U.S. Department of Transportation

News:

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

REMARKS FOR SECRETARY OF TRANSPORATION FEDERICO PEÑA
FOREIGN SAFETY ASSESSMENT NEWS CONFRENCE
WASHINGTON, D.C. -- SEPTEMBER 2, 1994

Thank you all for coming.

As Secretary of Transportation, one of my most important responsibilities is to provide for the safety of the travelling public.

In furtherance of that responsibility, I am today releasing the initial results of the Federal Aviation Administration's foreign aviation safety assessment program. These assessments are a measure of the capability of foreign countries to provide safety oversight of their air carriers that operate in the United States.

We will be assessing these countries by using three classifications of safety oversight: acceptable, conditional, and unacceptbale.

The assessments we announce today are of importance because 46 percent of all arriving and departing passengers between the U.S. and other parts of the world are carried on foreign carriers. From now on, when people fly commercially on foreign carriers serving U.S. cities, passengers will have a new, valuable tool to help them choose a carrier that has an approved civil aviation authority overseeing its operations.

Let me describe the context of today's announcement. Historically, oversight of foreign carriers was not questioned and was assumed to be adequately addressed by the home government. Since nearly every country in the world is party to the 1944 Chicago Convention and a member of the International Civil Aviation Organization -- a country must pledge to adhere to ICAO's international safety standards.

However, after a series of accidents and incidents in the U.S. involving foreign commercial aircraft, the Congresss and the Department of Transportation, led by the FAA, began to question these assumptions. In 1991, we started sending evaluation teams to various countries to work cooperatively to assess their civil aviation safety oversight capabilities.

The FAA found that, in many cases, countries were simply not meeting their international obligations under the ICAO agreements.

- more -

Of the 30 countries evaluated thus far, the FAA has found that nine do not meet international aviation safety standards. They are: Belize, Dominican Republic, Gambia, Ghana, Honduras, Nicaragua, Paraguay, Uruguay, and Zaire.

Four countries have been given conditional acceptance ratings that allow them to fly in the U.S. under heightened FAA surveillance. They are Bolivia, El Salvador, Guatemala, and the Netherlands, Antilles.

I would like to emphasize that travel to these two groups of countries is not necessarily unsafe. To fly to these destinations, travelers should consider using U.S.-flag carriers and the carriers of other countries that have adequate civil aviation safety oversight.

In the handout, we have listed the 17 countries that have acceptable safety oversight. Our goal is to complete assessments of remaining countries by the end of 1996.

In conducting the evaluations, the FAA has assessed whether a country has an adequate infrastructure for international aviation safety oversight as defined by ICAO oversight standards. We look at five areas:

One, whether a country has legislation enabling the appropriate government office to adopt regulations to meet the minimum requirements of ICAO:

Two, whether the country's current regulations in fact meet those ICAO requirements;

Three, whether the country has implemented its regulations;

Four, whether the country conducts air carrier certification, routine inspection, and surveillance programs; and

Five, whether a country has the organizational and personnel resources necessary to implement and enforce safety regulations.

Since these initial findings, some dating back more than three years, the FAA, has been able to assist countries correct their deficiencies and raise their oversight capabilities to ICAO standards.

While we continue to work through the auspices of ICAO, in the meantime, in the interest of the public's right to know, we are releasing the results of these assessments. Our ultimate objective is not to point fingers, but to help countries upgrade their safety oversight capabilities. I believe this will support aviation safety here at home and throughout the world. The traveling public deserves no less.

Now, let me ask Deputy FAA Administrator Linda Daschle and other members of the FAA team to disclose the details of this important public policy.

Draft 2 -- 9 Sept

REMARKS PREPARED FOR DELIVERY
SECRETARY OF TRANSPORTATION
FEDERICO PEÑA
AMERICORPS/NATIONAL SERVICE LAUNCH DAY
CHICAGO, ILLINOIS
SEPTEMBER 12, 1994

I want to thank Steve Fisher for that introduction and thank Mayor Daley and Father Paul Golden for being here today. But most of all I want to thank all of the newly-sworn-in members of Americorps.

I come as one of a dozen members of President Clinton's Cabinet who are helping to launch Americorps at events all across our country. But as proud as I am to represent the United States' Department of Transportation today, I'm even more proud of being named an honorary member of Americorps.

All of us who work for President Clinton share his commitment -- and yours -- to spreading the spirit of service and community all across the land.

We believe -- as you do -- that service is not just an after-thought -- something we do to fill in free time. Service is a responsibility; it is a central part of our lives; and it is an essential element towards giving all of America's people the future they deserve: safe streets, good schools, decent health care and a clean, healthy environment.

That's why "Getting Things Done" is the right motto for Americorps: because with your help, we will tackle some of our country's toughest problems: homelessness and drug abuse, illiteracy, crime, gangs, urban decay and environmental damage.

As you help us take these problems on, we're going to be asking from you the very best qualities you have: your energy, your creativity, your strength and your commitment to your communities.

This is a program that represents American values and American government at our very best. Americorps doesn't depend on government.

Americorps depends on <u>people</u> coming together -- people from government, from business, from charities and citizens' groups -- all rolling up our sleeves to solve common problems.

Today, you're joining 20,000 Americans in 1,200 places around the country -- 592 of them in 22 cities and towns in Illinois alone -- who will serve this year in Americorps. In years to come, I'm convinced, hundreds of thousands more Americans will follow in your footsteps.

Americorps is a new program -- a promise that President Clinton made and kept. But it is based on an old tradition, a great tradition -- of Americans helping other Americans -- a tradition that is especially strong here in Illinois and the whole Midwest.

All of us saw that Midwest spirit at work during the terrible floods last year, when the Mississippi and the Illinois overflowed their banks and devastated so many homes and communities.

When that happened, thousands of volunteers came out to fill sand-bags and move emergency supplies and rein in the flood's destruction. Many of them have stayed on the job all through a clean-up that hasn't finished yet.

These men and women -- boys and girls, sometimes -- proved that no matter how powerful nature's raging rivers are in the short-run, America's spirit -- the power of human community -- is greater in the long run.

Now, Americorps will turn that same spirit to meet human needs.

Volunteers working with my own Department will be helping elderly and disabled people use public transportation to and from their doctors' offices in Washington, D.C.. In Baltimore, they'll be paired with experienced workers on transportation projects building roads and learning skills along the way. In Vancouver, Washington, they'll be clearing new hiking trails along abandoned railroad lines.

Here in Chicago, members of Chicago Commons Americorps Program will be helping kids on the South Side steer clear of gangs and learn about college opportunities and jobs. Latino Youth Inc. will employ

Americorps volunteers to break the cycle of poverty in the Latino community by counseling and tutoring students.

Uptown Habitat for Humanity will teach Americorps volunteers to rehabilitate low-income housing in West Humboldt Park -- and they'll learn construction skills while they do it. The Public Allies Program will train Americorps members to prevent violence, to mentor children in need and help community residents find better health care.

All across Illinois, other Americorps volunteers will be training child care workers, counseling victims of domestic violence, helping community policing work better, teaching parents and children to read, clearing abandoned lots and parks for community gardens, gathering the information we need to clean up Illinois rivers and streams -- and doing many, many other jobs the people of Illinois need done.

Every single one of you is going to make a difference. Because of what you'll be giving of yourselves -- lives will be saved; hope will come for children who've been living in despair; homeless families will have a roof over their heads again this winter, parents will soothe their children to sleep with bedtime stories -- parents who don't know how to read now, but who want to know and who will know -- because you teach them.

But the greatest beneficiaries of the service you give will be you. Because even when your work is toughest -- and it will be tough -- you are going to learn and grow in ways that you can't even imagine now. You are going to make your parents and everyone who loves you proud.

And you are going to feel the satisfaction of knowing that you really have changed America -- made it a better country. By doing that, you're going to change yourselves and change the world.

You've seen the need. You've taken a stand. I want to thank you and congratulate you and tell you once again that for me personally, it's been an honor to be here to salute you.

Thanks again and good luck.

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Draft 2 -- Sept 12 1994

REMARKS PREPARED FOR DELIVERY BY
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
PRESS CONFERENCE ON AIR CRASH IN PITTSBURGH
CHICAGO, ILLINOIS
SEPTEMBER 12, 1994

On behalf of President Clinton and the American people, I want to express the personal sorrow we feel for all those here in Chicago and around the nation who lost loved ones in last Thursday's air crash near Pittsburgh. This tragedy, which took 132 lives, will only increase our determination to ensure the safety of all air travelers.

Safety is and always will be the deepest commitment of my Department. That is why I went to the site of the crash and talked with relatives of those lost on Flight 427. I wanted to express my condolences in person and to give them as much information as I could.

At this time, with the investigation by the National Transportation Safety Board in its early days, we have no definitive answer yet as to the cause of the crash. It is far to soon to speculate.

What we do know is that America's commercial airline industry shares with our government a profound commitment to safety. As terrible as this accident was, I want to stress that such abberations are extremely rare.

For many years running, the track record of America's airline industry has been one of steadily increasing safety and declining rates of accidents and fatalities.

We have achieved remarkable gains in safety even while airline passenger travel has expanded dramatically -- to the point where more than half a billion people flew more than half a trillion miles on U.S. airlines last year alone.

For two years running -- 1992 and 1993 -- there were no passenger fatalaties at all in major American commercial airline operations --- none. Zero.

Over the past few years we have substantially increased our inspections and surveillance of US AIR -- first in response to its financial difficulties and more intensively following July's fatal crash in Charlotte, North Carolina.

This redoubled surveillance of US AIR -- which has included more than 8,000 inspections this year to date and the presence of FAA inspectors in the cockpits of many US Air flights -- has found US AIR in compliance with our safety standards.

We are, at the moment, frankly unable to explain the cause of last week's terible accident.

I'd like to add that we also rigourously inspect the aircraft used by commercial airlines and have no reason to doubt the superb safety record of the Boeing 737.

I want to assure the American people that we have the world's safest airline industry. We are unequivocally determined to keep it safe.

In just a few minutes I'll be taking a commercial flight back to Washington, D.C. This Wednesday, I'll be flying on US AIR. In the weeks and months to come, I will be flying on USAIR and other commercial airlines without hesitation. And I will be flying aboard Boeing 737's with a great sense of confidence.

