of you who care so much about New Mexico. We hope the debates to come will be wide-open, far ranging, tough -- and fair -- as your Town Halls are.

Because if there's one thing that all of us who work for President Clinton believe, it's that the best days of America are yet to come. We believe that we can use the power of the federal government to get this economy moving and improve peoples' lives.

And as we do, we're going to rebuild Americans' faith in ourselves, we're going to restore the "can-do" spirit that took our astronauts to the moon -- and we're going to bring back an old American tradition that too many people had begun to doubt.

We call that tradition: <u>winning.</u>

Thank you very, very much.

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2.76

Talking Points
Secretary of Transportation Federico Peña
Albuquerque International Airport
Grant Announcement
Albuquerque, N.M.
August 7, 1993

*** I'm happy today to announce the granting of more than $7 million to the City of Albuquerque for improvements at Albuquerque International Airport over the next three years.**

*** These funds will help repair and reconstruct taxi-ways to handle increased traffic, pay for a new perimeter road and enhance safety by improving fences and lighting.**

*** These kinds of investment in our infrastructure not only provide short-term jobs for designers and construction workers -- but also the long term jobs and economic growth that good transportation systems foster.**

2.75

REMARKS ON NAFTA
SECRETARY OF TRANSPORTATION, FEDERICO PEÑA
SENATOR BINGAMAN'S BRUNCH
ALBUQUERQUE, NEW MEXICO
AUGUST 8, 1993

For several weeks now, we've all been absorbed in Washington in the drama surrounding President Clinton's budget.

I believe that by passing it we've laid a firm foundation for deficit reduction, low interest rates, job growth and a better future.

But as you all know -- a firm foundation is just the first step in building a house -- and this budget is just the first step in a wide-ranging strategy that includes health care and welfare reform, a crime bill, immigration reform and major initiatives on world and regional trade.

I don't have time to go into all of these issues -- except to say this: when you develop a strategy, you have to move on many fronts.

Some people say in Washington that we're trying to do too much -- that we should focus on ONE THING.

But I ask you -- could any business succeed if it simply focussed on marketing, say -- and ignored product quality, design, labor relations -- and all the other elements of a business strategy?

Of course not.

It's about time we had a government that could develop all the elements of a real strategy -- and a President who truly knows how to meet the challenges of the global competition that we're in.

This morning, I'm going to talk about just one of the elements of our strategy -- The North American Free Trade Agreement.

Frankly, as a son of the border myself, I can't think of any single initiative that offers greater promise for our nation's future -- and especially for the future of border states like New Mexico.

Ladies and gentlemen, we are about to join with Canada and Mexico in creating the largest free trade zone in human history -- a market of 370 million people with $6.5 trillion in output.

The prospects for gain are great -- and so are the risks of trouble if the voices of doom and retreat scare our people and move Congress to reject this treaty.

New Mexicans know that our trade with Mexico is already central to the success of America's export-driven economic growth.

Even without NAFTA, U.S. -Mexico trade has more than doubled in the last five years -- from $34 billion to $79 billion -- and the balance last year was several billion dollars in the U.S. favor.

Over the same period -- since 1987 -- New Mexico's own exports to Mexico have doubled and this state's exports to Canada have risen by 60%.

From computers to chemicals and scientific instruments and agricultural produce, New Mexico is clearly an export-driven economy.

You are inextricably linked to our neighbors North and South.

So is our whole country.

Hundreds of thousands of Americans now earn good livings -- at above average wages -- producing goods and services for the Mexican market.

Mexico has actually surpassed Japan as the second largest buyer -- after Canada, by the way -- for manufactured goods. And U.S.-Mexican trade is projected to double by the year 2000 and double again by the year 2020.

So if you hear somebody -- a Texas billionaire, maybe -- talking about a "huge sucking sound" from south of the order -- just remember that sound is not some

vacuum cleaner siphoning off American jobs -- it's the sound of eager Mexican consumers and companies gobbling up American exports.

Many of those gains -- and the American jobs they produce -- could be put at risk if we were to reject NAFTA.

I invite you to imagine the prospect of humiliation, political backlash, financial crisis that could strike Mexico if our country listened to the voices of isolation and retreat.

It's time to reject protectionism -- and act like the great power we are.

The truth is that trade is not a "zero-sum" game. We and our neighbors in North America don't gain or lose at each others' expense.

