4.84

5-31-94 at 4 p.m.

REMARKS PREPARED FOR DELIVERY BY
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
CHANGE OF COMMAND
UNITED STATES COAST GUARD
JUNE 1, 1994
WASHINGTON, D.C.

(This is ceremonial so you don't need to thank for intro and make acknowledgements)

Here, against the backdrop of the Barque Eagle -- a proud symbol of the Coast Guard's own traditions of innovation, self-testing and self-renewal -- we begin a new chapter of *Semper Paratus*.

For me, my own chapter with the Coast Guard began 16 months ago when I arrived in Washington, D.C., after a landlocked lifetime. I was Mayor of Denver, Colorado, the "mile-high city," 5,000 feet above sea level and thousands of miles from the Atlantic or Pacific coasts -- about as far as you can get from the ocean on this continent. When I arrived in Washington, my knowledge of the Coast Guard was limited to the heroic rescues I had seen on the nightly television news.

But all through my transition, this landlubber had the good luck of having Bill Kime there -- to help me find my sea legs.

Admiral Kime gave me a sense of what the Coast Guard is all about -- a great humanitarian service, a body of men and women who -- without hesitation -- risk their

lives almost daily in service to the American people and, in truth, to people of the whole world.

Admiral Kime's confidence, his humor and his friendship were very important to me in those early days as he brought me up to speed. Because of him we established a closer bond between the Department of Transportation and the Coast Guard.

In fact, I soon became a real veteran of the seas. I happen to be on a Coast Guard boat in Baltimore Harbor a few months after coming on-board as Secretary of Transportation. A call went out for help and I had the privilege of assisting in a rescue of occupants of a small pleasure boat that had capsized in the harbor.

Afterwards, I don't know how word got out that I had helped pull drowning men from shark infested waves in the middle of a hurricane ...

Nevertheless, today, the most important trophy in my office is a Coast Guard Certificate signed by Admiral Kime that says my "demonstration of superior knowledge of duties and seamanship skills" qualifies me as a "boat crew member."

I'm glad I gained that first hand knowledge of the tremendous service you all perform as members of the United States Coast Guard.

Later, I am going to talk more about Admiral Kime, this truly outstanding 19th Commandant of the U.S. Coast Guard, because this is his day. This day concludes his chapter in history -- and it's a brilliant chapter.

Indeed, history attends this Change of Command as never before -- not only because we are surrounded by symbols, but because this ceremony occurs just five days before the 50th anniversary of the invasion of Normandy.

President Clinton will visit those hallowed grounds this week to pay tribute to the bravery of the men who reclaimed Europe for freedom.

And this morning, here at Fort McNair -- named for a Lieutenant General who ran the selective service from these grounds -- and then lost his life at Normandy -- let us honor our own who were at those beaches that fateful day.

We have no better model for human courage than the Coastguardsmen who brought wave after wave of troops ashore on D-Day.

Coast Guard-manned ships and landing craft carried troops onto all five beaches -- Utah, Gold, Juno, Sword, and the terrible killing ground of Omaha Beach, which saw the center of the Coast Guard's operation.

With bullets and shells raining down around them, our brave "Coasties" drove their landing craft onto the beach itself to bring their troops in as close as possible.

The landing craft made trip after trip, bringing in fresh troops and bringing out the wounded. Coast Guard cutters swept into shallow waters, heedless of danger, to save more than 1,400 helpless soldiers whose landing craft had sunk.

Many Coast Guardsmen died on D-Day -- most of them very young -- many barely out of high school.

I pray to God that our nation will never face such peril again. I pray that none of you will ever know such terrible danger.

But I also speak with complete confidence that if such a terrible day should come, you in the United States Coast Guard today would be ready. You would again leave an indelible mark on our history -- just as those who went before you.

And the fact that the Coast Guard is ready for any task that comes your way is due in large measure, to the energy, talent and leadership of Admiral Bill Kime.

When the history of this Coast Guard generation is written, Bill Kime probably will be best known for the strong, cohesive organization he created, for his ability to be flexible and adapt to new technology and new ideas.

Unlike the Coast Guard of 50 years ago, this Commandant didn't inherit any wooden boats.

He inherited a high-tech fleet of boats and planes and skilled men and women to crew them. He also inherited a changing world and constantly changing missions.

Bill Kime, more than any other Commandant in history, knows the value of strategic planning ... and he used that knowledge to meet the needs of our day and position the Coast Guard for the future.

He has acted strategically to deploy new technology such as GPS to improve navigation.

His own strengths have built a stronger Coast Guard -- a world class organization that is making a significant contribution to the war on drugs while at the same time performing its basic missions -- to protecting life and property at sea, guarding our marine environment and standing always ready to defend our nation.

On his watch, you have responded to an awesome series of natural disasters -- earthquakes, floods and hurricanes in the best humanitarian and compassionate tradition of the Coast Guard.

Admiral Kime himself embodies that tradition. The things I will remember most about Bill Kime are his humanity -- his sense of fairness -- and his love of the organization and the country he has served. He had a

genuine gift for leading people because he cares deeply for the men and women who serve in the Coast Guard.

He has been committed to a Coast Guard that is inclusive and draws on the skills of all Americans. Just as President Clinton promised a government that looks like America, Admiral Kime has delivered a Coast Guard that reaches out to all of the people and communities of America to find the talent and dedication we need.

His own dedication to making the Coast Guard a better organization for people to work in is legendary.

He has improved the day-to-day work life of all members of the Coast Guard.

He has fought for and obtained better benefits for those who serve.

And he has ensured that special consideration be given to the fact that the United States Coast Guard isn't just the men and women who serves -- the United States Coast Guard includes their families too.

He showed us all the wonderful difference it makes to an organization when the Commandant puts humanity in service above many other considerations.

To Admiral Kime, the challenge of Commandant was merely an exercise of the same leadership qualities practiced in assignments ranging from his commands in

California to his role as chief of operations of the Seventh Coast Guard District in Miami, where he ran the day to day operations of the drug war in the Caribbean.

His medals include the Transportation Distinguished Service Medal, the Coast Guard Distinguished Service Medal, Defense Superior Service Medal, the Legion of Merit, five Meritorious Service Medals with "O" device and many others -- all of them are tributes to a brilliant career.

With the progress toward freedom and democracy around the world, the challenges of peace are that much greater. Today the Coast Guard must endure the constraints of a tight budget while meeting challenges that seem to grow almost daily -- to protect the environment, to protect life and property at sea, to continue to fight the war on drugs and to use technology to the fullest extent possible on all your missions.

Those are challenges that Admiral Robert E. Kramek is ready to meet.

Admiral Kramek has served as Chief of Staff of the Coast Guard and brings strong management and administrative resources to his new position.

He has extensive service in all Coast Guard regions including the Atlantic, Pacific, Caribbean and Alaska. And he commanded the newest High Endurance Cutter

and the Haitian Migration Task Force where he led the interdiction and rescue of 37,000 Haitians.

Admiral Kramek's distinguished service well qualifies him to lend his own interpretation to the words *Semper Paratus*.

And so as we gather here, surrounded by reminders of the past, let us also be inspired by glimpses of the future.

In handing the helm to his successor, Admiral Kime can take pride in a race well run.

I want to thank him personally for all he's done for me -- and to wish him and his wife, Val, my very best.

Now, it is my great privilege -- on behalf of the President of the United States, Bill Clinton -- to honor this great Coast Guardsman who has served his country in the finest tradition -- Admiral William Kime.

Captain Naccara (Nah-cair'uh), will you please read the citation.

###

Note: Secretary is to pin decoration on Admiral Kime. Afterwards, he will salute. Secretary shakes his hand. Secretary is to stand by to present retirement honor at end of ceremony.

FINAL

u.83

TALKING POINTS

SECRETARY OF TRANSPORTATION FEDERICO PEÑA

NATIONAL ENDOWMENT FOR THE HUMANITIES SEMINAR
PUTTING PEOPLE FIRST: A HUMANISTIC PERSPECTIVE ON TRANSPORTATION POLICY

WASHINGTON, D.C.
JUNE 2, 1994

* When we began developing our Strategic Plan last year, it quickly became clear that one of our goals, "putting people first," lay at the center of all the others. That's because our transportation system's purpose is serving Americans --- by helping them to move where they need to go, and by moving goods where they're needed.

* It's pretty easy for us to forget that the decisions we make --- which can seem so abstract here in Washington --- have a daily impact on people's lives everywhere.

* Decisions on whether a new road or transit line gets built affect how children get to school or how people commute to work. Whether the connections from a seaport or railroad are effective determine the cost of shipping goods --- and that's reflected in what we all pay when we stand on line at the supermarket or the department store.

* We occasionally need to step back from day-to-day work pressures and reflect on these fundamental facts. That's the purpose of today's session: to consider our current approach to making "putting people first" a reality within DOT.

* This afternoon's session is intended to help us think creatively about this from different perspectives, and to inspire some original, innovative approaches.

* It will serve as the basis for next week's retreat, which will allow us to review the implementation of our entire Strategic Plan.

* Our speakers this afternoon --- Professor Popenoe and Professor Wolpert --- will offer two perspectives on how transportation affects Americans. We'll then have an open discussion on how we can make decisions which genuinely improve Americans' lives, and begin developing the next steps in this process.

* I'd like to thank Dr. Mestas, the Deputy Chairman of the National Endowment for the Humanities, for having arranged the seminar. Now, I'd like to turn the floor over to Michael Huerta, who will act as co-moderator.

# # # # #

ORAL STATEMENT
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
BEFORE THE
U.S. SENATE ENVIRONMENT & PUBLIC WORKS COMMITTEE
HEARING ON THE NATIONAL HIGHWAY SYSTEM
BOZEMAN, MONTANA
JUNE 6, 1994

I'm delighted to again testify in Montana, especially with such a distinguished group of Western officials. Also, I am pleased that we are focusing on the National Highway System (NHS) which I consider one of the most significant transportation developments in this century. I commend Senator Baucus for holding this hearing and for including witnesses representing many diverse interests in the NHS.

I am accompanied today by Federal Highway Administrator Rodney E. Slater. Later Mr. Slater will illustrate the NHS components for you, using a unique new computer system, the Geographic Information System (GIS).

The NHS is a crucial element in the Nation's infrastructure. Today, I want to talk about our transportation infrastructure, the U.S. economy and the positive benefits from investing strategically in infrastructure -- and I want to make two points.

First and foremost, the Clinton Administration is committed to investing in infrastructure, and the National Highway System we proposed last December is the largest component of our transportation infrastructure. We believe in infrastructure investment as a means of improving our quality of life, making it easier for people to move more freely, strengthening America's economy, and creating jobs for American workers.

