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SECRETARY OF TRANSPORTATION
FEDERICO PEÑA

Transportation Trends

AMERICAN ASSOCIATION OF PORT AUTHORITIES
83RD ANNUAL CONVENTION

PHILADELPHIA, PENNSYLVANIA
OCTOBER 4, 1994

I want to thank Chuck Rowland for that very generous introduction, and thank all the members of the American Association of Port Authorities for today's recognition.

I'd also like to welcome all of the officials from port authorities in Mexico and Canada -- our friends and founding partners in the North American Free Trade Agreement -- the greatest free trade zone in human history.

And I want to salute AAPA for its pioneering role in reaching out to ports across all of the Americas. I am delighted to welcome friends and neighbors from Trinidad, the British West Indies, Costa Rica, Chile, Jamaica, and throughout Latin America and the Caribbean.

I believe that you will be among the leaders of the growing movement for free trade throughout the New World.

It is a pleasure for me to be here today among so many people who believe as strongly as I do that good ports and growing trade are among the keys to any nation's prosperity.

Right from the beginning, my Department and the AAPA have forged a strong working relationship. In fact, I sometimes think I hear Erik Stromberg's voice in my sleep whispering to me: "Remember our ports....remember our ports....."

Now, I'm sure, Erik will be telling me: "You're a port person....don't forget: you're a port person....."

Thinking about being a "Port Person" brings back a lot of memories from my days growing up in Brownsville, watching ships steam in, working in my father's cotton business, and knowing that the docks and cranes along the waterfront were our connections to markets all over the world.

In the past 19 months on my current job, I've had many occasions to renew the feeling for ports and the sea that I grew up with in Brownsville. I've been seeing a lot of ports -- on all "four coasts" and on America's great rivers.

It has been my duty -- and my pleasure -- to visit such port cities as Seattle and San Francisco,

- more -

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New London and Detroit and St. Louis.

And let's not forget Boston, San Diego, Oakland, Miami, Houston, Mobile, Tampa, St. Petersburg, and, of course, the great port city of Philadelphia.

I've been down to the Lake Michigan docks in Chicago and seen the rail lines and intermodal facilities along the Alameda corridor in Los Angeles and Long Beach. I've toured the facilities at the Port of New York and New Jersey and seen the huge cranes at the Port of Baltimore that pick up and stack containers.

Now, I know that when you receive an award like "Port Person of the Year" you're supposed to be grateful -- and I am grateful.

You're also supposed to be humble.

But I hope you'll excuse me, ladies and gentlemen:

I think I earned this one!

Still, this is a great personal honor for me, and this is a fitting occasion to re-affirm the goals that we all share.

So today, I want to discuss with you two closely-related topics:

The first is this Administration's strong commitment to America's ports -- to intermodalism, and to ports' role in a new National Transportation system.

The second is the way that this commitment fits seamlessly -- you might even say "intermodally" -- with the Clinton Administration's drive to open markets all over the world -- to strengthen America's economy -- to create good jobs -- and to build on our country's role as the world's greatest trading power.

OUR COMMITMENT TO AMERICA'S PORTS

From the earliest days of our history, the United States has been a maritime nation, built on trade and on sea power.

And from the early days of our Republic, state and local governments have understood that good ports lead to prosperity.

But in recent years, many of you would agree, the federal government sometimes seemed to forget how indispensable ports are to America's economy. Ports' needs -- on both the land and water sides -- were too often neglected.

Landside intermodalism received more lip-service than concrete action. The complexities of the dredging process were allowed to simply compound.

Today's award, I hope, marks a clear recognition that the era of neglect ended the moment that President Clinton and our Administration took office.

I would suggest to you that Bill Clinton -- the son of a state far from any sea -- has brought to the Presidency a greater understanding of how important America's seaports are for our economy than any President in a generation. And our

understanding isn't just theoretical -- it is matched with a series of real actions to support our ports.

We are doing this because this Administration was elected to change America for the better -- to revive our economy -- to secure our future -- and to enable ordinary American families to prosper.

We came to office with a comprehensive strategy for doing that -- a strategy that depends largely on greater access to markets worldwide for America's exports.

Clearly, increased investments -- and wiser investments -- to sustain and improve America's transportation systems are a vital element in our strategy. And we are making those investments.

Just as clearly -- for any strategy based on growth through trade -- no element of transportation is more important than America's ports -- now and in the future.

When this Administration took office, we knew that more than 95 percent of America's overseas trade is carried by ship.

We were also well aware that America's port industry contributes $70 billion to our Gross Domestic Product, $130 billion in total business sales, and well over $19 billion in federal, state and local taxes.

And we knew that efficient ports were needed not only to ensure smooth flow of commerce and cargo -- but to sustain a chain of economic activity that supports more than a million and a half American jobs and $50 billion in personal income -- right into the heartland of this country.

So when Erik Stromberg and a group of shipping industry leaders wrote me in my first days in office to urge me to support intermodalism and to address the needs of America's ports -- we were ready -- and eager -- to respond.

Erik asked me to do three basic things: one: recognize the importance of freight movement and intermodalism in the planning process; two: appoint a new director of the Office of Intermodalism with broad experience of ports and trade; and three: take leadership in addressing regulatory issues that impede the transportation system's efficiency -- and port development in particular.

Today, I can report that we answered all three of Erik's requests in the affirmative.

First -- on the issue of transportation planning and investment decisions -- we have raised the visibility and importance of freight and insisted that Metropolitan Planning Organizations around the country take more account of ports' needs for landside access and connections.

This new emphasis on intermodalism and the needs of ports will also impact all of our efforts in developing the National Transportation System that we launched last December.

Second -- to ensure a top-ranking, directly responsible voice for ports -- I appointed Michael

Huerta, the former Director of the Port Authority of San Francisco as my Deputy and Director of Intermodalism.

Michael Huerta is a visible, vocal advocate for your needs -- and, as Erik requested -- he reports directly to me. And he is already leading our work on a series of vital port initiatives around the nation.

And Michael will not be the only voice for ports in the Department.

Just four days ago, I am pleased to tell you, Admiral Al Herberger reorganized the Maritime Administration to reflect our new focus on ports.

He created a new position -- Associate Administrator for Port, Intermodal, and Environmental Activities -- to address all of the issues at the very top of your agendas.

This new position, together with Michael's office, will give port needs the advocacy and the attention you need at the highest levels.

Thirdly, in the area of regulation, we focussed early on the key issue of dredging. We know that it is vital for America's ports to sustain their ability to handle deep-draft ocean-going vessels.

That's why I created the Interagency Working Group on the Dredging Process last October with representatives from the Departments of Commerce and Interior, the Environmental Protection Agency and the Army Corps of Engineers.

I have charged this group, chaired by Deputy MARAD Administrator, Joan Yim, with finding ways to coordinate and simplify the regulations governing dredging -- so that we can cut red tape, speed approvals and protect our marine environment -- without dragging the process out unnecessarily.

Their report is well along -- and I expect to see an action-oriented document before this year is out.

And speaking of action, let me also note something that Great Lakes ports will especially appreciate: beginning this month, we are now waiving the collection of all U.S. tolls on the St. Laurence Seaway -- tolls that brought in $9.9 million last year.

We're doing that to save shippers money and to make the Seaway more competitive. And we're urging our Canadian partners to follow suit by lowering their tolls.

OUR BROADER GOALS -- INTERMODALISM AND THE NTS

Beyond these immediate responses to port needs, the fact is that our Department's entire way of doing business -- our whole strategy -- now aims at something that ports have supported all along -- the creation of a seamless intermodal National Transportation System.

As Michael Huerta is always quick to remind me, ports are by definition intermodal -- practically nothing is consumed on the docks -- and goods have to be shipped to their destinations using other forms of transportation.

It is no surprise, then, that ports and the shippers that use them and service them, have been pioneers in intermodalism -- leading the whole world to such innovations as containers and double-stack trains.

Over the past generation or so, these innovations have dramatically transformed many patterns of transportation -- and greatly enhanced both our growing trade and America's ability to compete -- and win -- in world trade.

Ten years ago, for example, the port of New York/New Jersey handled double the volume of either Long Beach or Los Angeles.

Today, Long Beach and Los Angeles each handle more traffic than New York -- moving vast volumes of freight over a continent-wide "land-bridge" to markets in the Midwest and the East -- saving at least a week versus the Panama Canal route.

And this change has happened even though the port of New York is healthy and growing. Part of it, clearly, is due to the great surge in our cross-Pacific trade. But much of it is due to the development of the better intermodal links and the double-stack container trains that have made this land-bridge possible -- and profitable.

Clearly, this type of seemingly local improvement in intermodal connections can and does -- and will -- have profound implications for the whole nation's economy.

That's why we are moving aggressively to assist ports in securing landside access, such as viable road and rail connections -- right now. We haven't delayed on this issue. There have been enough delays.

DOT'S DIRECT SUPPORT FOR PORTS -- NOW

For example, I see the Alameda Corridor in Los Angeles and Long Beach as a crucial test of our ability to develop intermodal transportation systems which will move freight efficiently for the benefit of the whole nation -- while addressing key local needs for relief from congestion and air pollution.

In fact, I have asked Michael Huerta -- to personally take the lead on expediting federal efforts. Michael is leading the federal interagency Alameda Corridor Task Force -- which keeps in close contact with state and local officials in California.

This group is charged with moving the project along by streamlining the environmental review process -- cutting as much as a full year off the approval process. We are also looking at ways to use innovative financing mechanisms -- one of my highest priority initiatives -- to support the Alameda corridor project.

But as important as it is, the Alameda Corridor is only one of a series of port access projects we are hard at work on -- right now.

We are considering the Port of Houston's proposal to use federal funds to create on-dock facilities for truck and rail connections to relieve congestion and improve air quality.

We have approved two ISTEA grants to Seattle to upgrade rail freight access to its port, and we have provided Oakland with the funds to develop a new port access project -- as part of a plan developed by the local MPO.

Finally, I should mention that all of America's ports have a major stake in the National Highway System proposal that we placed before Congress last December -- and which is now before the House-Senate Conference Committee.

I urge all of you to support our efforts to pass the NHS -- which includes the most economically strategic 159,000 miles of our roads and highways -- and which I want to remind you -- also includes landside connections to 104 of our nation's ports.

PORTS' FUTURE AND THE NTS

Our commitment to ports goes far beyond funding current projects -- or even the landside connections built into the National Highway System.

As most of you know, last December, we launched work on a long-term strategic project that will shape America's transportation planning and investments well into the 21st century: a truly integrated, truly National Transportation System.

We are now consulting with cities, states and private industries across America to define this National Transportation System -- a network that will go far beyond highways to embrace rail and transit systems, pipelines, waterways, airports, seaports -- and all of the intermodal connections between them.

I want to thank all of the members of the American Association of Port Authorities for the strong support you've given us right from the start of this NTS effort.

Just last week, we received another ringing endorsement for this concept in the report submitted to Congress by the National Commission on Intermodal Transportation.

It is not surprising that the Intermodal Commission brought an especially rich understanding of port issues to its deliberations -- since its Executive Director was AAPA's past chairman, Anne Aylward.

The Commission not only supported the NTS concept, but explicitly called for improvements to the flow of freight at U.S. ports. That's a recommendation we strongly endorse -- and will continue to act on.

I want to thank the Commission -- and Anne -- and AAPA -- for their support and urge all of you to continue your engagement as we define and designate the elements to be included in the NTS.

And I want to thank AAPA for doing just that -- getting involved -- by sponsoring the NTS development session on freight we held in Seattle last month.

Of course, the NTS will build on the principles of intermodalism expressed by ISTEA -- but its real significance is the way it

will enable us to take the next step -- toward flexible, fully-integrated, truly strategic transportation planning and investment.

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.

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 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-shapen -- by the availability of funds for specific modes -- with little concern for making connections or for local decisions' national implications.

But 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 seemingly local bottlenecks and gaps that stymie this nation's competitiveness.

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.

The NTS will help us refocus all our efforts -- and investments -- to serve these basic goals.

In a time of chronically-tight public budgets -- we desperately need this tool to make better use of scarce resources -- by targeting transportation investments in the most efficient and environmentally-sensitive manner.

The NTS will also be the blueprint for the legislation we will need very soon to continue -- and to greatly improve -- the vision embodied in ISTEA.