We can -- and we will -- prosper together.

And there's a broader principle at stake here.

By endorsing NAFTA, we'll be sending a signal to all of Latin America -- and the whole world -- that we endorse the free market policies that President Salinas de Gortari has adopted.

One day, perhaps, we'll build on NAFTA a free trade zone that runs all the way from Alaska to Tierra del Fuego.

I know there will be a lot of scare-mongering in this debate.

But let me assure you: the "side agreements" that President Clinton has demanded on labor standards and protection of the environment will have real teeth -- real enforcement mechanisms.

I know Jeff Bingaman cares very much about these issues. So do I.

So does Bill Clinton.

The President is determined to forge an agreement that is truly beneficial to the people of the United States, Mexico and Canada.

And that means that the environment and infrastructure of border states like New Mexico must be protected and enhanced -- not degraded.

As for the risk of job losses, the NAFTA agreement will include serious protection against sudden export "surges" -- and President Clinton's budget -- just passed this week -- provides what may be the most serious program of worker re-training in our history.

The truth is simple: We Americans have to gear up to meet the competition from economies all over the world.

We can't roll up in a ball and pretend that we'll be safe from the forces of globalization inside some "fortress America".

The great heavyweight champion Joe Louis put it this way: "You can run, but you can't hide."

And we don't have to.

We Americans have the best educated work force on this planet, the most productive industries, the most sophisticated technologies and services.

I'm convinced that as President Clinton's economic strategy unfolds -- we'll build on those strengths.

We'll not only survive global competition -- we will prevail.

Ratifying NAFTA is a key element in that strategy. We're going to fight for it. We're going to see that there are firm and real safeguards for labor and the environment. And we're going to ratify this treaty.

Not just because it's good for Mexico -- which it will be. Not because it's good for Canada -- though that's true, too.

But because it's good for Albuquerque, it's good for New Mexico, -- and it's good for America.

Thank you very much.

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2.74

U.S. Department of Transportation

News:

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

August 12, 1993

Joint Statement By The Secretary of Transportation
The Secretary of Labor
Director, Office of Personnel Management

Today, the President ended the indefinite bar on Federal Aviation Administration employment of striking air traffic controllers. While this Administration does not condone illegal job actions in the Federal government, reasonable people would agree that, after twelve years, former air traffic controllers should be able to reapply for employment with the FAA. The President believes that it is time to put this chapter of labor-management relations behind us. Although the FAA needs to fill only a very limited number of jobs, it is appropriate that former controllers be eligible to fill some of those vacancies. Of course, rehired controllers would have to meet the same stringent employment, training, and certification requirements as any current controller.

In the spirit of the President's decision, the U.S. Office of Personnel Management will waive the rules that have denied these air traffic controllers the same employment opportunities as other former Federal workers. OPM Director James King noted, "It's a good feeling to help bring to an end this chapter in our history."

"We need strong, cooperative relationships between management and labor in this country. This decision demonstrates how important changing the tenor of that relationship is to this Administration," said Labor Secretary Robert Reich.

Secretary of Transportation Federico Peña added, "America's air traffic control system is the safest in the world, and we are committed to maintaining its integrity. Consistent with those goals, we believe that after more than a decade, the time has come to allow former air traffic controllers to apply for new openings in their field. Let us leave behind the divisions of the past."

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2.73

U.S. Department of Transportation

News:

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

Contact: Richard Mintz
Tele: (202) 366-4570

STATEMENT ON THE FINAL REPORT OF THE NATIONAL COMMISSION TO ENSURE A STRONG AND COMPETITIVE AIRLINE INDUSTRY SECRETARY OF TRANSPORTATION, FEDERICO PEÑA AUGUST 19, 1993

I wish to congratulate Governor Baliles, the members of the airline commission and their staff for meeting the tough challenge that President Clinton and the Congress set in May of delivering a report on the airline industry in just ninety days. Commission members have worked hard and probed deeply. As their work draws to a close, they have earned America's gratitude.

Now, it is our job to act on the Commission's recommendations. In recent weeks, an Administration working group headed by myself and Council of Economic Advisers chair, Laura Tyson, has followed the Commission's deliberations and has worked to craft policies to support a prosperous American aviation industry. The Administration will now work closely with Congress, industry and aviation employees to implement Commission recommendations.