Secondly, I want to talk about the critical role of both the National Highway System and the National Transportation System initiative which we recently undertook as they relate to our transportation future. Simply put, we cannot have a strong National Transportation System without first laying its foundation -- the National Highway System. The NHS may be even more vital to those of us here who hail from the wide open spaces of the West than elsewhere. Let me take this opportunity to assure you that the outreach process that we intend to employ to shape the NTS will take

into account the special needs and interests of the West.

THE CLINTON ADMINISTRATION'S COMMITMENT TO TRANSPORTATION INFRASTRUCTURE

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.

Clearly, the state of our infrastructure has an impact on our whole economy -- and American competitiveness in world markets -- by enabling cheap, efficient movement of people and goods. It is also an important generator of jobs.

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. And it includes full funding of the "core" capital projects under the Intermodal Surface Transportation Efficiency Act (ISTEA).

Since 1991, the DOT's infrastructure investment budget has grown by 24 percent, and that increase is now bringing needed transportation improvements and efficiencies, putting construction machinery in motion and creating jobs.

In addition to rising federal investment, we are also seeking ways to involve the private sector in innovative financing.

Senator Baucus and I both believe that in order to begin to address the conflicting pressures to reduce public spending and improve our transportation infrastructure we must attract additional capital from the public and private sector. Senator Baucus' bill addresses this need by allowing the States the flexibility to use a portion of their Federal-aid highway funds to create a State transportation revolving fund which could be used to make direct loans, refinance debt, purchase bond insurance, provide loan guarantees, and as a source of security to issue bonds to provide additional capital. I commend Senator Baucus for his leadership in the innovative financing area.

The Department and the Federal Highway Administration are looking at ways to provide innovation in financing to attract private capital and increase investment in transportation infrastructure. We want to work with Senator Baucus and the Senate Environment and Public Works Committee to bring to fruition innovative financing tools that the States could have the flexibility to employ to increase transportation investment.

NHS, THE NTS AND THE ECONOMY

The National Highway System is above all else a guide to wise "strategic investment" with links to major airports, seaports, rail stations, transit systems, intermodal terminals and maritime facilities. By providing these connections, the National Highway System will greatly increase the efficiency of our whole transportation network. This makes each mode, including highways themselves, that much stronger.

The NHS, as it is currently proposed, contains just 4 percent of America's four 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.

Once adopted by Congress, the NHS would allow every level of government to better target its transportation investments in coming years. Much ISTEA funding, as much as $21 billion, will be directed towards the NHS and State governments will have strong incentives to match or surpass those efforts.

The NHS will increase economic opportunities to communities not served directly by the Interstate System. And it will link up with roads in Canada and Mexico, uniting the North American Free Trade Zone with a high-performance continental road network. I want to commend Senator Baucus for his work on international trade activities. As Chairman of the Senate Finance Committee's Subcommittee on International Trade, he his well aware of the trade implications of the North American Free Trade Agreement (NAFTA).

In April, I convened a North American Transportation Summit in

Washington with the ministers of transportation of Canada and Mexico. I wanted to ensure that as NAFTA spurs trade among the three countries, our transportation systems will be able to support that trade in a safe, efficient, and equitable manner.

The NHS will make these connections between our neighbors to the North and South much easier.

In the long term, the National Highway System will also form the backbone of the National Transportation System -- enhancing all other modes of transportation by serving as the glue that binds all of them together. We need such a seamless intermodal transportation system to meet the challenges of competing in the 21st century global economy.

WHERE DO WE GO FROM HERE

The next step for the National Highway System is to win Congressional approval. The House on May 25th passed H.R. 4385, a bill which approves the NHS and provides for the establishment of a NTS. We look forward to working with Chairman Baucus to do everything we can to reach agreement this year on a bill to approve a National Highway System.

We are glad the House acted quickly to approve the NHS we submitted but we do have some concerns about the bill as passed. Our major concerns are that the bill contains a number of demonstration projects. Specifically, the bill -- as passed by the House -- could divert scarce budget resources from programs department-wide in order to fund projects that have not been evaluated through normal State processes. Also, we are concerned that the bill requires any future modification to the NHS to be approved by Congress. We believe that the Department should be allowed to approve modifications at the request of a State after a cooperative effort with local officials.

I would like to see early enactment of the NHS bill so we can move forward with developing a National Transportation System.

Under ISTEA, Congress has until September 30, 1995, to approve the legislation designating the National Highway System. If Congress misses

that deadline we cannot apportion NHS funds -- $3.6 billion -- to the States for fiscal year 1996. We also will not be able to apportion Interstate Maintenance Program funds -- $2.9 billion. Everyone has a vital stake in seeing that the NHS legislation is enacted on time.

The House has resolved two contentious issues in a manner that I think upholds important safety and environmental objectives set by Congress in past highway legislation -- I urge the Senate to adopt them. First, the House bill proposes to change the way in which recycled rubber is used in transportation projects by allowing states significantly more flexibility in determining this use, while also challenging states to use crumb rubber technology to increase their tire abatement efforts. We support this flexibility to advance recycling and paving technology and I am hopeful that the compromise strikes a reasonable balance that responds to environmental concerns while providing a greater degree of flexibility to the States. Second, the House Public Works Committee rejected an amendment that would remove the penalties in ISTEA against states that fail to enact and enforce motorcycle helmet and safety belt use laws. These mandates save lives and millions of dollars in annual health care costs, and they are reasonable conditions for the use of public roads.

We face two challenges:

First, we must redouble our efforts to get the National Highway System enacted this year so we can get on with the business of creating a more efficient and competitive transportation system and building for our future. Our mobility and our economy cannot afford to wait another year to begin building our future.

Second, we must have the support of everyone in this room in drafting a proposal for a National Transportation System. We have no preconceived notions.

We hope to have received all public comment by the end of 1994. We conducted an ISTEA outreach in this region last December with over 200 participants from six States. Participants supported full funding of ISTEA and the President has made that a budget priority. Also, they expressed a need for more local input into the State planning process and I believe

progress is being made in that area. DOT will continue to assist in this process. Western participants called for recognition of the distinct needs of rural and urbanized areas. As a former Western Mayor I am well aware of those differing needs. I pledge to balance those interests and needs in the NTS process.

Another concern that we found in our Western outreach was the special needs of the Native American tribes and their reservations. The Clinton Administration is vigorously pursuing a number of Indian initiatives. The House NHS bill included a floor amendment which would establish a pilot program to permit Indian tribal governments to work directly with the Department of Transportation relative to the Indian reservation road program. The pilot would allow tribal governments to be treated in a similar manner as a State is treated in the administration of the Federal-Aid program. We intend to work with Senator Baucus in evaluating the House amendment as well as other programs which would benefit the needs of Native Americans.

The NHS is also a vital part of the overall road transportation system serving Federal lands. The Department of Transportation is working with Federal land managing agencies in the coordination of the NHS with Federally owned roads and various land use and resource management plans. I believe the NHS will be a boon to the West and all of the scenic Federal lands out here. I'm sure tourists will be aided by the improved access provided by the NHS. In many of the western States the NHS is the backbone of the National Scenic Byways Program, that is, they are one and the same.

If we are successful in getting a National Highway System this year I promise you this:

What the Interstate Highway System was for our predecessors, the National Highway System will be for us, providing the backbone of a comprehensive intermodal transportation system that will enable America's children and our grandchildren -- and beyond -- to enjoy the fruits of our vision.

I applaud Senator Baucus and his fellow committee members for holding

this hearing in the heart of the West. Our problems and challenges in the West are unique. As I flew here today from the urbanized East and looked down at the vast, undeveloped areas below, it made me even more mindful of the distances that must be covered by any ground transportation system in order to link the populous East with the resources found here, resources that must travel East to meet many needs there. The East and West were first linked by the railroads and finally by the Interstate Highway System - but you know, and I know, that those two systems alone cannot serve all of the areas of the Western States, cannot link us with our new NAFTA trading partners to the North and the South and connect us to our international markets through our ports. The National Highway System is the next vital link in the evolving ground transportation system that this country needs. And with the establishment of this important linkage, the final stage, the National Transportation System, can become a reality.

Mr. Chairman, with your permission I would now like to ask Federal Highway Administrator Rodney Slater to illustrate the NHS for you with the Geographic Information System. Thank you.

4.82

FINAL STATEMENT
4:00 P.M.
JUNE 2, 1994

STATEMENT OF
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
BEFORE THE
U.S. SENATE ENVIRONMENT & PUBLIC WORKS COMMITTEE
HEARING ON THE NATIONAL HIGHWAY SYSTEM
BOZEMAN, MONTANA
JUNE 6, 1994

I'm delighted to again testify in Montana, especially with such a distinguished group of Western officials. Also, I am pleased that we are focusing on the National Highway System (NHS) which I consider one of the most significant transportation developments in this century. I commend Senator Baucus for holding this hearing and for including witnesses representing many diverse interests in the NHS.

I am accompanied today by Federal Highway Administrator Rodney E. Slater. Later Mr. Slater will illustrate the NHS components for you, using a unique new computer system, the Geographic Information System (GIS). The GIS integrates information based on location and provides for interactive graphics, and is a breakthrough in data management technology that will play a significant role in future transportation planning. GIS will become an even more powerful tool in coming years as we enter new data on traffic flows and interconnections between transportation modes.

The NHS is a crucial element in the Nation's infrastructure. Today, I want to talk about our transportation infrastructure, the U.S. economy and the positive benefits from investing strategically in infrastructure -- and I want to make two points.

First and foremost, the Clinton Administration is committed to investing in infrastructure, and the National Highway System we proposed last December is the largest component of our transportation infrastructure. We believe in infrastructure investment as a means of improving our quality of life, making it easier for people to move more freely, strengthening America's economy, and creating jobs for American workers.

Secondly, I want to talk about the critical role of both the National Highway System and the National Transportation System initiative which we recently undertook as they relate to our transportation future. Simply put, we cannot have a strong National Transportation System without first laying its foundation -- the National Highway System. The NHS may be even more vital to those of us here who hail from the wide open spaces of the West than elsewhere.

We stand today at one of the pivotal moments in surface transportation history -- not unlike the 1890's when General Roy Stone, a Civil War hero, became the leader of the Good Roads Movement and convinced Americans to invest in roads. Our situation today is also similar to the debate over and approval of the Interstate Highway Program in the 1950's.

We have an opportunity to leave a legacy -- to get the National Highway System enacted by Congress and to craft a broader National Transportation System on that base.