Last week's crash was a genuine tragedy, deeply upsetting to all of us. I will never forget what I saw on the ground or what I felt in talking to the relatives of the lost.

Precisely because of that, I am more determined than ever to never compromise, never waver on our commitment to securing safe skies for all Americans.

I will now take your questions.

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REMARKS PREPARED FOR DELIVERY
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
NEW YORK MINI-TECH EVENT
BUFFALO, NEW YORK
SEPTEMBER 14, 1994

I want to thank John Egan, the Commissioner of New York State's Department of Transportation for that very generous introduction.

And I want to congratulate Governor Cuomo for his leadership.

Thanks to Governor Cuomo's vision, we're here today with some very good news for Buffalo, good news for New York and good news for everyone who does business with Canada, our largest trading partner in the world.

Today, we're announcing a new partnership between the federal government, New York State and local governments and public authorities in the Niagara region.

Let me be very clear. This project didn't just happen. Governor Cuomo and his very capable administration made it happen. We put out a call for creative transportation ideas and Governor Cuomo naswered it. In fact, this is among the very first innovative transportation financing projects in the whole country.

This initiative, called Mobility Improvement for Niagara International Transportation Through the Use of Advanced Technology, or MINITECH, will soon speed the passage of the more than $47 billion a year in trade that passes between the United States and Canada each year through the Niagara region.

Over time, the MINITECH initiative will significantly reduce the 1.2 million hours a year wasted by delays along the Niagara frontier -- easing traffic flows and improving air quality at the same time.

One of my goals as Secretary of Transportation is to support, develop and implement new technologies in transportation. I believe that during a time of tight budgets, we must use innovative technology to maximize the use of our existing highways and bridges. We must also prepare to anticipate and accommodate rising trade flows in the future.

That's why at the first North American Transportation Summit I hosted this April in Washington, I suggested to Canada's Transport Minister, Douglas Young, that we select a pilot project to use high-technology to speed cross-border flows. We picked the Peace Bridge.

Today's MINITECH initiative provides an immediate and effective way to improve border crossings.

It is also a model of what President Clinton means by the re-invention of government -- making government serve people our customers and citizens better by forging new partnerships with state and local governments and the private sector.

I am pleased to announce today that the U.S. Department of Transportation and the New York Thruway Authority will invest $8.8 million in seed money to launch a new entity -- a multi-agency revolving fund, that will bring New York State's Department of Transportation, the state Thruway Authority, the Peace Bridge Authority, the Niagara Bridge Commission, the City of Buffalo and Erie and Niagara Counties into an effective, on-going partnership for better cross-border transportation. There will also be participation by our partners in Transport Canada and by the Province of Ontario -- in the spirit of my talks with Minister Young.

In the future, this fund will be replenished by existing border crossing fees and bridge tolls -- becoming a secure and lasting source of long-term finance.

This revolving fund will enable the state of New York and local governments (who will together administer the use of the fund) to finance multiple improvement projects in coming years -- both directly and also by tapping private capital markets with bond issues backed by a secure revenue stream.

Initially, in Phase 1, the fund will provide for automated toll collection equipment and dramatically enhanced computer facilities to handle traffic management on the Peace Bridge and the Queenston-Lewiston Bridge.

In its second phase, MINITECH will expand to cover the Whirlpool and Rainbow Bridges and add further capacities to its computers -- such as better customs and immigration data to speed crossings for people and freight.

Longer-term, the revolving fund will be available as a source for financing of further improvements to border crossings themselves as well as to improvements on major arterial roads approaching those crossings.

These on-going investments will ensure that the Route 219 corridor -- and the whole Niagara region -- remains one of the backbones of North American trade well into the 21st century. This is not only because of the public projects that will be financed, but because of the private investment these improvements will attract.

President Clinton believes that investment in transportation and securing better access to foreign markets are two of the central keys to creating jobs and opening a prosperous future for America. That's why he has fought so hard to secure greater transportation funding in his budgets and to open foreign markets for U.S. goods in North America and around the world.

The President believes that we must re-think and re-structure government at all levels -- form new partnerships for new tasks -- and make sure that taxpayers' dollars serve them in real, tangible ways. That's exactly what we are doing here today.

Most importantly, I want to congratulate Governor Cuomo for his leadership in shaping New York State's proposal.

But for Mario Cuomo, this is just one more step in a long record of support for transportation investment and technology.

Those of us in the United States Department of Transportation have long recognized that this Governor has been a national leader in transportation for many years -- overseeing more than $50 billion worth of investments in roads, bridges, mass transit and other infrastructure.

His "New, New York program" is well on the way to ensuring a world-class transportation system for cities and towns from Niagara to Brooklyn to Montauk -- as well as high-tech research centers across the state.

Governor Cuomo has also been a leader in creatively re-structuring state and local government operations -- and in securing new partnerships with the federal government. Today's news is a prime example of that.

This is truly a win-win-win situation for the Niagara region, for New York and for America. I congratulate Governor Cuomo and all the state and local authorities whose vision, cooperation -- and hard work -- has made this happen.

On behalf of the President, let me say that we look forward to working with you, Governor, in leading the Empire State into the 21st century.

Thank you all very much.

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TALKING POINTS

SECRETARY OF TRANSPORTATION FEDERICO PEÑA

FIRST HISPANIC BUSINESS 500 AND SCHOLARSHIP AWARDS BANQUET

WASHINGTON, D.C. SEPTEMBER 15, 1994

(Introduction to be made by Dr. Laudelina Martinez, President, Hispanic Association of Colleges and Universities)

* **Thank you, Dr. Martinez, for that introduction. It's an honor -- and a pleasure -- to be here tonight.**

* **To tonight's scholarship winners -- *antes que nada, quierro felicitarlos!* You have won an opportunity to continue your record of achievement -- accomplishments which came from your ability and your commitment to hard work. I urge you to make the most of the chance this gives you.**

* **There were no losers in the competition for these scholarships -- because even those who did not receive awards were motivated to work harder and to make the most of themselves.**

* **And to the Hispanic Business College Fund, I extend my thanks for your commitment to our community. This conference, and this scholarship program, are the types of enlightened corporate activism which will benefit all of us.**

* **You are helping to offer new opportunities to Hispanic Americans at a time when these new opportunities surely are needed.**

* **America's Hispanic population is growing at an incredible rate -- and may double in another 25 years. Hispanic-owned businesses are also increasing in both numbers and in productivity, and that will only grow further now that NAFTA is in place.**

* **But we all know that, even though things are moving quickly and in the right direction, Hispanic Americans still face tough obstacles -- and many of our people -- *too many* -- face these obstacles right from the day they're born.**

* **The poverty rate for Hispanic children *(38.4% in 1990)*[1] is more than twice as high as for non-Hispanic children *(18.3% in 1990)*. The impact of this deprivation is reflected across the board in the lives of Hispanic Americans.**

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[1] **All numbers in this paragraph and the next are from *The Hispanic Population in the United States: March 1991*, published by the U.S. Department of Commerce.**

* **Hispanics remain the most undereducated major segment of the U.S. population. In 1991, just over half *(51%)* of adult Hispanics had completed four years of high school -- and just one in ten *(10%)* had completed four years of college.**

* **Although we have seen modest progress over the previous decade, we have much more to do. Hispanics still continue to enter school later, leave school earlier, and receive far fewer high school diplomas and college degrees than other Americans.**

* **To understand the long-term impact of this, we can look to a study *La Raza* published last year[2] which determined the value to Hispanics of an education comparable to that received by Anglo Americans.**

* ***La Raza* calculated that almost one-third *(29.6%)* of Hispanics 25 years and older would be lifted above the poverty level if their educational attainment rates were equal to those of their Anglo counterparts.**

* ***One-third!* Well, let me tell you, that's something worth working towards. And I can tell you the benefits from personal experience.**

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2 *La Raza: State of Hispanic America: Toward a Latino Anti-Poverty Agenda*

* My parents put six children through college -- producing three lawyers, an accountant, an assistant high school principal, and a teacher. We benefited directly from their sacrifices.

* But not all families are in a position to do what my parents did for us. That's why programs like the one we honor tonight are so important. They provide the opportunities which make dreams come true.

* Of course, we shouldn't look to just to raise Hispanic Americans above the poverty level. We need to reach economic equality with all other groups of our fellow Americans. And that isn't easy.

* Even with the generous commitments to equal opportunity made by responsible employers like the members of the Hispanic Business College Fund, Hispanic Americans hold only 2 percent of corporate America's managerial positions. So we still have far to go.

* Members of the Hispanic Business College Fund deserve great credit for promoting awareness among young Hispanics of the promise of professional careers -- and for helping to make that promise a reality.

* **As one of two Hispanic Americans in President Clinton's Cabinet, I am proud of what we are doing. So, I again thank the members of the Hispanic Business College Fund for their efforts to open doors for the young people of our community.**

* **This is something which President Clinton also is committed to -- opening doors through school reform, apprenticeships, better college loan programs, and our new national service program. But government can't do it all -- we need the help of groups like the Hispanic Business College Fund, and we appreciate it very much.**

* **And in closing, I'd like to say to tonight's scholarship awardees:** ***buena suerte en el futuro!***

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REMARKS PREPARED FOR DELIVERY

SECRETARY OF TRANSPORTATION FEDERICO PEÑA

OATH OF OFFICE FOR DR. RICARDO MARTINEZ,
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATOR

WASHINGTON, D.C.
SEPTEMBER 16, 1994

(Introduction to be made by Deputy Secretary Downey)

Thank you, Mort, for that introduction. It's a special pleasure to be here today at Dr. Martinez's swearing-in. He's the last of our modal administrators to take office -- which maybe is a case of saving the best for last.

And I don't think anyone knows that better than some very special guests -- Ricardo's wife, Robin Rosser Martinez; his father, Dr. Jorge Martinez, and his wife, Glenda; his brothers, Dr. Jorge Allen Martinez, Dr. Tony Martinez, and Matthew Martinez; and his father-in-law, Robert Rosser. Let's welcome them.

They're not the only ones who know how superbly qualified Ricardo Martinez is to be our National Highway Traffic Safety Administrator.