From initial conception to legislative action, this process has been exceptionally brisk. This Commission's three core themes provide us a clear "flight plan" on how we should proceed to support a strong and competitive American airline industry.

First, we must ensure that America's air transportation system remains the most efficient and technologically advanced in the world -- by incorporating leading-edge technologies like the Global Positioning System and by minimizing regulatory burdens consistent with safety. Secondly, we must ensure that our air transport system has the financial strength to respond to rapid change -- re-examining, where necessary, the role of bankruptcy laws, ensuring access for new entrants and improving labor-management relations. Thirdly, we must craft policies that enable our air transport system to move people, goods and services efficiently to markets wherever they exist. Abroad, that means securing equal access to foreign markets for American air carriers and aerospace manufacturers. At home, it means providing service to small and medium-sized cities.

Adopting President Clinton's budget has begun the process of curbing our deficits and reviving our national economy -- a crucial precondition for airline and aviation prosperity. On that broad foundation we must and will formulate more detailed policies specific to the industry which is a vital element of America's economic strategy well into the next century.

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2.72

SECRETARY OF TRANSPORTATION FEDERICO PEÑA
SWEARING IN OF DAVID HINSON AS ADMINISTRATOR OF FAA
AUGUST 24, 1993
WASHINGTON, D.C.

My thanks to Joe Del Balzo for that generous introduction and to all of you -- especially our guests from the aviation industry and Capitol Hill -- for joining us on this very special occasion. Let me also welcome and thank our guests from out of town *(turn to Hinson's family and friends)* for sharing this moment with us.

This morning, here in this magnificent monument to aviation, surrounded by objects that remind us of our rich heritage and fire up our dreams of the future, we meet on the eve of a new era in aviation.

We are at a critical juncture in aviation history -- a time of tremendous promise, a time of hope for the future, and a time of many challenges and change.

The promise of the Global Positioning System and other technologies we have not yet dreamed of will make this the greatest decade of aviation progress since the Wright brothers flew at Kitty Hawk.

The hope embedded in the determination of President Clinton and all of us here today will see that American aviation maintains its world leadership.

And the challenges faced by every segment of the industry will be met and conquered.

These challenges do not frighten an industry that has withstood turbulence and is now emerging as the strongest, most competitive and most efficient in the world. Nor do tough challenges frighten the employees of the Federal Aviation Administration who are ready, willing and able to meet them.

Today we install as 13th Administrator of the Federal Aviation Administration a man who is equipped by education, experience and temperament to conquer any aviation height.

David Hinson knows the aviation industry from every point of view. A Naval aviator, he has flown 8,000 hours in over 70 types of aircraft and served as a flight instructor for a major airline. He learned general aviation from his ownership of a company that distributed aircraft. He worked at the highest executive levels in the aerospace industry so he understands the problems of America's air frame manufacturers. And he founded a commercial airline and served as its chairman and chief executive, so he brings a hands-on sense for our carriers' needs as well.

No one could be better prepared than David Hinson to move forward on our goals of enhancing our air transport system's efficiency, keeping its technology at the world's cutting edge and lightening the regulatory burden on air carriers as much as possible consistent with our deep commitment to safety.

But while David is a superbly able captain for the FAA, he cannot do the job alone. He needs back-up and expertise of all the professionals listening today. When I think of the challenges David Hinson and all of you must meet, I'm reminded of the words of the poet, Carl Sandberg: "... I see America in the crimson light of a rising sun...I see great days ahead, great days possible to men and women of will and vision..."

Ladies and Gentlemen, those "men and women of will and vision" are right here in this room or watching by satellite and there are great days ahead of you. In David Hinson, President Clinton has given us the best captain. I urge all of you on his team to give him your support.

And now, it is my pleasure to administer the oath of office to the 13th Administrator of the FAA -- David Hinson.

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2.71

REMARKS PREPARED FOR
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
ICE-TRAIN PRESS CONFERENCE
SAN DIEGO, CALIFORNIA
AUGUST 30, 1993

I'm delighted to be with you today and especially to have seen the ICE-Train -- which is a very exciting example of high-speed railroading.

As you all know, the Department of Transportation is backing a $1.3 billion initiative, now before Congress, to support the development of high-speed rail corridors across America as well as research into high-speed rail technologies -- including the design of an American prototype magnetic levitation train.