THE CLINTON ADMINISTRATION'S COMMITMENT TO TRANSPORTATION INFRASTRUCTURE

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. From the early days of his campaign the President has fought for investment in infrastructure to strengthen our economy and our global competitiveness.

Clearly, the state of our infrastructure has an impact on our whole economy -- and American competitiveness in world markets -- by enabling cheap, efficient movement of people and goods. It is also an important generator of jobs.

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 transportation infrastructure is actually

growing.

For example, in the 1980's, U.S. businesses made dramatic improvements in their productivity by lowering their business logistics cost. Transportation costs accounted for over 46 percent of logistics costs ($277 billion). By improving the way they moved goods and services in the 1980's, U.S. firms saved about $35 billion in transportation costs (of which $30 billion are attributable to trucking).

They saved another $30 billion in inventory space because the inventory is "stored" in the transportation system. Those savings came in the 1980's before we stepped up our infrastructure investment so there is still great potential for future gains.

Logistics-related costs of U.S. businesses will likely exceed $600 billion per year during the 1990s, so the opportunity for infrastructure investments to produce shipping cost savings is still tremendous. An increase of just 1 percent in system-wide transportation efficiency, for example, would translate into more than $100 billion in gains for the American economy within a decade.

One major grocery chain, for example, estimates that traffic congestion and the need to route shipments around bottlenecks costs nearly $1 million a year -- $824,000 per year in delivery costs and an additional $173,000 in inventory carrying costs. These are the kind of examples that have influenced the President to back increased investment in transportation infrastructure in both of his first two annual 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. And it includes full funding of the "core" capital projects under the Intermodal Surface Transportation Efficiency Act (ISTEA).

Since 1991, the DOT's infrastructure investment budget has grown by 24 percent, and that increase is now bringing needed transportation improvements and efficiencies, putting construction machinery in motion and creating jobs.

In addition to rising federal investment, we are also seeking ways to involve the private sector in innovative financing.

The public/private transportation bond market has seen explosive growth. Transportation-related bond issues multiplied by over 500 percent between 1983 and 1993 -- with highway and toll road bonds surging from about $750 million in 1983 to $11 billion in 1992.

Admittedly, much of that was refinancing to take advantage of record-low interest rates. Still, reaching out to the private sector to form public-private partnerships that "leverage" government investment may be a promising way to find the resources to close the infrastructure investment gap which our needs reports reveal. Of course, we also must ensure that all of our investments, however they are financed, are made wisely and strategically.

As Senator Baucus noted in introducing his bill, the State Transportation Financing Improvement Act of 1993 (S. 1714), the Department of Transportation's 1993 needs report indicated that we need to invest $50 billion annually, at all levels of government, just to maintain the Federal-aid highway system conditions. Currently, annual public sector highway capital investment totals approximately $33 billion.

Senator Baucus and I both believe that in order to begin to address the conflicting pressures to reduce public spending and improve our transportation infrastructure we must attract additional capital from the public and private sector. Senator Baucus' bill addresses this need by allowing the States the flexibility to use a portion of their Federal-aid highway funds to create a State transportation revolving fund which could be used to make direct loans, refinance debt, purchase bond insurance, provide loan guarantees, and as a source of security to issue bonds to provide additional capital. I commend Senator Baucus for his leadership in the innovative financing area.

The Department and the Federal Highway Administration are looking at ways to provide innovation in financing to attract private capital and increase investment in transportation infrastructure. We want to work with

Senator Baucus and the Senate Environment and Public Works Committee to bring to fruition innovative financing tools that the States could have the flexibility to employ to increase transportation investment.

NHS, THE NTS AND THE ECONOMY

The National Highway System is above all else a guide to wise "strategic investment" with links to major airports, seaports, rail stations, transit systems, intermodal terminals and maritime facilities. By providing these connections, the National Highway System will greatly increase the efficiency of our whole transportation network. This makes each mode, including highways themselves, that much stronger.

In the future, we will see new "highways" made from fiber optic cable as well as asphalt. However, the "Information Highway" is not going to end the need for our current system. Someone may order a new sofa through an interactive computer network, and someone else may be tracking that sofa's every movement via Global Positioning System satellites, but someone else is going to have to deliver it. We will still need a well-designed, well-maintained transportation system to do this efficiently.

The NHS, as it is currently proposed, contains just 4 percent of America's four 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.

Once adopted by Congress, the NHS would allow every level of government to better target its transportation investments in coming years. Much ISTEA funding, as much as $21 billion, will be directed towards the NHS and State governments will have strong incentives to match or surpass those efforts.

The NHS will increase economic opportunities to communities not served directly by the Interstate System. And it will link up with roads in Canada and Mexico, uniting the North American Free Trade Zone with a high-performance continental road network. I want to commend Senator Baucus for his work on international trade activities. As Chairman of the Senate Finance Committee's Subcommittee on International Trade, he his well

aware of the trade implications of the North American Free Trade Agreement (NAFTA).

In April, I convened a North American Transportation Summit in Washington with the ministers of transportation of Canada and Mexico. I wanted to ensure that as NAFTA spurs trade among the three countries, our transportation systems will be able to support that trade in a safe, efficient, and equitable manner.

I found the ministers of the two countries very cooperative in carrying out NAFTA's transportation provisions. All three countries are now working together on issues from standardization of regulations to advancing waterborne traffic and coordinating highway infrastructure development. The NHS will make these connections between our neighbors to the North and South much easier.

In the long term, the National Highway System will also form the backbone of the National Transportation System -- enhancing all other modes of transportation by serving as the glue that binds all of them together. We need such a seamless intermodal transportation system to meet the challenges of competing in the 21st century global economy.

WHERE DO WE GO FROM HERE

The next step for the National Highway System is to win Congressional approval. The House on May 25th passed H.R. 4385, a bill which approves the NHS and provides for the establishment of a NTS. We look forward to working with Chairman Baucus to do everything we can to reach agreement this year on a bill to approve a National Highway System.

Here is my perspective. We submitted our proposal for the NHS in December -- ahead of schedule. We asked for a single "clean" National Highway System designation.

We are glad the House acted quickly to approve the NHS we submitted but we do have some concerns about the bill as passed. Our major concerns are that the bill contains a number of demonstration projects. Specifically, the bill -- as passed by the House -- could divert scarce budget resources

from programs department-wide in order to fund projects that have not been evaluated through normal State processes. Also, we are concerned that the bill requires any future modification to the NHS to be approved by Congress. We believe that the Department should be allowed to approve modifications at the request of a State after a cooperative effort with local officials.

Approval of the National Highway System should not become bogged down in discussions of specific projects and narrow issues. As we work together, we need to keep the deliberations focused on the linkages to broad purposes and programs of true national importance.

I would like to see early enactment of the NHS bill so we can move forward with developing a National Transportation System. I look forward to passage of a bill establishing a National Highway System before the 1994 session ends. We should not provide any opportunity for last minute delays or irreconcilable debates next year as the statutory deadline for NHS approval approaches.

Under ISTEA, Congress has until September 30, 1995, to approve the legislation designating the National Highway System. If Congress misses that deadline we cannot apportion NHS funds -- $3.6 billion -- to the States for fiscal year 1996. We also will not be able to apportion Interstate Maintenance Program funds -- $2.9 billion. Everyone has a vital stake in seeing that the NHS legislation is enacted on time.

If highways are to be the backbone of our intermodal transportation network that holds the seamless web together -- we need to approve the NHS.

The House has resolved two contentious issues in a manner that I think upholds important safety and environmental objectives set by Congress in past highway legislation -- I urge the Senate to adopt them. First, the House bill proposes to change the way in which recycled rubber is used in transportation projects by allowing states significantly more flexibility in determining this use, while also challenging states to use crumb rubber technology to increase their tire abatement efforts. We support this flexibility to advance recycling and paving technology. Second, the House

Public Works Committee rejected an amendment that would remove the penalties in ISTEA against states that fail to enact and enforce motorcycle helmet and safety belt use laws. These mandates save lives and millions of dollars in annual health care costs, and they are reasonable conditions for the use of public roads.

We face two challenges:

First, we must redouble our efforts to get the National Highway System enacted this year so we can get on with the business of creating a more efficient and competitive transportation system and building for our future. Our mobility and our economy cannot afford to wait another year to begin building our future.

Second, we must have the support of everyone in this room in drafting a proposal for a National Transportation System. We have no preconceived notions. DOT has started a nationwide outreach to help us sharpen the purpose of the NTS and forge a powerful and dynamic tool for citizens, policy makers, and elected officials.

We hope to have received all public comment by the end of 1994. We conducted an ISTEA outreach in this region last December with over 200 participants from six States. Participants supported full funding of ISTEA and the President has made that a budget priority. Also, they expressed a need for more local input into the State planning process and I believe progress is being made in that area. DOT will continue to assist in this process. Western participants called for recognition of the distinct needs of rural and urbanized areas. As a former Western Mayor I am well aware of those differing needs. I pledge to balance those interests and needs.

Administrator Slater will briefly discuss later how we addressed these competing interests in dealing with the concerns of the Western States in designating the National Highway System. I believe that most of the States are satisfied with the results of the NHS designations and we assure you that every State's concerns will continue to be considered.

Another concern that we found in our Western outreach was the special needs of the Native American tribes and their reservations. The Clinton

Administration is vigorously pursuing a number of Indian initiatives. The House NHS bill included a floor amendment which would establish a pilot program to permit Indian tribal governments to work directly with the Department of Transportation relative to the Indian reservation road program. The pilot would allow tribal governments to be treated in a similar manner as a State is treated in the administration of the Federal-Aid program. We intend to work with Senator Baucus in evaluating the House amendment as well as other programs which would benefit the needs of Native Americans.

The NHS is also a vital part of the overall road transportation system serving Federal lands. The Department of Transportation is working with Federal land managing agencies in the coordination of the NHS with Federally owned roads and various land use and resource management plans. I believe the NHS will be a boon to the West and all of the scenic Federal lands out here. I'm sure tourists will be aided by the improved access provided by the NHS. In many of the western States the NHS is the backbone of the National Scenic Byways Program, that is, they are one and the same. In other regions the NHS will provide a strategic link to the Scenic Byways designated by the States and Federal Agencies.

If we are successful in getting a National Highway System this year I promise you this:

What the Interstate Highway System was for our predecessors, the National Highway System will be for us, providing the backbone of a comprehensive intermodal transportation system that will enable America's children and our grandchildren -- and beyond -- to enjoy the fruits of our vision.