Ricardo is a medical doctor -- the first to hold this position since NHTSA's first Administrator, Dr. Bill Haddon, a generation ago.

And he has a distinguished academic résumé in emergency and trauma care -- areas of special relevance to his new position.

Perhaps most importantly, Ricardo has *personally* served in emergency departments and trauma centers. He's seen, first-hand, the devastation of automobile crashes, and he understands their impact on victims and their families. No one can work to save the life of a crash victim without being deeply affected, and those experiences give Ricardo a powerful sense of mission.

That commitment is his greatest asset as he works to achieve this department's foremost goal: putting people first by promoting safe and secure transportation.

Although we've made great advances on auto safety over the last 30 years, we still have far to go. Over 40,000 deaths a year -- and hundreds of thousands of injuries -- are still far too many.

We need to step up all of our efforts to make vehicles, roadways, and drivers safer. And we must work to reduce the deaths and injuries caused by recklessness and carelessness -- by drunken driving, by not wearing safety belts or motorcycle helmets. As an educator, Ricardo is highly qualified to carry out this increasingly vital part of NHTSA's mission.

His understanding of the issues, combined with his practical training and experience, give him the vision we need to lead NHTSA through the 1990s. I'm convinced that he'll have a major influence on the national effort to improve safety and reduce health care costs, and I'm delighted to welcome him on board to direct this effort.

Now, I'd like to introduce Senator John Breaux of Ricardo's home state of Louisiana. Senator Breaux has long been a national leader on transportation issues.

We've achieved a great deal in partnership with him, especially in the revitalization of America's maritime industries. Today, we've invited him to administer the oath of office to his very distinguished constituent, Dr. Ricardo Martinez.

Please join me in welcoming Senator Breaux.

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4.54

TALKING POINTS

SECRETARY OF TRANSPORTATION FEDERICO PEÑA

NATIONAL PERFORMANCE REVIEW CUSTOMER SERVICE EVENT

INTERSTATE-20 TRUCK INSPECTION SITE

DOUGLASVILLE, GEORGIA
SEPTEMBER 20, 1994

* One year ago, Vice President Gore presented his report to the President on the National Performance Review -- together with recommendations on how to reinvent government to make it work better, cost less, and be more responsive to the American people.

* Today, the Vice President issued Customer Service Standards Reports based upon the work done during the first year of this effort. This includes customer service standards set by the Department of Transportation in nine high-priority areas -- the first of more than 30 we plan to issue.

* We're establishing standards in virtually every field of transportation. We're improving services for recreational boaters through a 24-hour-a-day Coast Guard hot line with answers to technical questions and to obtain information. Commercial fishermen will be served by 24-hour-a-day on-demand search-and rescue services.

* Ship builders will benefit from faster evaluations of their applications for financing, and airmen requesting certification will have their applications processed rapidly. And we're improving safety training for the nation's many small railroads.

* Some of our broadest-reaching efforts affect motor vehicle safety. We'll be providing expedited traffic safety program services to national, state, and community organizations, and establishing a bilingual auto safety hotline.

* Finally, we're issuing customer services standards for the nation's motor carriers -- our trucking industry. And we'll issue further sets of standards -- more than 30 -- over the next year.

* This emphasis on customer service -- this change in the federal government's culture -- is the single most important achievement of the National Performance Review, and it's the underlying premise of the Department's Strategic Plan.

* The National Performance Review exemplifies the spirit of the Clinton Administration's approach to governing: a new customer service contract with the American people, a guarantee of efficient, effective, and responsive government.

* Like President Clinton, I have my roots outside of the federal government -- in my case, as Mayor of Denver -- and I learned first-hand the importance of responding to your customers.

* Unlike his predecessors, President Clinton is following through on his promise to reform government operations. He's cut the budget deficit, and he's cut the size of the federal bureaucracy.

* Cutting the deficit and shrinking the bureaucracy are hard -- but it's even tougher to improve government's service at the same time. The Clinton Administration is doing that, and we see that here today.

* We've taken a necessary government function -- truck inspections -- and are working to make it better for our customers: commercial truck drivers and state inspection teams. At the same time, we're still improving the safety of the traveling public.

* No one appreciates the importance of these inspections more than the conscientious, responsible truck drivers I've met today -- the 1.9 million inspections in 1993 *(up from 1.6 million in 1992)* helped many of them to identify dangerous flaws in their vehicles.

* But we also don't want to burden drivers with red tape -- delays, unnecessary regulations, and mindless paperwork.

* That wastes their time and means higher costs for shippers -- costs that are passed on to retail customers down the road.

* That's why we've set customer service standards for them -- to provide technical assistance and education, up-to-date information, efficient inspections, and timely responses to requests.

* We've also undertaken a zero-based review of all of our trucking regulations. We want to weed out what's unnecessary -- and simplify what *is* necessary. We're about to propose elimination of a series of redundant and burdensome rules, and have identified more than 40 other regulatory areas for scrutiny.

* And we're trying to improve truck safety in other ways. For instance, our "Share-the-Road" campaign educates the public about the dangers of driving in truck blind spots -- those areas at the sides and rear of the truck which the driver can't see in his mirrors.

* At the same time, we're continuing to develop new technologies which allow truck drivers to sense when vehicles are in their blind spots, and we see this as a long-term solution to the problem of blind spots on all vehicles.

* We also want to support state inspection teams like the one which showed me their inspection procedures earlier today.

* We don't want to handicap inspectors with unneeded rules they'll have to enforce, or fail to give them the resources they need to do their job.

* So, this year we provided more than $1.8 million in Motor Carrier Safety Assistance Program funds to Georgia for these inspections *($65 million nationally)*. And we've recommended more money for this program in the future.

* We've also initiated peer review and data and inspection quality processes at the state level so that we can better identify the needs of inspectors -- and meet them effectively.

* **Today, we've set customer service standards for our partners in the trucking industry. We've committed to helping truckers operate safe vehicles, and to reducing their out-of-service rates, which cost them real money.**

* **The principles of this are laid out in the Federal Highway Administration brochure, *Customer Service Commitments to Motor Carriers*, which we have with us today.**

* **We're going to continue to work with all of our customers -- in this case, the motor carrier industry, truck drivers, and state regulatory agencies -- in partnership to better meet the needs of the public we all serve.**

* **That's the spirit of the Clinton Administration's National Performance Review -- setting standards for customer service, and meeting them.**

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DRAFT - 9-19-94

TALKING POINTS PREPARED FOR
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
UNVEILING OF PORTRAIT OF ELIZABETH DOLE
WASHINGTON, D.C.
SEPTEMBER 21, 1994

- **Good morning. I want to welcome all of you to the Department of Transportation.**

- **Actually, it's welcome back to Elizabeth Dole, who made history by serving longer than any other Secretary of Transportation (February 7, 1983 to September 30, 1987). I don't know if this is a tribute to her skills and her stamina, but it probably prepared her for her current job as president of the American Red Cross -- another large organization serving people.**

- **Elizabeth Dole made history as the first woman to head a branch of the Armed Forces -- the U.S. Coast Guard -- and she is also remembered as the "safety Secretary" because of the many accomplishments in highway safety during her term.**

- **She tackled some of the toughest and most controversial issues ever to face a Secretary of Transportation.**

  -- She implemented what is known as the "air bag rule" requiring automobile manufacturers to phase in "passive restraints" in every car. The passive restraints are the air bags we take for granted as a safety feature in our cars today.

-- She also presided over the sale of the government-owned freight railroad -- Conrail -- to private investors on March 26, 1987 for $1.645 billion. The stock sold out the first day it was put on the New York Stock Exchange.

-- And Mrs. Dole shepherded the transfer of Washington National and Washington Dulles International airports from the Federal Aviation Administration to the Washington Metropolitan Airports Authority on June 7, 1987.

- It's an honor for me to be here to honor a distinguished predecessor. We are all pleased today, Mrs. Dole, to unveil a portrait that will remind us for many years to come of a great Secretary of Transportation.

- Thank you all very much for coming.

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DRAFT #2 – 9-21-94

TALKING POINTS FOR
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
SWEARING-IN CEREMONY FOR DAVE SHARMA
SEPTEMBER 22, 1994
WASHINGTON, D.C.

- **Let me welcome all our visitors to the Department of Transportation.**

  -- I'm especially glad to see Dave's wife, Santosh, and assure her that we won't keep him at the office many nights.

  -- I'm also delighted to meet Dave's son, Niraj, his father, Mr. Jigyasu and members of his extended family.

- **Before we move on to Dave's moment, let me also thank Ana Sol Gutierrez, Deputy Administrator of the Research and Special Programs Administration (RSPA), for her excellent leadership during the months before Dave was confirmed by the Senate and Rose McMurray for "Acting" as Administrator during the first year of my term as Secretary. You've all pulled together as a fine team.**

- **RSPA has many diverse missions:**

  -- promoting safe transportation of over 500,000 shipments of hazardous materials per day -- everything from dry-cleaning fluid to rocket fuel.

-- regulating safety for a network of 1.7 million miles of pipeline carrying crude oil, petroleum products, and natural gas.

-- coordinating the Department's research and technology innovation which is one of my highest priorities.

-- managing the Volpe Transportation Systems Center in Cambridge, Massachusetts, and the Transportation Safety Institute in Oklahoma City, Oklahoma.

-- coordinating the Department's crisis management activities such as last summer's midwest floods and the Northridge earthquake.

- It is obviously a job for someone with a strong technical background and someone who is capable of managing a diverse agency.

- Fortunately for me, we found Dave Sharma.

- Dave's background is just as diverse as the agency he will head. He has more than 30 years of professional experience in energy, science and technology -- he knows and understands the added-value that research and technology can bring to America's transportation system and to our economy in general.

-- He has served in the Washington Office of the Electric Power Research Institute (EPRI), a major research organization for America's electric power industry.

-- Prior to that he has had a long, distinguished career in electrical engineering beginning in his native India and spanning America from California to New York and Massachusetts.

- Dr. Sharma holds masters and doctorate degrees in electric power engineering from Rensselaer (Ren-sa-lay'-er) Polytechnic Institute in Troy, New York, and degrees from the Indian Institute of Technology and the University of Windsor, Ontario.