The ICE-train is one of several competing high-speed rail technologies that we're looking at. It's certainly a foretaste of what high-speed rail offers America.

We in the Clinton administration believe there are tremendous gains to be had for our nation in terms of economic growth, efficiency and environmental quality through the expansion of high-speed rail services.

I'd like to take this occasion to thank Congresswoman Lynn Schenk for her support of our high-speed rail initiative. You may not all know about it, but Lynn Schenck has been backing the development of high-speed rail for more than a dozen years.

She knows, as we do, that high-speed rail offers a way to enhance travel between cities suffering from congestion on both highways and air-routes -- and reduce air pollution at the same time.

I invite you to imagine a day -- not so far away, I hope -- when a traveller can board a high-speed train right here in this terminal at nine in the morning and make an early lunch date in San Francisco with time to spare.

That sort of prospect may make high-speed rail especially appealing for California, but everywhere I've travelled across the country, state and local governments and businesses are enthusiastic about the prospect of developing high-speed rail corridors.

To make those dreams realities, we will form partnerships with states, cities, and private industries to "leverage" the initial $1 billion in federal rail corridor funds into a total investment of $2.5 billion or more.

This is the seed money that will get high-speed rail moving in America -- and help get our economy moving, too, by directly creating construction, design and engineering jobs.

In the longer-term, we envisage the revitalization of the whole U.S. rail manufacturing industry as the market for high-speed locomotives, rail cars and other components expands. I see no reason why the nation that produces the

world's most advanced planes can't also produce the fastest trains.

And if we spur high-speed railroading by wise investments today, I can envisage a whole new American industry, employing American workers, earning American wages as they produce the engines of our economic future.

This is an especially promising opportunity for the defense contractors and workers of California who won the Cold War for America -- because their skills can revolutionize the next generation of transportation technology.

That goal -- re-vitalizing our economy and creating good jobs by redeploying military expertise to civilian use -- is President Clinton's number one priority.

It can only be realized by making strategic investments now in America's people and their skills and our infrastructure. To achieve that, we'll need the courage and the vision that members of Congress like Lynn Schenk and Bob Filner have already shown us.

I believe that as we embark on these kinds of needed investments, we'll not only be undertaking exciting new experiments like high-speed rail, we'll be on our way to creating millions of jobs. Most of all, we'll be reviving an old American tradition: winning.

Thank you all for coming. I'll be glad to take questions.

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2:70

Talking Points
Secretary of Transportation, Federico Peña
Long Beach Coast Guard Base Reception
Long Beach, California
August 30, 1993

* It's an honor and a pleasure to be here with you -- as always when I visit our Coast Guard installations around the country.

* Getting to know the Coast Guard and the work that you do has been one of the most enjoyable and inspiring parts of my job as Secretary of Transportation.

* I've done a great deal of travelling on Coast Guard planes and cars and ships and everytime I do I find a level of professionalism that makes me very, very proud that this service is part of the Department I head.

* Whether it's search and rescue, aids to navigation, environmental protection, interdiction of drug smugglers or putting a halt to what amounts to a new slave trade in illegal immigrants, the Coast Guard's role is critical to our country -- and it promises to be even more so in the years to come.

* I've been touched a great deal in recent weeks by the dedication to duty and outright heroism of Coast Guard men and women during the terrible flooding in the Mid-West. There are hundreds of people in that region who literally owe their lives to the Coast Guard -- and they are deeply grateful.

* Of course, I could say the same thing about what you do here in Long Beach and Los Angeles. We could probably fill a good-sized auditorium with the people you rescue from the sea every year -- not to mention all the other services you do for our country.

* Maybe the most striking thing about all of this from an outsider's perspective is the way that Coast Guard people treat what others see as heroism as just "doing our job", "all in a day's work". If we could clone that kind of attitude and spread it through the whole federal work force, it would be the greatest thing since the invention of the lifeboat.

* There are always new challenges for you to face. More and more the quality of our marine environment rests in your hands. New navigational technology should help your search and rescue efforts reach even greater levels of success.

* But whatever the challenges, I know that we can count on the men and women of this service to meet them with the same skill, dedication, courage and spirit that you've always shown.

* All I can ask you is to keep up the good work. As you do, I have just two words to say to you on behalf of the American people: Thank You. Thank you very much.