We have already begun this work -- the work, really, of changing the whole mind-set of American transportation planning -- and we need America's port officials, the pioneers of intermodalism, to stay engaged.

That's why I urge all of you to lend us your vision and your time so that we can develop the NTS together -- because it will guide America's transportation planning and investment -- and shape the future of America's ports -- and your communities' lives -- well into the 21st century.

TRANSPORTATION: THE FOUNDATION FOR AMERICA'S FUTURE AS AN EXPORT SUPERPOWER

The NTS will not only make better connections within our transportation system at home -- it will foster trade and increase American competitiveness well beyond our borders.

The Department of Transportation is already working hard -- with every federal agency involved in border issues -- to smooth the movement of people and freight across the land frontiers we share with our North American Free Trade Agreement partners in Canada and Mexico.

That's why I hosted my counterparts from Mexico and Canada at the first-ever North American Transportation Summit in Washington this April -- where we agreed to cooperate at the federal level and to encourage state and provincial partnerships to find ways to expedite cross-border travel and shipping.

Later this month, I will be broadening our reach by hosting a meeting in Tampa, Florida, of national Transportation Ministers and leaders from private transportation industries from all across the Americas. As with our NAFTA partners, our goal will be to deepen our cooperation and facilitate the movement of people and goods throughout our hemisphere.

I am pleased that Erik Stromberg will be there, representing AAPA, along with Thomas Kornegay, the President of the Gulf Ports Association.

These meetings on transportation with our neighbors are part and parcel of a cohesive strategy designed to link America to the whole world -- with ports as the key windows to global markets.

It is in the context of growing international trade that we have also supported the most comprehensive maritime reforms in nearly a generation -- both in shipbuilding and for our merchant marine.

On shipbuilding, we reached agreement this July to eliminate the subsidies that our rivals have used to keep American yards out of world market. And our Maritime Security and Trade Act replaces a more expensive, highly complex system of operating subsidies with a simpler, less expensive support system -- with a built-in "sunset" after ten years.

While I appreciate the concerns some of you have about funding, let me remind you that there is, indeed, a national security issue at stake. Ninety-five percent of the cargoes needed to support Operation Desert Storm had to travel by sea.

The United States needs reliable sealift and loyal mariners to remain a credible power -- and a force for world peace.

Today, off Haiti, more than 400 skilled American merchant mariners are supporting our efforts to restore Democracy there. The Ready Reserve Fleet ships they serve on come from American public ports.

I would like to take this occasion to express my gratitude to the ports and authorities who have supported both maritime reform and the past month's rapid mobilization.

May all of our troops and civilian seafarers come home safely.

OUR COMMITMENT TO GROWING WORLD TRADE AND AMERICAN EXPORTS

But if Haiti reminds us that we still live in a dangerous world, let us not take our eyes off of the vast new economic opportunities opening up all over this planet.

As the first post-Cold War Presidency, the Clinton Administration is heir to a world in which democracy, free markets and world trade are all growing explosively.

Just within the past half decade, the number of people living in countries with capitalist economies has tripled -- from one billion to three billion. Partly because of these new markets and partly because of our economic recovery, total U.S. trade -- and American exports -- are surging.

The numbers speak for themselves. Between 1987 and 1992, annual U.S. exports have climbed by over $200 billion a year to an annual total of $700 billion. And this export surge ran right through the last recession!

In this brave new world, we have 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.

And we have done that because we can see that America's economy is reviving. Just a few weeks ago, 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.

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 percent -- 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. To do that we will use every tool, every power we have in government -- to open doors for 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.

I know that AAPA members have been strong supporters of all of our trade-enhancing efforts. I appreciate that, and I thank you.

But there is an immediate debate already underway that I want to urge all of you to speak up on: the debate over passage of the new GATT treaty now before Congress.

This is not a partisan battle -- it's one which all Americans can take part in.

After all, the Reagan and Bush Administrations began our work on the GATT treaty.

President Clinton is determined to finish the job.

Because passing GATT is the right thing to do -- the single best way to increase our American exports, to create new American jobs and to stay the course to lasting prosperity.

We estimate that GATT will contribute an estimated $110 billion a year more to U.S. production -- with all of the job gains that will bring.

And we believe that the only thing that American workers and companies need to succeed in world trade is precisely the level playing field that GATT will bring.

That's why I ask all of you to redouble your efforts to pass GATT -- *now* -- in *this* Congress.

America's ports -- and ports throughout the world -- will be among the prime beneficiaries of the expanded trade that GATT will bring.

Let me conclude by saying that as a "Port Person" I thank you for the full, enthusiastic support that AAPA has given to the National Transportation System -- a system that will "tie America together" at home -- and connect us to markets around the world.

Let me also, as a "Port Person" thank you for your firm support for NAFTA, and your continued support for the GATT treaty -- a treaty that will open the whole world's doors.

And let me close -- as a "Port Person" -- with my personal commitment to work with the AAPA to make America's ports -- and our whole transportation system -- the very best in the world.

Thank you very much.

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TALKING POINTS

SECRETARY OF TRANSPORTATION FEDERICO PEÑA

AIR BAG CUT-OFF SWITCH NEWS CONFERENCE

WASHINGTON, D.C.
OCTOBER 5, 1994

AIR BAGS AND SAFETY

* **Good afternoon. The safety of the traveling public has always been the Clinton Administration's highest transportation priority.**

* **Over the past decade, air bags, used together with safety belts, have saved lives day in and day out. Consumers know this, and increasingly demand air bags.**

* **We strongly support increased use of air bags, and the Intermodal Surface Transportation Efficiency Act of 1991 requires them in passenger cars beginning with model year 1998 and in light trucks starting the following year. Their use is already increasing as auto makers work to meet consumer demand.**

THE REAR-FACING CHILD SEAT PROBLEM

* **However, our recent research indicates that air bags can move infants in rear-facing child seats back *into* the vehicle's passenger seat, possibly injuring them.**

* **The problem is not in air bags themselves -- but in their interaction with rear-facing child seats in vehicles that have *only* front seats.**

* **I want to emphasize that the danger of air bags deploying into infants is *only* theoretical -- there is *no* evidence of it ever having happened in real life.**

* **The film we're about to see shows how this *could* happen -- and then shows how air bags deploy to protect an adult -- or an older child -- in a crash.**

[SHOWING OF FILM]

* **We've previously advised parents to put these child seats in the back seat of their vehicles -- and reinforced that in September 1993 with mandatory warnings on sun visors and in operating manuals. In February of this year we required these warnings on rear-facing child seats themselves[1].**

* **But this solution isn't possible on cars and pick-up trucks which don't *have* a back seat.**

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[1] ***A child seat will be placed nearby, and can be pointed to.***

THE PROPOSED SOLUTION: ACTING FOR SAFETY

* **And so today I am announcing an important new decision to protect infants riding in rear-facing child seats.**

* **We are proposing a new rule that will allow auto makers to install a manual air bag cut-off switch. Parents will be able to turn off the passenger-side air bag when carrying an infant in the front seat. *This is a common-sense solution for America's parents to safeguard their infant children.***

* **We also propose that a very visible warning light be placed on the dashboard to remind parents that the air bag has been turned off, so that they can reactivate it for use by other passengers once the infant is no longer in the seat.**

* **I want to emphasize again that air bags are safe for adults and for older children. Used with safety belts, they are the best protection in a crash.**

* **But as the father of two young children myself, I share the concerns of parents across America -- and want you to know that we're taking steps to protect your children now -- *we're not waiting for an infant to be injured before we do something to prevent that.***

* **And now, I'd like to introduce Dr. Ricardo Martinez, our National Highway Traffic Safety Administrator,**

who has a brief statement from his perspective as an emergency physician and an expert in injury prevention.

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Transportation Trends

PRINCIPAL REMARKS
SECRETARY OF TRANSPORTATION
FEDERICO PEÑA

"TRANSFUTURE" TECHNOLOGY FAIR
WASHINGTON, D.C.
OCTOBER 7, 1994

INTRODUCTION:

I want to welcome all of you to the TransFuture Fair -- more than 100 remarkable technologies that are transforming American transportation -- and frankly, all of our lives in matter of seconds.

I want to thank all of the companies who've come to display their innovations here today; our partners from other federal departments and agencies; and the whole Department of Transportation team for the great job that all of you have done in creating TransFuture.

Like the great Columbian Exposition of 1892, or the 1939 New York World's Fair -- "TransFuture" offers the American people -- and guests from around the world -- a chance to see, and feel the technologies of tomorrow.

Under this tent you can see cars so "smart" that they will call for help after an accident; lifeboats that will right themselves in raging seas; buses that emit no fumes; new materials that will make roads last longer and make vehicles much, much safer.

You will also see communications and information technologies that will weave all of our forms of transportation together, speeding shipments, raising productivity, saving time, preventing accidents and saving thousands of lives.

The Department of Transportation has three goals in sponsoring "TransFuture."

First, we want to showcase the genius of American scientists, inventors, engineers and entrepreneurs -- who are revolutionizing transportation.

Second, we want to demonstrate the leadership that the Department of Transportation will henceforth bring to accelerate this technological revolution.

Third, we want to send an unmistakable message to the entrepreneurs and visionaries who embody America's transportation genius: "We are ready and eager to be your partner."

THE PROMISE OF TRANSPORTATION TECHNOLOGY

The end of the Cold War gives us a once-in-a-lifetime chance to turn many high technologies once reserved for the military to civilian uses -- and at the same time honor our nation's debt to the defense workers who won the Cold War.

Transportation offers the single best arena to

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harness high-technology to real human needs -- for safety, convenience and a clean environment.

The great promise of new American transportation technologies is on display inside these tents -- and these technologies are not abstract or theoretical -- they are day-to-day realities--now.

They are, in fact, the seeds that will grow into whole new American industries, employing American workers, earning American wages -- and producing not only for our home market but exporting to eager foreign buyers.

But there is more at stake than just economic growth -- because these new technologies will also help us overcome the problems of traffic congestion and air pollution that threaten to cripple our economy's growth and erode the quality of Americans' lives.

These are problems that we simply cannot solve with the traditional responses of adding more highway lanes or runways. We are running out of room. Our air quality is threatened by a huge rise in vehicle travel.

We know that our country spends more than $1 trillion a year on transportation services -- nearly 17% of our Gross National Product. By achieving just a 1% gain in the efficiency of our transportation systems, we can save the American economy $100 billion over a decade.
And I believe that the new technologies you see under these tents will enable America to make far more than a 1% gain.

I believe that America can -- and we will -- lead the world in new technologies that will maximize the use of existing infrastructure, make our roads and bridges more durable -- and make our vehicles safer, quieter, and much gentler to America's environment.

You don't need to take my word for that: the exhibits under this tent prove it.

THE DOT AS TECHNOLOGY LEADER AND PARTNER

To make these visions real -- we need to forge a true partnership between America's government, private industry and our public and private transportation research laboratories.

And that's exactly why I have re-structured the Department of Transportation.

When I said just after taking office that I wanted to be the "Technology Secretary" -- I meant it.

And we have acted on it.

Over the past year and a half, we have re-positioned the Department of Transportation to take the lead in fostering new American transportation technologies -- all the way from conception and research to operational testing, deployment and commercialization.

We have raised the DOT's total budget authority for R&D from $559 million in fiscal 1992

to almost a 25% increase.

And we have made key personnel and structural changes within the Department to lead our technology efforts.

I have hired the first Director of Technology Deployment in DOT history -- Noah Rifkin -- and charged him with co-ordinating all of the DOT's own research efforts.

To give new focus to the family of technologies that we used to call IVHS and have now renamed Intelligent Transportation Systems (ITS) we hired Christine Johnson, former director of the American Public Works Association's Research Institute. Christine is charged with moving these efforts from the current stage of operational testing -- to full deployment.

REACHING OUT TO OTHER FEDERAL PARTNERS

We have matched these internal changes by reaching out to other federal agencies and Departments -- the Defense Department's Advanced Research Projects Agency, and the Departments of Energy and Commerce, among others. I want to acknowledge Dr. Gary Denman, a real leader, the Director of ARPA and thank him for the great partnership we have developed.

When Dr. Gibbons asked me to take the lead in establishing an additional Interagency Coordinating Committee on Transportation Research and Development, we accepted the challenge.

I also asked Gary Denman to include the DOT in the Technology Reinvestment Project of ARPA, a key Clinton Administration effort designed to spur research and deployment of new "dual-use" technologies potentially applicable to both defense and civilian uses.