- I'm sure he will need all of that learning in meeting the challenge of managing RSPA's research and technology development program.

- America is lucky to have Dave as a citizen and I am lucky to have him on my top management team.

- It's an honor -- and a pleasure -- for me to administer Dave's oath of office.

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REMARKS PREPARED FOR DELIVERY BY SECRETARY OF TRANSPORTATION FEDERICO PEÑA

INTERNATIONAL PUBLIC WORKS CONGRESS AND EXPOSITION AMERICAN PUBLIC WORKS ASSOCIATION

CHICAGO, ILLINOIS SEPTEMBER 26, 1994

Transportation Trends

DEPARTMENT OF TRANSPORTATION UNITED STATES OF AMERICA

INTRODUCTION

I want to thank you for that introduction.

I want to begin today by congratulating the American Public Works Association on a century of professional dedication to the public structures and systems that ensure Americans our quality of life.

And let me welcome all the members from Canada and Mexico, our neighbors, friends and founding partners in NAFTA, the greatest free trade zone in human history.

I also want to thank every member of the APWA for the job you do every day on the front lines of this nation's infrastructure.

I've been a mayor and I've had my fair share of complaints about bad roads, creaky bridges, the eternal pothole, and yes, snow removal.

I know you do a tough job -- and I am determined to work hard for you.

TRANSPORTATION ACHIEVEMENTS

Yet in spite of all you do -- and all that we do at the federal level -- much of what we've heard over the last few years has been complaints about America's infrastructure "deficit".

I have spoken out about this as much as anyone.

But today I want to talk about what we have achieved in transportation -- and will achieve -- not just the well-known shortfalls and gaps.

Because despite the constraints that tight budgets impose on all levels of government, we have made great progress in increasing infrastructure investment.

I want to discuss some of these achievements with you today and outline three ways that we are working to build an even better infrastructure for America's transportation future.

First, I want to talk about what we're doing to fill the infrastructure deficit -- both by securing higher investment budgets and by

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developing new financing mechanisms and new public-private partnerships.

Secondly, I'd like to discuss one of my central goals : developing and deploying new technologies that will transform America's whole transportation system and make it safer and more efficient.

Third, I want to say a few words about the National Transportation System -- the major strategic initiative the Department of Transportation launched last December which will serve as the blueprint for the post-ISTEA era.

OUR COMMITMENT TO TRANSPORTATION INFRASTRUCTURE

America already has the largest, safest and most complete transportation system in the world. We have invested 2.4 trillion dollars in our nation's capital stock of transportation infrastructure.

President Clinton understands -- better than any President in over a generation -- how vital that transportation infrastructure really is to ensuring our quality of life -- and America's ability to compete -- and win -- in tough global markets.

That is why this Administration has increased infrastructure investment ever since we came to Washington.

Even while passing a $500 billion deficit reduction package -- the largest in American history -- President Clinton has raised the Department of Transportation's 1995 budget to a record $39.5 billion -- seventy-one percent of it for infrastructure investment."

What have these increased investments in infrastructure brought us?

The answer is, a stronger, more productive economy.

Let's look at the big picture.

We spend nearly $1 trillion a year -- 17 percent of our gross domestic product -- on transportation.

That means that just a one percent improvement in the overall efficiency of America's transportation system translates into nearly $100 billion in savings across our economy within a decade.

And we are achieving such gains right now.

Just a few weeks ago, a major international study ranked America as the world's most competitive nation.

And one of the most important reasons that we have taken back that lead is because of the gains in productivity that transportation investments make possible.

By next year, for example, more than half of our country's manufacturing plants will be using "just-in-time" inventory systems. These production methods depend critically on rapid delivery of parts -- domestically and internationally -- often through several transportation modes -- from ship to port to truck to train or plane to truck again -- before final delivery.

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But while this Administration's emphasis on infrastructure investment is moving America in the right direction, we must invest more if we want to sustain our global lead in competitiveness.

Where will we find the money?

We cannot meet all of our needs from traditional public sources or in traditional ways. We need to be more creative.

"And <u>I am proud</u> today to join the American Public Works Association in supporting more public and private investment in infrastructure.

"As the President likes to say, these investments are the stuff "that rich and powerful nations are made of." They are also – <u>literally</u> – the foundation stones of the American Dream."

We need multiple strategies to "leverage" federal dollars -- to maximize returns on federal, state, local and public-private investment in transportation. We need to find new ways to finance roads, bridges, transit systems and other projects that will <u>not get done</u> if we rely <u>only</u> on public funds.

Look at the creativity that the State of Washington is employing.

That state's transportation commission recently approved six transportation projects -- representing over $2 billion in improvements to be achieved through a public-private initiative.

Just $166 million of that will come from the state itself. Private equity investments and revenues generated from user tolls, fares and fees will provide the rest -- more than 90 percent of total financing.

And by using congestion pricing, one of these investments, the Puget Sound Project, will reduce pollution from fuming traffic jams, ease traffic flow and raise income to pay for more transportation investments throughout the region.

We actively encourages this kind of financial innovation. I have made this effort a top priority -- led by my Deputy, Mort Downey, by Federal Highway Administrator Rodney Slater, by his deputy, Jane Garvey, and by DOT's budget chief, Louise Stoll. We'll be doing a lot more of it.

We started this March when the Federal Highway Administration began an Innovative Financing Initiative, seeking proposals from the states for infrastructure projects that could not get done without new and creative financing arrangements.

We promised to cut through red tape and speed approvals. The response was striking.

Working with local governments and the private sector, 26 states submitted 60 proposals designed to stretch public dollars further.

Just two weeks ago, we broke ground on one of these projects -- a new interchange that the Michigan DOT is building

on I-94 at Romulus, Michigan that will ease congestion and dramatically improve access to both the Interstate and the Detroit Airport.

This was made possible because we are allowing the state to credit private matching funds towards the state's share of the project.

"And let's also remember what the real stakes are in our debates about transportation infrastructure.

" Because as we see in the Midwest, the real stakes are not only budgets and dollars or system efficiency -- they are jobs, families' lives, working peoples' self-respect and the American people's future."

Within the next few weeks, we will announce a series of approvals that will put thousands of people to work building America's economic strength anew.

But let me be clear -- none of these projects will just happen. They will come about because local officials had the vision and the creativity to make them happen.

We want to see more of this. And we are willing to be your partner. We are actively seeking creative proposals from states, cities, counties, public authorities and public-private consortia.

I urge you to carry the word to your mayors and city councils, private businesses and state DOT's.

Make no mistake: states and cities that seize this opportunity and craft new financing techniques will be among the most competitive and successful in America and in the world.

Let me address my next topic by suggesting to you that supporting new transportation technologies is just as important as financing steel, concrete and asphalt.

DOT'S NEW COMMITMENT TO TECHNOLOGY

That's why I have made technological development one of the core elements of the DOT's strategy.

I have reshaped the DOT budget to reflect a far bigger role for research and development. To focus this effort, I have appointed the first Director of Technology Deployment in DOT's history -- Noah Rifkin.

Ladies and gentlemen, we have a historic opportunity to harness a whole range of technologies -- many of them once classified secret by our military during the Cold War -- to spur a revolution in American transportation.

We can -- and we will -- create whole new American industries -- to meet transportation needs here at home and then to export all over the world.

We can -- and we are -- finding technologies that will directly affect your jobs -- building and maintaining infrastructure, managing traffic flows.

The Strategic Highway Research Program of the FHWA, for example, is a five-year, $150 million effort focussed on highway operations, concrete and

structures, asphalt and long term pavement performance.

This strategic research will bring us "smart structures" and "smart materials" to join the smart cars, smart highways and smart travellers in the 21st century.

The pay-off will be huge. The Transportation Research Board estimates that improving highway pavement durability by even 1 percent will save $10 to $30 billion over 20 years.

To accelerate these technologies to the stage of production and deployment, I have insisted that my Department play a lead role in defense conversion. I want us to lead in capturing a real "peace dividend" -- one whose benefits we can see -- and feel.

That's why the DOT is now a full, active partner in such interagency initiatives as the Technology Reinvestment Project -- a key Administration program to spur research and deployment of military and "dual-use" technologies for civilian needs.

We're getting results already. Twenty-seven of this year's TRP research grants -- totaling $420 million -- were directly related to transportation -- some of them with very dramatic promise.

In San Francisco, for example, the Bay Area Rapid Transit (BART), Hughes Aircraft and the Morrison Knudsen Corporation have teamed up -- backed by a $20 million TRP grant -- to develop an Advanced Automated Train Control system that will track the precise location of every BART train -- even in deep tunnels.

Once deployed, this system will double the carrying capacity of the BART system -- <u>double it</u> -- <u>without adding one foot</u> of new track or costly station platforms.

Another TRP-backed effort that many of you will appreciate is a $21 million project at the University of California, San Diego, to adapt advanced composite materials -- developed for stealth aircraft -- for bridge construction and renewal.

These same composite materials can be used to resurface roads and fill potholes -- once and for all -- <u>so that they never have be filled again</u>.

OK, <u>I'm kidding</u> on that last part.

Please forgive a former Mayor for dreaming out loud.

I know as well as you do: <u>nothing</u> can keep a good pothole down. But the NTS that I envisage will be much more than a powerful planning tool. It will be <u>a stimulus to action</u> -- a guide to realizing the original intent of ISTEA -- the creation of a seamless, cohesive transportation system to serve the American people and our economy.

But my point is that you can see some striking, practical new technologies on-the-shelf right now.

City buses, for example, made from composite materials from the stealth bomber -- buses 1/3 lighter than standard buses .... buses that really

-- more --

will not tear up your streets every few months.

"But the NTS that I envisage will be much more than a powerful planning tool. It will be a stimulus to action -- a guide to realizing the original intent of ISTEA -- the creation of a seamless, cohesive transportation system to serve the American people and our economy. "

In fact, I invite all of you to see these sorts of new technologies next week -- at TransFuture '94, a technology fair the Department of Transportation is sponsoring on the Mall in Washington, D.C. -- beginning October 7..... Please come.

If what you see there impresses you -- and it will -- you will be even more excited by some of the more advanced technologies now in the pipeline.

Chief among these is the family of new technologies that we used to call Intelligent Vehicle Highway Systems -- IVHS.

