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SECRETARY OF TRANSPORTATION FEDERICO PEÑA
REMARKS AT BOEING 777 "ROLL-OUT" DINNER
SEATTLE, WASHINGTON
APRIL 8, 1994

I want to thank Steve Wolf for that introduction and congratulate Frank Shrontz and the whole Boeing team for throwing a spectacular party. I'm delighted to be here to celebrate another landmark in the Boeing tradition -- and the American tradition -- of leadership in world aviation.

It's also a pleasure to see so many distinguished aviation executives from around the world -- Boeing customers, partners and suppliers -- who have truly made the 777 project's motto, "Working Together," a living reality.

This is your celebration -- your night. But the pride you feel is very widely shared. Certainly, the Clinton Administration welcomes this great step forward for an industry that President Clinton views as absolutely central to America's economic future -- our nation's single largest export earner, with a trade surplus of $31 billion in 1992 alone.

CLINTON ADMINISTRATION EFFORTS

Even as a candidate, then-Governor Clinton made a strong commitment to the recovery of American aviation. As President, he moved almost immediately to convene a National Commission to Ensure a Strong Competitive Airline Industry.

We have adopted the vast majority of the Commission's recommendations -- notably the call for a new Air Services Corporation to increase the efficiency of our air traffic control system, reduce delays and speed technological progress.

As Secretary of Transportation I have vigorously defended U.S. carriers' rights in world markets -- even while seeking partners for new, far more liberal aviation agreements. Together with other cabinet members I have worked hard to promote overseas sales of U.S. aircraft.

AVIATION'S GROWTH PROSPECTS

We've done all this because this Administration believes that the aviation industry is not only a source of high-wage, high-technology jobs, but a catalyst for global growth -- one that all nations are free to tap into.

We are living through a time when millions more people take flight every year -- doubling revenue passenger miles worldwide from 500 billion to nearly 1 trillion from 1982 to 1992. Already, travel and tourism is the largest industry on this planet, employing 127 million workers -- and it is likely to outpace most national economies for years to come. World air cargo traffic is growing even faster.

This vast increase in air travel is a powerful engine of growth and jobs for businesses, cities, regions, nations and the world economy as a whole. And the best way for us to secure this potential prosperity is by seeking an ever-more liberal, more open, more competitive aviation order.

By moving toward openness, by increasing competition, we take the surest flightpath toward a world in which hundreds of millions more business people and tourists -- people still priced out of air travel -- will be able to take wing, to see the world, to do business or ship their goods by air.

This rising demand for air travel can provide the surest source of rising demand for new aircraft like the 777. Only in a world of rising demand can aircraft manufacturers and airlines prosper together, rather than squabbling over a stagnant or slow-growing market.

Some may say that this vision will prove impossible to achieve. We certainly don't claim it will be easy.

But tonight, of all nights -- in this place, of all places -- even doubters can see that dreams and visions not only can come true -- they do come true -- when people of good will manage the miracle of "working together."

Thank you -- and again, congratulations.

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TALKING POINTS

SECRETARY OF TRANSPORTATION FEDERICO PEÑA

ANNOUNCEMENT OF PORTLAND TRI-MET LIGHT-RAIL GRANT AWARD

PORTLAND, OREGON
APRIL 8, 1994

* It's great to be in Portland today. April certainly isn't the cruelest month here in the Pacific Northwest --- instead, it's the month which brings out the land's natural beauty after the long winter. And it's the love of this splendid land which defines Northwesterners.

* Portland has long been a national leader in developing economic prosperity strategies that also respect this land's special character. We see that in the commitment to recycling, to conservation, and to ensuring sustainable uses of land.

* This commitment is particularly evident in Portland's devotion to using alternative transportation modes to guarantee mobility while protecting the natural environment.

* In particular, I commend Portland for its pioneering, innovative efforts in land use planning. This planning provides a sound basis for mobility alternatives. The increased densities and other strategies go hand-in-

hand with making mass transit a more vital component of the city's transportation system, and provide a viable alternative to the automobile.

* **This tradition dates back to the 1970s, when Governor Neil Goldschmidt --- a predecessor of mine as Secretary of Transportation --- set the pace as Mayor of Portland.**

* **Through commendable efforts to develop extensive bus service, bicycling, pedestrian facilities, ridesharing, and, especially, light rail, Portland has demonstrated that this city aims to find environmentally-sound ways of meeting the mobility needs of its people.**

* **I visited Portland shortly after the Tri-Met light rail line's opening in the autumn of 1986, and was impressed by its elegant but sensible design. This is an efficient and ecologically-sensitive way to provide the mobility Americans need.**

* **Indeed, light rail seems to be the wave of the future in American rail transportation. From Buffalo to Los Angeles, it is *the* cutting-edge solution to the traffic congestion and smog which choke so many of our cities. Tri-Met's system is truly a leader in this field, and it's the inspiration for a new generation of mass transit programs from coast to coast.**

* **That's why I'm especially pleased today to carry out**

one of the most pleasant duties of my office: awarding funds. Today, I'm happy to announce that the Federal Transit Administration is awarding a total of $108 million to Tri-Met: $93 million for the Westside Light Rail project, and $15 million for improvements to the original Banfield Line.

* The Westside project will extend the light rail line 11.5 miles to the west, and allow suburban Washington County residents to travel directly into downtown Portland for work, to shop, and to take part in the city's active cultural life.

* Banfield line service will be improved by double-tracking from Ruby Junction to Gresham, upgraded communications systems, and improvements to the Ruby Junction maintenance facility.

* This grant brings the total of federal funds provided for this extension to $175 million. And that is only part of a larger, multi-year full-funding grant agreement which will bring $515 million in federal funds to expand Portland's light rail system under this agreement. If you ask me, that's pretty powerful evidence of the Clinton Administration's belief that, when it comes to transportation, Portland is on the right track.

* In closing, I want to congratulate Tri-Met on its excellent progress to date. I look forward to continuing our partnership as you develop the

Westside's extension on to Hillsboro, and commend you for serving as America's model transportation system for the 21st century.

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Statement of Federico Pena
Secretary
U.S. Department of Transportation

Before the Committee on Public Works and Transportation
U.S. House of Representatives

April 11, 1994
Los Angeles, California

Mr. Chairman, distinguished members, it is an honor to join you today as we celebrate the continuing recovery of Southern California from the Northridge Earthquake and, more importantly, rededicate ourselves to completing this great work and drawing from it lessons that our whole nation can apply in the future.

I am delighted that the Santa Monica Freeway, once the busiest stretch of highway on Earth, will be reopening tomorrow -- months ahead of the original CALTRANS schedule. This is wonderful news for the people of California and a time for us to express our deep gratitude to the thousands of men and women -- the hard-hats, the engineers, the welders, and contract managers -- who have sweated through weeks of overtime to make this possible.

This is their triumph most of all.

I want to recognize the hundreds of thousands of Californians who have persevered, made adjustments in their travel and social patterns, and cooperated by using alternative routes and forms of transportation. But I would also like to tell the people of California that this is also a day to praise their elected

officials and the federal, state, and city civil servants who have worked overtime to speed the process of recovery along.

Miles of red tape have been cut to make tomorrow's ribbon-cutting possible.

Never before has the federal government responded more rapidly, more flexibly -- and most of all intelligently -- to a disaster on this scale. Never before has there been closer, more effective cooperation among levels of government -- state, local, and federal -- as well as with the Red Cross, Salvation Army and other private relief agencies.

As President Clinton insisted, the federal effort has been active and aggressive -- anticipating needs rather than merely responding to crises.

And few have done more to make this possible than Chairman Norman Mineta -- and the members of this Committee, especially those from California.

I know. I toured the damaged sites with Chairman Mineta hours after the quake and in the days that followed, while rescue efforts were still underway for some, while thousands sought safety in public parks and open spaces, while the aftershocks were still reverberating.

From that day onwards, Chairman Mineta has been a tireless champion for the people of Southern California. Together with Senators Feinstein and Boxer, Representative Julian Dixon and California delegation ?????????????????????????? Chairman Mineta was instrumental in pushing a record $9.5 billion in earthquake relief aid through the House and Senate -- in time to supplement -- without interruption -- the emergency efforts that all levels of government launched on day one after this disaster.

I believe that you will agree with me Mr. Chairman, when I say that President Clinton and our entire Administration responded as rapidly as humanly possible -- dispatching Cabinet officers, the head of the Federal Emergency Management Agency and, indeed, the President and Vice President themselves to the earthquake site to ensure a fast, comprehensive federal response.

I know that James Lee Witt the director of FEMA will be testifying about his agency's efforts in more detail later -- but let me say that the partnership that we forged between the Department of Transportation and FEMA during this crisis -- and the relief that we have together been able to bring to the people of Southern California -- have made we all proud. ~~me as proud as I have ever been of being a public servant~~.

Let me also congratulate Mayor Richard Riordan of Los Angeles for his outstanding leadership in spearheading the Emergency Transportation Relief Task Force that guided joint efforts in the

critical chore of restoring mobility. This task force brought federal, state, and local transportation officials together for daily coordinating sessions during the emergency.

I well recall our meeting on the day of the quake with Mayor Riordan and his staff. Federal Highway Administrator Rodney Slater flew out from Washington to join us as did Federal Transit Administrator Gordon Linton and Federal Aviation Administrator David Hinson.

I spoke with Governor Wilson by phone on the same day and met with him the next day at the site of the I-5 collapse. I ~~would~~ *wish* to acknowledge the hardwork of the Governor and his *entire* transportation team.

Indeed Mr. Chairman, I would argue that this coordinated effort in which federal, state, and local officials worked together with a minimum of snafus, has been a triumph for the concept of reinventing government -- making it work better for the American people and using our resources wisely.

Even before the dust settled, federal and state officials began slashing red tape to get the job done -- waiving routine regulations, expediting funds and application approvals, using creative new techniques and technologies to get recovery moving more quickly and less expensively than ever.Work that took days

in previous disasters was done within hours.

To get the region's damaged roads and freeways up and running as quickly as possible, the federal government allowed the state transportation authority, CALTRANS, to employ innovative contracts that gave incentives to construction contractors to speedily complete repair of damaged freeways.

As a result, it now seems likely that much of the major work will be completed in less than 180 days -- the statutory period during which the federal government covers all costs. It is important to note that California taxpayers have not yet had to contribute any funding at all for the reconstruction efforts of the major freeways.

Let me now discuss our work in more detail:

Before night fell on the day of the earthquake, we were able to let four contracts to begin debris removal and other demolition work necessary before reconstruction efforts could begin.

Within 48 hours of the quake, the Federal Highway Administration (FHWA) quickly approved an initial allocation of $15 million in Emergency Relief funds to meet California's immediate needs for debris clearance and demolition on Federal-aid highways. To date, $350

million in highway Emergency Relief funds have been approved.

By mid-week when the President arrived, work was fully underway and apparent to all, and FHWA personnel were already at work preparing Damage Assessment Forms.

By the end of the week, seven of the nine major damage sites were completely cleared and within 12 days of the quake the first reconstruction contract was let on the Gavin Canyon I-5 stretch, scheduled for completion by June 7.

On February 4, the Santa Monica Freeway contract was let, and as you know, tomorrow it will reopen 14 days ahead of the target date of June 24th.

On February 10, the contract to repair the eastbound section of S.R. 118 was awarded; the target completion date is May 21.

All of these jobs are either progressing on schedule or ahead of schedule, and all will be completed within 180 days of the quake and therefore funded with 100 percent Federal-aid highway Emergency Relief funds.

Less than a month following the quake, and after hours

of debate, the Congress approved the Administration's emergency supplemental appropriations request. Of the $8.6 billion provided in the Emergency Supplemental Appropriations Act of 1994 for earthquake relief, $1.35 billion was directly allocated for transportation activities. An estimated $0.5 billion was included in FEMA's allocation for mass transit and local road repair.

Additionally, on March 17 the President approved legislation to provide greater flexibility to California and other States in utilizing Federal bridge replacement and rehabilitation funds to seismically retrofit non-deficient bridges. With these tools, there has been great progress made in the recovery effort: reconstruction work is underway on all major freeways, and transportation detours and alternative transportation measures have eased the commuting nightmare that resulted from damaged transportation facilities. The limited repairs necessary to ensure the continued operation of other modes of transportation, such as railroad lines, transit vehicles, and airports, have been successfully completed. Los Angeles is rebounding with renewed energy.

The Department's approach to disaster relief has forged a partnership with other Federal agencies and State and local communities. Within two hours of the earthquake, the Research and Special Programs Administration had the Crisis Management

Center in DOT headquarters up and running, implementing our immediate assistance functions under the Federal Response Plan. Also, within several hours, the FHWA Division Office had a representative on site to coordinate the early response efforts. An Emergency Transportation Relief Task Force was quickly established to ensure a coordinated response for all transportation measures.

In addition to addressing the problems of the damage to Los Angeles' infrastructure, I met with local officials and citizens affected by the earthquake, including DOT employees and urged them to consider transportation alternatives, including public transit, commuter rail, buses, and carpooling, as well as alternate work arrangements such as telecommuting, ~~(flexiplase)~~, compressed work schedules, and flexible work schedules. I visited metrolink stations being constructed, drove the Santa Monica HOV lanes, toured the commuter services center and worked with Mayor Riordan to encourage citizens and employees to use these options. On February 9, I sent letters to each cabinet secretary and Federal agency head, requesting that each of them ask their employees in the Los Angeles area to also support alternate means of transportation and alternate work arrangements.

We are also working with CALTRANS, the Metropolitan Transit Authority, Metrolink, the Southern California Association of Governments (SCAG), and affected local governments to increase capacity on these alternative systems. Mr. Linton will discuss

the details of our efforts in that arena.

In addition, we are committed to speeding turnaround times for funding approvals, implementing innovative contracting procedures, and providing other forms of regulatory relief designed to cut highway repair times. An innovative form of competitive low bid contracting, called the "Cost Plus Time" or "A+B" approach, combined with the use of incentive and disincentive clauses, was encouraged by FHWA for use on contracts to repair and replace critically damaged structures as quickly as possible. This approach permits the bidder to establish its contract time and encourages the completion of work in the shortest practical period.

In all contracting efforts, we also remain committed to maximizing the opportunities for minority and women-owned business enterprises as we carry out the disaster and other federal-aid work in California. With Disadvantaged Business Enterprises (DBE) participating in $15 million--38 percent--of the Los Angeles earthquake clean-up and repair work, the program achieved new and higher levels of participation than ever before.