We are already seeing results: nearly one half of the 1993 ARPA grant awards were for transportation-related projects -- raising government investment in transportation R&D by roughly $400 million. And because these grants are typically made on a 50-50 matching basis with private businesses, states and cities, universities, and national laboratories, we have actually managed to "leverage" that figure closer to $800 million.

I believe that there will be much more to come for transportation research under this program.

FORGING NEW PARTNERSHIPS WITH INDUSTRY

Another step we've taken to foster new technology is to forge new partnerships with American industry. Many of those leaders are here today.

The Partnership for a New Generation Vehicle -- which links the Big Three automakers of Detroit and a host of smaller technology firms in partnership with the Commerce Department, DOT, and other federal agencies and laboratories -- may be the single most dramatic example of this Administration's partnerships with American private industry.

It's goal -- developing

a commercial automobile that is three times more fuel efficient than today's cars and virtually emission free -- is almost as ambitious a target as the Apollo Moon shot program. And it will have far more sweeping, direct and tangible economic and environmental benefits -- right here on earth.

And we'll be doing more.

THE GOVERNMENT'S KEY ROLES: CATALYST AND STANDARD SETTER

All of us in this Administration are determined that new technologies developed in America should have a chance to be commercialized here in America -- not forced to go abroad for lack of funding and support.

We want American inventors and entrepreneurs to produce their ideas here -- and we are ready to be partners as they seek success for their technologies in the free market.

We see two clear roles for government -- in partnership with private industry. The first is as a catalyst, a source of seed money and expertise from the great federal laboratories.

A second key role -- and one that the Department of Transportation must take a lead on -- is that of a standard setter -- forging consensus on national, and even international, standards.

Establishing such standards is critically important for the information technologies -- such as Global Positioning Satellite systems and Intelligent Transportation Systems.

Only with such standards, can these technologies grow to form a cohesive national system -- in a true mass market that will enable America's Intelligent Transportation industries to grow at home and secure world leadership in export markets.

The federal government has played an indispensable role in developing both of these families of technologies -- and we are now acting as a partner with private industry to deploy them.

In fact, the agreement last December between the DOT and the Department of Defense to make GPS available to all users is a textbook case of government investment in defense technology generating a whole new civilian industry, new jobs and new efficiencies throughout our economy.

We are just beginning to see the shape of the changes that GPS and ITS technologies will bring to all forms of transportation.

Intelligent Transportation Systems -- an industry still in its infancy -- will let trucks cross borders without stopping, cut traffic congestion and improve safety, provide in-vehicle maps and navigation aids, collision avoidance systems, automated toll collections systems, vehicle identification chips to track deliveries and to frustrate thieves. And sooner than you may think, ITS

technologies will lay the groundwork for the fully automated highways of the 21st Century.

The DOT has played the role of government partner to dozens of America firms engaged in pioneering ITS technologies all through the research and testing stages. As we move on to widespread deployment, we recognize that their success in the years to come will depend mainly on the play of private, free-market forces.

But the federal DOT has an absolutely critical leadership role to play -- a role that we must play -- or no one else will.

We'll have some exciting news to announce in just a few minutes in that regard .

WHAT NEW TRANSPORTATION TECHNOLOGIES WILL MEAN TO AMERICANS' DAILY LIVES

Imagine how these new technologies will change daily life for all of us.

Imagine a society infused with information systems that not only connect all forms of transportation but link them to the Information Superhighway that Vice President Gore speaks of so eloquently.

In this seamless web of information and transportation, a suburban commuter will be able to wake up in the morning, flip on a computer or television and get "real time" reports on how best to commute to work -- given current road and traffic conditions, weather, and the on-time performance of local trains and buses.

If that commuter decides to drive, her light-weight, near-zero emission car will itself have "on-board guidance" and navigation gear to provide instant information on the best route and or looming accidents or delays ahead.

Should she be involved in an accident -- unlikely given collision avoidance systems and new radar built into the car -- the vehicle itself will immediately and automatically call for help, inform emergency services of its exact location, even report the severity of the crash -- using on-board GPS transponders and sensors embedded in its bumpers and frame.

These systems will save incalculable billions of hours of time -- and thousands of lives -- every year.

And just think about this: No more arguments between husbands and wives about when to ask for directions if you're lost!

Just ask your car!

For business travellers, these technologies will allow an executive going from Washington to New York to use a single plastic card to ride the Metro to the airport, fly to New York, rent a car, drive into town, pay for tolls, buy gas, pay for parking and make an automated teller transaction.

And if that traveller decides to take AMTRAK'S high speed rail to New York, he or she can rest assured that the train will

not -- cannot -- collide with automobiles or trucks at a highway-railroad grade crossing -- because "intelligent" crossing gates will detect the on-coming train well in advance and block access.
A flexible net -- like the systems used for emergency landings on aircraft carriers -- may even deploy as the train approaches crossings to keep vehicles out of harm's way.

Intelligent transportation systems will also bring remarkable changes in commercial vehicle travel and freight shipment. The manager of a motor carrier or rail freight company will be able to give thousands of shippers real-time information on exactly where their cargo is -- wherever it moves -- from ships to trains and trucks to grocery shelves or consumers' living rooms.

This will create a whole new level of "just in time" delivery, save American businesses billions of dollars in shipping, inventory, warehousing and fuel costs and make our whole economy more productive and competitive. The ultimate winners, of course, will be consumers.

Transit systems, too, will be transformed by intelligent transportation technologies -- which will give commuters greater comfort, safety, and convenience.

Interactive kiosks at stations and bus-stops will give passengers directions, sell tickets and increase security.

Buses, by the way, will be made of light-weight, high-strength composites originally produced for the Stealth Bomber. Many will be powered by new fuel cells, natural gas, hydrogen or electric batteries -- and equipped with devices to sense and avoid collisions. These buses will emit no fumes and they will place much less stress on roads and bridges.

And as "telecommuting" becomes more common, getting to work for many people will no longer mean a ride or a drive -- but a walk -- from their bedroom to a "virtual office" in their home -- with faxes, modems, and flat-screen, teleconferencing panels.

Working together synergistically -- linked by communications chips and information processors -- these new technologies will make our whole economy more productive -- and our daily lives safer and more enjoyable.

To anyone who doubts this vision, I say: "Come to the Transfuture Fair".

Because none of the things I've talked about are fantasies -- they are all real -- and you can see them here under this tent.

As we open this fair, I am pleased to announce that we have approved fully $220 million in new DOT funding -- to create more partnerships for innovations in transportation technology --- on land, in the air, along our railroads, in America's shipyards and even in the subways under the great city of San Francisco.

Every part of the DOT is engaged in seeking and supporting these kinds of initiatives -- and I would

like now to introduce some leading members of the DOT technology team to have them tell you specific how they will make this happen.

Since I said earlier that fully-automated highways will be coming sooner than you think, let me ask Federal Highway Administrator Rodney Slater to be the first to give you his good news:

[Note: at this point, modal administrators from FHWA, the Federal Transit Administration, the Maritime Administration, the Federal Railroad Administration, and the Federal Aviation Administration spoke...detailing their units technology initiatives..... Secretary Peña then concluded.....]

CONCLUDING REMARKS

Thank you, David and thanks to all of the leaders of this DOT team. We have been supporting -- and we are now leading the way to a new generation of American transportation technology.

And this commitment will only deepen.

We will apply advanced technologies to prevent death and injuries-- and to move travellers and freight across our borders more efficiently.

We will act to increase the market for low and no-emission buses by encouraging the transit agencies we fund to buy them. We will use DOT's own purchasing power to foster innovative technologies.We will push the deployment of high-strength, long-lasting materials for infrastructure construction and repair by encouraging the state DOT's we fund to use them.

We will vigorously promote these new American technologies in markets all over the world. And we will integrate all of these new technologies into an intermodal National Transportation System to tie America together.

I want the American people to know that in the year to come, I will be re-doubling my efforts -- visiting with high-tech firms -- driving the DOT's outreach to entrepreneurs and inventors, building partnerships with federal agencies, laboratories and private industry -- fighting for more funding for transportation research and development -- and most importantly: demanding results that the American people can see -- and feel -- technologies that really do improve our lives.

That is my commitment. And you can count on it.

Let me begin -- right here, right now -- by thanking everyone here for coming -- and inviting all of the American people -- to visit the TransFuture fair -- and join me for a look at transportation's tomorrow.

Thank you very much.....

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4.43

U.S. Department of Transportation

News:

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

Contact: Bill Schulz
Tel.: (202) 366-4570

STATEMENT BY SECRETARY OF TRANSPORTATION
FEDERICO PEÑA
ON TWA'S EQUITY FOR DEBT PROPOSAL
October 11, 1994

The long-term health of our nation's airline industry depends upon strong domestic companies providing comprehensive service at home and abroad.

I am pleased that TWA's new fleet modernization program, route restructurings and labor agreements have been viewed as positive steps toward the company's ongoing financial profitability after emergence from court protection. These efforts are consistent with the plans the company outlined to Labor Secretary Reich and me earlier this year.

TWA's proposal announced today to offer equity for debt is an encouraging sign that its new managers have crafted a financial game plan in the best interest of the company and its customers.

Two weeks ago, I had the pleasure of meeting TWA employees at their maintenance facility in Kansas City. Their enthusiasm and commitment to the company was a clear sign to me that they and the new management team are on the right track, and I commend them for their efforts.

# # # #

4.42

U.S. Department of Transportation

News:

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

Contact: Richard Mintz
Bill Schulz
Tel.: (202) 366-5571

STATEMENT BY SECRETARY OF TRANSPORTATION
FEDERICO PEÑA
IN RESPONSE TO BRITISH SECRETARY OF STATE
BRIAN MAWHINNEY'S PROPOSAL FOR A NEW
U.S.-U.K. AVIATION ACCORD
October 11, 1994

The proposal offered today does little to advance the U.S.-U.K. aviation relationship. Access to regional U.K. airports is of little interest to the United States. We have repeatedly indicated to the British government that greater access to Heathrow and Gatwick Airports must be a part of any serious interim or long-term agreement.

The United States remains committed to offering travelers and cities on both sides of the Atlantic greater access to destinations in both countries. Any proposal that continues to limit U.S. carrier access to the most important airports in the U.K. is simply not in the interests of the United States, the traveling public, cities or carriers.

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4.44

TALKING POINTS

SECRETARY OF TRANSPORTATION FEDERICO PEÑA

TOUR OF FOOTHILLS PARKWAY

KNOXVILLE, TENNESSEE
OCTOBER 14, 1994

* **I'm delighted to be able to join Senator Sasser and to be here viewing the beauty of autumn in the Great Smoky Mountains.**

* **The Foothills Parkway runs parallel to the Great Smokey Mountains National Park -- the most-visited Park in the nation. In recent years, the Park's popularity has resulted in heavy traffic and safety concerns between such towns as Cades Cove, Pigeon Forge, Gatlinburg, and Townsend.**

* **The Parkway was first conceived of as a 72-mile scenic road in the early 1920s, and authorized by Congress in 1944. But, 50 years later, there's still work to do.**

* **The 17-mile segment from Walland to Wear Valley is only partly constructed. A missing 1.6 mile link east of Carr Creek is the main obstacle to this segment's being opened.**

* Senator Sasser has fought for the money needed to complete this link, and I fully support him as he does so. That's because this project is of major importance, both to Tennessee and to the nation.

* The completed Foothills Parkway will boost the economy of the entire Smokey Mountains region by expanding opportunities for travel and tourism.

* The project also will improve Tennessee's future productivity by reducing congestion on existing roads, allowing people and products to travel faster and more safely.

* And it will help more Americans from all across the nation to share the magnificence of Tennessee's Smoky Mountains.

* Senator Sasser sees the Foothills Parkway's completion as one of his highest priorities, and he's not alone: the National Park Service ranks it as its top priority for the southeast region, and the Federal Lands Highway Program ranks it number two throughout the nation.

* So we're going to work with Senator Sasser to obtain the remaining funds needed to complete this missing link and to finish the entire Foothills Parkway. Together, I'm sure we'll succeed.

* I've spent today viewing the transportation improvements which Senator Sasser has helped bring to Tennessee. And they're impressive: the renovated central rail station in Memphis, the Nashville airport.