We've re-named these efforts Intelligent Transportation Systems, or ITS, because, in truth, these technologies will transform all of America's transportation systems -- not just cars, trucks, traffic systems and highways.

In the years since ISTEA mandated a $600 million research program on this effort, the Department of Transportation has forged a true partnership for technology development with private American industry.

I am eager to see tangible results. And so I turned to APWA itself for fresh talent -- and named Christine Johnson, former Director of your own Research Institute, to drive our ITS efforts.

Christine heads a powerful new unit within DOT with a mandate to bring ITS systems from operational testing to full deployment -- in partnership with states, cities and private industry.

We know from our tests that these systems work.

One ITS system is working right here in Chicago -- where an incident detection and response program clears]over 115,000 traffic-snarling events every year.

I am sure that Mayor Daley is pleased to note that the cost to benefit ratio of this system is roughly 1 to 17 -- a truly fantastic return for the taxpayer.

From here forward, of course, much of the progress in designing and deploying ITS systems will be done by private industry. But the federal DOT has an absolutely critical role to play.

Our job is to establish consensus among states, cities, public works officials and industry on common standards and system architectures.

We need to foster adaptable designs -- "Open architectures" -- that can form a cohesive national system -- able to expand and adapt as new ITS software and new applications emerge.

My Department will do everything we can to set

coherent national and international standards -- from Key West to Anchorage and from Canada and Mexico. We want to create a true mass market so that America's ITS industry can secure world leadership.

President Clinton understands – better than any President in over a generation – how vital that transportation infrastructure really is to ensuring our quality of life – and America's ability to compete – and win – in tough global markets."

To move towards that kind of broad market we are already promoting partnerships on ITS projects between multiple jurisdictions -- states, cities, regional authorities -- and internationally as well.

Earlier this month, we did exactly that in upstate New York -- by investing in a project that combines nearly all of the elements of our transportation strategies.

Called MINITECH, it is a partnership of city, state and provincial governments and public authorities -- on both sides of the U.S.-Canada border -- that will use innovative means to finance new ITS systems to speed the $47 billion in trade that crosses the Niagara frontier each year.

MINITECH is a case of what I would call getting six jobs done at once: reinventing government, using innovative finance, and deploying new, ITS technology -- all at once -- to promote local growth, to facilitate trade, and to strengthen American competitiveness -- all at once.

In a real sense, the MINITECH project is a good segue-way to my next topic: the new National Transportation System that we began work on last December.

THE NATIONAL TRANSPORTATION SYSTEM

On the most basic level, the NTS will be the strategic blueprint for transportation planning and investment well beyond ISTEA.

Building on the 159,000-mile National Highway System that has been passed by the House and is now in conference committee, the NTS will expand to embrace airports and seaports, waterways and pipelines, rail and transit systems and their connections -- the whole intermodal backbone of America's transportation future.

We are consulting now with states, cities, public authorities and private industry all over the country to establish criteria for inclusion in the NTS -- and to identify elements of the system.

Clearly, the NTS will be a powerful planning tool -- one that will enable all levels of government to better "see" the connections between traffic flows of all kinds and our economy, community, and environmental concerns. We will be able to offer the American people solutions -- and choices -- that we simply cannot "see" through the blinkers of our current mode-by-mode planning.

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But the NTS that I envisage will be much more than a powerful planning tool. It will be a stimulus to action -- a guide to realizing the original intent of ISTEA -- the creation of a seamless, cohesive transportation system to serve the American people and our economy.

"We need multiple strategies to "leverage" federal dollars – to maximize returns on federal, state, local and public-private investment in transportation. *We need to find new ways to finance roads, bridges, transit systems and other projects that will not get done if we rely only on public funds."*

We need this kind of tool badly -- to knit together our transportation systems from a national perspective -- and to invest more strategically -- not in the often disjointed way we have done in the past.

All too often, our transportation investment decisions have been shaped -- or mis-shaped -- by the availability of funds for specific modes -- with little concern for making connections.

It is past time that we realize that seemingly local decisions -- such as completing the Alameda port-to-rail corridor in California -- have profound implications -- not only for local congestion, but for the whole nation .

Many of these decisions can enhance -- or undermine -- national transportation efficiency and national productivity and competitiveness.

If we want to compete -- and win -- in the tough global markets of the next century, we need to be able to identify -- and correct -- the bottlenecks and gaps that stymie this nation's competitiveness.

The NTS will help us do that.

And we also need to challenge the whole way that we have thought about transportation planning and investments in the past. Too often, the first question asked was, "How can we extend or widen a road?" or, "How can we add a new subway?" or "How can we have a light rail system like other communities?".

By framing transportation questions this way we lose sight of what our investments are supposed to do: to serve the American people....people trying to get to work, to get their kids to schools or day care, to get home for the holidays....to bring materials to their businesses and ship goods to customers.

We need to get back to basics. The right questions in transportation should be: "How can we move people or goods from point A to point B and from point C to A -- regardless of the mode of transportation? How can we do this most cost-effectively, cut congestion, protect our environment and enhance safety? Finally, how do we make sure that these investment connect seamlessly with other transportation options to tie America together?'"

To reach those goals we need all of your expertise.

I urge all of you -- and public works officials from cities all across America -- to lend us your heads and your hands so that we develop the NTS together -- because it will guide America's transportation planning and investment -- and shape your communities' lives well into the 21st century.

CONCLUSION

I want to conclude by returning to the vital role that transportation infrastructure plays in America's economy.

Just a few weeks ago, BusinessWeek ran a cover story on the industrial Midwest -- a region battered in the 1980's by foreign competition -- the heartland of America that cynics used to ridicule as the "Rust Belt".

Today, the Midwest is making a powerful comeback -- leading the nation in economic growth.

Why the turnaround? There are a lot of reasons -- with a lower dollar, corporate restructuring and higher productivity at the top of most lists.

Speaking personally, I wouldn't discount the people of the Midwest. Last summer, I saw these people stand up to -- and overcome -- the worst flood in five hundred years.

But I would suggest to you that there is another key to the comeback of America's industrial Heartland: our transportation system.

Because with all of its well-publicized flaws, our transportation system is the best in the world.

Yes, we need to do better.

But let's recognize that we are building on success.

And let's also remember what the real stakes are in our debates about transportation infrastructure.

Because as we see in the Midwest, the real stakes are not only budgets and dollars or system efficiency -- they are jobs, families' lives, working peoples' self-respect and the American people's future.

Bill Clinton -- and this whole Administration -- understands these stakes. We are proud to see America moving in the right direction. We are proud to see the comeback of that old American tradition: winning.

And I am proud today to join the American Public Works Association in supporting more public and private investment in infrastructure.

As the President likes to say, these investments are the stuff "that rich and powerful nations are made of." They are also -- literally -- the foundation stones of the American Dream.

Thank you very much.

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Transportation Trends

SECRETARY OF TRANSPORTATION
FEDERICO PEÑA

THIRD REGIONAL CONFERENCE AND
EXHIBITION AIRPORTS COUNCIL INTERNATIONAL - N.A.

TORONTO, CANADA
SEPTEMBER 27, 1994

INTRODUCTION:

Minister Young, Chairman Moffatt, Assistant Deputy Minister Barbeau, Ambassador Blanchard, ladies and gentlemen.

I want to thank ACI's Chairman Louis Miller for that very generous introduction.

I also want to tell him how very impressed I was -- just a few weeks ago -- when I visited his airport in Salt Lake City and saw the progress that he is leading there.

It's great to be in Toronto. It really is great to be among men and women who love aviation -- and who believe in airports -- as much as I do.

And I want to invite all of you to join me next February for the opening of Denver International, the new crown jewel of North American airports.

As a former Mayor, I am keenly aware of how important airports -- and air services are to cities.

I spent a lot of time seeking expanded route authority for Denver. I know that many of you here are working hard to gain greater access to global destinations. I support your efforts and hope that you will support ours.

"In short, this Administration has crafted the most comprehensive aviation strategy in a generation. We have defined an active role for government in aviation."

My experience as Secretary of Transportation convinces me more than ever of the dynamic, essential role that airports play in our regional and national economies, and on the competitiveness of airlines, and on the new opportunities offered to the traveling public.

Today, I would like to discuss three topics: one, the Clinton Administration's achievements for American aviation; two, our strong commitment to airports and airport development; and, three, our goal of liberalizing world trade in air services -- including our air service agreement with Canada.

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THE CLINTON ADMINISTRATION'S AVIATION ACHIEVEMENTS

All of you know that faith in aviation's future -- and action to ensure it -- have been among the hallmarks of the Clinton Administration.

Right from the beginning -- even before taking office -- President Clinton has viewed America's airlines and aerospace industries as strategically central to America's economic future.

" Because no matter what we do to improve airport finance, or aircraft technology, no matter how many new runways and taxiways we add -- public confidence depends on our making continuous gains in safety.

"We cannot have a viable aviation strategy unless safety remains as the foundation stone. "

When we took office, we faced an airline industry in crisis. The industry's multi-billion dollar losses were compounded by simmering labor disputes, falling aircraft orders and the rise of airline protectionism worldwide.

The times demanded action, and this Administration took action.

In my very first days in office I supported the creation of the National Commission to Ensure a Strong, Competitive Airline Industry.

This Commission was no talking shop -- it was an action group. Commission members worked to an urgent schedule.

Now, we are acting -- on 50 of the Commission's 61 specific recommendations.

These range from such major changes as our proposal to restructure the FAA's air traffic control system to a host of "sectoral" reforms such as the recently-passed limitation on product liability for general aviation manufacturers -- a single change in tort law that is projected to generate 25,000 new jobs by 1999.

Along the way, we have forged new partnerships with airline management and labor, with cargo carriers and shippers, aircraft makers, airport managers and consumers.

We have encouraged new entrants. We have fought off anti-competitive practices. We are revising our mechanisms for resolving disputes between airports and airlines.

We have actively assisted the sales of U.S. aircraft around the world, securing multi-billion dollar orders from Saudi Arabia, the United Arab Emirates and other nations.

And we have vigorously defended the rights of U.S. carriers in negotiations with nations around the world.

In short, this Administration has crafted the most comprehensive aviation strategy in a generation. We have defined an active role for government in action.