Following the quake, FHWA and CALTRANS engineers developed innovative traffic management solutions, including high occupancy vehicle (HOV) lanes striped to establish priority for vehicles carrying at least two people. On the Santa Monica Freeway (I-10), the averaqe travel time through the quake-damaged . . .

section of the corridor was 30 minutes; before the quake, this same trip took only 6 minutes. The HOV lane on I-10 has reduced the half-hour travel time of carpoolers, vanpoolers, and bus riders by one-third. I understand that this HOV lane is working so well that HOV usage has now more than doubled since late January. I believe HOV lanes can continue to offer commuters a powerful incentive to carpool -- further reducing congestion, pollution, and energy consumption. DOT and I are prepared to provide ongoing support to state and local officials as they explore the feasibility of making the HOV lanes permanent.

Not only does the Department respond in the short term with immediate assistance after a natural disaster, we also have programs that address the long term, i.e., earthquake preparedness. We continue to aggressively explore ways to reduce the long range seismic vulnerability of our Nation's transportation system through our Long Range Seismic Safety Program. One objective is to enhance seismic awareness among transportation managers who may not be fully aware of the degree to which their systems may be vulnerable to seismic damage. The Department has developed a primer that introduces transportation managers to the concepts of seismic safety and risk reduction.

In addition, the FHWA has been conducting research on seismic design and retrofit for over 20 years, exploring how to make highways less vulnerable to earthquakes. We are also cooperating with CALTRANS for the conduct of a $500,000 forensic

research study so that lessons learned from this earthquake can rapidly improve engineering practice.

I believe, Mr. Chairman, that this rapid recovery process offers crucial lessons that may enable us not only to better serve the people of California and the nation in any future emergency -- but even to reinvent, if you will, procedures to speed along normal public construction work.

To assess this whole experience, I have asked FHWA Administrator Rodney Slater to select a task force from within the U.S. Department of Transportation to work together with CALTRANS and conduct a thorough review of the recovery efforts. The task force's goals will be to assess which elements of this reconstruction process we should repeat elsewhere in the future and which we should avoid.

In particular, we will seek answers to these salient questions:

How do states currently estimate reconstruction schedules after disasters?

Are there ways we can improve these estimates?

Were the cost and timing estimates that underlay the bidding process here in California too pessimistic or optimistic -- perhaps because of sheer time pressures placed on CALTRANS?

If so, how could we do better next time?

Are there better ways to conduct emergency repair bidding?

Are there better ways to structure "time-is-money" repair contracts so that we ensure that reasonable completion incentives don't become unreasonably large?

As I call for a careful examination of these issues, Mr. Chairman, I want to be very clear about one thing -- I am delighted at the success that CALTRANS and its contractors have had -- and will continue to have, I hope -- in expediting these vital highway repairs.

I fully endorse the concept behind "time-is-money" contracting procedures. After all, DOT first suggested this form of contracting to CALTRANS in the days after the quake. At the same time, Mr. Chairman, one cannot help be struck by the scale of an incentive award that can approach or surpass 100 percent of the base contract.

Perhaps this is an ~~extraordinary~~ special circumstance. But clearly, if we are to generalize the use of "time-is-money" contracts in future disaster relief or even in ordinary public construction projects -- as the speed of this reconstruction should encourage us to do -- we also need to carefully review the incentive structure of such contracts.

The President believes that the people who pay for government deserve better -- and that the time has come to reinvent the way we serve them.

The reopening of the Santa Monica Freeway is proof positive that the common sense ideas behind reinventing government have, in fact, enabled the federal government to cope better than ever with large-scale disaster.

But as we celebrate with the people of Southern California today -- we have no cause for complacency. As I see it, this on-going success in recovering from natural disaster only heightens the challenge that all of us in public service face in normal times.

Our job now is to make sure we keep on making government work better and cost less -- for the people of California and the whole United States -- even when there are no kleig lights on the freeways at night, and we're simply dealing with the people's business each day, every day.

Thank you very much Mr. Chairman, that completes my remarks. My colleague, Gordon Linton, will briefly review the transit situation in Los Angeles and the quake area and we will be happy to answer your questions.

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SECRETARY OF TRANSPORTATION
FEDERICO PEÑA

AMERICAN ROAD & TRANSPORTATION BUILDERS ASSOCIATION

Transportation Trends

APRIL 15, 1994
WASHINGTON, D.C.

INTRODUCTION

I have looked forward to this meeting today because I want to thank a truly great bipartisan organization for your support of so many of President Clinton's most important initiatives.

Let me say at the outset how much I appreciate the work of members of your California Chapter in helping clean up and rebuild after the Northridge Earthquake. I was in California this week for the reopening of the collapsed section of the Santa Monica Freeway 74 days ahead of schedule. But I was also there within hours after the earthquake happened. I saw how quickly your members mobilized their equipment and workers and began cleaning up the debris and rebuilding. And I want you to know that President Clinton knows too.

The President is also well aware that you went to bat for his economic stimulus package last year.

ARTBA was also the first construction organization to support the President on NAFTA. And your Southwest and California chapters are working closely with the states and the Federal Highway Administration to build and maintain the infrastructure to carry the increased trade generated by NAFTA.

Building the road connections from Canada to Mexico will become even more important as NAFTA further raises the traffic volume across our borders. To meet that clear challenge, I have called a summit of the transportation ministers of Mexico and Canada to discuss, among other issues, the infrastructure to meet transportation needs within our North American market. This summit is scheduled for April 29 in Washington.

ARTBA is supporting yet another major Administration initiative. You are paving the way to export growth for American construction technology and services by hosting numerous foreign delegations, and by holding your June Conference in Budapest with public and private transportation leaders from 13 European Countries.

I also want to express my appreciation to Dr. Peter Ruane (President) and many others in ARTBA who provided valuable

- more -

U.S. Department of Transportation
Office of the Secretary, Public Affairs
(202) 366-4570

expertise to the Federal Highway Administration in developing the National Quality Initiative to construct our highways and bridges so they will be even safer and last longer.

Now, it's pretty easy to see why we have so much in common. You in ARTBA and we in the Department of Transportation share a commitment to infrastructure investment, not only as a foundation for economic progress in the U.S. but also as a way to improve America's competitiveness abroad.

In fact, when I look at the progress we've made together in the first year of the Clinton Presidency, I'm reminded of a story about Sir Winston Churchill, the British Prime Minister during World War II.

Mr. Churchill was being heckled by a Tory in the Parliament about his well known love of brandy.

"You drink too much," the female member of parliament shouted.

"Why, if you put all the brandy you have consumed into this room," she told Mr. Churchill, "I daresay it would fill the room from floor to ceiling."

Mr. Churchill patted his well-developed paunch and sighed, "Ah, such progress."

Then he looked down to the floor and up to the ceiling and added -- "and yet so far to go."

That's where we stand on transportation infrastructure investment -- "so much progress and yet so far to go."

SPEECH TOPIC

My message to you today is straightforward. We have indeed made progress toward greater infrastructure investment in the past year. But we must do more. Today I want to discuss three sets of challenges and opportunities:

One, our need for more public and private infrastructure investment.

Two, the need to use the tools provided by the Intermodal Surface Transportation Efficiency Act more effectively, and to look beyond ISTEA to the 21st Century.

Thirdly, I want to touch briefly on the need for technology based solutions to our traffic congestion and environmental quality problems.

INFRASTRUCTURE INVESTMENT

From the beginning, President Clinton has believed that transportation infrastructure investment will improve America's economy at home and our competitiveness in world markets. The President believes that a world class transportation infrastructure is key to long term economic growth.

Our competitors in the world marketplace certainly understand that. The Japanese have the message. So do the Chinese, the Taiwanese and the Germans. Indeed, all of the major trading countries in the world have infrastructure development programs in full swing. Incidentally, both Canada and Mexico -- our trading partners uniting in NAFTA

-- have major infrastructure development programs that include a National Highway System.

I know I don't have to tell anyone in this room that our own investments in transportation infrastructure are substantial and that these investments have kept America competitive. Transportation capital stock in this country is valued at over $1.4 trillion. American companies rely on economical transportation to get their goods to market and to use efficient "just in time delivery" to get supplies to plants and finished products to retailers.

The President wants to increase support for transportation infrastructure. His 1995 budget provides for full funding of ISTEA's highway and transit formula capital programs. In fact, DOT's 1995 budget contains the largest transportation infrastructure investment in our nation's history -- over $28 billion -- in a year when the budgets of many other departments were sharply cut.

That record-setting budget represents 83 percent of all federal infrastructure investment and 71 percent of the total DOT budget. That's $18.3 billion for core highway programs and a record $2.9 billion for transit formula grants and represents full funding of ISTEA core projects.

The Administration understands that we must deal not only with a budget deficit but also with an infrastructure "deficit." Deteriorating roads, overcrowded airports, aging transit systems, and poor connections between modes not only create inconvenience but drains tens of billions of dollars in productivity due to congestion. That is why I say that the '95 budget and the magnitude of the infrastructure deficit show "so much progress and yet so far to go."

To maintain the current performance of our major highways, bridges and transit systems -- with all their existing potholes and congestion -- requires about $55.5 billion per year. Yet we estimate that state, local and federal capital spending together is only about $36.4 billion -- about a $19 billion shortfall.

For aviation, to preserve the safety and efficiency of our airport system, we estimate that $7 billion should be spent in 1995 on capital projects eligible for federal grant assistance. Total expenditures for such projects, including federal funds, passenger facility charges, financing and local capital, was estimated at $6.2 billion -- leaving a shortfall of $800 million a year.

The DOT-wide infrastructure investment budget has grown by 24 percent since FY 1991. I don't have to tell anyone here, though, that even with our rising transportation budget, the federal government can't do it all. Not even the substantial contribution of state and local governments will maintain our current infrastructure at the status quo. We must search for more ways to involve the private sector in innovative

financing. and private investment to maximize the benefit of federal investment.

PRIVATE INVESTMENT

You in ARTBA have been pioneers in public/private infrastructure partnerships. The published transcripts of your five annual public/private partnerships conferences form a great set of textbooks on creative infrastructure financing.

Such public/private partnerships, I believe, are a promising route to closing the infrastructure deficit. Private sector participation has brought many more financing tools into play -- allowing many joint development projects in mass transit in the late 1970s and 1980s. For example, the mixed use towers over or near metro stations in Washington, D.C., the New York City practice of involving private sector participation in station improvements and the 6.5 acre Datran (multiple use) Center in Dade County, Florida.

Within the past year alone, several privately owned and financed projects have begun construction -- from the toll road from Dulles Airport to Leesburg, Virginia -- to SR-91 and the public San Joaquin Hills Toll Road -- both in California. SR-91 involves a private firm building and operating a toll road on state-owned land, and the San Joaquin Hills project combines a new public authority issuing $1.2 billion in bonds backed by toll revenues with contingent federal support.

The San Diego Metropolitan Transit Development Board has dedicated future federal transit funds as a credit enhancement to back the issuance of bonds to purchase new buses. So the opportunities are as many and varied as the imagination can conceive.

These creative financing mechanisms have accounted for some of the growth in the transportation bond market. Transportation-related bond issues multiplied by over 500% between 1983 and 1993 -- from about $5 billion to over $30 billion. They now represent over 10% of the municipal market. The growth between 1991 and 1993 alone was over 70%. Highway and toll road bonds represent the largest part of the growth, increasing from about $750 million in 1983 to $11 billion in 1992.

Admittedly some of the growth in the municipal market has been from refinancing of existing debt, as interest rates dropped, but even with this, the municipal market has shown us what can be done to get private funds to help us meet our public infrastructure needs.

This brings me to my second point, which is that we must make better use of the tools offered by ISTEA.

BETTER USE OF ISTEA

The unprecedented flexibility of ISTEA made many projects possible. Among other things, ISTEA provided for: flexible funding; new revenue options such as tolls; the ability to use toll revenues as the "soft match" for federal highway and transit funds; and greater private

involvement in building, maintaining and operating toll roads and bridges. This historic Act also allowed federal funds to be spent on private toll roads.

How helpful have these tools been?

Not nearly as much as we hoped -- mainly because the flexibility provided by ISTEA, the complexity and newness of these rules has challenged states' ability to use innovative financing provisions.

FHWA has organized an "Innovative Financing Task Force" to not only seek out "pilot projects" to demonstrate the full opportunities of ISTEA, but to literally iron out any administrative problems states run into.

In effect, FHWA has said to the states: Make us a deal!

FHWA has told the states: forget all the memos and instructions we have sent you over the years. Put them aside for just a moment. Concentrate on one action. Send us the proposals for innovative financing. Send us all the proposals you can find that logically fit and we will help you cut through the red tape and make them qualify under ISTEA. We've urged the states to make these proposals creative and innovative. If we can possibly come within the law we will help you get funding.

We are seeking these pilot projects not only to stimulate private sector participation to meet transportation infrastructure needs, we also want to use these deals as models to cut through the red tape of government gobbledeguk -- to clear up the ambiguities of the rules and regulations and get the most out of ISTEA. This is what the Vice President meant when he said "reinvent government" to make it work better and cost less. And that's just what we're doing.

You know that both FHWA Administrator Rodney Slater and Deputy Administrator Jane Garvey came to Washington from state government. They have had hands-on experience at financing and building infrastructure. They have seen it from the state's side of the table and I have every confidence that they will bring the public/private partnership concept to its full potential. We are not going to let the opportunities that ISTEA offers us go by the wayside. We are going to make it work and then use it as a foundation for the future.

We've set a deadline of April 29 for initial submissions by state DOT's of these new proposals through the regional and division offices of FHWA. So if you aren't already involved in this process, I urge you to work with your state DOT's. Help the states work every possible angle to make these pilot programs a success in proving the potential of ISTEA.

We need your creativity and your ideas and so do your state DOT's. We must do more than just make ISTEA work better. We must also begin to look beyond ISTEA -- building on the foundation set by this historic legislation to meet the needs of the 21st Century.

LOOKING BEYOND ISTEA TO 21ST CENTURY

We took a giant step in that direction last December when we sent to Congress the proposed National Highway System, a network of 159,000 miles of roads and highways. The proposed NHS contains just four percent of America's 4 million miles of public roads but carries over 40 percent of the nation's highway traffic, 70 percent of the truck freight traffic, and 80 percent of the tourist traffic. I hope Congress acts promptly to enact the NHS because it is the first step into the future -- the foundation of our future transportation strategy.

Beyond the passage of the NHS, the next step -- one we are already at work on -- is the establishment of a comprehensive National Transportation System that will include not only highways but ports and pipelines, railroads and transit, waterways and airports, intercity bus and intermodal transportation facilities. The NTS will be the core of a unified, intermodal system that will guide strategic investment in our transportation system well into the next century. If you haven't become involved in the work on the NTS yet, I urge you to do so soon.

TECHNOLOGY BASED SOLUTIONS

Another element that transportation builders must factor into solutions for 21st Century challenges is new technologies. I believe that technology-based solutions can help us meet challenges that we cannot simply "build" our way out of -- challenges like congestion, air pollution and enhanced safety.