I applaud Senator Baucus and his fellow committee members for holding this hearing in the heart of the West. Our problems and challenges in the West are unique. As I flew here today from the urbanized East and looked down at the vast, undeveloped areas below, it made me even more mindful of the distances that must be covered by any ground transportation system in order to link the populous East with the resources found here, resources that must travel East to meet many needs there. The East and West were first linked by the railroads and finally by the Interstate Highway System - but you know, and I know, that those two systems alone cannot serve all of

the areas of the Western States, cannot link us with our new NAFTA trading partners to the North and the South and connect us to our international markets through our ports. The National Highway System is the next vital link in the evolving ground transportation system that this country needs. And with the establishment of this important linkage, the final stage, the National Transportation System, can become a reality.

Mr. Chairman, with your permission I would now like to ask Federal Highway Administrator Rodney Slater to illustrate the NHS for you with the Geographic Information System. Thank you.

####

4:80

FINAL

TALKING POINTS
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
REGIONAL TRANSPORTATION SUMMIT
HOSTED BY CONGRESSWOMAN LESLIE BYRNE
ANNANDALE, VA.
JUNE 7, 1994

* I want to thank Congresswoman Leslie Byrne for once again showing leadership on transportation issues by convening today's summit -- the first meeting of its kind ever in Virginia.

* I am very pleased to be here, not only in my role as Secretary of Transportation -- but as a fellow Virginian -- one who has become thoroughly familiar with my neighbors' concerns about congestion and the need to improve Northern Virginia's transportation infrastructure.

* Congresswoman Byrne's work in this area is very much in keeping with my department's own commitment to better transportation.

* I believe that increasing investment in America's transportation infrastructure is critical to strengthening America's economy and creating jobs -- not only immediately, but over the long haul.

* Transportation comprises 1/6th of our national economy -- close to $1 trillion a year. This industry, ranging from moving people and goods to manufacturing vehicles to building the infrastructure of roads, runways, ports and other facilities -- is a vast source of jobs.

* 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 at home and in global markets.

* The economic importance of an efficient, seamless national transportation infrastructure is steadily growing. For example, an increase of just 1% in system-wide transportation efficiency would translate into more than $100 billion in gains for America's economy within a decade.

* Efficient, well-connected infrastructure is as crucial to regions -- like northern Virginia -- as it is to the nation as a whole.

* That's why this Administration has consistently supported increased funding for transportation investment even at a time when many departments of government have had to cutback.

* The President knows, as Leslie Byrne does, that transportation investments deliver lasting economic gains, and improve Americans' lives as well. But making wise and strategic transportation choices requires an overall strategy, a vision to guide investments and order priorities.

* The centerpiece of our current transportation strategy is the National Highway System, a network of more than 159,000 miles of roads that includes all of the Interstate Highways plus such major roads as Route 234 from Manassas to Dumfries and Route 123 from Arlington to Woodbridge.

* These roads, and others like them, move the bulk of America's travel and commerce traffic. They will become the natural focus for future federal and state highway investments.

* The NHS will serve as the backbone of a broader, multi-modal National Transportation System that we have already begun work on. The NTS will include all modes of transports -- not just highways but ports and airports, rail lines, transit systems, waterways and even pipelines.

* I want to thank Leslie Byrne for her support of the NHS's passage through the Congress.

* Representative Byrne's work on the National Highway System helped secure $57 million in funds for Virginia -- $37 million in funds for northern Virginia alone -- to be used on such projects as widening Route 123 and the Fairfax County Parkway.

* And Representative Byrne also successfully insisted that all projects within the National Highway System apply the same cost-saving Value Engineering techniques that she originally supported in the Virginia legislature. To date, Virginia has saved $38 million through value engineering; national savings could be as much as $1 billion a year.

* Representative Byrne also assisted in securing $10 million in funding for the construction of a light rail link between Dulles Airport and the Washington Metro station.

* When completed, this project will link both Washington-area airports to our transit system. This is precisely the sort of intermodal connections that we need to maximize northern Virginia's transportation assets -- and it also fits well with our broader national goal of linking up America's many transportation modes into a single, seamless network.

* Congresswoman Byrne has not only worked to secure funding for Northern Virginia's roads and for intermodal projects like the Dulles rail line, she has been a leader in efforts to increase safety -- most notably as a supporter of our safety efforts on the Beltway.

* I should add that Leslie Byrne has also been a forceful advocate of enhanced pipeline safety in the wake of the Sugarland Run incident.

* <u>In fact, in my experience, there is no more effective, more knowledgeable -- or more persistent -- advocate for the transportation needs of Northern Virginians than Leslie Byrne.</u>

* That's not only because she is Virginia's only representative on the House Transportation and Public Works Committee -- it's because she has worked very hard to understand what she's doing.

* The truth is that Leslie Byrne has been as effective as she is -- even in her first term -- because she has real knowledge and a serious grasp of transportation policy. This has enabled her to seek -- and secure -- transportation investments that are good for northern Virginia -- and back up the case for making these investments by pointing out that they are also good for this whole region and good for the United States.

* That's why I look forward to working with Leslie Byrne to solve our region's transportation dilemmas for many years to come.

* Now, I'd like to introduce to you three top officials in the Department of Transportation who will discuss regional transportation issues in more detail: FHWA Administrator, Rodney Slater, Deputy FTA Administrator, Grace Crunican, and Associate Administrator for Airports Cynthia Rich, of the FAA.

#####

DRAFT 6-13-94 at 10:15 a.m.

ANNOUNCEMENT BY
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
HIGHWAY-RAIL CROSSING SAFETY ACTION PLAN
WASHINGTON, D.C.
JUNE 13, 1994

INTRODUCTION

I am delighted to be here this morning with, Congressman Norm Mineta who has been especially helpful to me on the Action Plan we are announcing today and many other transportation projects, with Senator Dick Lugar and other Members of Congress, Ed Harper of the American Association of Railroads, Tom Simpson of Operation Lifesaver and officials of my Department from all modes of surface transportation.

We are here to launch a frontal attack on one of the most senseless, outrageous, unnecessary causes of death in America.

Over 1,100 people died in highway-rail crossing and rail trespassing accidents last year. Ninety percent of all deaths in the railroad industry occur in grade crossing or rail trespassing accidents.

Following a series of grade-crossing accidents, I called on all DOT surface transportation modes to draft an Action Plan to reduce this senseless cause of death.

As a result of the work of our modes, I am today announcing a comprehensive plan of 55 actions which

focus on two broad strategies: first, to provide new administrative and regulatory incentives and flexibility to the states in order to encourage the closing or improvement of as many existing crossings as possible. Secondly, to raise public awareness and change people's behavior -- because perhaps the greatest tragedy is that the vast majority of these accidents are preventable.

TOPIC

I want to briefly discuss our legislation strategy -- the Rail-Highway Grade Crossing Safety Act -- and the six-point Action Plan we are announcing today. Over the next decade we believe we can save hundreds of American lives and thousands of injuries and reduce the burden that highway-rail crashes place on our health care and transportation systems.

Ours is the most comprehensive plan that the Department of Transportation has ever developed on this subject and very importantly, this plan has been created by all modes of transportation working together.

Our plan is intermodal by design and intermodal by action.

That's because we know that our nation can never have a truly intermodal transportation system until this safety problem is solved.

Our national transportation system can never truly produce the level of intermodal efficiency we seek -- or safely create the high-speed rail lines we envisage for the future -- until this problem is solved.

Recognizing a very tight fiscal environment, we could not simply come to Congress for more money, rather this strategy draws on the administrative and regulatory as much as the financial resources of government and all of our partners -- such as the highway planners, law enforcement officers and metropolitan planning officials -- in local communities.

It also addresses -- for the first time ever -- two important challenges: rail trespasser fatalities and the private grade crossing issue.

The law we propose will provide cash incentives to local governments to permanently close crossings.

Currently if states want to upgrade a crossing, they get 100% federal funding. If they want to permanently close a crossing they get no monetary incentive to do so. Our bill increase the incentive to close crossings. Under our proposed law, states with Surface Transportation Program (STP) funds could use those funds and be given a bonus of up to $7,500 per crossing which would be matched by the railroads.

Our law will allow 100 percent federal funding for grade crossing closing projects.

Our proposed law will increase the federal contribution to Operation Lifesaver by 50 percent. Currently Operation Lifesaver is funded $300,000 by the Federal Highway Administration and $100,000 by the Federal Railroad Administration. The new law asks that the FHWA funding be increased by $200,000 and that non-public sources match that increase.

The strategy also establishes a goal of eliminating or upgrading all 4,500 National Highway System and Principal Rail Line Crossings. Our goal is to completely eliminate that half of the 4,500 highway-rail grade crossings where the NHS and Principal Rail Lines crossings, and to substantially upgrade the remaining half of the highway-rail crossings that also involve NHS designated highways.

That's enough to make this Action Plan capable of delivering measurable results on six highway-rail safety goals that I will now mention.

SIX GOALS

Goal number one is to improve enforcement of traffic laws at crossings. Half of all collisions occur at crossings equipped with automated warning devices. We must

educate motorists to stop -- and sanction those who don't.[1]

We will need to use the proven tactics of increased law enforcement and judicial support at these crossings. For example, this fall, the FHWA will begin advanced rulemaking to make violations of automatic warning devices a serious offense for holders of Commercial Drivers' Licenses. If a train conductor violates automatic warning devices, he loses his license. Shouldn't a truck driver who violates an automatic warning device lose his?

Number two, our state and local government partners in safety will conduct rail corridor crossing reviews to select the right crossings for upgrades ranging from improved signs and signals to taking full advantage of state-of-the-art technologies.

Number three, we will expand public education and Operation Lifesaver activities. We will increase public information campaigns to educate people and change their attitudes.

Number four, we will increase safety standards at the 100,000 private crossings where more than 400 accidents and 40 deaths occur each year. We will develop national, minimum safety standards for private crossings and eliminate the impediments that unsafe crossings pose to the future of high speed rail operations.

---

[1]Answer to the question" don't they die?" Some do, some don't and we want to get the ones who don't.

Number five, we will collect better data and research to champion plausible innovation and insure the availability of timely information for decision makers at all levels of this safety partnership.

Number six, we will prevent rail trespass tragedies. We will raise public awareness of the illegality and dangers inherent in trespassing on railroad rights-of-way. With the announcement of this Action Plan today we are launching vigorous trespass prevention campaigns similar to the "buckle up America" campaigns or the "designated driver" campaigns.

CONCLUSION

I consider this one of the most important safety initiatives of the Department of Transportation. It does require a lot of hard work and a strong partnership between the Congress, the DOT modes, state and local governments and the American people. But it can be done, there are thousands of American lives in the balance, and it is up to us to act to save them.