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2.69

Talking Points
Secretary of Transportation, Federico Peña
Announcement of L.A. Metro Urban Initiative
And $49.6 million grant to Metro Red Line
Los Angeles, California
August 31, 1993

* I'm delighted today to be able to announce a $49.6 million grant to the Los Angeles County Metropolitan Transportation Authority to advance construction of phase two of the Metro Rail Red Line.

* This grant is concrete evidence of the committment of the Clinton Administration to speed up delivery of already authorized federal funds to help revive the economy of greater Los Angeles and California generally.

* It is also fresh evidence of the Administration's committment to investment in transit systems that link up our urban areas, reduce traffic congestion, open avenues for commuters in inner cities to connect to jobs and reduce pollution -- all at the same time.

* Under President Clinton, the Federal Transit Administration has sought $4.6 billion in new transit funding for fiscal 1994, an increase of more than 22%. If approved by Congress, this will be the largest transit investment in American history.

* I am proud to recall that when I visited Los Angeles this May, the Federal Transit Administration had just signed a full funding grant agreement for $1.23 billion -- the largest such financial committment in FTA history -- to fund the design and construction of the Red Line's third stage which will eventually link North Hollywood through Mid-City to East Los Angeles.

* Transit grants like these not only provide immediate stimulus to California's economy -- by employing engineers, architects, designers and construction crews -- but they will contibute to the region's future growth by providing more efficient, affordable alternatives for area commuters.

* Just as we believe strongly in constructing the "hardware" of transit infrastructure, we also believe that the "software" -- the human dimension of these systems is critical.

* That's why I'm also pleased to announce today a grant of $300,000 to LACMTA to study ways to make the system more easily accessible and "user-friendly" for Asian and Pacific Island, Hispanic and other minority commuters. This grant will fund studies of bus routes specifically targeted to minority communities, ways to increase diversity in contracting and hiring and providing multi-lingual signs and other informational material to assist minority users of the transit system.

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2.68

U.S. Department of Transportation

News:

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

Contact: Richard Mintz
Tele: (202) 366-4570

SECRETARY OF TRANSPORTATION FEDERICO PEÑA
TRANSPORTATION MARKETPLACE CONFERENCE
AUGUST 31, 1993
LOS ANGELES, CALIFORNIA

I want to thank James Van Loben Sels for those kind words and to express my appreciation to all who had a hand in putting this conference together.

I came here today to discuss President Clinton's California Initiative which reflects the Administration's determination to get this state's economy moving because it's the engine that drives our whole national economy. To be successful, this initiative must draw heavily on the skills and talents of small business.

All of us in this room share with President Clinton the belief that small business is the heart and soul of a strong American economy. Small business was the prime job generator of the 1980's, providing almost 2/3 of all new jobs. But in recent years, the worldwide recession and the additional, very unique challenges that California faces have taken a toll on small businesses. As is frequently the case, small disadvantaged businesses have taken the hardest hit.

As Secretary of Transportation, the single most significant contribution I can make to strengthen small disadvantaged business is to improve access to government contracts.

So let me say at the outset that contracting with minority and women-owned businesses helps the federal government as much as it helps any of you.

The more diverse cultures and experiences that can be brought into an organization the better the product, which in our case is service to the American people. Minority and women-owned businesses must have a better chance to win government contracts -- because the American dream of hard work and success belongs to all of us. All of us.

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But we all know too that no business -- large or small -- will grow and prosper without a strong national economy. That's why President Clinton's economic program, which is reflected in his budget, is a strong first step to setting our nation on a path of permanent growth.

The President's program deals with the budget deficit by making real spending cuts. It spreads the tax burden fairly. It provides tax cuts for small businesses. Those that have invested in new equipment or expansion -- about 90 percent of America's small businesses -- will be eligible for a tax cut next April 15 -- not an increase. And the budget provides an increase in the Earned Income Tax Credit for those who work for the minimum wage -- so they no longer have to live in poverty.

The President's economic package already provides for billions of dollars of investment in California's businesses, infrastructure and families. Under the President's plan, from 1993 to 1998 the federal government would increase investment in California for education, child immunization and other youth programs by $1.8 billion; for National service volunteers, worker training and school-to-work apprenticeship programs by $2.6 billion; for transportation and the environment by $1.5 billion; for defense conversion and technology programs by $1.2 billion; for empowerment zones, community development banks and low income housing credit by $1.7 billion; for health and AIDS research by $1.7 billion.