We have made technology development and deployment one of the seven core goals of the DOT. We reshaped our budget to reflect a bigger role for research and development. Our total budget authority for R&D has risen from $559 million in fiscal year 1992 to $647 million in 1993 and $688 million in 1994. In 1995 it will be $692 million.

We have reached out and engaged other federal agencies to provide more direct linkages between Research and Development and critical needs facing our country's transportation system.

For example, DOT has become a full partner in the Department of Defense's Technology Reinvestment Program -- an effort designed to spur research and deployment of new dual use technologies potentially applicable to both defense and civilian uses.

I insisted that DOT play a lead role on the Technology Reinvestment Project -- precisely because I could see so many rich opportunities for applying advanced defense technology in transportation. Among the first year's TRP grants -- 45 percent of which had transportation applications -- is a demonstration of how polymer matrix composite materials (from the Stealth bomber) can be used on the new San Diego bridge project.

Another key effort, the Clean Car Initiative aims to develop the technologies necessary to create an automobile up to three times more fuel

efficient than today's cars -- and virtually emissions free. The Clean Car effort reflects the same themes characteristic of this Administration's policies. It is structured as a set of public-private partnerships in R&D. It focuses on technologies that may generate economic and industrial benefit in two important areas: first, by making U.S. auto producers more competitive in the international marketplace and second by reducing air pollution and fostering the growth of our high tech pollution control industry.

I'm going to Atlanta Monday to address IVHS America and IVHS is another example of the extent to which technologies can be used to solve mobility problems.

All of these technologies -- and our efforts to promote them -- reflect the realization that we simply cannot "build" our way out of the problems of congestion and air pollution. We need a full battery of options, some of which don't yet exist.

We will, I believe, live to see a revolution in American transportation -- with cleaner, safer, and smarter cars. We will see highways built with better materials and quieter jets carrying more passengers to our cities, high speed trains gliding into the hearts of our cities, and a host of innovations we can't yet imagine.

CONCLUSION

We are, I believe, at a point where the bonding element of these new technologies and the vision of this new Administration can come together in public-private partnerships and make these visions of our transportation future come true.

To "build" these visions -- in steel and concrete, in electronics and software, and yes, in new composite materials -- we're going to need the talent and the expertise of ARTBA members. And we will need the talent for partnership you have shown so many times in the past. Our finest hour is still ahead. We can build the greatest transportation system for the greatest economy in the world. Together, we will.

Thank you very much.

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3-29

Transportation Trends

SECRETARY OF TRANSPORTATION
FEDERICO PEÑA

IVHS AMERICA
APRIL 18, 1994
ATLANTA, GEORGIA

INTRODUCTION

I don't know how many of you here today attended last year's IVHS conference in Washington. I can tell you that it was a very, very educational experience for me.

While I was driving over to deliver my speech, there was an underground explosion in some old electrical wiring that left me trapped in bumper-to-bumper traffic that moved like cold molasses. By the time we got to the hotel, lunch was over and my hosts had just about given up on my appearance.

Well, I got about two paragraphs into my speech when the same electrical explosion -- the one that backed the traffic up -- finally knocked out most of the hotel's power. I say, "most" because while the lights went out, there was still enough juice to set off alarms and sirens.

We all had to evacuate..... It just wasn't my day..... I headed back to the office and taped my speech on video.
It was shown early Saturday morning on the third day of the conference.....

There were about thirty people in the ballroom there to see it..... half of them were DOT public affairs staff.

It wasn't a total loss though. Personally, I drew three lessons from the whole experience:

We need to invest more in our aging infrastructure.

We need better in-vehicle warning systems to help us get around exploding manholes .....

And we need to think creatively about telecommuting.....

So, I've been looking forward for a year now to joining you for this meeting -- live, in person, not video -- because I want to thank the members of IVHS America for helping to create one of the most dynamic public-private partnerships in this century.

This is a partnership that can enable our country to reach key national goals -- enhanced safety, greater mobility, less congestion, a cleaner environment, greater productivity and energy efficiency -- and create a new, immensely promising American transportation industry in the process.

As this conference's title suggests, we are,

- more -

indeed, moving -- fast -- toward "full deployment".

The IVHS technologies we now have -- and those that we can confidently foresee -- will transform American transportation and the experience of the traveling public nearly as much as railroads did in the 19th century or the automobile, the interstates and commercial jet travel have done in the 20th Century.

But this transformation won't simply drop down on us like April showers. It will require the leadership and vision -- the sheer determination to make change happen -- that has marked the partnership between the federal government and IVHS America from the beginning. As full deployment does come, you, in IVHS America, will deserve a lion's share of the credit.

Because whether it's educational efforts like the 60 specialized technical sessions at this conference, or working together to hammer out the National IVHS Program Plan, or running operational tests of new technologies -- IVHS America members have been relentless in pursuing America's 21st Century transportation goals in close partnership with DOT.

TODAY'S SPEECH

Today I want to talk about our IVHS partnership and its prospects for the future.

This is an immense topic -- so I will try to sketch my key points briefly in two broad overviews:

First, a look at what have we achieved so far -- by creating the partnership itself, by launching a series of operational tests, and at the Department of Transportation, by re-energizing our effort and organizing ourselves to take the lead in the next phase of IVHS development.

The second topic I want to discuss with you centers on the national goals that IVHS technology promises to help us meet and what the DOT's role is in pursuing them -- in partnership with states, cities and IVHS America members.

Specifically: what progress are we making towards greater mobility, enhanced safety, reduced congestion, a cleaner environment, higher productivity -- and the creation of a prosperous and competitive American IVHS industry.

Finally, I'd like to sketch for you a realistic, pragmatic vision of the impact a well-integrated, sustained, IVHS effort may have over the next two decades on the shape of American transportation and the daily experience of the traveling public.

WHAT WE HAVE ACHIEVED

We should begin by realizing that the partnership between IVHS America and the DOT is itself a unique accomplishment -- a model for similar public/private partnerships in other areas.

This is due in large part to the efforts of IVHS America to make this a partnership of inclusion --

to your efforts to bring all stakeholders to one table. DOT and IVHS America realize that such outreach must be a continuous process, not simply a one-time effort.

Our success is attracting notice. Recently, for example, we were approached by officials from the Commerce Department who sought out our experience to guide them as they seek to forge a similar partnership with industries and entrepreneurs in developing the National Information Highway.

We have, then, successfully launched the dynamic partnership that Congress envisaged when it mandated a $600 million IVHS program as part of ISTEA. And this partnership is already producing concrete results.

Within the past year, for example, we have made it clear that IVHS is not simply highways and cars, it encompasses almost every element from buses to ships within our National Transportation System. It will improve efficiency across the board.

IVHS America and the Federal Transit Administration, have together gained industry-wide acceptance of a standard for data communications for transit vehicles. This is the first IVHS-related industry standard and it's a giant leap into the future.

Our partnership will also soon become global in scale by organizing the first-ever Intelligent Transportation World Congress in Paris November 30-December 2.

Equally striking are the real-world accomplishments and benefits stemming from the 43 operational tests of IVHS technology that we have conducted so far.

Some of these tests have already produced results in the form of spinoff companies or new divisions and products for existing companies. These developments are even now creating IVHS jobs and meeting payrolls.

Navigation Technologies and ETAK, two California firms which have participated in operational tests, are now marketing electronic maps for route analysis and display worldwide.

AMTECH, Mark IV, AT/Comm, AT&T, Hughes and others are actively marketing automatic vehicle identification systems for automated toll collection and traffic management. At least ten states are buying.

Rockwell International and Westinghouse have developed automated vehicle location systems for use by the transit and motor carrier industry. IBM is working with J.B. Hunt, one of the largest truckload carriers in the country, to develop an "on board computer" product for commercial fleet management. VORAD Safety Systems is marketing a radar-based collision avoidance safety system which Greyhound Bus Lines is already using.

These are just the seeds of what promises to grow into a vast new American industry -- an industry which this partnership is helping to

launch. The IVHS industry in America is projected to grow to as much as $200 billion a year by early in the next century.

In sheer economic terms, if we even approach that sort of projected growth for IVHS, the federal investment in this program will be some of the most productive investment that our government has ever made.

It will also be one of the most effective examples of how federal investment can "leverage" private sector involvement and response.

I am proud of the Clinton Administration's commitment to working in partnership with this industry. The Clinton Administration's recognition of the economic importance of this program has increased the federal investment in IVHS with every budget -- even while most other federal programs are being cut back -- but I know as well as you do that the vast bulk of IVHS research and development is being funded by private business.

THE NEED FOR DOT LEADERSHIP

That said, I believe that this partnership needs strong leadership from government to realize its promise. I believe that the federal government and the DOT, in particular, have a critical role to play -- that of ensuring that we never take our eyes off the real prize -- the national goals for which Congress funded this IVHS alliance in the first place.

After all, what justifies public investment in IVHS is not simply our ability to conduct interesting experiments and foster a new industry -- but the public goals that federal investment is meant to serve: safety, mobility, less traffic, cleaner air and greater productivity.

DOT's role in reaching those strategic targets, is not to dictate private investments and initiatives -- but to create national standards and foster an environment which will enable private industry to prosper while helping attain our national goals.

It is precisely because I am so excited over the prospects that IVHS can help reach these goals that we have strengthened our Department's management team and restructured internally. Simply put, we have given DOT's IVHS efforts higher priority and stronger authority.

We have created a new Joint IVHS Program Office, located in the Federal Highway Administration, but staffed by employees from several parts of the Department representing all modes of transportation. The Deputy Secretary will also chair a new and strengthened IVHS Management Council within DOT to provide guidance, assure a broad perspective and resolve disputes.

And we have worked with many IVHS America members and other stakeholders to recruit and select a group of finalists for the job of IVHS National Program Director to lead this newly re-energized program. I expect to make a decision very soon on this appointment.

The Program Director will head a

powerful unit within the Department -- and I expect the director to bring fresh vision and energetic leadership to the Department's IVHS efforts.

But let me assure you, this is as much your program as it is ours. We need you every step of the way. IVHS will always be a partnership. DOT is strengthening our team to better hold up our end. I'm pleased as well that IVHS America has added two key players from our new team to your board -- Deputy Secretary of Transportation Mort Downey and Federal Highway Administrator Rodney Slater.

All of these achievements -- our partnership itself, our operational experiments, the beginnings a genuine and viable American IVHS industry, and the DOT's restructuring to lead on IVHS bring me to my second broad topic: the national goals that are the very reason for being of this public/private partnership.

THE NATIONAL GOALS OF IVHS

Clerly, among the main reasons that Congress originally mandated IVHS funding in ISTEA was to speed the development of technologies that could help the nation meet a series of complex challenges in transportation -- public or societal goals, really -- ranging from enhanced safety to greater mobility, the reduction of congestion and environmental improvement.

We can no longer afford as a nation to solve congestion by simply building more roads. The economic and environmental costs are simply too high. We need, instead, to think anew.

Without suggesting that IVHS is the single "silver bullet" to answer these problems, there's no question that IVHS has shown great promise to help reach national goals even in these early days.

GOALS: SAFETY, MOBILITY, TRAFFIC REDUCTION

For safety, enhanced mobility, and reduced congestion there is simply no doubt that deployment of well-designed IVHS systems works.

It's working in the Twin Cities on I-35. There, as a result of ramp metering, average freeway speeds at rush hour have increased from 34 MPH to 46 MPH -- while peak period accidents have fallen by 27 percent.

IVHS is working in Chicago where a formal incident detection and response program clears over 115,000 traffic-snarling events every year. The cost to benefit ratio of this system, by the way, is estimated at 1 to 17 -- a truly fantastic rate of return on taxpayer's investment.

I can tell also you -- first hand -- that IVHS systems have been critical in speeding traffic in Los Angeles -- both in normal times and amid disasters. The prize winning Automated Traffic

Surveillance and Control System there has reduced delays at signalized intersections by 44 percent.

More strikingly, the synchronization of traffic lights and signals along the arterials that run parallel to freeways dramatically reduced commute times and helped prevent near-total paralysis after the recent earthquake.

Similarly, on Long Island, in New York, we saw IVHS systems working as the INFORM project convinced drivers to divert to less congested routes by presenting them with reliable, credible information. In this test, diversion of 5-10 percent of traffic from a congested main road saved 300,000 vehicle hours of delays annually -- boosting productivity and reducing emissions at the same time!

GOALS: ENERGY EFFICIENCY, PRODUCTIVITY AND CLEAN AIR/ENVIRONMENTAL IMPROVEMENT

The 17 operational tests we announced just before this convention will enable us to build on these successes -- by studying ways to reach three other national IVHS goals: energy efficiency, greater productivity and cleaner air.

We'll test ways to improve safety and energy efficiency with electronic tagging to keep out-of-service vehicles off the roads in Idaho, Minnesota and Wisconsin. In Dallas, we'll foster energy efficiency by trying ways of "personalizing" mass transit services by pin-pointing "off-route" passenger pick-up sites.

We'll be testing en-route advisory services all across the nation -- which have promise for both energy saving and greater efficiency for commercial drivers.

And to increase productivity -- and cut down paperwork and time spent on lines -- we will be evaluating electronic multi-state credentialling for motor carriers in the Midwest and Southwest.

And we'll also be look looking into emissions detection systems -- techniques with great promise for identifying the individual cars that produce the most heavy emissions -- in Idaho, Colorado and Minnesota.

Beyond these emission-detection experiments, we are also supporting major, comprehensive efforts to reduce transportation-based pollution through the IVHS Priority Corridors Program created last year to develop technology to deal with corridors that have extreme or severe ozone non-attainment ratings.

As you will recall, we named four corridors: along I-95 in the Northeast, from Gary to Chicago in the Midwest, the whole metro-Houston region in Texas and a Southern California Corridor in metro L.A. ISTEA provides for funding for work on these sites.

The I-95 Northeast Corridor Coalition is the furthest along in its work -- having completed its Business Plan -- and will serve as our prototype for the future.

This corridor from Maine to Virginia embraces a wide variety of states, cities, turnpike and even port authorities. And while local governments have done the work of hammering out their common plan -- DOT has clearly played an indispensable role in bringing them to the table.

THE KEY LESSON: IVHS MUST MEET NATIONAL GOALS -- AND DOT MUST GUIDE IT

Each of the tests we have conducted thus far offers us valuable lessons. But taken together, the single biggest lesson from all of these tests is this: if we want to achieve our national goals, we cannot let IVHS become a disparate series of separate technologies that neither link up with each other nor serve larger social and economic purposes.

IVHS represents the potential to seamlessly join the information highway with the physical highways of all modes of transportation. It is the forging of linkages between IVHS technologies and the development of national systems architecture that is most critical to the future growth of an IVHS industry in America.

We hope to see that industry grow up not only to meet the national goals of America at home -- but to become a vibrant exporter, creating thousands of high-wage, high-tech jobs.