* [SASSER INSERT]

* Senator Sasser has been instrumental in realizing these and other projects throughout Tennessee. He's been there for Tennessee -- and we hope to continue the partnership we've built over the past two years.

# # # # #

4.40

FINAL

TALKING POINTS
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
DULLES ACCESS STUDY GRANT ANNOUNCEMENT
WEST FALLS CHURCH METRO STATION
FALLS CHURCH, VIRGINIA
OCTOBER 17, 1994

(Introduction to be made by Congresswoman Leslie Byrne)

* **I'm happy to join Congresswoman Leslie Byrne in announcing our intent to award the State of Virginia a grant to assist in planning a transit line to Dulles Airport.**

* **I'm pleased to be here, not only in my role as Secretary of Transportation, but as a fellow Virginian -- someone who experiences the region's traffic congestion every day, and who <u>knows</u> that we need to improve our transportation systems.**

* **There's no better example of the problems we face than in the heavy traffic Virginians battle as they drive out to Loudon and Fairfax counties.**

* **This $500,000 grant will allow the State to plan a new transit line between here and the airport along the Dulles Access Road -- a project will relieve congestion and link both of the Washington-area airports to our transit system.**

* **This is precisely the sort of connection that we need to maximize northern Virginia's transportation assets -- and it also fits well with our broader national goal of "tying America together" into a single, seamless network of all forms of transportation.**

* **That's why this Administration has increased funding for transportation investments at a time when much government spending has been frozen as we cut the deficit.**

* **Leslie Byrne believes, as we do, that transportation investments deliver lasting economic gains, and improve Americans' daily lives as well.**

* **That's why Congresswoman Byrne has fought for the transportation system northern Virginia needs. Last summer, she held the first regional transportation summit ever -- bringing together leaders from all levels of government and the private sector.**

* **Leslie Byrne has been a leader *in* Congress, too -- helping to move forward our proposal for a National Highway System, a network that includes all of Virginia's Interstate Highways plus such major roads as Route 234 from Manassas to Dumfries and Route 123 from Arlington to Woodbridge.**

* **The NHS will expand opportunities to pay for future improvements to these roads.**

* **Congresswoman Byrne is equally concerned about saving taxpayers' money -- successfully insisting that all projects within the National Highway System apply the same cost-saving Value Engineering techniques that she pioneered in the Virginia legislature. To date, Virginia has saved $38 million through Value Engineering; the national savings could be as much as $1 billion a year.**

* **The truth is that there is no more effective -- more knowledgeable -- or more persistent -- advocate for the transportation needs of northern Virginians than Leslie Byrne.**

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

* **Now, I'd like to join Congresswoman Byrne and Gordon Linton, our Federal Transit Administrator, in presenting this ceremonial check to Leo Bevon of the Virginia Department of Rail and Public Transit.**
(Leo, you <u>can</u> spend <u>all</u> of this in one place!)

# # # # #

U.S. Department of Transportation

News:

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

STATEMENT BY SECRETARY OF TRANSPORTATION FEDERICO PEÑA
INITIAL DECISION THAT A SAFETY DEFECT EXISTS IN
CERTAIN GENERAL MOTORS C/K PICKUP TRUCKS
OCTOBER 17, 1994

Today, I am announcing the Department's Initial Decision that a safety defect exists in General Motors C/K pickup trucks with fuel tanks outside the frame rails. As in any decision that involves the safety of the traveling public, we have faced many difficult issues in this case. This is a case that is virtually unprecedented, extremely complex, and highly-charged. Before going further, I want to commend the professionalism and expertise of the staff at NHTSA for their work on this matter.

BACKGROUND

Since this investigation began in December 1992, NHTSA has received and reviewed well over 100,000 pages of documents, conducted crash tests, and completed statistical and other analyses related to the alleged defect. It is that extensive investigation that has led to this decision. Today, we are distributing the Engineering Analysis Report that details the major points of this investigation. I believe that this report speaks for itself. I want to take a few minutes to discuss the major findings that served as the basis for this Initial Decision. I will then outline the process that the Department will follow over the coming weeks.

FINDINGS

First, NHTSA found that, since these GM pickups were first introduced in 1973, approximately 150 people have died as a result of side-impact fires in these trucks, in crashes that were otherwise survivable. Many others suffered serious burn injuries in such crashes.

Second, based on past trends, NHTSA projects that 32 more lives will be lost over the remaining use of the vehicles, compared to what would occur if these trucks had the same side-impact fire performance as comparable Ford pickups.

Third, NHTSA attributes this vulnerability to fatal side-impact fires to GM's design and placement of the fuel tanks outside of the frame rails of these trucks. This design was selected for marketing reasons, including a desire to increase fuel capacity and driving range, a feature GM believed appealed to certain drivers. But, because the tanks are outside of the frame rails, they do not have the protection offered by the frame rails.

Fourth, NHTSA's review of police accident reports of side-impact fatal crashes with fires in these GM trucks demonstrates that they occurred at speeds less than those required to cause side-impact fires in comparable Ford pickups.

Fifth, and of critical importance in this matter, is the evidence that GM was aware, possibly as early as the mid-1970's but certainly by the early-1980's, that this design made these trucks more vulnerable and that fatalities from side-impact fires were occurring. However, GM chose not to alter the design for 15 years.

It is also important to note that the National Traffic and Motor Vehicle Safety Act places manufacturers under two broad mandates: first, to meet applicable safety standards in producing vehicles; and second, to produce vehicles that operate safely in real-world conditions. Meeting a safety standard does not absolve a manufacturer of its responsibility to produce safe vehicles.

DECISION-MAKING PROCESS

This investigation opened in December 1992, in response to a petition submitted by the Center for Auto Safety and Public Citizen in August of that year. I first became involved in the matter in April 1993, when there was no senior appointee at NHTSA. The Safety Act assigns the responsibility for carrying out these investigations to the Secretary. In general, these responsibilities have been delegated to senior officials at NHTSA. However, due to the complexity and degree of public concern over the alleged defect, those officials brought this issue to me. At that point, I assumed the role of the decision-maker in this process, and will continue to do so. Since he joined NHTSA, Deputy Administrator Chris Hart has provided some factual analysis. But, I made the judgment call in this case. Dr. Ricardo Martinez, the new Administrator, recused himself from this matter, and has not played a role.

Under the Safety Act, manufacturers must conduct a recall campaign if their vehicles contain a defect that relates to motor vehicle safety. Consistent with the law, the analysis of whether a defect exists in this case has focused on two primary questions: first, is there an increased risk associated with the alleged defect; and, if so, is that risk unreasonable?

The investigation to date has demonstrated that the answer to both questions is yes. The record clearly shows that there is an increased risk associated with these GM pickups, and leads me to conclude at this point that that risk is unreasonable.

This initial conclusion is supported by these key factors:

- Unlike many of the investigations that NHTSA conducts, this case involves not only serious injuries, but a significant number of fatalities, in crashes that were otherwise survivable.
- There is evidence that GM was aware of the increased risk associated with this design at the time that the vehicle was introduced, but did not take steps to provide adequate

protection. In addition, despite mounting evidence of a safety risk over the intervening years, GM did not move the tanks inside the frame rails until model year 1988.

- An alternative design, similar to that used by its competitors, was available, and could have addressed the problem for little or no cost. Instead, GM management in place at that time appears to have made a decision favoring sales over safety. As Secretary of Transportation, charged with overseeing the safety of our highways and all other modes of transportation, I believe that auto manufacturers can and should do better than that, especially when safer and viable alternatives exist.

MOVING FORWARD

As required under law, the next step is for the Department to conduct a public proceeding to allow all interested parties to provide additional information and arguments on the issues raised by this investigation. This proceeding will be chaired by NHTSA Deputy Administrator Chris Hart, and will be held in Washington beginning on Tuesday, December 6. I want to ensure that this process is open and fair to everyone, and that we have as much relevant information as possible before moving on to the next decision.

I also recognize that consumers may continue to be confused over the status of these trucks. It is my intention to bring this work to a conclusion as quickly as possible after the public meeting.

I again want to note that this case has been a very difficult and complex one. There has been a great deal of discussion and various views about it in many quarters. But, based on NHTSA's technical analysis, this was my decision to make.

In closing, let me say that there is a new management team at General Motors, which was not in place at the time that these decisions were made. It's a new generation of leadership that has demonstrated its commitment to new ways of thinking and acting. I sincerely hope that they'll work with us to address this problem.

Thank you.

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TALKING POINTS
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
ROUTE 85 RIBBON-CUTTING
SAN JOSE, CALIFORNIA
OCTOBER 19, 1994

* **I'm pleased to join Congressman Mineta and Congresswoman Eshoo as the completed Route 85 is dedicated.**

* **This 18-mile road links the Santa Clara Valley from Route 85's original end at I-280 south to U.S.101 -- ending nearly 20 years of frustration for Californians.**

* **The road's completion shows once again what local determination -- when combined with close partnerships between the local, state, and federal governments -- can accomplish.**

* **When work stopped on Route 85 during the middle 1970s because of a lack of money, the people of Santa Clara County voted for a special sales tax increase -- Measure A -- to provide their share of the funds for this and other transportation projects.**

* **I want to commend the people of this region, who showed great commitment and vision and made the tough decision to tax themselves in order to meet their transportation needs.**

* **The final piece -- without which this road wouldn't have been finished -- was put in place by Congressman Mineta. He worked closely with Rodney Slater, our Federal Highway Administrator, to secure the federal funds needed to complete the job.**

* **And, in his role as Chairman of the House Public Works and Transportation, he has demonstrated the leadership necessary to meet not just his district's, but also the nation's, transportation needs.**

* **He has applied the lessons he learned from Santa Clara's innovative financing approaches to the federal transportation spending bill.**

That bill lets local decision-makers throughout America put their money where their needs are -- expanding innovative opportunities for transportation improvements.

* **He also has been the leader in the House as we develop a National Highway System -- a system which will include such local roads as U.S. 101, I-280, and State Route 87. The NHS will provide funding for future road improvements, and provide the basis for a true National Transportation System which includes *all* forms of travel. We look to Norm Mineta's leadership as we work with Congress on both of these efforts.**

* **In just her first term, Congresswoman Eshoo has demonstrated her commitment to improved transportation -- an understanding she acquired in her years on the San Mateo County Board of Supervisors. She knows that good transportation systems are good for business, good for the environment, and good for the quality of people's lives.**

* **I deeply appreciate the support that she has given to the Department's proposal for a National Highway System, and her promotion of our initiatives to ensure the future of America's merchant marine industry.**

* **I want to thank Congressman Mineta for his leadership on transportation issues -- and thank Congresswoman Eshoo for the support she has given to us as we work to build the transportation systems America needs. We look forward to working with them for years to come.**

* **And now, I'd like to introduce Congressman Norm Mineta.**

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4.37

TALKING POINTS
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
DISTINGUISHED ALUMNUS AWARDS PRESENTATION CEREMONY
AUSTIN, TEXAS
OCTOBER 21, 1994

(Presentation of the Distinguished Alumnus Award to be made by Dr. Robert Berdahl, President of the University of Texas, and Mr. Joe Kilgore, President of The Ex-Students' Association)

* **Thank you, Dr. Berdahl and President Kilgore. I'm proud to be honored as the first member of my class to be named a Distinguished Alumnus of the University.**

* **I'm gratified because the University was, for me, a formative experience. My years here, first as an undergraduate and then as a law student, shaped my intellect and strengthened the values that I learned from my parents.**

* **For a young Hispanic man from the Rio Grande Valley, the University provided a far larger arena, and opened up new vistas -- allowing me to see just how far I could go if I applied myself and took advantage of what the University offered.**

* **The conflict and debate of my time at UT -- the 1960s -- were often difficult -- but they also were liberating. We all needed to think hard about what we valued, and decide how to devote our lives to our chosen paths.**

* **For me, this meant service in the civil rights movement -- then elective office -- and now the President's Cabinet. All along the way, I benefited from the intellectual training I received here.**

* **More importantly, I benefited from the *values* which the University community strives to nourish in all of its students -- values of responsibility, of opportunity, of tolerance, and of faith -- in ourselves, in our families, in our nation -- and in the future.**

* **These are the values which nourished this nation. As astronaut -- now United States Senator -- John Glenn said: *People are afraid of***

the future, of the unknown. If we face up to it, and take the dare of the future, we can have some control over our destiny. That's an exciting idea to me, better than waiting with everyone else to see what's going to happen.