America's airline industry -- management and labor -- deserves credit too, for moving forcefully over the past year to cut costs and become even more competitive.

These sorts of tough decisions by the industry were one of the Airline Commission's two central prescriptions for recovery.

But the Commission's single most crucial prescription for airline revitalization was that this Administration get America's economy moving again.

That is exactly what we're doing.

In the year and a half since President Clinton took office, America's economy has grown, creating 4.3 million new jobs since January 1993.

Last year, we had the largest number of new businesses incorporated in U.S. history.

For the first time in the 1990s, there are no major U.S. airlines operating in bankruptcy.

For the year ending this June, the nine major American carriers reported their highest operating profits since 1988 -- $1.4 billion -- versus a collective loss of $1.4 billion a year earlier.

Last year also set records for the number of international airline passengers to and from the U.S. -- 92.5 million -- and for the volume of international air cargo flows -- 4.7 million tons.

No one looking at this record can doubt our commitment to a healthy future for American aviation.

OUR COMMITMENT TO AIRPORTS

That same commitment extends to our nation's airports. It begins in my office. And it is shared by a great new team at FAA: Administrator Dave Hinson, who brings forty years' experience in aviation to his job; by his Deputy, Linda Daschle, who came to us after serving as Vice President of the American Association of Airport Executives, and by Cynthia Rich, our Assistant Administrator for Airports and a former director of airports in Cleveland.

This strong emphasis on airports extends from the Department's strategic planning to support for immediate, needed improvements.

It includes urgent efforts to use innovative finance and advanced aviation technology to meet the airport capacity shortage we can see looming. And it encompasses dramatic reform of the FAA's Air Traffic Control System to meet that challenge and improve safety.

A) SAFETY: THE ABSOLUTE PRIORITY IN ALL WE DO

Before I survey our airport policy in more detail, let me emphatically say that anything and everything we do is guided by our absolute commitment to safety . . . this above all else.

The tragic air crash near Pittsburgh earlier this month only underscored for me the terribly high responsibility that all of us in aviation bear for the safety of passengers.

This is a moral commitment first. But it is also an operational imperative for the industry -- for the airlines and for airports.

There are two examples where I believe the FAA and airports can work better, faster, and smarter to improve safety. The first is in the installation of Doppler radar. The FAA has purchased 47 Doppler systems, but for various reasons, only 26 are on site, and only one is operational. That is simply unacceptable. The FAA is now working on a plan to get the rest of the Dopplers installed and operational as soon as possible.

The second example is in the area of power supply to air traffic control systems. In the last few months, we have had a number of instances where primary power systems failed and -- so did the backup systems. Thirty year old systems are failing and so is today's procurement system which prevent new generators from being put into place.

"Beyond more creative finance, we will meet the coming airport capacity shortage by aggressively driving the technological revolution that America is now leading in global aviation."

Because no matter what we do to improve airport finance, or aircraft technology, no matter how many new runways and taxiways we add -- public confidence depends on our making continuous gains in safety.

We cannot have a viable aviation strategy unless safety remains as the foundation stone.

B) AIRPORTS AND THE NTS

The blueprint for that aviation strategy is being crafted now -- as we work with cities, states and authorities across America on the National Transportation System that we launched last December.

One of the NTS's basic goals is to integrate airports and air services into a comprehensive intermodal transportation system.

As transportation planners and policy makers, we need to recognize what every traveler knows: that a trip isn't just a flight. You have to get to and from the airports at both ends of your journey -- by taxi or bus, light rail or transit and so on.

Making these sorts of connections is only one part -- the most obvious part -- of what the National Transportation system is all about.

We must also begin to weigh far more accurately the cost-effectiveness of building a new airport or adding a runway versus developing a high-speed rail link for a congested corridor.

This new way of thinking will apply to all modes and to all

transportation investment decisions in the future.

Airports and airport development will be essential elements of this strategic effort.

I urge all of you to make your voices heard as we work this year to define and select the elements of the NTS.

We need the advice of airport professionals and you need to take part -- because the NTS will guide America's strategic transportation planning and investment well into the 21st century.

C) IMMEDIATE SUPPORT FOR AIRPORTS – NOW

Clearly, this Administration sees airports as key elements in our economic strategy -- as catalysts for the long-term growth of cities and regions -- magnets for international investment and tourism -- and long-term sources of new jobs.

But we are not only planning for the long-term future. We are acting to support airports right now.

We are as concerned as you are about the challenges we foresee over the next few years.

We know that 60% of U.S. air passengers today fly from airports that the FAA designates as "congested".

We know that number could rise to 80% by the year 2000 if we don't act and invest strategically -- now.

We are keenly aware of the gap between current investment flows and the costs of meeting the 60% increase in passenger traffic -- from 500 million people today to 800 million -- that the FAA forecasts by early in the next century.

This year, Congress has appropriated about $1.7 billion in spending from the trust fund. Together with Passenger Facility Charges of well over $750 million in 1995, these funds will enable us to maintain airport infrastructure and continue making many major improvements.

I have worked very hard -- in a time of tight budgets and dramatic cuts in many federal programs -- to secure as much financing as possible for immediate airport improvements.

This June, FAA obligated $740 million to support some 586 grants.

I am delighted to announce that within the next few days we will approve more than 600 additional projects -- worth more than $950 million -- to finance new safety equipment and fire trucks; to add runways and taxiways, aprons and lights; and to reach noise mitigation targets.

Many of you will find these checks in your mailboxes soon. The FAA and I want to thank the airport community for its help in completing work on a year's worth of programs in just a few days.

With a normal 12-month cycle ahead of us next year, we will do even better.

D) SPURRING INNOVATIVE AIRPORT FINANCE

However, we must move beyond the current pay-as-you-go approach of the AIP program to find new ways to "leverage" airport finance -- to better capitalize on predictable income streams.

This is part of a broader DOT strategy in which I have directed the Department to explore innovative financing methods and to encourage new public-private partnerships to meet infrastructure investment needs.

For airports, as FAA Administrator David Hinson told the Wings Club last week in New York, the proposals we seek range from finding ways to assure bank and bond lenders that PFC revenues can be relied on; to allowing airports to pledge land as collateral and engage in land-banking for both expansion and income; to offering federal debt enhancements or loan guarantees, or setting up a revolving loan fund seeded with money from the aviation trust fund.

All of these options are under close review and I hope you will give us more ideas.

I have called on the FAA to provide us with recommendations that we can submit to Congress for action by early next year.

E) PROMOTING NEW AVIATION TECHNOLOGY

Beyond more creative finance, we will meet the coming airport capacity shortage by aggressively driving the technological revolution that America is now leading in global aviation.

We have already authorized the use of Global Positioning Satellite navigation in some domestic flights.

Full deployment is on the way -- with more than 8,000 GPS approaches expected by the turn of the century.

These systems will permit more direct routing, save hundreds of millions a year in airline fuel costs, allow closer headways and far better all-weather performance -- and enable airports to handle rising traffic flows in ways we can only dream of now.

"But the single greatest benefit we can deliver for America's airports -- and, indeed, for airports, tourism, businesses and national economies all over the world is to steadily and substantially liberalize the whole international air travel regime."

A series of other new technologies that we are supporting -- such as quieter Stage 3 aircraft -- will help airlines meet FAA's ambitious target of an 80 per cent reduction in airport noise levels by the year 2000 -- while reducing aircraft emissions to comply with the Clean Air and Clean Water Acts.

Our view is that these commitments -- to safety, to the environment, and to community concerns -- are not luxuries for our

airports. They are critical to building public support for the new facilities America's airports will sorely need to cope with rising traffic.

F) REFORMING THE FAA AND AIR TRAFFIC SERVICES

We believe that airports will also benefit substantially from the FAA re-structuring we are pursuing with the Congress.

This was one of the most basic calls to action by the Airline Commission -- and for good reason.

The simple fact is that we need fundamental reform of air traffic control services -- not the tinkering we have seen so often in the past -- we need it to sustain safety, to reduce delays, and to handle growing passenger volum

We ave already taken significant steps to bring change to the FAA. We've made some tough decisions on programs like the Advanced Automation System and the Microwave Landing System and the Global Positioning System.

"Right from the beginning -- even before taking office -- President Clinton has viewed America's airlines and aerospace industries as strategically central to America's economic future."

But the dense thicket of government procurement rules required of the FAA has simply made it impossible for us to give our controllers the state-of-the-art computers, radars, and other equipment that they need and deserve.

I know many of you have seen me hold up the antique vacuum tubes that our air controllers must still rely on in this age of the micro-chip.

Don't worry -- I won't do that again today.

I don't have to.

You know as well as I do that those tubes are only a symptom of the deeper -- nearly intractable -- problems we face.

The FAA's air traffic control system is, to be blunt, the weakest link -- and the greatest limiting obstacle -- to further progress in American aviation technology.

This system's most "advanced" current deployments -- like the ASDE-3 radar in Seattle -- impressive as they are -- still depend on micro-chips that are three generations behind current technology.

This has to change and we need your help to do that.

We need only look to the example of Canada -- where Minister Doug Young and Transport Canada are leading a reform that will bring business-like incentives and state-of-the-art equipment to Canada's air traffic control systems.

I salute Doug for his leadership.

I offer you mine. And I ask you today to redouble your support for us as we work with Congress to pass this overdue reform.

America's airports will be among the prime beneficiaries of reform.

THE GREATEST BENEFIT FOR AIRPORTS: MORE LIBERAL AVIATION REGIMES

But the single greatest benefit we can deliver for America's airports -- and, indeed, for airports, tourism, businesses and national economies all over the world -- is to steadily and substantially liberalize the whole international air travel regime.

I know that many of you would agree that a good place to start toward that long-term goal is right here -- with Canada -- our largest trading partner in the world, our good neighbor, NATO ally and fellow founding member of the U.S.-Canada Free Trade Agreement and, with Mexico, on the North American Free Trade Agreement.

Canada is not only our largest trading partner -- we also share the largest bilateral aviation market of any two countries on this planet.

Last year alone, more than 13 million passengers flew across our border.

But as impressive as these numbers are, the truth is that our market is severely constrained -- well short of its real potential -- by an aviation agreement that has seen no significant amendments for more than 20 years.