Here, I believe, the federal government -- and the DOT in particular -- has a critical role to play.

Let me be clear. I do not envisage the DOT dictating technology development or private investment. We believe that competition, free markets and a vast array of private choices -- not decisions by government -- will ultimately determine the winners and losers in the IVHS industry.

But there is also a clear role for the federal government in seeking coherent, national IVHS systems architectures -- systems compatible from Key West to Anchorage -- and compatible, for that matter, with our neighbors and trading partners in Canada and Mexico.

I can guarantee you that the topics of IVHS technology transfer, the use of IVHS techniques to speed border crossings, and even the creation of North-South continental trade corridors enhanced by IVHS systems will all come up at the first-ever North American Transportation Summit.

I convened this summit, which will take place in Washington at the end of this month, to discuss precisely these issues -- which will be critical to our national competitiveness.

National systems architectures -- perhaps even continental or global ones -- offer the surest guarantors of a mass market for IVHS technologies -- a market with geographic breadth and demographic depth. It assures U.S. industry that our country does not waste precious resources developing the "Beta" VCR of the IVHS world. We cannot afford to develop systems that are incompatible -- like early Apple computers versus

IBM PC's. Instead, we must create an architecture that is "open" to incorporate new processing systems and sensors as they evolve.

The DOT also has a unique leadership role in ensuring compatibility across modes of transportation. A clear example is our promotion of GPS navigation systems -- which will not only help locate and direct ships and planes but railcars, trucks and even private automobiles.

DOT can promote collaboration on IVHS projects between disparate jurisdictions -- states, cities, Metropolitan Planning Organizations and other regional authorities -- as we have done in the Northeast Corridor.

And DOT can also ensure that as we look beyond Congress' passage this year of the National Highway System -- something everyone here should support -- we incorporate IVHS into the broader National Transportation System which we have already launched work on. Since this system goes beyond highways to embrace air routes and ports, waterways and pipelines -- the whole intermodal backbone of America's transportation future -- its development demands that the DOT work with a vast array of states, local authorities and private industries.

As we do so, we are well-positioned to ensure that the new NTS takes advantage of every possible application of IVHS technology across all modes of transportation.

One last, but central, reason for DOT to offer leadership on IVHS is that the newly-established Bureau of Transportation Statistics will soon be providing us with far better, more comprehensive data on which to base strategic decisions on transportation investment and IVHS deployment.

Indeed, through its linkage to the emerging National Information Highway, we should soon see a "positive feed-back loop" develop. That means we will be able to "see" our whole National Transportation System better and make better, more precise investments -- including those in IVHS systems. Those IVHS systems, in turn, will improve both traffic flow and the next generation of transportation data.

Whew! That was complicated! Thank God I'm here with fellow believers in IVHS! You all know what I meant, don't you?

By discussing all of these areas in which federal leadership -- and DOT leadership -- is critical for the future of IVHS, I don't mean to scare anyone. This is not a power grab.

What we are seeking is not to dominate or dictate -- but to facilitate, to co-ordinate, to build consensus and to help iron out disputes. We need to assure that difficult and complex decisions are made and momentum is preserved in developing systems architecture and standards.

With our strengthened leadership, I believe that DOT should also set timetables to speed deployment -- so that the American people can begin

to see concrete benefits in their daily lives. Demonstrating real benefits to our people is crucial to sustaining popular support, acceptance and political momentum.

We never lose sight of the fact that our success or failure doesn't depend on the elegance of our technology -- but on whether it makes the lives of Americans -- and other IVHS users around the world -- safer, more convenient, more efficient, even more pleasant.

We are very well aware of how difficult it is to make policy in mid-course of rapidly moving technological change.

This Administration is absolutely determined not to allow American technological breakthroughs to wither or move abroad for lack of support at home.

But we will not try to dictate the arc of IVHS technology development. We don't want to fall on our faces like the Japanese government did with its "fifth generation" computer scheme.

We do want to foster open architectures and system compatibility. But we also want to encourage experimentation, creativity and competition within those broad national standards and systems architectures.

If we do that, I believe, we will not only lead the world in the development of this industry -- with huge benefits for our economy and our ecology -- we will also create a vast new industry.

We will also prove -- to anyone who doubts it -- that we Americans haven't lost the ability to dream -- and then roll up our sleeves to make our dreams come true.

CONCLUSION

Let me conclude by asking you to imagine what life in America will be like when we complete this journey toward deployment of IVHS. What will emerge is a society infused with information systems that not only connect all modes of transportation into one cohesive intermodal system, but also link transportation to the Information Superhighway that Vice President Gore speaks of so eloquently.

This seamless system of information and transportation will serve a world in which a suburban commuter can wake up in the morning, flip on a computer or television and obtain accurate travel data to help him decide how to get to work that day -- or whether to commute to work at all. If he learns the bus will be 20 minutes late passing his house he may want to walk two blocks down the street and catch a train.

Or if he decides to drive his car to work that day he can switch on his on-board route guidance instrument and get information on the best route. Once he is driving, he will be notified of accidents ahead and can choose whether to take the traffic re-routing suggestion transmitted to his on-board computer. And if he's involved in an accident, the emergency service will be immediately and automatically notified.

Imagine a world in which a mother taking children to the day care center can easily obtain information from a computer enabling her to pick up an extra child and take a high-occupancy vehicle lane, or be assured of transporting her children safely because of new collision avoidance systems and modernized safety restraints.

This will be a world in which a motorist lost on a country road in the hills of North Georgia can get a position reading from Global Positioning System satellites -- as well as detailed directions to get to where the driver means to go.

Ours will be a world in which a businessman on a trip from Washington to New York can use a single plastic card to ride the Metro to the airport, fly to New York, rent a car, drive into town, pay for tolls, buy gas, pay for parking and make an automated teller transaction. Those plastic cards will be programmed for additional services as they are developed.

Imagine a world in which riders on high speed rail will know the train will not -- cannot -- collide with automobiles or trucks at a highway-railroad grade crossing. Because in addition to the blinking lights and clanging gate that we have at the highway-rail crossings today, a flexible wall will spring up out of the ground to prevent grade crossing crashes. A world without grade crossing accidents will be a better world indeed.

Some of the most remarkable change in this new world of intelligent transportation systems will come in commercial vehicle transportation. It will be a world in which a manager of a motor carrier company serves thousands of shippers with a vast fleet that takes cargo from ships, trains and other trucks and moves it safely across our nation to the grocery store shelf or the homeowner's living room. Electronic clearance devices will enable these trucks to move through border crossings and roadside safety inspections faster -- saving money by improving productivity. The trucks will have on-board sensors that allow the drivers to see further ahead and infrared vision to avoid collisions in fog or at night.

New systems will allow the manager to track not only every piece of cargo and every truck, but also to manage the fleet closely enough so that when a ship's cargo is ready to be unloaded, a truck will pull up at exactly that moment. This new level of "just in time" delivery will mean savings at shopping center cash registers because transportation costs will be cut -- expensive warehousing space will be reduced. The whole economy will benefit -- and the ultimate winners will be consumers.

This brave new IVHS world will encourage use of transit systems -- not simply put more single occupant vehicles and transit systems on our highways. It will also incorporate a broader information system that eliminates many routine trips. For many people, the commute to work may mean walking from the bedroom to a "virtual

office" on the other side of their home where faxes, modems, and flat-screen, wall-sized teleconferencing panels will enable more people to work and work more efficiently at home.

Business trips will be more productive, vacations more enjoyable and ferrying children to nursery will be safer.

Perhaps there are still some doubters -- but not in this room.

This is no fantasy like the false promise of "electricity too-cheap-to meter" that we heard in the early days of nuclear power.

No. All of the elements of this vision are concrete -- realities within our reach now. IVHS America members have had the vision and ingenuity to bring us this far.

Working together, we can create this new and better world. And we will. The first operational word there is "together." You know the second one: so let's get to work!

Thank you very much!

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3.30

REMARKS PREPARED FOR DELIVERY
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
GEORGIANS FOR BETTER TRANSPORTATION
APRIL 18, 1994
ATLANTA, GEORGIA

(Introduction to be done by Governor Zell Miller)

Thank you, Governor, for that introduction. I'm happy to be here in Atlanta today.

Arriving at Hartsfield this morning and driving through the city, I was struck by the amount of new construction everywhere.

But then, every time I return I'm impressed by Atlanta's dynamism and vitality. It's a city in which tomorrow always seems to happen *today*.

And yet, there's a powerful presence of history here in the beautiful old homes, the museums, and the monuments which dignify Atlanta. Few places anywhere marry respect for the past and a sense of the future as well as Atlanta.

That's why Atlanta is the perfect choice to host the Games of this Olympiad. These Games, which will celebrate the centennial of the modern Olympics, are a time when the Olympic movement will reflect on a century of the highest in human achievement, and vow to continue that pursuit of excellence into the 21st century.

Atlanta, too, will celebrate its past achievements and rededicate itself to progress.

Under the leadership of Governor Miller and Mayor Campbell, I'm confident that Atlanta will enhance its standing as a leading international center of commerce and culture.

In order for this to happen, Atlanta needs to continue its work towards a world-class transportation system. The improvements we've helped to fund at Hartsfield, the MARTA rail and bus systems, and the excellent highway network are all part of this strategy for mobility.

Today, I'd like to talk to you about three subjects.

First, the National Highway System and its importance for Georgia.

Second, two Georgia transportation projects: the Sidney Lanier Bridge and the intermodal center here in Atlanta.

And third, the 1996 Olympics.

The NHS is one of the most significant initiatives to come out of ISTEA. As you know, the NHS is Congressionally-mandated, one of the requirements set forth in the ISTEA.

I'd like to talk about our reasons for developing the NHS as we have, and some of the benefits we see for users of the system.

Today, over 40 percent of our freight tonnage is moved by truck, accounting for 80 percent of the dollar value of the nation's freight bill. Our highway system is literally the economic lifeline of the nation.

In the future, it's true that more new "highways" will be made from fiber optic cable than from asphalt. However, the "Information Highway" isn't going to end the need for our current system.

Someone may order a new sofa through an interactive computer network, and someone may be tracking its every movement by satellite, but someone else is still going to have to keep on truckin' to deliver the goods. And without a well-designed, well-maintained road system, that doesn't happen.

We need to do a better job of linking our transportation investment --- and of justifying it --- in the context of economic and traffic growth and budget realities. That's precisely what the NHS will enable us to do.

For example, connections between highways and facilities such as ports and airports are no longer always adequate. And highways don't adequately serve some

emerging international trade corridors such as those whose use is expanding as a result of NAFTA.

That's why Congress mandated that DOT designate the key linkages of our changing economy and to identify those roads and intermodal connections most necessary for commerce, for personal travel, and for national defense. This structure, embodied in the new NHS, will allow us to better target our transportation investments in coming years. I hope that Congress will ratify it soon.

The NHS is a clear example of how the Federal government is trying to invest wisely in the infrastructure the American economy needs. The NHS will help us to establish investment priorities and make choices, and the same principles will apply as we think beyond it to the National Transportation System of the future.

Seen in that context, the NHS is a first step beyond the Interstate era towards an investment strategy for all of America's transportation systems.

The NHS then, is a milestone, and a firm foundation for the creation of a true National Transportation System. And the benefits of investing in this National Transportation System will be significant: economic growth, national security, intermodal connectivity, safety, and a sound environment.

Many of you were active participants in the process to

identify elements of the NHS here in Georgia --- roads including U.S. 441 from Athens almost to the Florida border; U.S. 82 from Albany to Brunswick; and State Highways 16 and 61 right outside of Atlanta.

I urge you to play the same role in helping to designate elements of the NTS.

The second topic I want address is a pair of regional transportation issues, the Sidney Lanier Bridge and the intermodal terminal.

As you know, the existing Sidney Lanier Bridge at Brunswick is in fair physical condition, but the mechanical and electrical systems are antiquated. Its opening is too small for major ocean-going cargo ships, and the strong tidal currents are hazardous for the smaller ships which can fit through the opening.

That stifles commerce, and it's dangerous, too. In fact, the Coast Guard labeled it as hazardous.

To date $11.9 million of Truman-Hobbs funds have been appropriated by Congress to replace the bridge, and the Georgia legislature has authorized matching funds for design and environmental work can begin.

However, Congress has limited the future use of Truman-Hobbs funds, so the Georgia Congressional delegation has asked for special Title 23 designation for this project. I want you to know that we share your

concern, and that we'll work to reach some resolution.

The intermodal terminal here in downtown is an interesting idea, and one that's been considered around the nation. Although plans are still in the development stage, we're paying close attention to this project, because it is the sort of intermodal facility that ISTEA supports.

The third topic I want to touch on is the 1996 Olympics. Supporting them is a high priority of the Clinton Administration. We in DOT will do everything necessary to ensure that the transportation system here can handle the traffic generated by the Games.

President Clinton wants the centennial Olympics to be a showcase for America in everything from technology to tourism. In order to do this, he's pledged the full support of the federal government to help Atlanta get ready.

He's asked Vice President Gore to chair an interagency federal task force for the Games which is working to give Atlanta the best we can. DOT is an active member of that working group. We'll work closely with the Georgia DOT and Atlanta's own transportation agencies.

There's a lot we can do to ensure that the transportation system developed for the Olympics is efficient and convenient for everyone --- for the athletes and officials traveling to events, for the hundreds of thousands of visitors to the area, and for the area residents

who of course still need to travel during the two weeks of the Games.

We've already helped to secure some 2,000 buses from all across the country to complement the fine system already in existence here.

The Coast Guard, which is part of DOT, is supporting the water events to be held in Savannah.

DOT's Federal Highway, Transit, and Aviation Administrations are supporting the upgrading of bicycle and pedestrian paths and funding improvements at Hartsfield Airport and on the MARTA subway system.

And we're participating in revolutionary new "smart" traffic management systems. We've been funding research on "intelligent" traffic during the signaling systems --- systems that will enable Atlanta to cope successfully with the vast increases in traffic during the Olympics -- and enjoy better traffic flow long after the games are over.

With the Olympics, we have a unique opportunity to harness the energy, the talents, and the creativity of minority and women-owned businesses to make Atlanta an international model.

As Southern Californians understood when the Olympics came to Los Angeles a decade ago, it's an

opportunity that comes to a city or region perhaps once or

twice in a century --- if at all.

For sixteen days, the whole world will be watching Atlanta. The Games have the potential to accelerate this city's progress and ensure its long-term success as a world-class center of commerce and culture.

These Olympics are a great opportunity, for America and most especially for Atlanta. *This* will be your moment: I know you are going to come away with the gold. Thank you.