* **That is the spirit which has guided me -- and which sustains me to this day. I want to thank the University of Texas for strengthening it.**

* **This University was great when I was a student -- and has since become one of the leading colleges in the nation. I am proud to be a U.T. alumnus -- and honored to be included in the roster of distinguished alumni.**

* **Thank you.**

# # # # #

4.30

FINAL

FINAL

TALKING POINTS PREPARED FOR
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
PRESS CONFERENCE
DOT GRANTS ANNOUNCEMENT WITH CONGRESSWOMAN MARIA CANTWELL
SEATTLE, WASHINGTON
OCTOBER 24, 1994

(OFFICIAL VISIT -- Grant for two projects we are working on with Congresswoman Cantwell)

- **I want to thank you for being here today.**

- **I have come to the Seattle area today with Congresswoman Maria Cantwell to hear from people about transportation issues in the Northwest, and to leave a check to advance two transportation projects that the Congresswoman has worked very hard to see through. She even had funding for these two projects earmarked in the FY '95 DOT Appropriations Act.**

  -- The first award for $400,000 is for environmental and pre-planning work for the Edmonds Intermodal Center.

  -- The second award for $672,000 is for improvements to the Wardell Road/North Madison/State Route 305 intersection.

- **Let me describe the first project: what we are doing at the Edmonds Intermodal Center.**

-- The existing ferry terminal that links the mainland City of Edmonds with the Kitsap Peninula in Puget Sound operates from a congested location in downtown Edmonds. The intermodal project is an effort to shift the ferry terminal to a less congested location, eliminate the at-grade rail crossing and combine several modes of transportation.

-- The new transportation center would incorporate an Amtrak/commuter train station, local bus transit and possible commercial development when it is completed in the year 2010.

-- This multimodal center along the downtown waterfront of Edmonds is essential to increase the capacity and improve the movement of people and goods along one of Washington State's most unique highways -- State Route 104, which is on the National Highway System.

-- This project is also vital to the region's most traveled rail corridor which serves both Amtrak and commuter passenger service. It connects to the regional transit system that uses two Interstate highways. And Edmonds Center will also serve the region's public transportation and bikeway routes.

-- This is precisely the sort of connection we need to make between all forms of transportation in this country, and the Edmonds Center is also an excellent opportunity for joint public/private development involving many local government units.

- The Center will serve as a ferry terminal, as a train station, as a transit center and, most importantly, it will be a connectivity system to link all forms of transportation in the Puget Sound area.

- The Center is in its early stages of development and will cost $85 to $104 million when completed. We have supported it through the early phases.

- Today I am very pleased to bring another $400,000 from Federal Transit Administration Section 3 bus money to continue pre-planning activities.

- The objective of the second project we are announcing today is to improve the traffic flow and safety on State Route 305. This project adds a right turn/HOV lane and it improves the Wardell Road/North Madison/State Route 305 intersection.

-- This intersection is complicated because five roadways and a "park and ride" lot intersect State Route 305 at that vicinity.

-- The project involves re-routing traffic, adding a right turn/HOV lane to the northbound lane of State Route 305 and closing a park and ride facility.

- I want to thank Congresswoman Cantwell for her work on these two projects and also for her help in the Public Works and Transportation Committee on DOT legislation for airport, highway, transit and rail improvement.

- The Clinton Administration supports these types of investment in transportation infrastructure because we believe they stimulate economic growth, increase the nation's productivity and create new jobs. Once improvements are made to State Route 305, workers will get to work on time more easily, truckers will keep their delivery schedules, and transportation safety will be improved.

- I also want to thank the Washington State and all local jurisdictions for the hard work and planning effort that has gone into both these projects. Because of your foresight and Congresswoman Cantwell's tireless efforts this area of Washington State will be out front leading the way in 21st Century transportation.

- Thank you very much. I'll be happy to answer any questions.

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FINAL DRAFT 10-22-93 at 8 p.m.

SECRETARY OF TRANSPORTATION FEDERICO PEÑA
AMERICAN ASSOCIATION OF STATE HIGHWAY TRANSPORTATION OFFICIALS
OCTOBER 25, 1993
DETROIT, MICHIGAN

I'd like to thank Wayne Muri for that generous introduction. And to express my appreciation to all of you who make this country's transportation systems work day in and day out.

It's fitting that AASHTO chose this city so rich in automotive history and cutting edge technology not only to celebrate the "Centennial of America's Highways," but to launch a bold new partnership, for our nation's post-Interstate intermodal transportation system.

AASHTO, with leaders like Frank Francois, Howard Yerusalem, Ray Chamberlain and many others, has long shown the vision and wisdom we need to guide us into 21st Century transportation.

You are now being called upon not only to meet some of the greatest challenges in AASHTO's history -- but to do so within the constraint of tight budgets at all levels of government, heightened environmental concerns, and growing -- sometimes paralyzing -- congestion.

The times demand a cohesive, truly intermodal system that is anchored by the 155,000 mile National Highway System. I know that all of you have put in long hours on the draft map of the NHS. And I am happy to say that I

expect to have a proposal to Congress by the December 18 deadline.

But all of you know that America's 21st Century transportation system must have a far broader reach than the National Highway System.

It must -- and will -- be a seamless system that ties America together -- a true network of highway, mass transit, seaports, airports and rail terminals. Most of all we must offer transportation services that give citizens and companies the greatest possible mobility, flexibility, safety and convenience -- while preserving our environment.

Our next century's system will be grounded in the wonders of a technological revolution in transportation that will include Intelligent Vehicle Highway Systems, the Global Positioning System, "Clean Cars" and high speed rail. Let me say here how much I appreciate the resolution on your conference agenda supporting the President's high speed rail initiative. Your resolutions are proof positive that once again AASHTO is well out front -- leading the way.

The transportation system we create for the future will carry our commerce efficiently, enhance the quality of our lives and also meet basic human needs such as getting people to school, work and medical care with a minimum of hassle and delays.

In fact, I want one of my legacies as Secretary of Transportation to be something I hope to leave behind is progress on the humanization of transportation -- making it serve people so that single parents can get their children to day care center, elderly citizens can get to medical care and working people can get to their jobs conveniently.

Almost two years into ISTEA, AASHTO members have already made an excellent beginning on just such a system. For example:

Maryland's state intermodal transportation fund is a leader in flexible intermodal transportation financing.

Ohio's model intermodal plan entitled "Access Ohio," Wisconsin's statewide intermodal transportation study and California's intermodal plans are all sensitive to the environment -- and they are all paving the way in intermodal planning.

Washington and Florida have demonstrated creativity and innovation in land use sensitivity -- in integrating growth management and transportation planning so that major development cannot occur until the infrastructure needed to support it is in place.

In Oregon, where the urban growth boundary concept serves as the core of the land use management process, sprawl has been contained.

In Pennsylvania, Secretary Yerusalem has been actively involved in examining the linkages between clean air and transportation.

Michigan and Minnesota are models in the cooperation of state and local governments in the planning process.

North Carolina has seized the opportunities of new technology in development of geographic information systems. These systems improve assessment of environmental impact, coordination between state and federal agencies and citizen participation in corridor analysis.

And the list goes on.

Because of your bold and creative efforts we will succeed in creating the best intermodal transportation system in the world. Each of you is playing a lead role in President Clinton's strategy for changing America. Your job is to give Americans the tools -- and the confidence -- to meet the challenges of global competition.

From the very beginning of his Administration, the President has viewed transportation and infrastructure investments as key catalysts for economic growth in the United States and greater competitiveness in world markets.

He understands that investment in the nation's infrastructure is the engine that generates economic growth, raises regional productivity and enables our whole nation to compete -- and prevail -- in tough global competition.

We in transportation are challenged to make that vision real -- on the ground.

And in that regard, I am delighted to announce today that the final ISTEA planning regulations were approved on Friday, bringing to an end a process that lasted almost two years. Although they took a long time I believe they represent the direction that transportation planning must go in this country.

In many cases, these new rules only give official credence to the fine planning efforts some of you have already begun in your individual states. They allow you to move forward with the confidence and security that comes from moving in tandem with a great national undertaking, rather than having to go it alone.

These rules change forever the way we will make transportation investment decision.

First, the rules require metropolitan and statewide transportation planning. States must have a Statewide Transportation Improvement Program containing at least three years of projects and a 20 year vision that is

continually evaluated and updated. Metropolitan Planning Organizations (MPOs) are required to have plans too.

The plans will provide a cohesive vision for each region within the state. The rules require that we bring many, many more players to the planning table. They will produce proactive public involvement -- opportunities for early public participation and full review of the long-range plans by citizens as well as community groups.

Local governments -- specifically through MPOs -- and interested citizens as well as community groups will be involved in the planning process. While this may require a new way of doing business, my personal experience as Mayor of Denver convinces me that unless you engage citizens right from the start -- at the planning table -- your project will never get finished -- because they'll engage you in court.

The regulations require that balanced consideration be given to state and local needs so that we can indeed "humanize" transportation and make it serve the vital functions so necessary to individuals in their daily lives.

Transportation is much more than bricks and mortar, concrete and asphalt or ties and ballast. It's getting kids to the soccer game, and seeing that the barrio of East Los Angeles -- long cut off from the rest of the city -- is now connected to jobs and health clinics and to hope itself by one of the finest transit systems in the country. This is the real heart of what the new planning regulations mean.

The regulations require that our plans emphasize preservation and more efficient use of existing transportation facilities; that we seek more multimodal or intermodal solutions to transportation challenges. The new rules rely on innovative and nontraditional approaches such as HOV lanes and van pooling to meet capacity challenges. They call on us to use technological solutions wherever appropriate.

Second, the regulations recognize that transportation and air quality are interdependent. The regulations complement the Clean Air Act compliance rules being developed by the Environmental Protection Agency by helping state and local governments in planning to meet the mandates of the Clean Air Act.

We have been working with EPA on its conformity regulations, and we will have the opportunity to sign-off on them. I've met with EPA Administrator Carol Browner and our staffs have worked together closely. We realize that the integration of clean air and transportation planning is a very serious issue for you. Because if transportation plans, programs and projects do not comply with the 1990 Amendments to the Clean Air Act, the law says flatly that transportation funding cannot be approved. We hope the final conformity rule will be issued soon.

It will pose real challenges -- and ones that requires full cooperation of all partners in this process.

Final regulations requiring management systems relating to pavement, bridges, safety, congestion, public transportation facilities and equipment and intermodal transportation facilities and equipment will be issued soon.

I know this will require a great deal of work on your part, but it will also give you much better information with which to manage and evaluate your success. It will enable you to draw closer cost benefit analyses of projects before you put them on the planning board.

These actions should help you build a transportation network that is efficient, affordable and safe.

Finally, the 1994 DOT Appropriations bill is good news for infrastructure. It provides an 8% growth in infrastructure funding over last year's levels. In particular, the Federal-aid highway program funding increases by 10.7%. Federal aid highway obligation limitation is set at $17.59 billion, up more than $2 billion. The bill provides strong support for transit and Amtrak, and it funds highway demonstration projects at $156 million, significantly below recent years.

But as well as we did, I would be remiss if I came to a group of surface transportation people and did not mention the continuing challenges of financing -- the growing gap between tight resources at all levels of government and increasing transportation needs. We will continue to work at every opportunity for full funding of ISTEA. But we can't stop there.

In this generation, we must manage better with less. We can no longer afford the luxury of building any transportation facility without a very serious cost-benefit analysis, or adding a lane to an existing road without thinking long and hard about whether the travel could be handled in another way.

Even with the best of planning we can no longer meet growing infrastructure needs with public funds alone.

We need to take a fresh look at new public-private partnerships. This is a new experience for all of us. We have encouraged private sector investment in transit systems, and private investment is a key element in our proposed high-speed rail program. ISTEA's private toll road provisions have also created vast new opportunities for private investment in highways. We are actively exploring various innovative infrastructure financing techniques, and we hope the private sector's role will grow dramatically.

As you know, the DOT has launched an unprecedented series of meetings on ISTEA implementation and I appreciate the support that AASHTO members have given us in preparing for these nationwide series of meetings. The meetings begin November 5. We will be listening to state and local officials, representatives of the transportation industry and interest groups. We want first hand information on what elements of ISTEA are working -- and which ones

need fixing. We welcome the opportunity to share experiences and to learn from you.