With this bill and the Action Plan beginning today will not only save lives, we will also lay an essential foundation for high-speed, high-tech 21st Century railroading in America. So there are jobs, economic growth and technology development at stake -- as well as lives.

Thank you very much and let's get on with the job of safety.

4.78

DRAFT 4: 5:30 PM 19 June

REMARKS PREPARED FOR DELIVERY
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
PIPELINE SAFETY SUMMIT
NEWARK, N.J.
JUNE 20, 1994

INTRODUCTION:

I want to thank Ana Sol Gutierrez for that very kind introduction and also thank Senator Frank Lautenberg for his leadership and strong support in recent months for my Department's efforts to enhance pipeline safety.

Three months ago, the tragic explosion in Edison, New Jersey reminded us of how serious the potential risks are where people and our nation's aging pipeline infrastructure intersect.

Since then, the Department of Transportation has moved swiftly to enhance the federal government's role in pipeline safety.

For example, we have asked Congress for an additional $16.2 million in funding for my Department's Office of Pipeline Safety. This is the largest increase ever in federal pipeline safety funds -- nearly twice as much as was provided in last year's budget.

Doubling our pipeline safety budget will dramatically change the way that the federal government focusses on

this subject and engages with this industry on behalf of the American public.

And the fact that we are commiting this extra money -- at a time of deep budget cutbacks -- reflects my commitment, and that of President Clinton, to protecting the lives and property of the American people. We want to make sure that future pipeline growth in this country is achieved as safely as is humanly possible.

The additional funds that we expect Congress to approve will enable us, among other things, to substantially increase pipeline inspections, to finance new technical advances to improve safety standards, to reimburse states across the country for 50% of their pipeline safety spending and to launch a nationwide mapping program to track the location of pipelines in relation to areas of high population, environmental sensitivity and water supplies.

I want to thank Senator Lautenberg, Senator Bradley, Congressman Pallone and their colleagues for their strong support.

Today's conference itself, which brings together citizens, public officials, academic and industry experts, and media to discuss the central issues in pipeline safety, is part of a wider effort, already underway, to prevent catastrophes like that in Edison -- not only through immediate action but through long-term analysis, planning, education and investment.

I especially want to thank each of you for your attendance at this historic summit. Today, we will hear about the new technologies and creative policy initiatives that have the greatest potential to protect this vital infrastructure and assure the American people that the pipelines that serve us will be safe well into the future.

More importantly, I hope we will all come to realize the critical role that pipelines play today in America's transportation system now -- and the even greater role they are set to play in the future.

There is no question that the United States will need an even more extensive pipeline network in coming years.

There has, for example, been a 30% increase in demand for natural gas since 1986. Given Americans' concerns for cleaner air and the laws that address and reinforce those concerns, it is safe to forecast a similiar rise in natural gas demand well out into the next century -- and the need for substantial expansion of natural gas pipelines and storage facilities.

Just as the need for expansion is clear, so is the challenge to cope with continuing threats to the existing pipeline infrastructure as it ages, as corrosion worsens, and as third-party dig-ins continue.

Simply put, we need to develop short and long-term strategies and public-private partnerships to enhance the safety of these efficient, essential economic lifelines.

PIPELINES AS A VITAL MODE OF TRANSPORTATION

Few Americans recognize the enormous role that pipelines play in our transportation system. Out of sight, out of mind -- we take them for granted.

Yet pipelines carry 605 billion ton-miles of oil and petroleum products a year -- more than 25% of our nation's total intercity freight.

Three quarters of the people in the United States rely on natural gas pipelines to supply them with fuel for heating, cooking, or hot water.

Clearly, the pipelines that convey this volume of liquid and gaseous energy are as vital to America's way of life, economy and security as arteries, veins and capillaries are to our own bodies.

Just as clearly, we face serious challenges in updating our pipeline system and ensuring its ability to safely meet rising needs.

The vast bulk of the pipeline system, for example, was constructed decades ago. Large segments of it are aging. And continued suburban and exurban development is encroaching on it as once-rural areas give way to tract housing and shopping malls.

But until recently, pipelines had been nearly invisible -- not only to the public, but to many of us in government.

That is why the pipeline explosion this March in Edison, N.J. served as such a powerful warning bell -- for all of us -- that there are growing dangers as we see population and commerce expand into areas dense with pipelines.

I strongly believe all of us in government -- at all levels -- and the pipeline industry itself, must redouble our safety efforts.

In light of the major accidents we have experienced over the last several years and continued risks from corrosion and third-party damage -- I believe that it is critical that we in government step up our inspection efforts.

I am sure that the industry shares our commitment to safety. But we in government have a duty -- a public trust -- to enforce safety standards and to impose strong sanctions for non-compliance where necessary.

Working together, industry and government need to re-acquaint the American public with the existence, importance and potential hazards of pipelines.

It is, of course, primarily the pipeline companies responsibility to maintain a safe pipeline system and to educate the public about the potential danger of working

near or around pipelines.

But government should do more to help -- and we will.

As regards the problem of external damage to pipelines, it is not just private contractors who damage or breach pipelines. Government agencies themselves -- including highway departments, have been known to cause dig-ins to pipelines.

All too often, we have been part of the problem.

It's time that we become part of the solution.

It is up to all of us -- in government and in industry -- to take greater responsibility for pipeline safety -- to inspect systems more often, to increase preventive maintainence, to explore every new technological advance we can find to enhance safety.

The fact is that reassuring the American people that industry and government are taking greater responsibility is essential if these systems are to continue to serve Americans' rising need for clean, environmentally sound energy.

Sustaining public confidence requires that we develop a clear understanding of the state of the pipeline infractructure as it is now and a strategic vision of how we wish to improve it in the future.

THE NEED FOR A PIPELINE INFRASTRUCTURE STRATEGY

We need to revitalize our approach to pipeline safety through a series of immediate and longer-term measures that form a coherent, and integrated strategy. Our aim must be to successfully identify and manage the risks inherent in such a complex industrial system including more than 1.7 million miles of pipes.

First, we must draft a more detailed map of the pipeline network itself. We need every bit as clear an understanding of the pipeline infrastructure as we have of any other mode of transportation. By working in partnership with industry and state agencies, we can gather better data on the physical pipeline inventory -- the location, the age, the history of any leaks or failures -- so that we can see where the greatest risks lie, predict future problems and more strategically focus our efforts at prevention.

By developing such a national mapping system, we can take this data on inventory and probability of risk, and graphically show where pipelines overlap most intimately with the people and resources we most want to protect -- environmentally sensitive areas, drinking water intakes, areas of economic growth and of new infrastructure investment.

This will enable us to foresee what the consequences of future accidents would be, focus our priorities for regulatory actions and make informed decisions about land use, zoning, protection of the environment and emergency planning.

Second, we must do a better job of educating citizens -- adults and children alike -- as well as excavators of the location of pipelines to prevent the dig-ins that cause so many pipeline failures. By working with state agencies, we will encourage the inclusion of pipeline safety in school safety curricula. Working together with industry we will support public safety advertsing on pipelines.

We will foster the creation or improvement of "one-call" centers to provide state-wide pipeline information. We will also seek better cooperation from pipeline operators and improve the marking and locating of pipelines.

Third, prevention of ruptures -- keeping the product in the pipe -- is and must be our top priority. We need to encourage better prevention methods such as advanced valve technology and corrosion protection.

Of course, ensuring compliance with existing requirements is vital and we are seeking from Congress the funds to increase the number of federal and state pipeline inspectors enough to cut the inspection intervals for pipelines. At the federal level, that means reducing the inspection interval from four years to two years.

Providing greater financial support to our state partners is perhaps the single best way to maintain a larger field inspection force and strengthen the deterrent to non-compliance by pipeline operators. With shorter inspection intervals, we will also detect more flaws before they grow to failure.

I welcome the full involvement of the pipeline industry in achieving these goals because I believe that industry leaders also want to foresee corrosion and other weaknesses in the system. This is a mutually important goal for all of us at this summit.

Fourthly, we are fostering new technology for improving leak detection and pipeline monitoring. This technology holds great potential for preventing serious ruptures and spills. We will set performance goals for internal inspection devices, a rapidly evolving technology, and back research into other diagnostic techniques, including ultrasonics and acoustic listening systems, and other methods for detecting cracks or flaws.

I am pleased to tell you that my Department is already working with the pipeline industry on research partnerships. I have met with the Chief Executive Officers of several pipeline companies and they have expressed their enthusiastic support for a public-private research partnership to enhance pipeline safety.

For example, we are exploring new and stronger building materials, better monitoring systems, non-destructive means for infrastructure evaluation, and other technologies that can increase pipeline safety, reliability, and durability. Many of the most promising possibilities are drawn from technologies originally developed in national defense research and we will work jointly with industry to transfer these technologies to civilian use.

Finally, over the longer-term, we need to integrate all of these efforts to ensure that investment and maintainence decisions for pipelines are fully integrated with other modes of transportation to meet our country's need for a comprehensive and unified.

Last December, we began work toward defining a National Transportation System that will include strategic elements of all modes of our nation's transportation infrastructure -- roads, airports, seaports, waterways, rail lines, transit system, and, of course, pipelines.

The purpose of defining such a National Transportation System is to identify the most strategic means by which this nation moves people and goods -- and then direct our investments over time to see that these systems link as seamlessly as possible to each other and serve the American people efficiently, safely and in ways that are environmentally sound.

Gathering a full information base on pipelines is an essential part of the NTS effort. And developing and implementing a comprehensive safety program for pipelines answers the increased demands for safety that the American people demand from all forms of transportation.

The American peoples' concerns about pipeline safety are legitimate, and it is our responsibility to address these concerns -- with actions as well as words.

A VISION FOR PIPELINE SAFETY

It is precisely because I am so commited to ensuring that America has a safe and efficient pipeline system, that I have set the following goals as the core of my vision for pipeline safety in next few years:

-- that every pipeline in this country be tested and rehabilitated, if necessary, to assure its safety;

-- that every state has a one-call information system detailed enough so that any citizen or excavator can call a single number and promptly find out the precise location of pipelines;

-- that new technologies be applied to monitor pipelines so that virtually any serious flaw or break-in can be detected before a massive failure occurs -- and immediately repaired;

-- that every community in the country has land use policies which take account of the existence of pipelines and avoids dig-ins; and

-- that the federal government's pipeline program enjoys strong public confidence -- and trust -- as an independent, competent and credible assessor of the nation's pipeline infrastructure, with the means and the will to address any risks that arise.