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3.31

REMARKS PREPARED FOR DELIVERY

SECRETARY OF TRANSPORTATION FEDERICO PEÑA

OLYMPIC TRANSPORTATION MARKETPLACE

APRIL 18, 1994
ATLANTA, GEORGIA

(Introduction to be made by Luz Hopewell, Director, Department of Transportation Office of Small and Disadvantaged Business Utilization)

Thank you, Luz, for that introduction. Some of you have worked with Luz in her capacity as Director of DOT's Office of Small and Disadvantaged Business Utilization, and I'm sure you'll agree that she's brought to that post a deep commitment to ensuring that the talents and skills of these entrepreneurs are fully engaged.

I'm happy to be here in Atlanta this morning. Arriving at Hartsfield Airport and driving through the city, I was struck by the amount of new construction everywhere. Each time I return I'm impressed by Atlanta's dynamism and vitality. It's a city in which the future happens *today*.

And yet, there's a powerful presence of history here in the well-preserved houses, the museums, and the monuments which dignify Atlanta. Few places anywhere marry respect for the past and a sense of the future so well.

That's why Atlanta is the perfect choice to host the Games of this Olympiad. These Games, which will celebrate the centennial of the modern Olympics, are a time when the Olympic movement will reflect on a century of the highest in human achievement, and vow to continue that pursuit of excellence into the 21st century.

Atlanta, too, will celebrate its past achievements and rededicate itself to progress.

We're here today to do two things.

First, to support the integration of the ingenuity, the resourcefulness, and the strong work ethic of small businesses and minority and women-owned enterprises into an effort to ensure that Atlanta hosts the finest Olympic Games the world has ever seen.

Second, to harness every resource of the federal government necessary to make this Olympics a model for the future and the United States an example of excellence, efficiency, and hospitality.

I'd like to speak about each of these purposes.

President Clinton's economic programs are speeding our recovery from the recession of the early 1990s. But we must remember that the effort to make full use of the talents of America's small and disadvantaged businesses is crucial to keeping this economic recovery rolling.

We saw the importance of this in the 1980s when small businesses created almost two-thirds of the new jobs in America. In the 1990s, with a government fully committed to cooperation with the small business community, we should achieve far more.

We also want to expand these partnerships for other reasons. The broader the diversity of our government and the private businesses which work with it, the better off we all are. The greater diversity of cultural experiences brought into providing a product or a service, the better. In a rapidly-changing world, we need to bring into play fresh outlooks on every aspect of what we do. Much innovative thought is going to come from small and disadvantaged businesses which haven't been involved in the past.

As a member of a minority group and a former businessman myself, I fully grasp the challenges you face. I also understand how effective government can be in giving up-and-coming businesses the jump start they often need to become vibrant parts of our economy.

As Mayor of Denver, I worked hard to support small and disadvantaged businesses. I saw how their success benefitted the larger community.

As Secretary of Transportation, I bring that same commitment to ensuring that all entrepreneurs have a fair and equal opportunity to participate in federally-funded projects.

We've seen recently that this can be done in ways that are both effective *and* efficient. Like you, I was impressed by the speed with which the clean-up of the Los Angeles earthquake has progressed. While supporting repairs to the freeway system, we sped turn-around times for funding approval, implemented innovative contracting procedures, and provided other forms of regulatory relief.

But one thing we *didn't* do was reduce opportunities for minority and women-owned enterprises. In fact, they were engaged in carrying out disaster and other federal-aid work at new and higher levels of participation. Fully *38 percent* of the Los Angeles clean-up and repair work went to Disadvantaged Business Enterprises.

Ensuring their participation didn't slow down necessary work one bit, and it provided many of them with the chance to show how well they could perform on the national stage.

We're proud of how well they carried out their projects. They demonstrated that these programs *do* work, to the benefit of all Americans.

Our commitment to equal participation didn't start in Los Angeles this past January, but in Washington one year before. This dedication to supporting small businesses is one of the fundamental principles of the President's national economic plan, and something we pursued aggressively from day one.

When I became Secretary, I ordered the Department's entire DBE program revamped to put some teeth in the programs and provide more opportunity for contracts. And, just over one year later, we've dramatically changed the way DOT does business.

Last June, for the first time, we began bringing small contracts of less than $25,000 to the marketplace to match the skills of contractors right on the spot.

And transportation-related Section 8(a) contracts are up *35 percent* over the previous year.

Our bonding and lending programs have been restructured. The bonding program provides bid, performance, and payment bonds to certified DBEs performing transportation-related contracts of up to $1 million. It's already issued over $5 million in bonding this fiscal year.

In addition, $4 million has been committed to DBEs through the DOT short-term lending program. This program provides lines of credit up to $500,000 for companies performing transportation-related contracts.

Both of these programs will probably reach their limits this fiscal year.

This is a good beginning. But under Luz Hopewell's direction our OSDBU office will do much more.

We want to use the resources of federal procurement to broaden opportunities for more small businesses throughout the country. We don't want these increased procurement opportunities for only four or five companies up in Washington, D.C., but for companies from Atlanta and Savannah to Seattle and Spokane.

Some Georgia firms already are benefitting from these expanded opportunities. 32 percent of the work at the Dunwoody Station and parking lot on the recently-awarded North Line construction contract will go to DBE firms. That's almost $7 million in new work for the six companies which were designated.

In that regard, we have some of the $25,000 or less contracts here with us today, ready to be signed if we can make a match. And Luz and her staff are ready to work with you on larger contracts as well.

Finally, I know that the Olympics organizing committee here in Atlanta, as well as the Georgia state government under Governor Miller's leadership and the City of Atlanta under Mayor Campbell will work with you as well.

Just as fully using the talents of minority and women entrepreneurs and small businesses is a high priority of the Clinton Administration, so too is supporting the 1996 Olympics. We in DOT will do everything necessary to ensure that the transportation system here can handle the traffic generated by the Games.

President Clinton wants the centennial Olympics to be a showcase for America in everything from technology to tourism. In order to do this, he's pledged the full support of the federal government to help Atlanta with its preparations.

He's asked Vice President Gore to chair an interagency federal task force for the Games which is working to give Atlanta the best we can. DOT is an active member of that working group, and we'll work with the Georgia DOT and the city's agencies on transportation for the Olympics.

There's a lot we can do for transportation services. We want to ensure that the system developed for the Olympics is efficient and convenient for everyone --- for the athletes and officials traveling to events, for the hundreds of thousands of visitors to the area, and for the area residents who of course still need to travel during the two weeks of the Games.

We've already helped with some transportation plans -- working with area officials to secure some 2,000 buses from all across the country to complement the fine system already in existence here.

The Coast Guard, which is part of DOT, is supporting the water events to be held in Savannah.

DOT's Federal Highway, Transit, and Aviation Administrations are supporting the upgrading of bicycle and pedestrian paths and funding improvements at Hartsfield Airport and on the MARTA subway system.

And we're participating in the revolutionary new "smart" traffic management system being developed throughout the region. Those systems, being developed in concert with the Intelligent Vehicle/Highway Systems --- or IVHS --- work being done by DOT, promise congestion relief and greater safety in the future.

Later today, I'll be examining the "intelligent" traffic signaling systems that we've been funding research on --- systems that will enable Atlanta to cope successfully with the vast increases in traffic that the Olympics will bring. These innovations will have long-term benefits for Atlanta's traffic flow as well.

With the Olympics, we have a unique opportunity to harness the energy, the talents, and the creativity of minority and women-owned businesses to make Atlanta an international model.

As Southern Californians understood when the Olympics came to Los Angeles a decade ago, it's an opportunity that comes to a city or region perhaps once or twice in a century --- if at all.

For sixteen days, the whole world will be watching Atlanta. The Games have the potential to accelerate this city's progress and ensure its long-term success as a world-class center of commerce and culture.

We need *your* help to make this happen, so Luz Hopewell and her staff stand ready to work with you to ensure your participation.

These Olympics are a great opportunity, for America and most especially for Atlanta. *This* will be your moment: I urge you to seize it. Thank you.

# # # # #

3.28

Transportation Trends

SECRETARY OF TRANSPORTATION
FEDERICO PEÑA

NATIONAL AIR TRAFFIC
CONTROLLERS ASSOCIATION

TAMPA, FLORIDA
APRIL 19, 1994

INTRODUCTION

I want to thank Barry Krasner for that very generous introduction and tell you all how pleased I am to be here. I've been spending a lot of time recently visiting with air traffic controllers around the country -- and I've been tremendously impressed.

I've been listening and talking with you about reforming the air traffic control system. And the more I see, the more convinced I am that it's really your professionalism and your dedication to duty that keeps this creaky old system running.

I'll come back to the whole question of ATC reform in more detail in a few minutes. But based on my many visits to control rooms and towers in the last few weeks, let me say something straight from the heart:

I am very, very proud to work with you.

THE ADMINISTRATION'S ACHIEVEMENTS

I am also proud to be part of an Administration that has worked so hard -- and so successfully -- to improve the lives of the American people.

More than any President in nearly a generation, Bill Clinton recognizes and appreciates the role that working people play in making this country prosperous and globally competitive.

In just over 15 months in office, the President has taken bold actions that are already paying real dividends for working men and women.

President Clinton's budgets have made the first serious attack on budget deficits in nearly a generation.

With the deficit projected to decline three years in a row -- for the first time in more than 40 years -- confidence in America is coming back and our economy is growing again.

Home sales and car sales are up. We've seen more than 2 million new jobs created last year -- more than were created during all four years of the previous Administration -- and we'll see two million more jobs spring up this year. Inflation is low. Economic recovery is visibly underway.

- more -

U.S. Department of Transportation
Office of the Secretary, Public Affairs
(202) 366-4570

And since April 15 was just a few days ago, let me also note that the President's Economic Plan achieved these deficit reductions without raising income taxes on working people by one penny.

Instead, the President's plan actually expanded the Earned Income Tax Credit -- a program that helps the lowest-paid workers in America. This year, expanded refunds for low and minimum-wage workers will lift millions of working families above the poverty line.

That's not just talk about family values -- that's valuing families.

We saw that same principle -- action, not talk -- when Bill Clinton won passage of the Family Leave Act to enable employees to take leave to care for sick children and elderly parents -- without losing their jobs.

Last year, the Clinton Administration also introduced and passed a new National Service Program to give the sons and daughters of working people a better chance to go to college if they want to.

And most importantly, this President is now leading an historic fight to win health security for all Americans -- health coverage that can never be taken away -- even if you lose your job or change your job.

DOT'S OWN WORK WITH TRANSPORTATION LABOR

I'm proud of the DOT's accomplishments in working with transportation labor as well.

During the past year, we've faced major challenges. And, working together, we've found creative ways to deal with them.

We facilitated an agreement with Northwest Airlines that protected jobs, provided employees with a greater stake in the airline, and kept the carrier and its passengers flying and out of bankruptcy.

And when American Airlines and its workers and passengers were suffering through its strike, we worked to bring the two sides together. Ultimately, President Clinton suggested the arbitration process that brought the strike to an end.

I can't tell you how many times in the past year I've heard leaders like Barry Krasner or Joe Bellino from NATCA -- or Randy Babbitt of the Pilots' Association, Ron Carey of the Teamsters, John Peterpaul of the Machinists and others -- say to me, We've never seen the inside of the Secretary's office," or , "It's been twelve years since we've been up here."

Let me reassure you -- my door has been open to you -- and as long as Bill Clinton is President and I am Secretary of Transportation, it will continue to be open.

THE NEED FOR PARTNERSHIP IN ATC REFORM

This brings me back to the central issue I want to talk with you about today -- the need to reform the FAA and create a new

Federal Air Services Corporation to take over the ATC function.

There is no single area where this Administration's new spirit of access and partnership with labor has been -- and will be -- more important.

I want to thank Barry Krasner, Joe Bellino and John Thornton for their support on this effort and their hard work in crafting a specific proposal for the new corporation.

I've been delighted to have your advice. I'll need more of it as the process moves forward. And I'll need the full support of NATCA members to make change happen.

One reason I believe I can count on that is because I know that air traffic controllers know better than anyone else the ridiculous constraints that our ATC system now operates when it comes to budgets, procurement procedures, and personnel policies.

I could say that it's a miracle that this system works as well as it does. But I know that it is not divine intervention -- it's you.

It is the dedication and determination of thousands of air traffic controllers that keep this system running -- against the odds, through bureaucratic nonsense and in the face of ridiculously complex rules and jungles of red tape.

What I've seen in the last two months convinces me that the main reason that this system holds together is that you just refuse to let it fall apart.

Your professionalism makes all of us who fly as safe as is humanly possible. But it's past time we provided the human beings who control America's air traffic with some better tools to do their job.

At the risk of preaching to the choir, let me tell you just a few of the horror stories I've observed in my visits with air traffic controllers around the country.

At National Airport in Washington I saw my first Univac. It was the size of a truck -- with less computing power than a lap-top.

I thought Univacs went out with Dr. Strangelove.

Not at the FAA they didn't. I saw my second Univac in St. Louis -- where they also showed me a piece of 35-year-old technology they had to buy brand new to match it. I don't know whether they bought it from a junk yard or a museum.

In Seattle, I saw some more vintage equipment -- a mainframe the size of three washing machines stacked on top of each other. It probably has less memory than a single Pentium chip has today.

In Los Angeles, I saw ground radar systems that rely on vacuum tubes so old they're not even made in America anymore.

I've had air traffic controllers point out to me that they're working with equipment older than they are; that all this huge old

gear makes towers and control room so cramped that technicians can hardly make repairs -- or fit any new equipment in -- if

they're lucky enough to get any.

I've had air traffic controllers tell me that it can take three and a half years to get all the authorizations to take a wall down; or that it's a big triumph if they can manage to buy a new piece of gear in just a year and a half.

I'm sure everyone in this room has a similar story to tell.

And to tell you the truth, this makes me angry.

It just isn't right that it takes so many years to buy new computer gear that our air traffic control systems are chronically obsolete.

It's not right that we've run $2.7 billion over budget on the Advanced Automation System -- and fallen years behind schedule.

The lesson I draw from all this is that we need to change -- now.

You deserve better. So does the American aviation industry, the travelling public and our whole economy.

OUR PROPOSAL FOR CHANGE

We need to fix this system -- reform it fundamentally.

We need to create a modernized ATC system that can move quickly and keep pace with the 60% increase in air travel over the next decade.

We need to get rid of the 11-foot stack of procurement rules that keeps our ATC technology years behind the times.

We need flexible personnel rules so that we can pay people what they deserve and be able to place them where they are needed most.

We need reliable funding sources, free of annual budget roulette, to pay for ATC services and to make long-term investments in the system.

We need to change the whole culture of the ATC system to permit flexibility,

ingenuity and efficiency to come to the fore.

And we need to ensure that safety remains our Number 1 priority as we make these changes.

THESE GOALS REQUIRE A NEW AIR SERVICES CORPORATION

All of these goals, I believe, can best be served by creating a new government corporation to embrace all 38,000 FAA employees directly involved in providing ATC services now.