One third of the top 50 city-to-city markets between our two countries have no direct service at all.

Today there are no direct flights between our two capitals.

One group of American and Canadian communities estimates that a more liberal regime could produce billions of dollars in annual growth and more than 200,000 new jobs -- on both sides of the border.

If we want to realize the dynamic entrepreneurial opportunities unleashed by NAFTA -- the ability to tap into sources and markets throughout the largest free trade zone in human history -- we simply must free up U.S.-Canadian aviation services -- in the same spirit that we freed up our trade in all other goods and services.

Of course, we have tried before.

Those talks ran aground -- under previous American and Canadian administrations.

I am not here to criticize those valiant efforts of the past. I am here to say that times have changed -- and governments have changed -- and, hopefully, minds have changed --on both sides of the border.

With good will -- and with our eyes on the vast benefits to be had for cities and regions across both Canada and the United States -- let us start afresh.

CONCLUSION:

Let the United States and Canada begin here, today -- in a city whose name means, "the meeting place"-- to come together as

partners to seek and build
-- a new, far more open
aviation world.

Thank you very much.

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4.49

REMARKS PREPARED FOR DELIVERY
SECRETARY OF TRANSPORTATION, FEDERICO PEÑA
THE PROPELLER CLUB
WASHINGTON, D.C.
SEPTEMBER 28, 1994

INTRODUCTION:

I want to thank Gloria Rudman for that very warm introduction ..... and thank all the members of the Propeller Club who have been supporting America's maritime industries for nearly seventy years.

It's good to see Senator Hollings here at the head table -- and our able Maritime Administrator, Admiral Al Herberger. Let me also acknowledge Joel Bem, the new President of the Marine Engineers and Buzz Fitzgerald -- the CEO of Bath Ironworks in Maine -- where President Clinton went to speak on Labor Day -- because they have such a great labor-management partnership there for American shipbuilding -- a model for other industries as well.

And it is a great personal pleasure for me to be with so many believers in America's maritime future.

Because all of you know that I am a believer, too.

And you know that this Administration -- led by Bill Clinton himself -- has cared more, worked more, and fought harder to revitalize American maritime industries -- in the yards and on the seas -- than any Administration in close to a generation.

Today, with Operation "Uphold Democracy" in Haiti, we have the most graphic possible illustration of why it is crucial that we maintain a viable American merchant marine, with American crews -- and available for service in national emergencies.

I want to convey the President's thanks -- and the gratitude of all Americans -- to the more than 400 merchant mariners who reported for duty with the Ready Reserve Fleet -- on just a few days notice -- to restore and uphold democracy in Haiti.

These highly-skilled crews come from the tankers and grain carriers and containerships that serve America's peaceful commerce.

They are all volunteers.

And they are following in a proud tradition of American seafarers -- whose victories at sea have made all of America's other victories possible.

Today, they are helping keep the world's peace.

May they all return safely.

I want to congratulate our Maritime Administration, the private companies that manage the Ready Reserve Force -- and the unions that help crew these ships -- for answering the call so quickly.

I'm going to ask our Administrator Admiral Herberger to accept congratulations on their behalf.....

Al, would you stand up for a moment.....

Let me also thank each and every one of you here today who have supported us for so many months as we worked to craft the Maritime Security and Trade Act now before Congress.

It is only because of your help -- because we built a coalition of industry, labor and leaders in Congress -- that the Maritime Security Act has come so far.

Lane Kirkland of the AFL-CIO, and Mike Sacco of the Seafarers' Union have been fighting for this bill right from the very beginning.

Every Maritime union, every U.S.-flag carrier, every members of "Save our Ships" -- all of you -- have been tireless in your advocacy of reform.

Senator Hollings and Congressman Studds, thank you for leading the charge in the House and in the Senate.

Senator Breaux, Congressman Lippinski; our ranking minority members, Senator Trent Lott and Congressman Herb Bateman and Congressman Jack Fields; and the many other members of both political parties -- thank you for your perserverance and help.

All of you -- and many people who are not here today -- have worked with us and debated with us for months now.

And this bill reflects your work, your insight, your wisdom -- and your willingness to find common ground -- for the common good.

None of us got everything we wanted into this bill.

But in the best spirit of democracy, we got something that America needs.

We have a bill that will ensure that America will have a viable merchant fleet with American seafarers to serve it -- in times of peace and of emergency.

We have a bill that embodies reasonable compromise -- and real partnership -- between American government and ship-owners and sea-going labor.

You know -- as I do -- that from the founding of our Republic, America's merchant marine has been essential to both our national security and to our nation's long-term economic health.

You know that this bill, our bill, offers real reform -- a genuine break with the status quo.

This bill will replace a complex, outmoded system of operating differentials with a clear, less expensive, cost-effective, fairly-financed merchant fleet support program.

This bill provides the finance and the time for American ship operators and merchant mariners to gear up and meet foreign competition on even terms. It is a down-payment on America's long-term economic security.

It will foster a competitive American merchant marine -- able to earn its own way by serving the great surge in world trade already underway -- well into the 21st century.

And as all of you know, this bill is our best chance -- in this Congress -- to sustain a strong U.S.- flag merchant fleet.

That's why we enjoy such broad support -- in both houses of Congress -- and from members of both parties.

Because this is not a partisan bill -- it is an American bill.

Once put to a vote, the Maritime Security and Trade Act will pass the Senate overwhelmingly -- just as maritime reform passed the House 294-122 in August -- with the support of Republicans and Democrats who know that this legislation truly serves the national interest.

But just last week we all saw an obscure parliamentary rule used -- to delay maritime reform -- hoping to destroy this bill -- by keeping it from ever coming to a vote.

This is the kind of behavior that fills the American people with anger and dismay about Washington.
It betrays their faith and undermines confidence in government.

But what happened last week only makes our efforts more urgent.

The stakes are high.

If the enemies of maritime reform block a vote on this bill, more and more American ships will re-flag under foreign ensigns -- and thousands of American sailors will lose their jobs.

It's up to us to see that this doesn't happen.

The American merchant mariners off Haiti's shores are doing their jobs --it's up to us to do ours.

We need to mount our own operation -- to restore democracy -- to uphold democracy -- right here on Capitol Hill -- so that maritime reform is not blocked by a few -- obstructing the clear will of an American majority.

We need to do everything we can to bring this bill to a vote.

Frankly, I am as angry about what happened last week as anyone in this room.

But I'm not giving up.

I tell you today: We will fight to bring the Maritime Security and Trade Act to a vote this year until the last gavel falls.

After all, as Secretary of Transportation I'm supposed to bust up gridlock -- wherever I find it -- on our city streets -- or in cloakrooms on the Hill.

So I am going to do my part.

I urge you today to redouble your efforts.

We've accomplished too much for America's maritime industries to give up now. We need to get right back in the fight for maritime reform.

If there's any doubt in your minds that we can do this -- and we will do it -- I ask you only to recall how "impossible" many people thought our task was when we set out to revitalize American shipbuilding.

Recall for a moment that all through the 1980's -- while America's shipyards were signalling "SOS" -- their distress calls went unanswered.

Between declining Naval orders at home -- and grossly unfair government subsidies abroad -- we had lost nearly 80,000 shipyard jobs since the early 1980's -- 40,000 more in related industries.

And there was no strategy -- none at all -- to meet this crisis.

Well, we do have a maritime strategy -- and Bill Clinton laid it out when he was still a candidate.

He saw the trouble our shipyards were in -- first-hand -- while visiting the NASSCO shipyard in San Diego.

That's where they were building the one and only commercial ship that American yards had built in the six years up through 1992.

One ship ..... in six years!

Bill Clinton promised that day that we would do better.

He promised that he would develop a strategy to revive America's ship-building industry.

And he has kept that promise.

In less than two years in office, this Administration -- with the help of Congress -- has launched a comprehensive shipbuilding strategy that is now turning defense technology to civilian use, financing ship exports and yard modernization and assisting the marketing of U.S. ships to foreign commercial buyers.

At the same time we struggled for -- and won -- an agreement from our major trading partners to eliminate the foreign subsidies that helped shut American shipyards out of world markets for more than a decade.

American shipyards asked us for a level playing field. We got it.

We are already seeing the first results of our strategy in action.

Two months ago -- in one of my proudest moments as Secretary of Transportation -- I joined the President in the Roosevelt Room to announce applications from foreign ship-builders to finance the largest package of commercial ship-building orders in the world today -- more orders than American yards have seen in a generation. As the President said then: "We believe that America's shipbuilders, given the right tools, can out-produce any other shipbuilders in the world."

These applications -- made possible by the Title XI reform that we passed last year -- and that many of you in this room fought for -- mark the beginning of a renaissance in American commercial shipbuilding.

And there will be a lot more orders to come -- orders that will sustain thousands of American jobs and create thousands of new ones.

America is back in the world ship-building game to stay -- and to win.

We are going to see the kind of comeback in American ship-building that we've seen in American car manufacturing and in American semi-conductors.

Savvy shipbuilders and owners worldwide can already see that American yards are ready -- and able -- to compete with the best in the world. They are coming to America -- routinely now -- and they mean business.

Certainly, the key economic factors are coming into focus to sustain a revival in American commercial ship-building. The rewards to be seized are huge.

With world merchant fleets aging and environmental and safety standards rising, the Maritime Administration forecasts that a booming world market will develop over the next ten years -- 7,000 to 10,000 ships --- worth $350 billion!

That rise in demand -- plus today's lower dollar -- plus the convergence in wage rates between the U.S. and major ship-builders in Europe and Asia -- all combine to create an historic window of opportunity for U.S. shipyards to stage a major comeback.

Capturing even a small percent of this market will pay a huge "peace dividend" to American defense workers -- sustaining and creating thousands of jobs.

Shipyards and coastal states won't be the only winners, either. Because as America's shipyards revive -- and grow -- and hire -- they will need American-made steel and plastics, electronics, engines and propulsion systems, too.

These orders will send ripples of opportunity deep into the heartland of America.

But this revival won't just happen. We will make it happen -- through a real partnership of government, management and shipyard labor-- with finance, new technology and marketing assistance.

The President and I are proud to do our part in forging this partnership -- and to see the first real signs of ship-building's recovery.