The plan also provides $3.4 billion in tax credits to minimum wage workers to reward work over welfare and more than $2.3 billion in tax incentives for small businesses like yours, including a cut in capital gains taxes.

Overall, we expect this package to create 2 million new jobs for California by 1996 -- nine times as many as were created during the Bush Administration. Bill Clinton understands the urgency of California's plight -- the high unemployment, shrinking financial sector and real estate price weakness.

The President understands that our national economy can never truly recover without a rebirth of the vibrancy, vitality and vigor which is the heritage -- and will be the future of California.

Your state has 1/8 of the nation's population, 23 percent of the country's Research & Development spending, and a manufacturing base dominated by high tech industries which are critical to our nation's competitive edge in the global economy. But while California is on the cutting edge of these key industries, you also face challenges ranging from defense cut-backs to illegal immigration that are more acute

here than in the rest of the nation. That's why Californians voted for change last November. They voted for a new President who believes that government belongs to the people and that the job of government is to solve problems that affect peoples' lives.

We're already working hard to help California meet the challenges you face. This March the President put Secretary of Commerce Ron Brown in charge of a Cabinet-wide effort to address California's economic crisis. The Administration's California Task Force is focused on job growth through 1) urban revitalization, 2) technology reinvestment to convert our military industrial base to civilian uses, 3) export promotion and 4) transportation.

To achieve these goals in California, we are mobilizing all the resources of the federal government. The President has instructed every department to cut through red tape and speed up the delivery of already approved federal funding for California projects.

Not only the Department of Transportation but staff from many other federal agencies including the Small Business Administration, Department of Housing and Urban Development and the Office of Management and Budget are working to get federal funding through the pipeline to California. Efforts are being made to devise uniform regulations for revolving loan funds and establish new equity funds for business formation and expansion. We are trying to increase the number of small business lenders in the state and devising other business enhancement programs that can be implemented in California.

For our part, DOT has taken a lead role in the Technology Reinvestment Initiative led by the Advanced Research Project Agency (ARPA), which will involve over $500 million in assistance this year to companies promoting dual use technologies -- many of which will be from California.

I sought full DOT participation in this effort precisely because of the great potential for using technologies developed for defense in the transportation arena -- and because so many of those opportunities lie here in California. It's only a small stretch of the imagination, for example, to conceive new composite materials like those used for the Stealth bomber being applied to coming generations of vehicles and even bridges. And in fact, there's a company in California now working on a "Stealth Bus."

Another example of using transportation as a catalyst for technology growth is a California consortium of 40 public and private entities, which has received a $4 million grant from our Federal Transit Administration to work on an electric vehicle. That grant will be matched by $4.6 million in non-federal sources. This consortium will work to develop a brand new California industry that is based on advanced transportation

systems and technology. Jobs in this new industry will replace some of those lost due to cuts in the defense and aerospace sectors and employ defense expertise for civilian commerce.

I also intend to use transportation as an engine of economic growth for the creation of jobs and enhancement of the economic well-being of California's citizens. Our transportation initiative in California moves in four directions.

One, what we'd like to do is make sure that federal funding in the pipeline is dispersed as quickly as possible. On this trip, I am announcing a $49.6 million grant to the Red Line project and another increment in the overall project will be announced soon. The Red Line project, a $1.23 billion project which runs from mid-city into East Los Angeles and the San Fernando Valley, is the biggest capital commitment ever made by the Federal Transit Administration.

Tomorrow, in San Francisco I will be announcing an initial funding increment of $75.5 million for the Muni Metro Turnback improvement that will allow 10 more trains per rush hour -- a 50 percent increase in current capacity for the 22-mile San Francisco Municipal Railway and its 135,000 passengers a day.

In much the same spirit, we're making an all-out commitment to reduce the costs borne by grant recipients to administer DOT funding programs. At the same time, we will work with state and local officials to maximize flexibility in the use of funds.

Two, we are working with our local partners to identify high priority projects that have major job creating benefits for localities. We will expedite project approvals and DOT reviews. We expect that many high priority projects will be brought to our attention. We want less time spent on administrative procedures and approvals so that projects can move quickly to the construction phase and put people to work. Not only big projects, but small ones as well, with emphasis on cooperative efforts between private and public sectors. For example, projects such as those involved in rebuilding after the Loma Prieta earthquake will be moving ahead full speed.