In addition to transportation, President Clinton's strategy for changing America contains a large number of other important elements.

He started with swift passage of a budget that has restored America's reputation for fiscal responsibility and won renewed respect in world financial markets. That's why interest rates have come down so much, economic growth has revived and one million new private sector jobs have been created so far this year. That's not enough. We're not satisfied. But it's more jobs than were created for the previous four years put together.

The next key elements in the President's strategy include the Health Care Security plan that achieve in the future what Social Security achieved for previous generations, and the North American Free Trade Agreement that will create the largest free market on the globe.

Let's spend a moment on NAFTA because it has a transportation side that is little heralded amidst all the partisan debate.

All of us must plan for the heavy increase in freight traffic flowing across our continent and through our waterways as a result of increased trade with Mexico and Canada.

We are just putting the finishing touches on two studies mandated by ISTEA to identify existing and emerging trade corridors that facilitate trade with our neighbors. The studies will include priorities and recommendations for rail, highway, water and freight centers and all highway border crossings.

With the results of these studies, which we coordinated both through the states and with the governments of Canada and Mexico, we will have a clearer vision of what infrastructure is needed to carry the additional commerce already building up between Mexico and the United States.

But I can tell you that all over the country -- in ports and rail centers and highway planning meetings -- the excitement of NAFTA is building.

NAFTA is critical to economic growth and we need your help on this issue. NAFTA will create jobs in the United States, open markets for our exports and give new momentum to the forces of democracy and capitalism throughout the Hemisphere.

In NAFTA we seek to create the largest trading bloc on the planet -- 370 million people with a total output of $6.5 trillion.

Together with Canada and Mexico, we will create an economic superpower -- and all three nations will have

stronger hands in trade talks with other nations than any of us have alone.

Much of the debate on NAFTA has been terribly distorted -- and far too narrow. I would argue that the best way to view this pact is as one more step in this nation's long commitment to free trade -- a commitment that has brought us enormous gains since World War II.

Not many people realize it, but we are in the midst of a great American export boom that has seen our export sales climb by $200 billion a year since 1987. More than seven million American jobs now depend on sales to foreign markets -- 700,000 of those jobs on sales to Mexico alone.

And these export jobs are very good jobs, indeed, paying $3,500 a year more than average American wages.

We believe that NAFTA will add 200,000 more new jobs -- net-- for American workers. And that's the most basic reason we support it. But it's important to understand that there is more at stake in passing NAFTA than the immediate job gains for Americans as Mexican and Canadian tariffs come down.

What's really at stake is whether this nation continues its export success story; whether America continues to penetrate foreign markets and create jobs at home by doing so.

The bottom line is that passing NAFTA will be good for America, create jobs and keep our exports booming. Rejecting it would be a disastrous blunder with truly terrible long term risks.

So if you haven't already -- I urge you to be our partners in this venture too. Join the fight for NAFTA and know that your support counts.

I believe we're going to win this debate, and that the President's broader economic strategy is going to get this country moving again -- and restore Americans' confidence. It is our job to provide the intelligent transportation investments that will help us succeed.

Together with AASHTO and other transportation partners I believe that we will set this country on course to a seamless, intermodal transportation system that will be the most efficient and safest in the world.

We will succeed in part, I believe, because President Clinton has drawn to Washington so many people from state and local governments. We understand the challenges you face every day because we've been there.

You have a President who was a Governor, a Secretary of Transportation who was a Mayor, a Deputy Secretary who directed the New York MTA, a Federal Highway Administrator, Rodney Slater, who was one of your own as Chairman of the Highway Commission in Arkansas. Jane Garvey, Rodney's deputy was a leader in

the largest highway project in the nation -- the Boston Harbor Tunnel project.

We also have on board a Federal Transit Administrator, Gordon Linton, who was a state legislator in Pennsylvania, and Federal Railroad Administrator, Jolene Molitoris, who was a distinguished state rail official in Ohio. And let me not forget my director of the Office of Intermodalism, Michael Huerta, who served as executive director of the Port of San Francisco.

Excuse me if I seem to be bragging -- but I really do have an extraordinary team here -- all of them great transportation professionals -- eager to work with you to serve people at the local level.

So let this 79th annual meeting of AASHTO be a time to celebrate your accomplishments and plan for a future as part of this team. I've asked you for <u>your</u> support today. Let me close by pledging you <u>mine.</u>

Thank you very much.

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4.34

REMARKS PREPARED FOR DELIVERY
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
CONFERENCE ON TRANSPORTATION IN THE AMERICAS
OPENING SESSION KEYNOTE ADDRESS
OCTOBER 27, 1994
TAMPA, FLORIDA

Opening

Good morning. I would like to welcome you to the Conference on Transportation in the Americas -- and bring you greetings from President Clinton -- who is deeply committed to our common goals of freedom, democracy, and opportunity for all of our peoples.

Before I begin my formal remarks, I want to thank our host, Governor Lawton Chiles. Governor Chiles has shown the vision needed to lead his state into the global economy of the 21st century -- and that will benefit all Floridians as his state's economy thrives as a result of increased international trade.

Let me also thank the conference's sponsors -- the Florida Summit of the Americas Committee, the Hillsborough County Aviation Authority, the Tampa Port Authority, Hillsborough County, the City of Tampa, and the University of South Florida. They understand the critical role that transportation will play as worldwide trade expands, and are doing their part to support it.

Themes of Speech

Today, I would like to speak about three topics.

First, the importance of reducing barriers to free trade.

Second, how transportation can allow us to benefit from increased trade.

And finally, strategies for providing the transportation infrastructure we need to tie the Americas together.

I. THE IMPORTANCE OF FREE TRADE

The Growth of Freedom

This is the first post-Cold War American presidency -- heir to a world in which democracy and free markets are generating explosive growth of trade and interdependence.

Just within the past decade, the number of people living in countries with capitalist economies has tripled -- from one billion to three billion. Virtually every nation in this hemisphere has an elected president and a market economy. This expansion of freedom presents great opportunities for improving the standard of living for our peoples.

President Clinton wants to take advantage of this by increasing trade and other economic links between our nations.

We Americans believe that free people have nothing to fear from free trade. That is why the Clinton Administration believes in knocking down trade walls -- and not hiding behind them.

The Success of NAFTA

We have worked to capitalize on this through free trade treaties -- such as NAFTA, the North American Free Trade Agreement, which we entered into with Mexico and Canada.

We already are seeing successes from NAFTA. U.S. exports to Mexico are at record levels, increasing by almost 17 percent in the first six months of 1994 alone.

And data in June showed that U.S. exports to Mexico exceeded those to Japan -- making Mexico our second largest trading partner, behind Canada.

Imports from Mexico have grown strongly as well -- not only reflecting the U.S. economy's solid recovery, but also demonstrating the mutual benefits of free trade.

Indeed, the growing trade bolsters the economies of all three NAFTA nations -- increasing our common competitiveness in global markets and ensuring fair and stable domestic markets for each other's products.

The General Agreement on Tariffs and Trade

NAFTA passed the United States Congress -- but only barely. The larger, more important battle is still being fought -- for passage of the General Agreement on Tariffs and Trade -- GATT. We hope that Congress will approve GATT in its special session after this year's U.S. elections.

That is because passing GATT is the right thing to do -- the single best way to expand free trade and to continue the economic growth the world needs for long-term prosperity.

It has been estimated that GATT will contribute $110 billion a year more to U.S. production alone, with large gains throughout the rest of the world as trade barriers fall.

Lower trade barriers and bigger markets enable companies and workers everywhere to reach more consumers. The bigger the market, the lower the barriers to trade -- and the better the opportunities. That is why we also have begun bilateral market-opening efforts around the world -- as we are doing, for example, in trying to liberalize aviation agreements and eliminate restrictive maritime cargo-sharing arrangements.

The Next Step: Unifying the Americas

Once GATT is approved, what is the next step?

That was best answered this past June, when President Cesar Gaviria of Columbia spoke of "the Americas, integrated from north to south."

And what an inspiring vision that is! A vision of our nations working together to improve the lives of our peoples. The heirs of George Washington and Simon Bolivar once again sharing a dream of freedom and progress.

We can realize this dream -- and we can begin by breaking down the outdated economic barriers which now separate us -- shifting towards freer movement of trade, of capital, of labor.

We are trying to do this in North America through NAFTA. And many Latin American countries are well down the road to economic integration with each other as well -- through the Central American Common Market, the Andean Group, Mercosur, and the new G3 group.

II. THE ROLE OF TRANSPORTATION

Transportation and Trade

So the stakes in freer trade are large.

But trade cannot increase -- and our economies cannot grow -- without the ability to move people and goods efficiently. Indeed, inadequate transportation infrastructure and restrictive transportation policies are among the greatest barriers to increased international trade.

These are problems common to most nations of this hemisphere -- including the United States. In fact, we estimate that it would cost almost $300 billion to eliminate the full backlog of deficiencies on U.S. roads and bridges. And, in many cases, we lack good connections between forms of transportation -- for example, between U.S. seaports and railroads.

Now, while having a sound infrastructure is no guarantee of economic success, the lack of one certainly is a barrier. We in the U.S. estimate that just a one percent increase in transportation system efficiency would result in a $10 billion-a-year savings to our economy.

And the World Bank has calculated a direct, one-for-one correlation between improvements in infrastructure and increases in gross domestic product.

These links *do* exist, and they are made clearer by the demands created by economic development generated through free trade. For example, after Venezuela signed a free trade agreement with Columbia,

trade soared by 40 percent in the next year -- spurring the need for highway, port, and airport improvements to handle the increased travel.

So we need to maintain and develop our transportation infrastructure if we are to realize our potential for growth.

But free trade not only can help to create such shortfalls -- but can help to bridge them.

These agreements improve business rules and safeguards for investors, lowering the risk of investing in long-term infrastructure projects.

And they can help to create institutions to provide infrastructure development capital -- such as the North American Development Bank, which funds environmental and infrastructure projects along the U.S.-Mexican border.

III. SERVING TRADE THROUGH TRANSPORTATION

A. Focused Public Investment

As we look at the problem of inadequate infrastructure, we see several solutions.

First, we look towards greater infrastructure investment by governments. Although many of us face severe budgetary constraints, we have to continue to support projects of national strategic importance -- because public spending on transportation projects yields *real* benefits.

In the United States, we reduced the federal budget deficit for the third consecutive year through restrained spending. But these were not mindless, across-the-board cutbacks. Instead, President Clinton set priorities, and found reductions elsewhere in the budget.

We are devoting more than 70 percent of our 1995 federal transportation budget -- more than $27 billion -- to such investments. We hope to see greater investment by local and state governments as well.

And, in the future, we will direct federal investments through a new National Transportation System -- an integrated network of the most important roads, railroads, waterways, and other forms of transportation throughout this nation -- as well as their connections. This National Transportation System will focus our investments to meet national goals of improved transportation efficiency.

B. Involving the Private Sector

The second solution is to involve the private sector in transportation infrastructure development. Given the amounts of money needed for infrastructure, other government priorities, and the limits on the funds that can be raised through taxes, new private investment is absolutely necessary.

And what we need is more than just private money -- but also the spirit of entrepreneurship and imagination, and the efficiencies of private management -- if we are to make the most of this approach.

Although private investment capital is critical, strategies in which the private sector builds and operates facilities have great potential, too.

This is a strategy which nations such as Brazil, Mexico, and Argentina have used with great effectiveness -- and which we are now beginning to employ here in the U.S. through innovative financing programs, use of road tolls, and privatization.

C. Transportation Deregulation

Deregulation is closely related to privatization. The U.S. began to significantly liberalize the economic regulation of air, rail, truck, and ocean shipping operations during the late 1970s. Other nations -- such as Canada, Mexico, and Chile -- have followed the same course for some or most transportation systems.

These reforms allow carriers greater flexibility to enter and exit markets and to set prices to reflect market conditions -- while letting them make a fair profit.

Most of these reforms have been limited to domestic service, however: there are fewer examples of liberalization of international operations.

Many aviation agreements permit only limited carriers and routes, and rigidly control fares. Trucks frequently are not allowed to cross borders, and must transfer their cargoes. Railroads, built to serve domestic needs, do not effectively serve long-haul international markets. Foreign investment limitations restrict the availability of capital for improvements.

All of these restrictions prevent the creation of strategic alliances among carriers to serve international markets, and inhibit the development of international intermodal services.