CONCLUSION: FORGING PARTNERSHIPS FOR SAFETY

To make that vision come true, we will need to work with the Congress to ensure that we sustain the commitment of resources to build a strong DOT inspection staff, to fund research and development on pipeline safety and to enable us to assist in deploying new safety technologies.

With support from Senator Lautenberg, Senator Bradley, Congressman Pallone and their associates, I'm confident that Congress will sustain this very important national commitment for the long-haul.

Americans' lives, American jobs, new American technologies and the future of a vital American industry, in fact, our domestic national security all depend on strengthening our commitment to pipeline safety.

I want to thank all of you today for coming. And I especially want to thank those who've worked hard on the presentations we're about to hear. I look forward to what they have to say.

This is, I believe, a genuinely historic conference. We are beginning a new era in pipeline safety. It is an important first step.

Because there will be a lot more work and effort needed in years to come.

But I believe that the understandings we reach at this conference and the commitment and partnerships we secure here today will enable us to keep America's pipeline network the world's safest for years to come.

Again, thank you very much.

#####

FINAL

REMARKS PREPARED FOR DELIVERY

SECRETARY OF TRANSPORTATION FEDERICO PEÑA

NHTSA VEHICLE SAFETY ANNOUNCEMENT

WASHINGTON, D.C.
JUNE 23, 1994

Before I begin my formal remarks, I'd like to take this opportunity to introduce Horace Deets of the American Association of Retired Persons and Paul Verkuil of the American Automobile Association. They represent organizations whose members will be working with us on a variety of safety initiatives, and I'm happy they could join us here today.

Because today I am proposing a significant new regulation to further protect and enhance the safety of the traveling public. Every year, over 9,000 Americans die, and another 50,000 are injured, in crashes in which their vehicles roll over. These are violent and traumatic events in which people are thrown out of their vehicles or become battered within their vehicles.

As part of a *comprehensive* regulatory and information strategy that will save thousands of American lives each year, we are proposing that a new Safety Sticker containing information on the risks of vehicles rolling over be affixed to all cars and light trucks sold in this country.

The Safety Sticker, and the broader initiative of which it is part will, *for the first time*, give consumers *better* and *more complete* information about the safety of cars and light trucks at the time and place where consumers tell us that such information is *most* useful: *on* the car, *in* the dealership, *at* the point of purchase.

This proposed Safety Sticker regulation was generated by the National Highway Traffic Safety Administration, and requires that manufacturers label their vehicles with information related to vehicle safety. Initially, this will provide data about a vehicle's likelihood of rolling over, although the required information could be expanded over time to include other factors, such as front-end and side crash protection. *[Point to sticker or hold it up.]*

This is good news for consumers, as it represents the beginning of a fundamental expansion of the federal government's role in providing the American public with safety information they want and need.

It is a key element in a multi-pronged approach which moves us towards one of the Clinton Administration's core goals in transportation: *putting people first by improving safety*.

Many of the Department of Transportation's activities over the past year and a half have addressed safety: our alcohol and drug testing rules, our limitation on the hours worked by truck drivers, and our new highway-rail grade-crossing initiative.

And in just the past 18 months, under the Clinton Administration, NHTSA has introduced proposals to reduce head injuries in highway vehicles, proposals for mandatory anti-lock brakes, and a rule requiring labels to warn consumers not to use rear-facing infant restraints in seats with air bags.

Today's announcement carries forward the work of the past generation, over which our nation has made *enormous* progress in reducing automobile fatalities and injuries.

Safer cars, stronger government safety standards, dramatic increases in seat belt use, and reductions in drunk and impaired driving have all contributed to a *two-thirds* reduction of our highway fatality rate since 1966.

Literally *hundreds of thousands* of lives have been saved. This is a truly historic success -- proof-positive that government, industry, and concerned citizens working together in partnership can achieve huge gains in automotive safety.

And yet, we have far to go.

Two years ago, Congress asked that we seek ways to protect Americans from unreasonable risk of rollovers in cars and light trucks.

In response, the DOT expanded work that was done over the past several years, and evaluated more than 134,000

crashes -- the most exhaustive such research that NHTSA has ever done.

We have rigorously analyzed every conceivable variable -- driver characteristics, information about the accident site, road conditions, and the vehicles themselves. Indeed, we assembled detailed information on *more than 90* different vehicle types.

Our analyses led us to three conclusions.

First, we found that rollover crashes typically involved dangerous driver behavior. Lower seat belt use, speeding, and alcohol use were common factors in over 90 percent of all rollover fatalities.

Second, we found that more than 90 percent of rollover crashes involved only a single vehicle.

And third, we learned that many drivers don't understand that mini-vans, standard vans, pick-up trucks, and sport utility vehicles handle differently than passenger cars. Some of these vehicles have narrow tracks and high clearances to allow them to operate offroad.

Some of our partners in safety advocacy groups called for a vehicle stability standard which would require certain cars and trucks to be redesigned so as to be less likely to roll over.

We considered -- and decided against -- such a stability standard. Instead of a single stability standard, we chose to

adopt a comprehensive strategy that addresses *all* of the causes of rollovers in *all* cars and trucks and focuses on those factors we can have the greatest impact on -- those that will save the most lives.

One reason that a single stability standard did not make sense is that our research showed us, to our surprise, that mini-vans, which performed poorly in laboratory rollover tests, actually have very low fatality rates in everyday use because they typically are driven by sober, responsible parents who drive carefully and buckle up their own and their children's safety belts.

That is why we rejected what seemed to be an appealing solution -- a strict stability standard -- but what actually proved to be an enormously expensive and largely ineffective answer to a very complicated problem.

Let's look at some more facts and expose some myths.

Generally, we've found that driver behavior is a major contributor to rollovers, and it is *the* factor that we can have the greatest impact on -- before rollovers even occur.

But we are, in fact, addressing all eight of the causal elements we have identified in vehicle rollovers.

[May refer to Factors in Rollovers chart.]

First, since most rollovers occur because of a loss of control, we've proposed making anti-lock brakes

mandatory for all new passenger cars, light trucks, and vans. Preliminary research on light trucks, for example, indicates that the improved control they provide could cut rollovers by 30 to 40 percent.

Second, we're promoting seat belt use to prevent the leading cause of death in rollovers -- ejections from vehicles, a factor which results in nearly two-thirds of all such fatalities.

Third, we're also *aggressively* pressing campaigns against drunk driving to attack the reckless speeding which causes many rollover crashes.

Fourth, we're considering new requirements for improved side windows and better door latches to further reduce passenger ejections in rollovers and in other crashes.

Fifth, we're improving consumer safety information and outreach, through measures such as the new Safety Sticker and our highly-successful Vince and Larry® crash-test dummy TV ad campaigns, including a new campaign focused on rollovers.

And we're looking at ways to get safety information out more rapidly by accelerating vehicle safety testing -- possibly through computer simulation or testing of prototypes.

Sixth, we're finishing work on proposed specifications for better interior padding to cushion vehicle occupants during rollovers.

Seventh, we're examining improvements to the roof crush-resistance standard to see if stronger roof structures could reduce injuries during rollovers.

And _eighth_, we're addressing stability concerns directly by providing consumers better information with the Safety Sticker.

All told, these strategies should substantially reduce rollover accidents, save thousands of lives, and prevent many more thousands of injuries each year.

I want to be clear about one thing that some people may misunderstand...

Some people may think that there are different safety standards for different types of vehicles. _In fact_, the _same_ types of safety standards apply to cars, light trucks, vans and sport utility vehicles.

Today's proposal is a comprehensive solution that applies to _all_ kinds of vehicles as well.

We are proposing a _comprehensive_ course of action that will _give consumers the information they need to make sound safety decisions_, both before purchasing a vehicle and while operating a vehicle.

We're complementing programs of information and education with effective regulatory actions. As respects future regulatory action, *we are prepared to continue strengthening vehicle standards where and when appropriate.*

Our experience clearly demonstrates that consumer safety information and education *does* work. The NHTSA crash test program has demonstrated that we can, in fact, help customers to include safety in their purchasing decisions. The Safety Sticker will reinforce consumers's growing preference for buying safer cars, and it will also encourage manufacturers to improve vehicle stability just as they've moved to install air bags in cars before we mandated them.

The Safety Sticker will make drivers aware of their vehicles's limits and underscore existing warnings on how to properly handle their vehicles.

The Safety Sticker initially will include information on each vehicle's likelihood of rolling over -- compared to all vehicles -- as well as where it ranks among vehicles of its own type so that consumers can compare them.

It will explain the rankings's meaning, it will warn consumers that *all* vehicles can roll over, and it will remind them to wear seat belts -- *the single most important safety precaution in any crash.*

The Safety Sticker is the latest step in the Clinton Administration's program to provide American consumers with the facts they need to make *informed* choices.

We have outstanding partners to help us get this information out. I'm delighted that Horace Deets of the American Association of Retired Persons and Paul Verkuil of the American Automobile Association could join us today. They represent organizations whose members will be working with us to better assess the whole range of safety information consumers need and can use.

For example, the AARP recently surveyed its members and found that information on buying a new vehicle was their number one concern. The AAA is working with us to develop a publication to make buying a new vehicle easier by providing consumers with safety information in a single, handy source.

We view AAA and AARP members as DOT *customers*. Today begins a process in which we will serve them and all of the American people with better safety information.

We will also be asking the public directly what other information they want and need to make sound choices through a series of four town meetings to be held in coming months -- in San Diego, Tampa, Des Moines, and Washington. We will ask consumers about the types of safety information they want and how we can best provide it to them.

For example, we want to hear from the public about the usefulness of printing additional information on the Safety Sticker, such as front-end and side-crashworthiness; about

on-demand information fax-back services; and about on-line computer bulletin boards.

The public may well want to have access to this information in a clear, consistent format -- similar to the vehicle stability data on the Safety Sticker -- and, if so, we firmly believe that they are entitled to it.

Our strategy for improving vehicle safety rests on the basic principles of prevention, on strong vehicle safety standards where they are appropriate, and on encouraging people to use safety information in making informed choices. We're implementing a comprehensive plan, of which the Safety Sticker is an intrinsic part.

The gains we have achieved on safety in the past encourage us to believe that we can continue to succeed in the future.

Although our population has grown and Americans are driving far more, over 10,000 *fewer* people die each year on the highways now than did a generation ago.

These are our success stories -- hundreds of thousands of them, *each one the story of a life saved.*

That's a record we can be proud of, and one we should redouble our commitment to build on.

I believe that today's Safety Sticker and our other new initiatives will add many more such stories, and save thousands more precious lives each year. Thank you.

[Introduction of Mr. Deets and Mr. Verkuil as speakers.]