Third, for many projects, the majority of time during the period from project conception to completion is spent on review and approval processes. This costs time and money due to inflation. I am placing top priority on finding ways to streamline processes and cut down on time and paperwork. In some instances, this will involve better coordination of federal government procedures. In other instances, it might mean working closely with state and local partners to streamline procedures. We are interested in hearing ideas from you on this.

Four, we are placing tremendous value on community concerns. A point that was made to me repeatedly during my earlier visits here was the need to involve local communities in transportation programs that affect their lives. We want more -- not less -- public participation in the planning projects so that we can better serve communities that have been neglected in the past and also provide disadvantaged businesses more contracting opportunities.

This is the heart of what I call the "humanization of transportation." We all understand the significant impacts that transportation has in the area of economic development and growth. At the same time, we must ensure that our projects and programs bind rather than divide communities.

In LA, grants for signage in Chinese or Spanish will makes the transportation system more accessible.

At the Fruitvale station of the BART system, we are making a grant of $470,000 for planning a mixed-use "transit village" with terminal, residential and retail developments, a regional cultural center, a child care center and perhaps even a neighborhood health clinic. This is a perfect example of humanization of transportation.

Finally, to be successful in this initiative, we must provide more opportunities for minorities and women. I saw it from your side when I was Mayor of Denver. We had little encouragement or direction on minority contracting from the federal government. That's why I'm determined that my Department will have the model program in the federal government for diversity in contracting. The steps I'm announcing today are only the beginning.

On my first visit to California, I spotted the problems in contracting with small and disadvantaged businesses almost immediately, and I have taken steps to solve them. Your problems here are very much like those facing small and disadvantaged businesses in the rest of the country -- only more severe because of the economic climate.

I see very talented, highly skilled minorities and women all over the country facing the same three obstacles: one, lack of knowledge of contracting opportunities; two, lack of capital to compete; and, three, inability to obtain bonding.

First, at this conference we have DOT, state and local agency representatives. They have brought small contracts -- $25,000 or less -- directly to the meeting to be

matched on the spot with businesses here to bid on them. I invite you to seize the day. We have DOT staff from Washington here to counsel with you. We have even brought surety agents and bankers and I'll discuss their roles a little later.

Second, I'm announcing today that the Department of Transportation's short term lending program will target $4 million to California this year -- $2 million to the Bay area and $2 million to Greater Los Angeles. Companies that previously tried to get lines of credit under this program will still have to qualify, but you will find a less burdensome application process and local bank involvement.

Third, and probably the most significant, I am announcing that the Small Disadvantaged Business Bonding Program will dedicate $3 million in bonding capacity to disadvantaged business enterprises in the Bay Area and $3 million to the Greater Los Angeles region.

In the past, these programs have been sadly underused. The reasons I hear run the gamut from the possibility that too many minorities and women in business don't know that these program exist to problems in coping with excessively stringent loan requirements and loads of paperwork.

We have restructured the small and disadvantaged business program.

Specifically, we are going to be more aggressive. You won't have to come looking for us. We will be seeking you out. Though our National Information Clearing House, we will keep tabs on every contracting opportunity and match it with your skills and abilities and see that the word goes out. In fact, a California minority business operates this clearing house for the DOT.

And instead of having the minority contractor come to Washington, looking for a bond or a line of credit, we will bring the surety agents and the bankers to you. We have the surety agents and bankers here today to work with you. I want to hear from you on how this works and if it doesn't work we will try something else.

This all started after my first visit looking at the plans to rebuild the Cypress Freeway (I-880) in Oakland, which was destroyed by the Loma Prieta earthquake. The new route runs through a minority neighborhood, which was drastically hurt by this disaster. But when I asked whether minority contractors were getting the chance to participate in rebuilding their own neighborhood -- what I found was that they couldn't get bonding.

So I directed my Office of Small and Disadvantaged Business Utilization to begin a pilot bonding program in Oakland, putting the surety agents in the field to work with

the contractors and put forth a little more effort to prepare them for the application process. In a little over two months, 11 contractors have been approved for bonding. When the contracts are awarded, the bonds are already there.

So I suggest you apply as soon as possible and when you get a contract for work on the Embarcadero Freeway or the Los Angeles Intermodal terminal or expansions at any of the airports or seaports or metro systems in this state, the working capital and bonding will be there for you.