We can no longer tolerate the waste which unnecessary or inefficient regulations create.

We have to reexamine the goals which our transportation regulations were intended to meet -- and determine whether they are still valid.

We must evaluate our regulations -- for both domestic and international services -- and eliminate those which no longer meet public goals.

And for those regulations which *are* necessary, we must ensure that they are as efficient as possible -- that they do not needlessly limit competition or the opportunity for the private sector to participate in our transportation system.

D. The Role of Technology

Some of the most promising solutions to transportation problems are technology-based. In the U.S., we have made the deployment of high technology -- the technology that won the Cold War and the race to the Moon -- one of our highest transportation priorities.

These technologies can increase the efficiency of operating systems, reduce costs, and improve the links between forms of transportation. And

this is more than automated highways and similar innovations, as important as they are going to be.

Technology also means the creation of an information infrastructure that parallels the physical infrastructure of our transportation system -- providing detailed data on our system and what is being transported on it.

This has enormous potential for improving border crossing management, where modern sensing information processing, and communications systems can ensure border security and safety while reducing processing time. We already are testing such a system on a major U.S. highway.

Global Positioning System satellites will allow the tracking of vehicles and goods from anywhere in the world -- giving real-time information on where products are, letting shippers plan better.

These systems, and others, can improve the transportation systems of *all* nations, and we stand ready to provide technical assistance to other nations.

Of course, we also expect that these nations will help themselves -- by reducing the regulations that limit technology deployment and by developing the institutional frameworks which make technology-sharing feasible. Together, we can work to improve efficiency and the flow of goods across our borders.

Closing

The things I have called for today -- increased free trade, investment in transportation infrastructure, privatization, deregulation, and the deployment of high technology -- are not radical ideas. Rather, they are sensible strategies for removing the barriers which separate us -- whether regulatory, institutional, or political.

And that is the way it should be.

From north to south, we are one hemisphere -- born of the Old World, and yet so very different from it. We are the future of the planet -- and if there is pride in that, or even arrogance, there is also truth. We have always had the opportunity to throw off the burden of history, and to look towards the future -- without the weight of millennia of pain and conflict.

Our world is not perfect -- far from it. But 500 years after Columbus, we are still the New World -- the place where men and women came to begin anew, together.

So let us work together in that spirit of newness to expand the reach of freedom and democracy, and to improve the lives of all of our people.

Thank you.

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REMARKS PREPARED FOR DELIVERY
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
CONFERENCE ON TRANSPORTATION IN THE AMERICAS
EVENING ADDRESS
OCTOBER 27, 1994
TAMPA, FLORIDA

Opening

Good evening. I would like to welcome you to the Conference on Transportation in the Americas -- and bring you greetings from President Clinton -- who is deeply committed to our common goals of freedom, democracy, and opportunity for all of our peoples.

I want to thank our host, Governor Lawton Chiles. Governor Chiles has shown the vision needed to lead his state into the global economy of the 21st century. All Floridians will benefit from his vision as this state's economy thrives through rising international trade.

Let me also thank the conference's sponsors -- the Florida Summit of the Americas Committee, the Hillsborough County Aviation Authority, the Tampa Port Authority, Hillsborough County, the City of Tampa, and the University of South Florida. They understand the critical role that transportation will play as world trade expands and they are doing their part to support it.

So are all of the Transportation Ministers who gathered here today from a dozen nations all across our

Hemisphere. We came together today to discuss a wide range of transportation issues, including:

-- ways to improve planning and finance for vitally needed roads, ports and other infrastructure

-- ways to facilitate transportation and trade and ease the burden of economic regulation and border-crossing procedures

-- ways to develop and deploy new technologies that will increase transportation efficiency and improve the environment at the same time

-- ways to harmonize our rules for construction, safety and transport operations

It has been an informative, thought-provoking and even historic day. Never before have so many transportation ministers from across our hemisphere gathered on U.S. soil to talk about common challenges and share ideas on how to meet them.

I want to take this opportunity to recognize and thank all of my colleagues who came so far to participate here today -- and whose contributions have made this conference a landmark in our progress toward the greater prosperity and integration of the Americas.

[And before I begin my formal remarks, I hope you'll excuse my saying that it was great this Summer for the United States to host the first Mundial ever held in my country. And the very best part was seeing Brazil take the Cup from the Italians.....

That wasn't the first time that our New World beat the Old World. And if we carry on the work we started here today -- it won't be the last.]

THEMES OF SPEECH

Tonight, I would like to speak about three topics.

First, the importance of reducing barriers to free trade. Second, how transportation can allow us to benefit from increased trade. And finally, strategies for providing the transportation infrastructure we need to tie the Americas together.

I. THE IMPORTANCE OF FREE TRADE

A) The Growth of Freedom

This is the first post-Cold War American presidency -- heir to a world in which democracy and free markets are generating explosive growth in trade -- and nations are becoming more interdependent than ever before.

Just within the past decade, the number of people living in countries with capitalist economies has tripled -- from one billion to three billion. Virtually every nation

in our hemisphere now has an elected president and a market economy.

This expansion of freedom gives all of us the opportunity -- and the duty -- to find ways to raise the standard of living of our peoples.

President Clinton wants to take advantage of this by increasing trade and other economic links between our nations. We Americans believe that free people have nothing to fear from free trade -- that we can all prosper together.

That is why the Clinton Administration believes in knocking down trade walls -- not hiding behind them.

B) The Success of NAFTA

And that is why we so strongly support free trade treaties -- like the North American Free Trade Agreement -- which links us today with our friends in Mexico and Canada in the greatest free trade zone in human history -- 370 million people with combined economies of more than $6.7 trillion.

We already are seeing successes from NAFTA. U.S. exports to Mexico are at record levels and they rose 17 per cent to $24.5 billion in the first six months of 1994 alone.

The latest data -- from June and July -- show that U.S. exports to Mexico exceeded those to Japan -- making Mexico our second largest trading partner, behind only our other good neighbor, Canada.

And imports from Mexico have grown strongly as well -- not only reflecting the U.S. economy's solid recovery, but also demonstrating the mutual benefits of free trade.

Indeed, our growing trade bolsters the economies of all three NAFTA nations, making each of our countries more competitive in world markets together than we would be separately, and ensuring fair and stable domestic markets for each other's products.

C) The General Agreement on Tariffs and Trade

NAFTA passed the United States Congress because President Clinton believed in it -- and we fought for it. Let me take this occasion to congratulate and honor all of those Mexicans and Canadians who supported this treaty in their nations.

Now, a larger, even more important battle is being fought -- for passage of the General Agreement on Tariffs and Trade -- GATT.

President Clinton has called for a special session of Congress to vote on GATT after this year's U.S. elections -- and we expect it to pass.

We are working very hard on this because passing GATT is the right thing to do -- the single best way to expand free trade and to continue the economic growth that the whole world needs for long-term prosperity.

We estimate that GATT will contribute $110 billion a year more to U.S. production alone -- with far larger gains worldwide as trade barriers fall.

Lower trade barriers and bigger markets enable companies and workers everywhere to reach more consumers. The bigger the market, the lower the barriers to trade -- and the better the opportunities.

That is why the United States has also begun bilateral market-opening efforts around the world -- as we are doing, for example, in trying to liberalize aviation agreements and eliminate restrictive maritime cargo-sharing arrangements.

D) The Next Step: Unifying the Americas

Once GATT is approved, what is the next step?

That was best answered this past June, when President Cesar Gaviria of Columbia spoke of "the Americas, integrated from north to south."

And what an inspiring vision that is! A vision of our nations working together to improve the lives of our peoples.

The heirs of George Washington and Simon Bolivar once again sharing a dream of freedom and progress!

We can realize this dream -- and we can begin by breaking down the outdated economic barriers which now separate us -- shifting towards freer movement of trade and investment capital -- and supporting democracy throughout our Hemisphere.

We are trying to do this in North America through NAFTA. And many Latin American countries are well down the road to economic integration with each other as well -- through the Central American Common Market, the Andean Group, Mercosur, and the new G3 group.

II. THE ROLE OF TRANSPORTATION

A) Transportation and Trade

The stakes in achieving freer trade -- and the benefits that it can bring to our peoples -- are enormous.

But trade cannot increase -- and our economies cannot grow -- unless we can move people and goods efficiently.

Inadequate transportation infrastructure and restrictive transportation policies are among the greatest barriers to increased international trade.

These are problems common to most nations of this hemisphere -- including the United States. In fact, we estimate that it would cost almost $300 billion to eliminate the full backlog of deficiencies on U.S. roads and bridges. And, in many cases, we lack good connections between forms of transportation -- for example, between U.S. seaports and railroads.

Now, while having a sound infrastructure is no guarantee of economic success, the lack of one is certainly a barrier. We in the U.S. estimate that just a one percent increase in the efficiency of our nation's transportation system would result in a $10 billion-a-year savings to our economy.

And the World Bank has calculated a direct, one-for-one correlation between improvements in infrastructure and increases in gross domestic product.

These links do exist, and they are made clearer by the demands created as free trade stimulates economic development. For example, after Venezuela signed a free trade agreement with Columbia, trade soared by 40 percent in the next year -- spurring the need for highway, port, and airport improvements to handle the increased traffic.

Clearly, we all need to maintain and develop our transportation infrastructure if we are to realize our potential for growth.

But while free trade may highlight shortfalls -- it can also help us to to bridge them.

For example, free trade agreements typically clarify and simplify business rules and strengthen safeguards for investors. That, in turn, lowers the risk and helps attract capital to long-term investments in toll-roads, highways, tunnels, bridges, ports, airports and other infrastructure projects.

And free trade accords can help to create institutions to provide infrastructure development capital -- such as the North American Development Bank, which funds environmental and infrastructure projects along the U.S.-Mexican border.

III. SERVING TRADE THROUGH TRANSPORTATION

A) Focused Public Investment

As we look at the problem of inadequate infrastructure, we see several solutions.

First, we look towards greater infrastructure investment by governments. Although many of us face severe budgetary constraints, we have to continue to support projects of national strategic importance -- because public spending on transportation projects yields <u>real</u> benefits.

In the United States, we have reduced the federal budget deficit for the third consecutive year by cutting spending. But we did not adopt mindless, across-the-board cutbacks.

Instead, President Clinton set priorities, and found reductions elsewhere in the budget -- while raising our public investment in transportation to record levels.

We are devoting more than 70 percent of our 1995 federal transportation budget -- more than $27 billion -- to such investments. And we are crafting new, innovative financing ideas to help states and local government to raise their transportation investments, too -- often in partnership with private business.

And, in the future, we will direct federal investments through a new National Transportation System -- an integrated network that includes the most strategic roads, railroads, waterways, and other forms of transportation throughout our nation -- as well as their connections. This National Transportation System will focus our investments to meet national goals of greater efficiency and competitiveness.

B) Involving the Private Sector

The second solution is to involve the private sector in transportation infrastructure development. Given the amounts of money needed for infrastructure, other

government priorities, and the limits on the funds that can be raised through taxes, new private investment is absolutely necessary.

We have seen private bond issues devoted to transportation rise 500 percent over the decade from 1983 to 1993 -- from $6 billion a year to $30 billion. Just over one-third of those bonds -- $11 billion worth in 1992 -- are being used to finance highways and toll roads.

These are substantial numbers. But we are gaining not only private money -- but also the spirit of entrepreneurship and imagination, and the efficiencies of private management -- that we need to make the most of this approach.

Although private investment capital is critical, strategies in which the private sector builds and operates facilities have great potential, too.

This is a strategy which nations such as Chile, Mexico, and Argentina have used with great effectiveness -- and which we are now beginning to employ here in the U.S. through innovative financing programs, use of road tolls, and privatization.

C) Transportation Deregulation

Deregulation is closely related to privatization. The U.S. began to significantly liberalize the economic

regulation of air, rail, truck, and ocean shipping operations during the late 1970s. Other nations -- such as Canada, Mexico, and Chile -- have followed the same course for some or most transportation systems.

These reforms allow carriers greater flexibility to enter and exit markets and to set prices to reflect market conditions -- while letting them make a fair profit.

Our experience is that by stimulating competition in price and service, deregulation has saved shippers and travellers billions of dollars, raising our whole economy's efficiency. U.S. manufacturers, for example, have been able to adopt "just-in-time" production methods that would not previously have been possible.