# # # # #

Uc76

FINAL

TALKING POINTS

SECRETARY OF TRANSPORTATION FEDERICO PEÑA

NHTSA HEALTH CARE CLUSTER

WASHINGTON, D.C.
JUNE 28, 1994

* **I want to thank you all for joining me here today. This afternoon, I'd like to talk about an issue of vital importance to all of us: health care.**

* **All of you here are involved in transportation safety -- in saving lives and preventing injuries -- some of you from the media, some from the medical community, some as manufacturers, and some as members of non-profit agencies. And all of you know just how high the stakes are for the transportation sector in the debate on health care reform.**

* **That's because transportation -- with its heavy equipment, often operating at high speeds -- is a high-risk industry. It causes *40 percent* of all occupational deaths. And for each death, *14 people* are hospitalized and *136 more* suffer other injuries. Transportation accidents more generally are the leading cause of death and injury for people aged 5 to 34.**

* **Here at the Department of Transportation, we've worked hard to improve Americans's health by increasing their safety, saving lives and preventing injuries. That's because we view our public *safety* responsibilities as public *health* responsibilities.**

* **It's a belief the President shares: that's why he nominated Dr. Rick Martinez, a leading trauma specialist, as National Highway Traffic Safety Administrator -- the most prominent safety-related position within this Department.**

* **I am committed to continuing the Department's leadership on safety. Indeed, during the first 18 months of the Clinton Administration, we've introduced literally scores of initiatives to improve transportation safety.**

* **Just this year, we've required air bags and have proposed mandatory anti-lock brakes. We've proposed a new national initiative to reduce highway-railroad grade crossing accidents. And only last week we introduced a new program to reduce highway rollover crashes.**

* **Other regulations and programs are being developed by each of DOT's operating administrations. And we've been working internally here with a health care task force, providing information on transportation-related health care issues and identifying health- and safety-related services and products.**

* But, as important to public health as they are, our safety initiatives are only *part* of the solution.

* The transportation safety movement is based upon the same basic values that guide the President's Health Security Plan: the principles of prevention and personal responsibility, with appropriate public sector involvement.

* And it's time for those principles to form the basis of a health care reform plan which will provide affordable protection for *all* Americans.

* Because many Americans' greatest worry is not being able to afford the health care they need for their families. It's a valid concern: out-of-control health care costs have been straining government budgets, bankrupting businesses, and draining the life savings of many American families.

* 17 percent of all American workers lack health care insurance, but in many transportation professions the rates run much higher -- one-quarter of the nation's truck drivers, a third of taxicab drivers, and nearly 40 percent of automobile repairmen.

* 2 million Americans lose their health insurance *each month* and *58 million* will go without insurance some time this year.

* **81 million people have what insurance policy fine print calls "pre-existing conditions," which allow insurers to use health problems as excuses to raise rates or deny coverage.**

* **And 133 million Americans have lifetime limits on their insurance which permit insurers to cut off benefits when people are older and most need protection.**

* **For a generation, Medicare and Medicaid provided protection to those whose health was most at risk: senior citizens and the poor. Americans believed that this wove an essential safety net for the needy, and that affordable care and company medical plans could protect working people.**

* **I know that when I was growing up in the 1950s and '60s we could afford a family doctor -- *and* we had *six* children in *my* family. That's not true for many working Americans today. Skyrocketing medical costs during the 1980s and limited insurance have undercut the working middle class.**

* **Without insurance, how many working people can afford the hundreds, or even thousands, of dollars it could cost if their child breaks a leg or contracts pneumonia? People who work hard and play by the rules shouldn't have to go without medical care, and they shouldn't have to bankrupt themselves to get it.**

* **That's the underlying issue in the national debate on health care: equity and fairness for all Americans. Ensuring that is a fundamental principle for President Clinton, who was elected with a commitment to *putting people first*.**

* **President Clinton has made health security the highest priority of his Administration, and proposed his Health Security Plan, which strengthens what's right about our current system and fixes what's wrong.**

* **First, it provides guaranteed, comprehensive, private coverage for *all* Americans, coverage that can *never* be taken away. It offers first-rate benefits, including prescription drugs and preventive care, protection against catastrophic illness, and low, affordable deductibles without lifetime limits. *This coverage will give all Americans the same protection enjoyed by federal workers and Members of Congress.***

* **Second, the President's proposal increases choice. Americans will be able to select the type of care that best meets *their* needs -- and *not* their insurance company's. That could mean a network of doctors or hospitals, or a health maintenance organization, or a traditional "fee for service" plan with their own doctor. They would *not* be forced to select any particular type of plan -- something increasingly not true of many current insurance programs.**

* Third, the President's plan outlaws unfair insurance practices. It will be illegal for insurance companies to drop coverage or cut benefits, or to raise rates on the ill. They will not be able to discriminate against older Americans by using lifetime limits to cut benefits, or to charge more based upon age.

* Fourth, Medicare will be preserved under the President's plan. This is an existing program which *works*, protecting older Americans from financial ruin when they are at their most vulnerable. The American Association of Retired Persons has called the President's plan the "best option for senior citizens," an endorsement of which we are proud.

* Finally, the President's plan will give Americans insurance through their jobs, building on the existing employer-based insurance system which now covers four of five working Americans.

* This is an issue of fairness not only for workers, but for employers, too. Businesses shouldn't have to feel that offering their employees health insurance puts them at a disadvantage against those who are less responsible. *I* was a businessman myself, working to meet a payroll, and can understand that concern. Putting *all* employers on a level playing field means that *no one* will be at a competitive disadvantage.

* The President's plan calls for *both* employers and employees to share the cost so that *all* working

Americans and their families would be covered. Unemployed Americans would be covered under a government plan, and senior citizens would be protected by Medicare. That's how the President would ensure universal coverage.

* That commitment to universal coverage has become the leading issue as Congressional committees debate the President's proposal. On June 9, the Senate Labor and Human Resources Committee became the first to report out a health care reform bill which espoused this basic principle, and the House Education and Labor Committee did the same this past Friday.

* So, for the first time ever, a committee in each house of Congress will have reported a bill that guarantees universal health care coverage. By choosing to protect all Americans, these committees have acted to stand up for the nearly 40 million Americans who lack health security.

* Four other Congressional committees are reviewing the President's plan, including the Senate Finance Committee, which began its mark-up yesterday. I'm optimistic that Congress will adopt a health care reform bill that meets the President's bottom line of universal protection.

* **The key is a health care plan that protects all Americans -- not *just* the rich, not *just* the poor, but *all* Americans.**

* **President Clinton's plan builds on things which work -- Medicare, private insurance, employer-provided coverage -- and changes those which don't -- unfair insurance practices, limited choice, lack of insurance for all Americans.**

* **It's the *best* plan for America -- for our people and for our long-term economic competitiveness. Nothing else, *and nothing less*, will do the job.**

* **In closing, I'd like to commend you for your work on safety over the years. It has paid huge dividends in lives saved and in money saved. I believe that the President's health care plan can do the same thing for our entire nation. It's critical that *you* be involved as we move towards final Congressional action. I urge you to make your voices heard in this debate.**

* **We've worked hard together on safety, and we'll do even more in the years to come. I hope we'll make the same effort -- *together* -- for health security, and achieve the same success. I ask *your* support in this important quest, and I pledge you *mine*.**

* **And now, I'd like to take any questions you may have. Marilyn Yager of the White House is here with us, and I'd like to ask her to join me...**

# # # # #

4.75

FINAL

TALKING POINTS

SECRETARY OF TRANSPORTATION FEDERICO PEÑA

BUSINESS AND GOVERNMENT RELATIONS COUNCIL LUNCHEON

WASHINGTON, D.C.
JUNE 29, 1994

(Introduction to be made by Mary E. McAuliffe, Vice President, External Relations, Union Pacific Company)

Introduction

* I'm happy to join you today. Over the last 30 years, the Business and Government Relations Council has been a leader in promoting dialogue between government and business here in Washington. We don't always agree on every issue, but the Council helps us to understand each other's viewpoints -- and that helps to sustain a good working relationship.

* As someone who is new to Washington, I appreciate the insights you've brought and the professionalism you've shown in your advocacy -- your ability to forthrightly present the positions of the organizations you represent. And I look forward to working with you on the many issues of mutual interest.

* Today, I'd like to talk about three Clinton Administration initiatives: the National Transportation System; the Air Traffic Services Corporation; and health care reform.

The National Transportation System

* **The National Transportation, or NTS, is an Administration initiative based upon the National Highway System, or NHS, that Congress mandated in the 1991 surface transportation authorization bill.**

* **The National Highway System includes highways of national significance, including the Interstate System, roads of importance to national defense, and major corridors identified by the states. These roads are of strategic or economic importance, and form the backbone of our transportation network.**

* **Although the NHS we proposed to Congress includes only about 159,000 miles of highways -- 4 percent of all roads in the country -- they carry fully *40 percent* of America's highway travel and *70 percent* of commercial truck traffic.**

* **The NHS will be the cornerstone of our road system of the future, and will serve to identify priorities for a high-quality, interconnected system of principal arterials. It also will focus federal highway investment, especially the $21 billion authorized for this system's construction and maintenance.**

* **The NHS focuses on highways of significance, but they are only one part of a much larger national transportation network.**

* Congress recognized that, too, when it entitled the 1991 transportation authorization bill the Intermodal Surface Transportation Efficiency Act and recommended, without requiring, a National Transportation System.

* The NTS is the next logical step in defining a fully-integrated transportation system. *No one* has a really detailed understanding of what the nation's total transportation system is, and how its parts interact. Without that, we're limited in our ability to evaluate the full scope of transportation needs and alternatives for meeting those needs.

* The NTS will identify the most significant elements of the nation's transportation system -- all modes, public and private, passenger and freight -- and assess how investment choices will affect travel, the economy, the environment, and energy use.

* It's a revolutionary effort to look at transportation as one integrated and interacting system, rather than as a road here or a railroad there; an attempt to ensure that our transportation system is as efficient as possible. It's necessary if America is to compete effectively globally.

* DOT teams already have begun work on creating such a system: developing a process for defining its parameters.