Let me add a word of caution. This program is no pie in the sky. There are no guarantees you'll win a contract or qualify for a bond or loan. You still have to go through the loan and bonding qualification process. You still have to go through the bidding process. But we will remove the barriers that have kept people out in the past -- and those who do compete will be part of something very important to California and to the minority community nationwide.

Just remember that it's a long way between Washington and California. I need you to let me know what works and what doesn't. And if you tell me some element of our contracting program isn't working -- believe me, I'm going to go to work and fix it fast. Because the whole Clinton Administration is absolutely determined to do everything we can to get California moving in the right direction.

Not just because California is so critical to the strength of the whole American economy -- although it is -- but because California embodies the dream of a better future that has fired the whole American spirit.

I know that there are doubters and skeptics that believe that America's best days -- and California's best days -- are over. Our job is to prove them wrong. If there's one thing that all of us who work for President Clinton believe, it's that the best days of America -- and California -- are yet to come. We believe that we can use the power of the federal government to get this economy moving and improve peoples' lives.

And as we do, we're going to rebuild Americans' faith in ourselves, we're going to restore the "can-do" spirit that took our astronauts to the moon -- and we're going to bring back an old American tradition that too many people had begun to doubt.

We call that tradition: Winning. And we're starting right here in California.

Thank you very, very much.

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REMARKS PREPARED FOR DELIVERY BY
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
GRANT ANNOUNCEMENT AT BART SYSTEM'S FRUITVALE STATION
OAKLAND, CALIFORNIA
AUGUST 31, 1993

I'm delighted to be here with Mayor Harris. I came here to the West Coast to work on the transportation portion of President Clinton's California Initiative which reflects the Administration's determination to get this state's economy moving again.

I've already met with local and state officials, business and community leaders in San Diego and the Greater Los Angeles area. In San Diego, I saw the ICE Train, which is a very exciting example of high speed railroading. In Los Angeles, I toured the Alameda Corridor project which will be a model for improving intermodal efficiency and productivity.

Today I will spend a full day studying Bay Area transportation projects and meeting with potential transportation contractors, officials and community leaders.

I want you all to know that Bill Clinton understands that our national economy can never truly recover without a rebirth of the vibrancy, vitality and vigor which is the heritage -- and will be the future of California.

That's why the President's economic package already

provides for billions of dollars of investment in California's businesses, infrastructure and families.

Under the President's plan, from 1993 to 1998, the federal government would increase investment in California for transportation and the environment alone by $1.5 billion.

That's because the President knows that transportation is the engine that drives our economy. It's a reliable job generator. It's a growth stimulator. And it's the bonding element that unites communities and cultures and improves the quality of life.

Nowhere is that more apparent than in this community-based economic development project here in Fruitvale.

I'm delighted to announce funding for this project. This $470,000 grant to the Metropolitan Transportation Commission will provide for study and planning of a multi-use "transit village" based around BART's Fruitvale station. By the time the project is completed the crumbling buildings and parking lots will be replaced by a mall plaza with new shops lining the walkway to East 14th Street. It will be a "mixed use" facility, encompassing housing, stores, a regional cultural center, a child-care center and possibly a neighborhood health clinic.

As this project moves forward -- from the drawing board to reality -- it will revitalize Fruitvale's commercial

core and provide both immediate and lasting job opportunities for neighborhood residents.

This is a perfect example of both community involvement and of the "humanization of transportation."

From the start, this project has been a partnership. The Fruitvale community, represented by the Spanish Speaking Unity Council, has joined in partnership with BART, AC Transit and the City of Oakland to give a new breath of life to this neighborhood.

It's a basic principle to me that communities have the right -- even the obligation -- to become involved in transportation decisions that affect their own lives. And the kind of spirit expressed in this community effort is proof positive the California is on the way back.

Thanks to all of you the Fruitvale station will one day be the focal point of a bright new community. It reminds us that transportation is much more than bricks and mortar, steel and concrete and asphalt. Transportation is heart of a network of commercial and residential connections between people which we need to take into account. It's the means by which people get to work, school and medical facilities.

This is why we must consider more than just efficiency in our transportation planning. We must seek to ensure that transportation fosters neighborhood life, business, and even the quest for beauty in our urban

environment.

That's what this project will do. And that's why I'm so proud to help get it moving.

Thank you and good luck!

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