This new federal Air Services Corporation will have a Chief Executive Officer with full powers and accountability to run the system -- and it will have a Board of Directors on which air traffic controllers' will be directly represented and have a voice.

The FAA will retain authority for safety oversight of the new Corporation -- just as it does over private airliners and aircraft manufacturers.

There will be no bottom-line incentive to cut corners on safety.

To the contrary, because it will be freed from today's ludicrous procurement rules, the new Air Services Corporation will improve safety by rapidly introducing the latest technology -- and by improving the working conditions to enable you to do your jobs better.

Similarly, because it will be funded by a steady, predictable stream of user fees and permitted to borrow on the open market, the new Air Services Corporation will be better able to make investments that secure system safety over the long-term.

Let me underscore this point once more: neither President Clinton, Vice President Gore, this Secretary of Transportation nor any member of this Administration would propose any reform that would hazard the record of safety that air traffic controllers have worked so hard to create.

Finally, let me say that the Air Services Corporation we propose will also be freer to hire, train, deploy and compensate air traffic controllers without struggling with today's absurdly complex personnel regulations.

This should enable the corporation to offer more businesslike compensation for employees in high-cost and hardship areas. We are working closely with NATCA to see that the proposed personnel rules are not only flexible -- but fair and equitable as well.

Ladies and gentlemen, we will be finishing our work on this proposal and sending it to Congress for action within the next few weeks.

I am pleased to have worked closely with NATCA on it as well as with the Professional Airways Systems Specialists and the Pilots' Association.

I'm convinced that this is a proposal will not only be good for our aviation industry -- but will improve your working conditions and enable us to provide you with the state-of-the-art gear that professionals deserve to work with.

I hope I can count on your active, full-throated support as the debate on ATC reform heats up this Spring.

CONCLUSION

Reforming the ATC system is a real opportunity to demonstrate one of the central beliefs of this Administration -- the idea that we can reinvent government -- making it work better and cost less.

But this isn't just an idea that's designed to please efficiency experts or policy specialists. It's consistent with the goal of improving the lives of working Americans -- whether they are air traffic controllers at their consoles or tourists and businesspeople waiting for a flight.

The same goal -- improving working peoples' lives -- is at the heart of every one of this Administration's top priorities.

That's true whether you look at the National Service program or the Labor Department's effort to replace the unemployment system with a "re-employment" system; or the Education Department's "Goals 2000" effort to raise public school standards across the country -- or the single most important struggle that everyone in this Administration is waging: the struggle for health care reform.

I'm proud to be a part of an Administration that has finally shown the courage to tackle the issue of health security for all Americans. A whole series of Presidents put this off -- for much too long -- until Bill Clinton had the guts to take the job on.

The President's Health Security Plan will answer the deepest anxieties of working Americans -- the terrible fear of losing health coverage when changing jobs, the fear of losing a home to pay for a catastrophic illness.

And now that we now have a President who's going to fight for health security every day -- we need you to be with us on this one until we get the job done. It's a once-in-a-lifetime chance to make change for the better happen.

In fact, this is a dream that has been delayed for generations -- by bitter opposition from special interests who make a fortune from the current health care mess. Beating them, and winning health security, will definitely be a tough fight. But with your help this is a battle that we can win -- together.

Thank you very much.

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3.27

DRAFT -- 4-19-94

TALKING POINTS PREPARED FOR DELIVERY BY
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
UNITED PARCEL SERVICE EXECUTIVES
WASHINGTON, D.C.
APRIL 20, 1994

(You are requested to do 10 minutes of "informal remarks.")

INTRODUCTION

- **I want to thank Cal Tyler (board member) for that generous introduction and Oz Nelson for inviting me to participate in your quadrennial Washington update.**

- **Let me say at the outset how much I enjoyed my visit with UPS employees in Saginaw, Michigan, on April 1. The tour of your facility in Saginaw gave me a better understanding of the remarkable new transportation industry UPS has helped to create.**

- **In the 1980s the small package industry found an important "market niche" and filled it. Today that "niche" has grown into a $25 billion a year industry employing 250,000 workers -- thanks to companies like UPS that have put customer service first.**

SPEECH TOPIC

- **One of your recent annual reports described UPS' strategic plan as "A Strategy In Motion." The Department of Transportation shares that viewpoint. In fact, our logo is the triskelion -- the Greek symbol for motion -- and**

America's transportation industry is in motion, passing through more rapid change than ever.

- Today I want to discuss three DOT initiatives that will provide you the infrastructure and the public/private partnership to enable you to master change, compete in international markets, and satisfy the demands of your customers.

1) We will "tie America together" through strategic investment in the infrastructure to serve a seamless, effective intermodal system.

2) We will corporatize the Air Traffic Control portion of the Federal Aviation Administration to give your growing air fleet better service.

3) We will aggressively pursue U.S. air carriers' rights to convey both passengers and freight in overseas markets such as the European Community and resolve small package freight issues in Mexico.

TIE AMERICA TOGETHER

- We believe we can best serve you and your customers by supporting a transportation system that ties America together through better intermodal connections and more strategic targeting of infrastructure investment.

  -- The President's 1995 budget provides for full funding of ISTEA highway and transit formula capital

programs. It contains the largest federal transportation infrastructure investment in our nation's history -- over $28 billion -- in a year when the budgets of many other departments were sharply cut.

-- But you know that we cannot build our way out of the congestion that cramps your productivity and delays getting products to market. Our investments must be made so strategically that when a ship pulls into harbor or a train or plane into a gate -- the truck will just be arriving to pick up the cargo.

CORPORATIZE THE ATC

- **No one knows better than small package handlers -- people who sell fast service -- the frustration of congestion at airports and delays in the air traffic system.**

- **We are working to make the Air Traffic Control System of the FAA a new government corporation. We intend to bring ATC services, computers and equipment into the 21st century and allow employment practices that will improve the entire system.**

-- Air traffic controllers today work with computers that are older than they are.

-- Cumbersome procurement and personnel practices have led to inefficiencies that must be corrected.

-- Creating a public corporation -- with the ability to act in a far more businesslike way -- would enable a rapid improvement in ATC services and system-wide efficiency.

REPRESENT YOUR INDUSTRY IN FOREIGN MARKETS
MEXICO

- NAFTA obligates Mexico to extend national treatment to U.S. small package and messenger service companies.

- I understand that Mexico is taking the steps necessary to enable foreign-owned small package delivery services to operate without restrictions. Legislation to this effect has already been enacted, and regulations applicable to the operations of small package and messenger services in Mexico will be issued within 30-40 days.

- In our discussions with Mexican officials on this subject, we have attempted to impress upon them the sensitivity of this issue and its importance to the U.S. government. We have urged our Mexican counterparts to proceed as expeditiously as possible to promulgate the regulations and issue operating permits. And we have offered to ensure reciprocal treatment once they do.

- I am optimistic that as NAFTA becomes a routine part of doing business -- not simply a document -- you will see favorable results in the small package industry.

EUROPEAN COMMUNITY

- **As you know, the European Cargo Talks were being pursued in formal discussions in Washington a few months ago. We thought there was much progress, but when the Europeans returned home they met with opposition from some states.**

- **We are very interested in pursuing these talks -- toward an open skies cargo regime -- and we hope the Europeans work out their differences.**

CONCLUSION

- **In conclusion, let me congratulate you again for the outstanding service your industry performs for shippers and for our whole economy.**

- **Let me hear from you about what works and what doesn't work at the Department of Transportation because we, too, make the customer our first priority. And you are our customers.**

- **Thank you very much.**

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3.26

REMARKS PREPARED FOR DELIVERY
SECRETARY OF TRANSPORTATION, FEDERICO PEÑA
ASSOCIATION OF INTERNATIONAL AUTOMOBILE MANUFACTURERS
WASHINGTON, D.C.
APRIL 21, 1994

INTRODUCTION

I want to thank Phil Hutchinson for that generous introduction -- and tell you all how pleased I am to be with you tonight.

Of course, I am always glad to address business people whose companies create good jobs here in America -- and that certainly applies to the members of the Association of International Automobile Manufacturers.

In the 17 years since Volkswagen opened its first car-manufacturing plant in the United States, AIAM members have invested more than $10 billion in America's automobile industry.

Directly and indirectly, foreign automobile operations in this country have created half a million American jobs -- good jobs. AIAM members now produce one-quarter of the automobiles made in America.

By replacing imports and by aggressively exporting cars made in your American plants AIAM members have dramatically cut America's automotive trade deficit and made this country once more the largest automobile producing nation on earth.

Thousands of Americans have also benefitted as you raised your purchases of American-made auto parts from $3.2 billion in 1985 to over $16 billion this year.

I hope you keep that good work up.

And I also hope that you are finding the investments that you've made in America -- and in America's working men and women -- to be wise, well-timed and rewarding -- especially now,as our economy grows healthier every day.

Few of us would have predicted back in the slump of the early 1990's, that car and truck sales in America would reach more than 15 million units this year.

But after the 20% jump in sales we saw last month -- and the reports of shrinking inventories, even shortages, of cars made here in America -- who can doubt that we are seeing a very,very robust automotive recovery?

TONIGHT'S SPEECH

Tonight, I'd like to speak with you about two broad topics: first, about how the Clinton economic program is working to sustain and strengthen America's recovery.

Secondly, I'd like to briefly survey this Administration's commitment to investment in transportation and infrastructure as we seek to shape America's transportation system into the next century.

THE CLINTON ECONOMIC RECOVERY

Just over a year ago, President Clinton proposed to Congress the budget that frames his strategy for the American economy through his first term in office.

I'm sure you all remember the way that the President's proposal was dissected in the media, intensively debated in Congress -- and then debated some more.

In the end -- because the President fought so hard for it -- his budget passed, essentially intact, by a razor-thin, one vote margin in the United States Senate.

It was a tough debate and a close vote mainly because Bill Clinton had the courage to make tough choices to cut the deficit -- raising taxes on the well to do and cutting deeply into many government spending programs.

These were both difficult, even painful, measures -- the kind of measures that previous Presidents had preferred to just postpone.

But Bill Clinton acted.

Today, we are seeing the results -- and they are very good results indeed.

For the first time in more than a generation -- since Harry Truman was President, in fact -- we will see declining deficits for three years in a row during this presidency.

The 1995 deficit is projected to be the lowest in absolute dollars since 1979. It will also be the lowest -- as a percentage of Gross Domestic Product -- of any major nation on earth.

This trend toward lower deficits has helped jump-start the economy by restoring consumer confidence, bringing interest rates down, and spurring more rapid job growth.

Let's look at some numbers:

In the first 14 months of the Clinton Administration, the U.S. economy has created 2.5 million new jobs, 90% of them in the private sector -- twice as many as in the previous four years combined.

We are well on course to "Two million more in '94".

Unemployment is down from 7.7% last January to 6.5% this March.

Consumer confidence is at the highest levels we've see so far in the 1990's.

Business investment last year grew at the fastest pace in two decades -- and is projected to rise a healthy 8% this year.

Best of all, this economy is growing on a firm, non-inflationary foundation.

Last year, core inflation -- the consumer price index minus food and energy prices -- showed the lowest annual increase since 1966.

Just this month, the Blue Chip Forecasts -- a consensus of leading economists -- actually raised projections for economic growth in 1994 from 3.6% to 3.7% -- and forecast a drop in overall inflation from 3% to 2.8%.

Allen Sinai, chief economist of Lehman Brothers, sums it all up this way: "This is the healthiest the American economy has been in 30 years."

And good economic news at home is matched by this Administrations' firm commitment to free and fair trade on the global stage.

Bill Clinton believes that free trade is the best way for a wealthy nation like ours to grow wealthier. The President seeks free and open markets and he hasn't hesitated to fight for them.

We saw that, clearly, when the President threw himself into the battle to pass the North American Free Trade Agreement last year.

We see it in his continuing efforts to reach agreements with Japan for more open markets.

And we see it in this Administration's strong support for the General Agreement on Tariffs and Trade.

This commitment to free trade, open markets and freedom to invest is something that the Clinton Administration clearly has in common with AIAM members.

INVESTING IN TRANSPORTATION AND INFRASTRUCTURE

Something else we have in common, I am sure, is our appreciation of the vital role of transportation, and this brings me to the subject of the Clinton Administration's transportation policies and our vision for the future.

As in our economy, there has been good news here for everyone involved in America's transportation industries -- right from the first days of this Administration.

That's because President Clinton views investment in transportation infrastructure as a central element of his strategy for long-term economic growth and increased American competitiveness in world markets.

The transportation industry as a whole comprises 1/6th of our national economy -- close to $1 trillion a year -- and our existing infrastructure is valued at over $1.4 trillion.

Clearly, the transportation industry is a vast source of jobs. And just as clearly, the state of our infrastructure impacts the whole economy -- and American competitiveness in world markets -- by enabling cheap, efficient movement of people and goods.

As American companies increasingly rely on "just in time delivery" to get raw materials to plants; and as American wholesalers and retailers count on rapid delivery to keep their inventories lean -- the economic importance of an efficient, seamless national infrastructure is steadily growing.

An increase of just 1% in system-wide transportation efficiency, for example, would translate into more than $100 billion in gains for the American economy within a decade.

President Clinton understands the dual economic role that investment in transportation plays -- both

creating immediate jobs and fostering long-term national competitiveness -- better than any president in memory.

This Administration also understands that even while we struggle to reduce our budget deficit, we must also close a real and damaging "investment deficit "in America's transportation infrastructure.

Just to maintain the current performance of our major highways, bridges and transit systems -- with all their existing potholes and congestion -- requires about $55.5 billion per year. Yet we estimate that state, local and federal capital spending on this infrastructure will total only about $36.4 billion this year -- about a $19 billion shortfall.

The result of underinvestment is deteriorating roads, overcrowded airports, aging transit systems, and inefficient, costly connections between modes of transportation. These flaws in our system not only create delays, traffic jams and inconvenience -- they drain tens of billions of dollars of output from the economy and act as a drag on American productivity and competitiveness.

That is why the President has backed increased investment in transportation infrastructure in both of his first two years' budgets.

In fact, DOT's 1995 budget contains the largest transportation infrastructure investment in our nation's history -- over $28 billion -- in a year when the budgets of many other departments were sharply cut.

Since 1991, the DOT's infrastructure investment budget has grown by 24 percent, and that increase is now moving through the pipeline, putting construction machinery in motion and creating jobs.

But even with our rising transportation budget, the federal government can't meet all of the country's infrastructure needs. Not even the substantial contribution of state and local governments will maintain our current infrastructure at the status quo.

To close that investment gap, we are seeking ways to involve the private sector in innovative financing. Already, in fact, the public/private transportation bond market has seen explosive growth. Transportation-related bond issues multiplied by over 500% between 1983 and 1993 -- with highway and toll road bonds surging from about $750 million in 1983 to $11 billion in 1992.