* **This summer we plan to begin discussions with transportation stakeholders from throughout the country on how exactly this will unfold.**

* **We look forward to working with them, with state and local governments, and with Congress as we move forward with this system.**

Air Traffic Services Corporation

* **A second proposal we have before Congress is for the creation of a new government corporation for air traffic control services. This, too, affects every American: whether directly, through the delays and inconvenience suffered by air travelers, or indirectly, by the costs such delays place on our economy.**

* **These costs are the result of a system that's outmoded, and is kept running *only* through the professionalism of America's air traffic controllers.**

* **But there's only so much they can do. In recent months I've visited control towers at airports from Seattle and Tampa, and have been shocked at our system.**

* **Here in Washington, our controllers use a Univac computer; it's the size of a truck, but has less computing power than a modern laptop.**

* **In Atlanta, technicians use dog-eared 1957 repair manuals -- the latest in technology there.**

* **And in Seattle, they use computers powered by vacuum tubes: *3.5 million* of them have the power of a *single* Pentium computer chip!**

* **These outdated, inadequate systems are the result of bureaucratic nonsense and personnel regulations. They're the result of an uncertain budgetary system and a ridiculously-complex stack of procurement rules which don't allow us to take advantage of the latest in technology.**

* **America's travelers and air traffic controllers deserve better than this. So do all of us who pay for the delays this system causes through higher prices for goods and services all across the country.**

* **The system is functioning now, but barely. It's not likely to be able to safely handle the projected 60 percent increase in air travel over the next decade.**

* **Some say that tinkering with the current system will be enough. I don't think so, and neither does Vice President Gore. His National Performance Review recommends we reinvent air traffic control by creating a *new government corporation for air traffic control*.**

* **The proposed U.S. Air Traffic Services Corporation will be operated on a non-profit basis, with its bottom lines being safety and efficiency. The Federal Aviation Administration will continue to be responsible for safety, but the other functions -- the system's day-to-day operations, buying state-of-the-art technology, deploying employees where they're needed and rewarding them appropriately -- will be handled by the new corporation.**

* **The new firm will be self-supporting, with fees paid by those who use the air traffic control system -- and not annual federal budgetary appropriations. Such *firm*, *reliable* funding will allow the corporation to leverage its income by raising funds on the capital markets to pay for necessary long-term investments and new technology.**

* **Free from burdensome federal procurement and personnel rules, the new corporation will be able to rapidly introduce new technology and improve working conditions -- allowing air traffic controllers to do their jobs better, increasing safety while also enhancing efficiency.**

* **We see this as a model for how government can meet critical national needs in a sound, business-like manner.**

* **Finally, I would like to talk about the President's Health Security Plan. Many Americans' greatest worry is not being able to afford the health care they need for their families. It's a valid concern: out-of-control health care costs have been straining government budgets, bankrupting businesses, and draining families' life savings.**

* **President Clinton has made health security *the* highest priority of his Administration. He has proposed a plan which strengthens what is right about our current system and fixes what is wrong.**

* **First, it *provides guaranteed, comprehensive, private coverage for all Americans*, coverage that can *never* be taken away. And it offers benefits as good as federal workers or Members of Congress get, including prescription drugs and preventive care, things often not provided today. The coverage will protect Americans against catastrophic illness, with low, affordable deductibles and no lifetime limits.**

* **Second, the President's proposal *increases choice*. Americans will be able to select the type of care that best meets *their* needs. That could mean a network of doctors or hospitals, or a health maintenance organization, or a traditional "fee for service" plan with their own doctor.**

* People would *not* be forced to select any particular type of plan -- something increasingly not true of many current insurance programs.

* Third, the President's plan *outlaws unfair insurance practices*. It will be illegal for insurance companies to drop coverage or cut benefits, or to raise rates on the ill. They will *not* be able to discriminate against older Americans by using lifetime limits to cut benefits, or to charge more based upon age.

* Fourth, *Medicare will be preserved* under the President's plan. This is an existing program which *works*, protecting older Americans from financial ruin when they are at their most vulnerable. The American Association of Retired Persons has called the President's plan the "best option for senior citizens," an endorsement of which we are proud.

* Finally, the President's plan will *give Americans insurance through their jobs*, building on the existing employer-based insurance system which now covers four of five working Americans. Employers and employees will each pay part of the cost so that *all* working Americans would be covered. Unemployed Americans would be covered under a government plan, and senior citizens would be protected by Medicare. That's how the President would ensure coverage for *all* Americans.

* The President's plan builds on things which work -- Medicare, private insurance, employer-provided coverage -- and changes those which don't -- unfair insurance practices, limited choice, lack of insurance for all Americans.

* And, in exchange, the President asks Americans to take more responsibility for prevention and for maintaining their own health so that the need for costly health care will be reduced.

* In the transportation sector alone, the amounts involved are huge. Every year, automobile accidents cost our nation $137 billion in lifetime costs for things such as property damage and lost productivity. That also includes $11 billion annually in health care costs.

* Nearly half of these crashes are alcohol-related. Although deaths caused by drunk driving dropped by two percent last year, we clearly have a long way to go. Getting there means *never* drinking and driving, and *never* letting friends drink and drive. That's a message we're trying to get out every day in partnership with groups such as Mothers Against Drunk Driving.

* Reducing accidents and controlling health care costs also means taking charge of one's life by using safety belts, driving carefully and obeying speed limits, and wearing helmets when riding motorcycles.

* These steps alone can save thousands of precious lives and billions of dollars each year. And so, as we work to ensure Americans have the health care they need, we all need to take common-sense steps to reduce our need for it.

Conclusion

* Each of these proposals has in common the President's commitment to develop programs which meet urgent national needs without the inefficiencies of bureaucracy or the ideological prohibitions against government involvement in areas of national concern.

* We look to these types of innovation and cooperation with other levels of government and the private sector to help meet pressing national needs. We view state and local governments and the private sector as full partners in the effort to carry us forward into the next century.

* We believe that government can lead the effort to strengthen our society, but that every step of the way offers opportunities for private sector participation. We look forward to working with you to meet these challenges and prove that America's ability to compete -- and to win -- is alive and well. Thank you.

# # # # #

4.74

FINAL - 6-29-94 at 4 p.m.

REMARKS PREPARED FOR DELIVERY BY
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
MADD - NATIONAL SOBRIETY CHECKPOINT WEEK
BETHESDA, MARYLAND
JUNE 30, 1994

Thank you very much Beckie Brown (MADD National President) for that introduction.

I'm delighted to be here with Congresswoman Connie Morella, members of Mothers Against Drunk Driving, and law enforcement officials from Montgomery County and throughout the National Capital Area.

Before we get into our purpose for being here today -- which is, to launch the strongest, week-long National Sobriety Checkpoint Campaign in history -- I'd like to talk about a success story ... one that involves a contribution from all of you ... and about the incredible challenges that still lie ahead in highway safety.

The National Highway Traffic Safety Administration's (NHTSA) final 1993 traffic safety statistics which we are announcing today contain <u>some</u> very good news.

Deaths in alcohol related automobile crashes were down by two percent in 1993 to 17,461 fatalities -- the lowest number since we began tracking these crashes more than 20 years ago.

You in this audience deserve credit for this two percent reduction which is a remarkable accomplishment. It couldn't have been done without the education programs and grassroots support of MADD, Students Against Driving Drunk and many others. Or without the support of private businesses such as Nationwide Insurance Company here today to donate five breathalizers. Or without the NHTSA and all its programs.

Our national success in reducing death by drunk driving is due also to the outstanding, dedicated, highly committed law enforcement officers throughout America. Working at sobriety checkpoints, in anti-drunk driving educational campaigns, and in every day law enforcement routines, you <u>all</u> are making a difference. You are enforcing tougher laws and courts are dealing out tougher sentences.

As Secretary of Transportation, I'm proud of the success, but we can hardly brag about a success that left 17,461 people dead at the hands of drunk drivers in 1993.

As a husband, I'm appalled that 44 percent of all highway fatalities still involve some amount of alcohol. About two in five Americans will be involved in an alcohol-related crash in the future -- if we don't do something now. I find it incredible that after all our efforts, people still actually drink and get into their cars and cause deaths.

As a parent, I'm frightened that highway crashes are still the number one killer of young people between the ages of five and 34.

As a citizen, who has been working very hard for health care for all Americans, I am horrified that alcohol-related crashes result in a societal cost of $46 billion annually, including $5.5 billion in health care losses alone.

We hear a lot about how we can keep health care costs down. Well how about starting with highway safety? The lifetime cost of motor vehicle injuries, deaths and property damage that occurred in 1990 alone was $137.5 billion.

This figure plus the final 1993 traffic safety statistics spell out the challenges we face in highway safety today and in the future.

These NHTSA statistics show that 40,115 people lost their lives on America's highways in 1993 -- that's up from 39,250 in 1992.

It's true that more people traveled more miles than ever before, so the "fatality rate" of 1.8 deaths per hundred million miles of travel actually remained unchanged and is the lowest in history. But America should be able to continue as the most mobile society on the face of this earth and without killing 40,000 people a year in the process. We must stop this senseless carnage.

We must redouble our efforts -- build safer cars, better highways and *educate, educate, educate.* And we must *enforce, enforce, enforce!* I ask you to help me pound home two messages:

-- one, if you drink don't drive; and

-- two, buckle up that safety belt and put your children in child restraints correctly.

One good way to accomplish this safety message is through sobriety checkpoints. They are a very effective weapon in saving lives all year long, but especially on this -- one of the deadliest holidays of the year.

Sobriety checkpoints are one of our best law enforcement tools and a key ingredient in NHTSA's campaign "Safe and Sober" to meet my goal of reducing alcohol-related fatalities to 43 percent and increasing safety belt usage to 75 percent.

Sobriety checkpoints are a proven success. Look at the results in several cities after sobriety checkpoint blitzes:

-- In Charlottesville, Virginia, alcohol-related crashes dropped 13 percent.

-- In Binghamton, New York, a 39 percent decline in drinking drivers and 23 percent reduction in late night crashes.

-- In Clearwater/Largo Florida area, alcohol related crashes declined 20 percent.

We must have more sobriety checkpoints and we must have them now.

Sobriety checkpoints must be conducted frequently. They must be highly visible, and they must be highly publicized. We can get people to stop drinking and driving in the first place if they know that they will get caught.

Only 38 states are using checkpoints now. Court decisions, laws and administrative impediments prevent their use in 12 states. Let's get busy and change that because sobriety checkpoints are among the most effective deterrents to stop this drain on society.

I encourage states to conduct sobriety checkpoints on a routine, frequent basis because the battle for highway safety is a drama without intermission. We need every weapon we can get to win this war.

As we begin this Independence Day weekend, I hope everyone of you who hear this message will remember -- don't drink and drive ... buckle your safety belt ... and watch your speed.

In short, put human life first -- and if you don't, you may be caught at a sobriety checkpoint.

Let's declare our independence from drunk drivers by welcoming sobriety checkpoints.

Thank you all very, very much and have a safe holiday.

####