But we were most moved that day at the White House by Doug Ballis, one of the Ironworkers who heard the President speak at NASSCO two years ago -- and came to Washington to join us for the ceremony.

"Mr. President," he said, "We were concerned about our jobs.... Thank you for remembering us."

As we get ready to finish the job of maritime reform -- and get the bill we've worked so hard for passed -- I hope we all remember that men and women like Doug Ballis are what this Administration's fight for maritime reform is really all about.

This fight is about jobs and families' lives. It's about working peoples' self-respect and America's economic future.

And it's about our national security.

Ladies and Gentlemen, this Administration has pursued an aggressively pro-trade, export oriented economic strategy.

We have fought hard to pass strategic trade bills -- like the North American Free Trade Agreement and the vital new GATT treaty now before Congress.

We can see that America's economy is reviving. Industry after industry -- are making comebacks and just this month, the World Economic Forum in Switzerland reported, and I quote: "the United States has climbed to the top of a list of the world's most competitive economies -- displacing Japan."

This Administration will build on that strength -- to make America an export superpower -- with a merchant fleet to match that role.

Just one year ago, this month, President Clinton announced a National Export Strategy designed to boost foreign sales of American goods and services by 50% -- to $1 trillion a year by the year 2000.

Our goal is to create 6 million new jobs -- good jobs -- in U.S. export industries by the turn of the century -- by investing in new technology -- by turning defense conversion into an engine of growth for whole new industries -- and by using every power we have in government to knock down barriers to sales of American goods and services abroad.

We're doing that now -- not only by fighting for strategic trade openings and treaties -- but by getting right into the tactical trenches with U.S. exporters.

I myself travelled to Saudi Arabia and the United Arab Emirates last year to help promote a multi-billion dollar sale of U.S. airliners.

We're doing that sort of promotion all over the world these days. Our trade representatives are bargaining hard, for example, to gain market access in Japan for more American car parts and computers and farm goods and other products.

And speaking of Japan, I want you to know that this Administration is making every effort to convince the Japanese to support fair access -- and more contracts -- for U.S. flag carriers in conveying both the multi-billion-dollar-a-year Japanese auto export flow to the U.S. -- and the rising volume of U.S. exports we are pressing Japan to admit to their market.

We not only mean to export more American goods -- we want you to ship those exports on American ships. And we want to complete a triple play by exporting American ships themselves.

But if we're going to do this -- if we mean to keep America growing as the world's largest trading power -- we need to finish the job of maritime reform.

It is as inconceivable to me as it is to you that the world's greatest trading nation can run the risk of letting our merchant fleet wither away -- or re-register under foreign flags.

We can't sit idly by -- watch the clock tick away on this Congress -- and let America become totally dependent on foreign ships to carry our trade.

That's why every one of us should leave this room determined to pass the Maritime Security and Trade Act.

In fact, let's leave here with the spirit of John Paul Jones in our minds: this battle isn't over: "We have not yet begun to fight."

CONCLUSION

Maybe it seems strange to some of you that a landlubber like me -- born in Laredo, Texas, the former Mayor of Denver, Colorado -- about as far from the sea as you can get -- should care so much about our maritime industries.

But I know as well as you how crucial our merchant fleet is -- and always will be -- for America's security.

And I believe that America's shipyards and their workers, American line operators and seafarers can meet the best in the world -- and compete successfully -- and sustain an American presence in world shipping and trade.

And finally, I believe that all Americans -- even boys and girls from the wheat fields of South Dakota or the corn fields of Iowa or the slopes of the Rockies -- should always be able to smell the sea -- a thousand miles away and more -- and dream of a career in the merchant marine.

It's up to us to keep those dreams alive.

If we don't, who will? And if not now -- when?

Ladies and gentlemen -- let's get back to work.

Thank you very much.

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4.48

REMARKS PREPARED FOR DELIVERY

SECRETARY OF TRANSPORTATION FEDERICO PEÑA

U.S. RAIL SUMMIT OPENING REMARKS

WASHINGTON, D.C.
SEPTEMBER 30, 1994

(Introduction to be made by Federal Railroad Administrator Jolene Molitoris)

Thank you, Jolene, for that introduction. I would like to take this opportunity to praise you for the work you have done in making the FRA more responsive to all of its customers -- in the rail industry, among shippers, the travelling public, and in America's communities.

Your personal leadership has been indispensable, and I look forward confidently to continued progress as you lead the effort to ensure safety on our rail system.

I called for this conference last month in the wake of several highly-publicized accidents on American railroads over the past year.

I am convinced that these do not mean that rail travel is unsafe today -- far from it.

However, these incidents are a wake-up call to all of us -- in industry and in government -- a warning that we cannot rest on the improved safety record of the last 15 years -- a warning that the increased traffic from the renewal of our rail system does carry risks.

As Jolene said, safety is my highest priority -- *period*.

Let me be clear: the rail system *will* become safer. We want to work *cooperatively* with the industry to strengthen safety through <u>voluntary</u> initiatives, but if these cooperative efforts do not materialize -- or fail to do

the job -- then we are prepared to undertake new regulatory actions to protect industry workers and the public.

I cannot overemphasize how central the safety of the traveling public, of transportation industry workers, and of the residents of nearby communities is to everything we do.

Our commitment to rail has made the Clinton Administration what may well be *the* most pro-rail presidency since the nineteenth century.

This Administration is promoting all forms of rail transportation. We believe that rail will be a key part of the intermodal National Transportation System -- the foundation of America's strategic investment decisions in transportation well into the next century.

Rail's place in this National Transportation System is justified by its importance to so many critical goals.

Efficient freight movement is essential for national economic growth...

The intercity rail service provided by Amtrak is indispensable to the relief of congested airports and Interstate Highways...

And commuter rail is necessary to reduce local highway congestion and air pollution.

These are all crucial goals, and we support the growth in rail service required to achieve them.

But we also recognize that we need to act now, so that this growth in rail traffic -- especially the potential for new, high-speed rail service in key intercity corridors -- can benefit us all, without increasing safety hazards.

As with our air traffic control system, the true test will come as rail traffic outgrows existing systems and infrastructure developed to handle lower levels of use.

We know that *perfect* safety is not possible -- today or in the foreseeable future. We cannot close all of America's 280,000 grade crossings, we cannot fence off all 140,000 miles of track, we cannot always have dedicated rights-of-way for each type of service.

But that does not mean that we cannot make substantial further improvements in safety -- through public education, through advances in technology, through voluntary initiatives, and through new regulatory programs.

Even in advance of this conference we have taken steps to improve rail system safety.

We implemented comprehensive drug and alcohol testing requirements to ensure that all rail employees are sober while working.

We proposed a highway-rail grade crossing action plan with *55* specific recommendations for improving safety.

We cooperated with freight railroads in Houston to develop Operation Respond -- a pioneering effort to create emergency response training programs, to develop better passenger safety procedures, and to allow local authorities to respond more effectively to incidents involving hazardous materials.

Later today, we will announce a series of new initiatives and proposed rulemakings that have been developed recently by the FRA and other federal agencies.

Taken together, these measures will create more success stories -- each one of them the story of an accident prevented, of a life saved.

The promise of railroading's future -- for both freight and for passengers -- depends on sustaining and improving our commitment to rail safety.

We can -- and we must -- accommodate *both* freight and passenger service -- and we need to do so safely and economically. This conference is an important step in that continuing effort.

I say "continuing" because this summit was not beginning of this process, nor is it the end.

But it is, perhaps, the end of the beginning -- the last time in which a gathering of all of the rail industry's leaders is going to seem extraordinary.

We can take pride in the progress we've made in recent years -- but we also should draw from it the determination to do even better -- because the progress that we've made proves that we *can* do better.

We've worked hard together on safety.

Over the coming weeks and months, I look forward to working with you in an expanded and revitalized partnership as we try to make a safe system safer.

And so I ask your commitment in this important crusade -- and I pledge you mine. Thank you.

And now, I would like to introduce our distinguished Congressional guests. They have joined us this morning to demonstrate their support for efforts to increase rail safety and to share their perspectives with us.

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4.47

REMARKS PREPARED FOR DELIVERY

SECRETARY OF TRANSPORTATION FEDERICO PEÑA

U.S. RAIL SUMMIT CLOSING REMARKS

WASHINGTON, D.C.
SEPTEMBER 30, 1994

Today's U.S. Rail Summit has been highly informative and productive, and carries on the continuing effort to improve rail safety.

Railroading has a rich history in America, and a bright future. The Clinton Administration is committed to promoting *all* forms of rail transportation -- both freight and passenger service. But realizing rail's promise depends on sustaining, *and increasing*, our commitment to safety.

The safety of the traveling public, of transportation industry workers, and of the residents of nearby communities is our foremost goal, especially as we look to expand current levels of freight and passenger operations. As rail service grows, we must not only maintain, *but improve*, current levels of safety.

As we heard, much progress has been made, especially over the past 15 years, and is continuing to be made today.

[Prior to your presentation of these remarks, Don Itzkoff will provide you with the key points that were made during the morning's discussion. You may wish to include these highlights at this point in your remarks.]

But the progress to date does not mean that we cannot make substantial further improvements in safety -- through public education, through advances in technology, through voluntary initiatives, and through new regulatory programs.

This Administration is committed to moving forward on *all* of these fronts.

During today's panels it became clear that different sectors of the industry have different views about some of the specifics of these strategies.

Such diversity of opinion is hardly unexpected, given the different perspectives each participant brings to the table.

However, what is more important -- and even somewhat surprising -- was the amount of common ground *all* parties share -- the number of issues people agree on.

This, together with a shared commitment to improving safety, will be the foundation for a wide range of efforts to make America's railroads safer places -- for travelers, for rail workers, and for the communities through which rail lines pass.

The dialogue held today demonstrates not only that we have come far on safety -- and that we still have far to go -- but that we can make that journey *together*.

I would like to thank all of you -- and especially the members of the four panels -- for your contributions to today's summit, and for your efforts to improve safety every day.

This meeting was a landmark for the American rail community -- a renewal of our common dedication to safety. Over the coming weeks and months, I look forward to building on the partnerships begin today as we try to make a safe system even safer.

Thank you.

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