Reaching out to the private sector to form public-private partnerships that "leverage" government investment may be the most promising ways to find the resources to close the infrastructure investment gap. But we also must ensure that all of our investments, however they are financed, are made wisely and strategically.

AIMING FOR STRATEGIC GOALS

We took a giant step toward clearer, more strategic infrastructure investment decisions last December when we sent to Congress the proposed National Highway System, a network of 159,000 miles of roads and highways.

The proposed NHS contains just four percent of America's 4 million miles of public roads. But it carries over 40 percent of the nation's highway traffic, 70 percent of the truck freight traffic, and 80 percent of the tourist traffic.

This network of roads has also been chosen to link as closely as possible with passenger rail and freight stations, airports, sea-ports and intermodal terminals. Once approved by Congress, the NHS will be a logical focus for future investment in maintenance and upgrading by federal, state and local authorities.

It will also be the core of an even more comprehensive National Transportation System that will include not only highways but ports and pipelines, railroads and transit, waterways and airports, intercity bus and intermodal transportation facilities. We have already begun work across the country on designating the elements of the National Transportation System.

As this system enables us to "see" the interactions of our national transportation flows more clearly than ever before -- and as our own information flow vastly improves

-- we will enjoy much more accurate "feedback" from our customers -- the users of America's transportation infrastructure.

We will therefore be able to make better, more informed decisions on when to support traditional infrastructure investments and when to break the mold of such ingrained habits -- as simply building or widening roads -- and turn to wholly new solutions.

It is crystal clear, for example, that transportation planners at all levels of government must turn to new technologies and new policies to ease congestion, lower air pollution and enhance safety. We cannot simply "build" our way out of these challenges -- even if we could afford to.

That is why I have made technology development and deployment one of the seven core goals of the DOT. We have raised our research and development budget from $559 million in fiscal 1992 to $692 million by next year.

Earlier this week, in Atlanta, I spoke to the annual convention of our partners in IVHS America about the coming revolution in American transportation. We sketched a vision of cleaner, safer, smarter cars travelling smart highways, linked seamlessly to other modes of transport.

I believe we will see visions like these come true -- even more spectacularly than we can yet imagine.

And I believe that the federal government, and particularly the Department of Transportation, has a key role to play alongside private industry in shaping these developments.

Government's role is to keep our eyes on the real prizes -- the public interest, the national and societal goals that we exist to serve.

What I mean is that in all our efforts -- in closing the infrastructure gap, in supporting technology, in planning the National Transportation System -- we must never forget that government's reason for being -- our bottom line, if you will -- is to tangibly improve the lives of the American people.

For the Department of Transportation that means to enhance safety and increase mobility, to relieve congestion on the road and reduce delays at the airport, to make travel more convenient, reduce air pollution, and finally, to take real account of community needs in all the transportation investments we make or support.

We have no illusion that government can meet these targets alone. We need vibrant, competitive, innovative private industries as our partners to achieve any of our goals.

But I am convinced that if we craft public/private partnerships that enable private business to thrive in ways that also help reach national goals -- there is little that we cannot do.

CONCLUSION:

Let me conclude with an example of private enterprise helping us reach public goals and an invitation to do so again.

<u>You are the example.</u>

That's because the United States has benefitted tremendously from our public policy of welcoming and encouraging foreign investment. Americans have benefitted -- as you have -- from the investments of AIAM members.

We have gained immensely, both by the jobs you've created and by the competitive revival you have helped to stimulate throughout the American automobile industry.

I am convinced that we can work together to achieve other common goals.

Specifically, I want to invite members of AIAM to respond to the recent invitation in the federal register to suggest people to serve on an advisory committee which President Clinton will soon nominate.

I know that Phil Hutchinson has spoken with top officials at the White House and that your participation will be most welcome.

It's called "The Advisory Committee on Personal Motor Vehicle Greenhouse Gas Reduction".

But please don't be inhibited by the name. We call it "the car talk group".

I hope you'll accept our invitation. We have some important work we can do together.

And I want to thank you for your invitation.

It's been a pleasure being with you tonight.

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3-24

REMARKS PREPARED FOR DELIVERY

SECRETARY OF TRANSPORTATION FEDERICO PEÑA

EARTH DAY BIKE-IN '94

APRIL 22, 1994
WASHINGTON, D.C.

(Introduction to be made by House Budget Committee Chairman Martin Olav Sabo of Minnesota)

Thank you, Chairman Sabo, for that introduction. I'd also like to thank Eric Ciccoretti and the organizing committee for having invited me to participate. I'm happy to see the turn-out for this morning's event.

We've had a beautiful spring here in Washington, with many ideal cycling days. I was beginning to think that winter, like a diamond, is forever. Springtime, however, renews our spirits and reminds us of nature's sleeping beauty.

Spring is a time of new beginnings, and a time when we again seek to join together and pursue our most deeply-held goals. And if there is one purpose which defines us as Americans, it's our devotion to the majestic land we've inherited --- in our forests and mountains and parks, and in our own neighborhoods and communities.

Yesterday I joined President Clinton at Meridian Hill Park here in Washington, and he spoke movingly of how intertwined these values are --- our dedication to our land and our communities, and our bonds to our children. We're committed to preserving what's best about this land, and passing it on.

It's a commitment which the bicycling community demonstrates every day, and one that I share.

And so this morning I'd like to talk about two things: first, DOT's devotion to harmonizing transportation policies with environmental concerns.

And second, our dedication to putting people first in our transportation system.

Preserving our environment through wise transportation decision-making is one of the main goals of my Strategic Plan for the Department of Transportation. I want our transportation policies and investments to improve our environment.

We're working closely with the Environmental Protection Agency, the Energy Department, the Interior Department, and other government agencies to carry out the Clean Air Act and the President's Climate Change Action Plan. Achieving cleaner air and halting global warming requires that we reduce congestion and single-occupant vehicle travel demand throughout the nation.

Our transportation system is not just about moving vehicles, but about moving *people*, and putting people first is another element of the Department's Strategic Plan.

We want to improve mobility by promoting strategies that give people more choices --- especially by making better connections to public transit and by providing safer ways to bicycle and walk.

This afternoon we'll deliver our *National Bicycling and Walking Study* to you, Mr. Chairman. Federal Highway Administrator Rodney Slater and Acting National Highway Traffic Safety Administrator Chris Hart will deliver it --- by bicycle and on foot --- for an official presentation on Capitol Hill.

The study is a landmark: the first major effort by the federal government to develop a national policy on bicycling and walking.

Today, only about 8 percent of all trips are by bicycle or on foot. That's not enough if we're to make progress in reducing traffic congestion and cleaning our air. The report recommends that the U.S. *double* bicycle and pedestrian trips.

Although that sounds like a formidable task, it really isn't. What it means is that the average person, who now makes *1½* such trips a week, should increase that to *3* trips a week.

That doesn't necessarily mean bicycling to work every day; it could mean something as simple as taking a Sunday morning stroll to pick up the newspaper instead of driving to the store. Small changes in our lifestyles --- multiplied by the actions of millions of concerned Americans --- can have a *big* impact. We only have to look at the success of recycling to see this.

The report acknowledges that what holds many people back from biking or walking is their concern about safety. More than 180,000 Americans are injured each year in bicycle- or pedestrian-related traffic accidents, and another 7,000 are killed. That's just unacceptable.

Now, as you know, we've made great strides on auto safety over the last generation. This report calls for us to make the same progress by reducing the number of bicycle and pedestrian injuries and deaths by 10 percent.

Our report lays out detailed plans for meeting these goals --- with recommendations for action by all levels of government.

At the federal level, we'll encourage states to use flexible federal highway funds to finance bicycling and walking facilities as viable alternatives to single-occupant auto travel.

We already have strategies underway to promote these alternatives. For example, the national non-motorized transportation clearinghouse will open here in Washington this autumn to provide nationwide technical assistance. It'll have dedicated staff, a toll-free number, and state-of-the-art access to information technology.

In addition, in Portland, Oregon next Monday we'll hold the first of up to 40 planning training programs on bicycle and pedestrian programs over the next two years -- - and this is in collaboration with the Bicycling Federation of America.

And we're forming an interagency working group to better coordinate all federal activities to promote bicycling and walking.

And to improve safety we'll educate motorists about the rights of cyclists and walkers and encourage strict enforcement of traffic laws to protect them.

We'll also support the construction of bicycle and pedestrian facilities, and we'll educate bicyclists to take responsibility for their own safety by using helmets and practicing safe cycling.

We're going to work with state and local public officials and with you in the bicycling community to carry out these and other strategies.

Bicycling has tremendous potential to ease the pressure that transportation places on our environment.

However, that promise won't be fulfilled without everyone's enthusiastic support. I urge you to become more active. Take a stronger hand in public decision-making activities. Keep on making a difference.

Let's work together to get America moving on *both* legs and on *two* wheels, and have a good time while we do it!

# # # # #

SECRETARY OF TRANSPORTATION
FEDERICO PEÑA

EARTH DAY CELEBRATION

APRIL 22, 1994
WASHINGTON, D.C.

Transportation Trends

It's great to be out here on this Earth Day afternoon. After 16 snow storms, I was starting to think that spring would never come. Springtime reminds us that nature's beauty was only sleeping.

I'd like to thank you for joining me here, especially those of you who worked so hard to produce the tremendous activity we see all around us.

Today, I want to talk about what Earth Day means to me. Improving the environment through DOT's day-to-day operations is a key goal of my Strategic Plan. I'm deeply committed to seeing that goal achieved: but that can't happen without the support of *each* of you.

Although were a diverse nation, a tapstry woven of many fabrics, we're joined by the threads of our common goals. None of these is stronger than our yearning for a better life for our children, and a better world for them to inherit.

Our commitment to our national heritage --- to our natural environment and our communities --- reflects the values we hold most deeply.

Let me give you an example of how these diverse strands came together here in Washington.

Yesterday, I joined the President at Meridian Hill Park here in Washington. It's a beautiful park in a richly-diverse neighborhood bordering the Adams -Morgan area. The President spoke about the environment there because that park gives back a great deal to its community.

Not long ago, the park had deteriorated and fallen victim to vandalism and drug-dealing. People who lived nearby, many of whom had played there as children, decided that *their* children shouldn't be deprived of the vitality the park could bring to the community.

So, the residents cleaned up the park, trimmed the trees, planted shrubs and flowers, and made their park safe again. That action embodies this Administration's purpose in enhancing the environment. It's not only the cleaning up of the park that was important, but the *value* it brings to the lives of the people who live near it. That value is something which we all can bring to our communities.

And it's something which DOT employees across the nation are doing as part of their celebration of Earth Day. For example, Coast Guardsmen from Seattle to Jupiter Island, Florida, are working today to clean up

U.S. Department of Transportation
Office of the Secretary, Public Affairs
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beaches. FTA and FHWA Atlanta regional staff are spending the day cleaning up a park along the Chattahooche River.

I urge you to take part in such activities in your own communities, and to make environmental concerns part of your daily work here at DOT. I want us to show that our efforts --- personal *and* collective --- *can* make a difference for our environment.

On Earth Day last year I planted a loblolly pine sapling, and I will help distribute some today. This small sapling survived the coldest winter any of us can remember. Like that loblolly pine, I want the goal of improving the environment to sink deep roots here at the Department and to grow strong.

Since last year's Earth Day the Department has already made significant strides. We've developed close, cooperative arrangements with EPA, the Interior Department, the Energy Department, and other federal agencies on air and water quality. We're working with the President on the implementation of his Climate Change Action Plan to reduce greenhouse gas emissions.

And we're transforming our own daily operations with more efficient lighting, energy-saving computers and air conditioners, recycled office products, and cleaner-burning vehicles.

Our efforts are moving in new directions. This morning, I celebrated Bike-to-Work Day, and spoke at the bike rally held at Freedom Plaza. I was happy to be there, because we've just completed a national report on bicycling and walking.

This report sets a goal of doubling the number of bicycle and pedestrian trips as a way to clean our air and reduce traffic congestion. That's something we *all* can support.

Federal Highway Administrator Slater and Acting National Highway Traffic Safety Administrator Chris Hart are leaving from this rally --- on foot and by bike --- to deliver the report to Congress. I wish them well as they work to carry out its recommendations.

The FHWA also is working to increase the use of alternatives to single-occupant driving, but every mode is helping to improve the environment. And they're here today to share information with us. For example:

- FTA is conducting research and demonstrations on alternatively-fueled buses --- they're out on E Street;

- FAA is implementing programs at its Tech Center to protect wildlife and groundwater;

- FRA is providing technical support for electrification of the Northeast Corridor;

- The Coast Guard has extensive marine pollution prevention and safety efforts;

- NHTSA is increasing bicycle use and safety through information and promotion; and,

- **The St. Lawrence Seaway has begun using advanced oil spill tracking equipment.**

These efforts help to make *every* day Earth Day. As the poet Wordsworth wrote, we must "live, and act, and serve the future hour." I ask you all to accept these responsibilities to our communities and to our world, and to take pride in them.

And now I'd like to show you the Department's latest effort to enhance our environment. The vehicle in the plaza today was retrofitted with a compressed natural gas system. It's one of 385 alternatively-fueled vehicles in the DOT fleet. These cars will produce far less pollution than their gasoline-powered counterparts, greatly improving air quality here in Washington. It's evidence of our commitment to both a clean environment *and* mobility. Let's step over to it now and unveil it for everyone to see.

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3-22

DINNER GREETING AND TOAST
THE NORTH AMERICAN TRANSPORTATION SUMMIT
SECRETARY OF TRANSPORTATION
FEDERICO PEÑA
CITY CLUB, WASHINGTON D.C.
APRIL 28, 1994

Ladies and Gentlemen, I hope you'll indulge me for just a moment.

I want to welcome all of you, and especially my colleagues, Douglas Young, Canada's Minister of Transport, and Mexico's Secretary of Transportation, Emilio Gamboa Patron.

Es un verdadero placer recibirlos esta noche.

A nuestros colegas de Mexico, les expresamos nuestras profundas condolencias por la gran perdida que su pais sufrio recientemente.

Esta noche nos reunimos, finalmente, para continuar con los asuntos pendientes entre nuestros paises.

We are here on the eve of a truly historic occasion -- the first-ever meeting of the highest transportation officials of our three North American governments.

We've come together to discuss ways to strengthen the ties between our nations -- in the most literal meaning of that term -- including bridges, highways, air routes and railroads.

We will, of course, be talking about how to implement the transportion provisions of the new North American Free Trade Agreement that links our nations and ways to jointly tackle the major transportation issues facing our three nations.

This summit launches us on the road to developing a seamless North American transportation network that will be capable of handling increased trade among us in the NAFTA era.

But tonight, I think we ought to let business wait and just celebrate how much we have already achieved.

Together, our three nations have forged the largest free trade zone in human history -- embracing more than 370 million people and with economic output of more than $6.5 trillion.

We're moving rapidly to open up our markets to each other. Our fast-growing trade is making all of our peoples more prosperous.

But as valuable as trade and economic growth are, there's something more that we're achieving in this process.

We're building a foundation of mutual respect, understanding and trust, a sense of partnership and fairness in our dealings with each other. We are growing closer as peoples -- not just as economies.

And so tonight I'd like to propose a toast to Secretary Gamboa and Minister Young and to all of the colleagues who have worked with us to prepare for the great work we'll do tommorrow.

Here's to a successful summit and above all to the friendship that unites the three nations of North America.

Salud!

Thank you. And now I'd like to ask my good friend, _____, to propose a toast as well.

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3.23

FINAL

REMARKS PREPARED FOR DELIVERY

SECRETARY OF TRANSPORTATION FEDERICO PEÑA

TAKE OUR DAUGHTERS TO WORK DAY

WASHINGTON, D.C.
APRIL 28, 1994

(Introduction to be made by Marylou Batt,
Special Assistant to the Deputy Secretary of Transportation)

Thank you, Marylou, for that introduction. It's a pleasure to join you all for the Department of Transportation's first "Take Our Daughters to Work Day."

It's a day that means a lot to me, because I'm the father of two beautiful daughters --- Cristina, who turned two in February, and Nelia, who'll be four this summer. They're a little *too* young for today's events, but my wife Ellen and I hope they'll be able to join us at work when they're a little older.

Most of the young women who are taking part in today's programs --- and many of their mothers, too --- are too young to remember the days when most people believed that a woman's *only* place was in the home.

We forget how unusual it was for women to hold responsible positions at work --- and how few women were allowed to make full use of their talents.

It's all too easy to forget that women like my wife, who's a lawyer, were expected to leave the working world once they married and had children.

That was terribly unfair. It was unfair first to women who wished to carry on their careers. And it was even more unfair to millions of other women --- to women who had no choice at all about getting a job --- women who had to work to support themselves and their families and make ends meet.

Millions of working women held jobs that just didn't allow them to show what they were capable of doing. Many would be promoted just up to a certain point -- but no further -- just *because* they were women. Worst of all, most women were paid far less than men with comparable skills and positions.

That's all begun to change over the last generation. Women have more choices today: more opportunities at work and in the professions. The gap between men's and women's pay is closing -- even though we have a lot more to do on that score.

But this change didn't just happen. It took the efforts of many women --- and men --- over more than a generation to secure for women some of the same opportunities that men have *always* had.

The people who waged this battle for womens' opportunities did it because they understood that discrimination against women is as unjust as all of the other forms of discrimination --- whether because of race, or religion, or any of the other things that outwardly define a person. That kind of prejudice doesn't allow people to show what they have *inside*.

That kind of prejudice goes against the best values of America. In fact, equality of opportunity -- for men and women and for all of the minorities of our nation -- is more important than ever to us as a nation.

That's not only because equal opportunity is right or fair -- but because we can't do without the talents and skills of more than half of America's people. We're in a highly-competitive world which demands that every American be allowed to do their best, develop their talents and make their contributions.

As President Clinton says, "We don't have one person to waste." That's why the President has worked so hard to ensure that women have a full opportunity to contribute to their country. For example, four of my fellow members of the President's Cabinet are women --- the most ever.

President Clinton also appointed Justice Ruth Bader Ginsberg, a leading constitutional scholar, to the Supreme Court. And the First Lady, Hillary Rodham Clinton, has led the battle for health security for all Americans.

I've worked to carry on in the same spirit as the President, and many of the highest officials here in the Department of Transportation are women.

(Introduce those present, and mention others.)

They include Louise Stoll, who's responsible for our budget; Jolene Molitoris, who heads the Federal Railroad Administration; our Inspector General, Mary Schiavo; and my own Chief of Staff, Ann Bormolini.

Four of our Deputy Administrators, the second-highest ranking people in their agencies, are women: Jane Garvey in Federal Highways, Grace Crunican in Federal Transit, Linda Hall Daschle in Federal Aviation, and Ana Sol Gutierrez in Research and Special Programs. In some cases, they're the first women to hold those jobs.

These women are all leaders in their professions. They are continuing long traditions of excellence in their organizations. I encourage you to look up to them, and to follow their example.

I also urge you to take full advantage of opportunities like this one --- the chance to meet other women, to work with them, to learn from them.

And as you grow up, you should read about things that interest you, and try to study them in school. During the school year, volunteer for activities that attract you. And in the summers, find jobs that give you a chance to take part in the working world. And always, *challenge* yourselves. *Try* things even if they seem hard at first. After all, you're as good as you think you are.

These things will help you to decide what you want to do with your lives. And that's the most important thing of all: doing what you really enjoy. To be a *real* success, fall in love with your work. And then, no matter what else happens, you'll be happy.

Thank you for joining us here today. I hope that you're learning a lot, and that you'll consider careers in transportation: whether as a Coast Guardswoman, a computer programmer, a scientist, or whatever else you dream of doing. I hope you'll enjoy the rest of the day's activities, and come back to visit us again next year.

# # # # #

3:20
Barbara

NORTH AMERICAN TRANSPORTATION SUMMIT: JOINT STATEMENT

APRIL 29, 1994

North American Transportation Summit
Secretarial/Ministerial Meeting
April 29, 1994

Joint Statement

1. U.S. Secretary of Transportation Federico Peña, Mexican Secretary of Communications and Transportation Emilio Gamboa Patrón, and Canadian Minister of Transport Douglas Young met in Washington, DC, on April 29, 1994, for the first North American Transportation Summit. Secretary Peña convened the meeting with his counterparts in an effort to ensure that, as the North American Free Trade Agreement (NAFTA) spurs trade among Canada, Mexico, and the United States, the three countries' transportation systems will be able to support and enhance increased trade in a safe, efficient, and equitable manner. The Secretaries and Minister welcomed this opportunity to discuss topics of mutual interest and cooperate closely on more fully integrating the North American continent's transportation systems and services.

2. The Secretaries and Minister held discussions on a range of transportation and related topics, including:

-- Measures to be taken to ensure that NAFTA's transportation provisions are implemented in a timely and efficient manner;

-- Exploration of additional opportunities to build on the NAFTA to further improve the efficiency and competitiveness of North American land and maritime transportation systems and services;

-- Methods to improve cooperative planning and financing of transportation infrastructure projects affecting the three countries' borders;

-- Initiatives to maximize the efficiency of current border and port

facilities;

-- Making each countries' transportation rules, regulations, and standards more compatible;

-- Methods to improve technical cooperation and exchanges among the three countries, especially with respect to new technologies that could facilitate the movement of international commerce;

-- Establishment of mechanisms to ensure continued close cooperation and follow up on the initiatives launched during the Summit.

NAFTA IMPLEMENTATION

3. The Secretaries and the Minister expressed a commitment to implement the transport provisions of the NAFTA fully and in a timely fashion, and also to make certain that all three governments worked closely with the private sector to help companies realize the full benefits of the agreement.

4. To fulfill that commitment, the Secretaries and the Minister agreed to:

-- have in place, to the extent possible, all relevant laws, rules, and regulations needed to implement the transport provisions of the NAFTA three (3) months prior to the effective dates of the various phases of liberalization, and to exchange information prior to the implementation of such laws, rules, and regulations;

-- establish by June 1, 1994, contact points to receive and respond to each country's inquiries on any matter relating to the NAFTA's transportation provisions, including the application of regulations and identification of decisionmakers in other agencies;

-- convene the Land Transport Standards Subcommittee in June 1994;

-- as a matter of high priority develop and put in place an effective consultative mechanism to serve as the principal group to support the new trinational transportation relationship, to include issues relating to truck, bus, rail, and maritime transport, and facilitation of trade and transport;

-- with respect to facilitating the crossborder movement of specialty air service providers, to consult with their respective secretarial/ministerial colleagues directly responsible for such matters to establish procedures for the issuance of work permits and other documentation; also, to have a group meet in Canada in May to discuss standards and regulations pertaining to specialty air services..

BEYOND NAFTA

5. The Secretaries and Minister applauded the NAFTA's transport provisions as a significant step in improving the efficiency and competitiveness of crossborder transportation systems and services.

6. To build on this base, the Secretaries and the Minister agreed to include in the work program of the new trinational transportation consultative mechanism joint analyses of potential actions that could be taken to improve further the efficiency, competitiveness, and equity of North American land and maritime transportation systems and services.

FACILITATION AND INFRASTRUCTURE PLANNING AND FINANCE

7. The Secretaries and the Minister concluded that rapidly expanding trade among the three countries would put an increasing burden on transportation and related infrastructure and that it was important to cooperate closely on the planning, financing, and operation and management of such facilities.

8. With the objective of making more efficient use of existing infrastructure and facilities, and of better planning future border-related infrastructure investments the Secretaries and Minister agreed to:

-- use to the fullest extent existing binational mechanisms to coordinate infrastructure planning and possible identification of priority infrastructure projects, to develop new mechanisms or amend existing mechanisms as appropriate to achieve closer coordination, and to facilitate resolutions of issues that may arise from time to time involving multiple layers of government and the private sector;

-- consult on ways to facilitate the movement of international commerce and to review the recommendations of the U.S. Working Group on Border Infrastructure and Transportation;

-- collaborate as appropriate on developing innovative methods of financing border infrastructure, to include public-private ventures, as an integral part of the transportation planning process;

-- recognize the increased role the North American maritime and port systems have the potential to play in trade among the three countries, and their potential for easing congestion at land border crossings.

COMPATIBILITY OF RULES, REGULATIONS, AND STANDARDS

9. The Secretaries and the Minister recognized that differences in transportation-related rules, regulations, and standards can significantly complicate the provision of crossborder services resulting in less-than-full realization of the benefits of the NAFTA.

10. With the objective of minimizing the extent to which differing national rules, regulations, and standards act as barriers to efficient, safe, secure, and equitable transport operations, the Secretaries and the Minister agreed to:

-- convene the Land Transport Standards Subcommittee in June 1994 to improve the compatibility of land transport standards, regulations, and requirements as enumerated in the NAFTA;

-- employ all appropriate mechanisms -- such as mutual ratification

and implementation of international conventions, mutual recognition of national regulations, standards, and carrier and driver licensing requirements, and harmonization or improved compatibility of national practices -- to minimize the differences that can complicate international transportation and commerce.

TECHNICAL COOPERATION AND EXCHANGES

11. The Secretaries and the Minister emphasized the potential for all three countries to benefit from enhanced cooperation and collaboration in the development and dissemination of new technologies, transport research, and innovative management and operating practices. Areas identified as having potentially high pay-offs included intelligent vehicle highway systems, electronic data interchange, vehicle and cargo tracking and identification systems, and air traffic central flow technologies.

12. With the objective of more closely cooperating in the exchange, development, and implementation of transportation research and new technologies, the Secretaries and the Minister agreed to:

-- negotiate a trinational agreement on scientific and technological cooperation;

-- exchange information about and develop trinational or joint technical training programs for all modes of transport;

-- explore the feasibility of using radio frequency identification and other suitable technologies to expedite the movement of international commerce within North America.

13. Illustrating the potential for cooperative efforts, the Secretaries and the Minister signed a Memorandum of Agreement concerning Exchange of Information Pertaining to Maritime Safety, Security, and Pollution Prevention. This agreement establishes a mechanism for the maritime safety authorities in the three countries to exchange information on such matters as vessel casualties, deficiencies, and safety violations, positions relating to ratification of international conventions, and

maritime safety, security, and pollution prevention.

SUMMIT FOLLOW-UP

14. The Secretaries and the Minister emphasized the need for continuing measures to follow up and build on the initiatives launched during the Summit.

15. With this objective in mind, the Secretaries and the Minister agreed to:

-- issue this Joint Statement as the official record of the first North American Transportation Summit;

-- exchange information and documentation on a timely basis relating to prospective legislation and regulatory initiatives;

-- use the Land Transport Standards Subcommittee and new trinational consultative mechanism as the principal groups to implement commitments under the NAFTA and to consider emerging issues relating to truck, bus, rail, and maritime transport, and facilitation of trade and transport;

-- continue to use already established bilateral mechanisms and working groups to address issues or projects primarily affecting only two of the three trading partners, recognizing the importance of keeping the third partner abreast of such activities in the trinational consultative mechanism.

16. The Secretaries and the Minister expressed their satisfaction with the results of the first North American Transportation Summit and endorsed the convening of another Summit in 1995.

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REMARKS PREPARED FOR DELIVERY
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
EVENING RECEPTION
NORTH AMERICAN TRANSPORTATION SUMMIT
WASHINGTON, D.C
APRIL 29, 1994

Ladies and Gentlemen, it's great to be here.

We've had a long and fruitful day....a historic day.

We've worked hard and well.

The talks we've held today have led us to new ways of strengthening the ties between the three great partners of the North American Free Trade Agreement -- the United States, Mexico and Canada.

We've talked about many issues -- improvements that will affect border crossings and customs, office hours and trucking safety among others.

These are precisely the kind of nuts-and-bolts agreements that we need to make sure that the great promise of NAFTA is realized for all of the people of North America.

This treaty, which took effect just a few months ago, has linked our three nations in the greatest free trade zone in human history -- more than 370 million people with more $6.5 trillion in economic output.

By linking our markets and strengthening all three nations' economies, we believe that the NAFTA will create hundreds of thousands of new jobs -- millions of jobs in years to come -- in the United States, Canada and Mexico.

I believe historians will see NAFTA as one of the great achievements of this century's history.

In fact, speaking of history, I believe that NAFTA will prove to be the nucleus of an even larger free trade zone -- a free trade zone that will embrace many millions more people throughout the Americas.

I believe that this wider free trade zone will one day spread the prosperity that NAFTA is already bringing to North America all through the whole New World.

That may sound visionary.

But NAFTA itself began as a vision -- all great ideas do.

And then they take years of work and struggle to make happen.

None of this was easy.

In each of our three nations our political leadership has had to face voices of doubt and anxiety. Many critics argued that we would all somehow lose by lowering our trade barriers.

Those of us who fought for NAFTA -- and I know many of you are here tonight -- believed the exact opposite.

We believed that by eliminating the trade barriers between us, each of our nations would be strengthened -- not weakened.

We believed that the United States, and Mexico and Canada would each be better off together than any one of our nations would be separately.

I'm convinced that this faith we shared will prove well grounded.

We have a very bright future to look foward to and share.

And so tonight I'd like to propose a toast to all of those men and women in our three countries who shared that faith -- including those who negotiated our NAFTA and those who fought the long hard political fight to see it made a reality.

Let's raise a glass to them: to those who imagined an even greater North America.

And let's now welcome my good friend, Emilio Gamboa, Secretary of Transportation of Mexico.....

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