Most of these reforms have been limited to domestic service, however: there are fewer examples of liberalization of international operations.

Many aviation agreements permit only limited carriers and routes, and rigidly control fares. Trucks frequently are not allowed to cross borders, and must transfer their cargoes. Railroads, built to serve domestic needs, do not effectively serve long-haul international markets. Strict foreign investment rules often bar overseas capital from investing in sectors that sorely need improvements.

All of these restrictions prevent the creation of strategic alliances among carriers to serve international markets, and inhibit the development of international intermodal services.

None of us can any longer afford to tolerate the waste that unnecessary or inefficient regulations create.

All of us have to reexamine the goals which our transportation regulations were intended to meet -- and determine whether they still make sense.

We must evaluate our regulations -- for both domestic and international services -- and eliminate those which no longer meet public goals.

And for those regulations which are necessary -- such as those on safety -- we must ensure that they are as clear, fair and efficient as possible -- so that they do not needlessly limit competition or keep private businesses from taking part in our transportation systems.

D) The Role of Technology

Some of the most promising solutions to transportation problems are technology-based. In the U.S., we have made the deployment of high technology -- the technology that won the Cold War and the race to the Moon -- one of our highest transportation priorities.

These technologies can increase the efficiency of operating systems, reduce costs, and improve the links between forms of transportation. And this is more than automated highways and similar innovations, as important as they are going to be.

Technology also means the creation of an information infrastructure that parallels the physical infrastructure of our transportation system -- providing detailed data on our system and what is being transported on it.

Such technology has enormous potential for improving border crossing management, where modern sensing devices, information processing, and communications systems can ensure border security and safety while reducing processing time. We already are testing such a system on a major U.S. highway.

Global Positioning System satellites will not only bring a revolution in airline navigation, but allow the tracking of cars, trucks, railcars, barges and ships -- and the goods they from anywhere in the world. These systems will give real-time information on where products are, letting shippers plan better.

This will improve the transportation systems of <u>all</u> nations, and the United States stands ready to provide technical assistance to other nations.

We have, for example, offered the use of our satellite positioning systems -- in which we have invested more than $10 billion -- to the whole world's aviation community -- free of charge.

Of course, we also expect all nations to help themselves -- by reducing the regulations that limit technology deployment and by developing the institutional frameworks which make technology-sharing feasible. Together, we can significantly improve efficiency and the flow of goods across our borders.

Closing

The things I have called for today -- increased free trade, investment in transportation infrastructure, privatization, deregulation, and the deployment of high technology -- are not radical ideas. Rather, they are common sense strategies for removing the barriers which separate us -- whether regulatory, institutional, or political.

And that is the way it should be.

From north to south, we are one hemisphere -- born of the Old World, and yet wonderfully different from it.

We are the future of the planet -- and if there is pride in that, or even bravado -- there is also truth.

We in the Americas have always claimed the right to throw off the burden of history, and to look towards the future -- without the weight of the Old World's millennia of pain and conflict.

Our hemisphere is hardly perfect -- far from it. We have had our share of tragedies. We face our share of challenges.

But 500 years after Columbus, we <u>are</u> -- <u>still</u> -- the <u>New</u> World -- the place where men and women from all over this planet have come to begin anew, together.

In that spirit of newness, let us resolve tonight to keep on working together, to strengthen our trade links, to deepen our common commitment to freedom and democracy, and to improve the lives of all of the people of our Americas.....

Thank you very much.

# # # # #

4.32

REMARKS PREPARED FOR DELIVERY
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
SALUTE TO THE COAST GUARD
MIAMI BEACH, FLORIDA
OCTOBER 28, 1994

I have come today to thank you for fulfilling missions with extraordinary distinction. For nearly two years you have been challenged by Caribbean Sea operations critical to our nation's foreign policy -- and you have met those challenges with skill and professionalism.

Last summer, the Communist government of Cuba began to permit its people to leave -- but only on makeshift rafts and small boats.

The President could not permit a foreign power to dictate America's immigration policy -- but neither could we stand by as thousands of desperate refugees risked their lives on the seas.

The President declared a national emergency, and once again turned to the Coast Guard to lead the nation's response to this rapidly-developing crisis.

Operation Able Vigil commenced -- involving 38 cutters and patrol boats, over 30 aircraft, and more than 6,000 active duty personnel, reservists, and auxiliarists from as far away as the west coast. The Coast Guard's rapid response was remarkable, and reflected your ability to act quickly and decisively when urgency demands.

I visited Key West in late August to see your operations in action -- and I marveled at your skill, endurance, and resourcefulness. You demonstrated impressive professionalism and teamwork -- carefully coordinating cutter, small boat, and aircraft operations to advance your mission.

I know that the days and nights were long, the work seemingly never-ending, and that the schedules disrupted your lives. But that was where you were needed -- to save the lives of desperate people fleeing a dying tyranny.

And you succeeded -- saving nearly 30,000 lives, from new-born infants to a 91-year-old great-grandmother.

These operations occasioned some extraordinary cases where you worked around the clock, in severe weather conditions, through extreme fatigue, to uphold one of the Coast Guard's primary missions: saving lives at sea. Americans watched with pride, and with gratitude, as you did so.

You also drew the admiration of the entire world for your selfless efforts. In a world which is often so indifferent to brutality, the vision of a Coast Guardsman cradling a child weak from hunger makes clear that we Americans value human life above all else.

The recent agreement between the United States and Cuba on immigration has ended this crisis, and brought Operation Able Vigil to a close.

Over the past two years, and especially during the long summer of 1994, the Coast Guard carried out its mission with professionalism in the midst of chaos -- with compassion in the face of misery -- and with endurance in spite of exhaustion.

Operation Able Vigil will stand as a proud monument to the dedication of the men and women of the Coast Guard.

You have burnished the respect that the nation holds for you, and won yourselves international recognition as you carried out these missions.

Now, the demands on you have eased -- but I know that you stand ready, as always, to answer the call of duty.

It is that dedication to the ideal of *Semper Paratus* that I come to honor today. I thank you -- on behalf of our President and our nation -- for your extraordinary actions during the summer of 1994. America is indebted to you for your sacrifices and your devotion to duty.

And now I would like to recognize you for your service to the nation. I would like to call _____ front and center...

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4.31

REMARKS PREPARED FOR DELIVERY
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
U.S. HISPANIC LEADERSHIP CONFERENCE
CHICAGO, ILLINOIS
OCTOBER 28, 1994

Bienvenidos! **Tonight, I want to honor the work done by the Hispanic Leadership Conference to promote self-empowerment by America's growing Hispanic population.**

The sponsors of this conference -- [NAMES TO BE INSERTED] -- understand the importance of this, too, and I salute their work in nurturing the next generation of Hispanic leaders in America.

Finally, I want to recognize the work of the Midwest-Northeast Voter Registration Education Project, which has done so much to expand participation in our political system.

All of you are helping Hispanic Americans to realize the full promise of the United States.

America thrives on our diversity, the many colors, languages, religions, and cultures that people from all over the world have brought to this country.

This diversity keeps the American dream fresh. It means that America is never stagnant -- instead, we are a nation of change -- a nation which always looks to the future.

People everywhere are drawn to our country because America is still the land of opportunity, a land where if you work hard and play by the rules, you can achieve almost any personal goal you set -- a place where a son of the Rio Grande Valley can become a member of the President's Cabinet.

But all of you know that opening these opportunities sometimes requires tough political struggles -- and real leadership. And that is very true for Hispanic Americans today.

America's Hispanic population is growing at an incredible rate -- and may double in another 25 years. Hispanic-owned businesses are also growing in both numbers and in output, and that will only increase further now that the North American Free Trade Agreement is in place.

But we all know that, even though many things are moving in the right direction, Hispanic Americans still face tough obstacles. Too many of our people still face difficult obstacles right from the day they are born.

The poverty rate for Hispanic children is more than twice as high as for non-Hispanic children. The impact of this deprivation still holds back the potential and burdens the lives of millions of Hispanic Americans.

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

We have seen modest progress over the previous decade -- but 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 by the National Council of La Raza which showed that almost one-third of adult Hispanics could be lifted above the poverty level if they could get education equal to those of their Anglo counterparts.

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

My parents sacrificed to put me -- and my five brothers and sisters -- through college -- something for which I will always be grateful. But not all families are in a position to do what my parents did for me.

That is why the Clinton Administration's proposals for school reform, apprenticeships, better college loan programs, and AmeriCorps -- the new national service program -- are so important. They provide the opportunities which can make dreams come true.

Of course, we should not look just to raise Hispanic Americans above the poverty level. We need to reach full economic equality with all other groups of our fellow Americans.

And that will not be easy.

But it is vital -- so that Hispanic Americans can <u>contribute</u> as fully to American social, cultural, and political life as other groups.

Clearly, this work must include Hispanic leadership in our local communities -- and in America's national public life.

We have begun the process of full entry into the political system. Today, Hispanic men and women of both parties serve in Congress, in state houses, and in courtrooms throughout America.

And we have truly made great strides forward in the less than two years since President Clinton was elected.

When he took office, the President said he wanted his Cabinet and our government to "look like America" and he has delivered on that promise -- with a Cabinet that includes two Hispanic Americans. Hundreds of other Hispanic Americans now hold positions of leadership in our government -- as judges, senior appointees, and in other posts.

As the President said recently, "the America that I want us to build together will be an America where Hispanic leadership anchors its place in the board rooms, the schoolrooms, and all the halls of power, in which Hispanic Americans will be sought out as leaders among opinion makers and policy makers."

His leadership has been shown in other ways, too -- through his initiatives to improve America's schools and to open educational opportunity to all...

...through his earned income tax, which has lifted 15 million Americans from the ranks of poverty...

...through the Family and Medical Leave Act, which ensures that Americans do not have to choose between their jobs and caring for a loved one...

...through increases in Food Stamps and childhood immunizations...

...through his tireless work to ensure that all Americans have the health care they need...

...and through his crime bill, which will make our streets safer.

America is a better place than it was two years ago -- for Hispanic Americans, and for *all* Americans -- *because President Clinton kept his commitments*.

But it is up to you -- the next generation of Hispanic leaders -- to carry this on. Because *you* are the future of this nation. Within our lifetimes one in four Americans will be of Hispanic descent -- and *you* must be prepared to accept the responsibilities of leadership.

One of these responsibilities is to expand participation in our political system.

The Hispanic Leadership Conference and the Midwest-Northeast Voter Registration Education Project have worked with you on the first step -- registering more than a million new voters over the past dozen years.

But from now until election day, you will need to follow up by educating your families, friends, and neighbors, by encouraging them to get

out and vote, and by working hard to ensure that they use the voice our nation gives them.

The right to vote -- to choose our future -- is an extraordinary thing. People have died fighting for that right -- not just centuries ago, but in our own lifetime, and not just on the other side of the world, but *right here in the United States*.

So tonight, as we honor the heritage of Hispanic Americans, let us also resolve to exercise *real* leadership in our communities in the days before this November's election.

Let us return to our homes and work hard in these remaining days to encourage our families, our friends, and our neighbors to exercise that most fundamental of rights -- the right to choose our future by voting.

And let us not forget: *Su Voto es su Voz*.

And now, I want to introduce our next speaker.

He is part of an Administration which is deeply committed to using all the talents and skills that America's people bring together from cultures and religions and backgrounds drawn from all over the world.

America is a better place than it was two years ago -- for Hispanic Americans, and for *all* Americans -- because the Administration he works for really does "look like America."

Ladies and gentlemen, let me introduce my friend -- and *your* friend -- VICE PRESIDENT AL GORE!

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4.30

FINAL

REMARKS PREPARED FOR DELIVERY BY
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
SIGNING OF AGREEMENT - NEWPORT NEWS SHIPYARD
NEWPORT NEWS, VIRGINIA
OCTOBER 31, 1994

(Audience - 100 people plus 10-20 press people. 5-8 minute speech)

INTRODUCTION

I want to thank Pat Phillips (chair - Newport News Shipyard) for hosting this event and for leading this outstanding shipyard that served our country's maritime needs for so long, back to centerstage in the world shipbuilding market.

Before we go on with the signing ceremony let me acknowledge several people who have had a part in making this day possible.

-- Virginia's Senior Senator John Warner, worked long and hard for this agreement, this shipyard and this industry.

-- The Commonwealth's Junior Senator Charles Robb led the fight for the legislation that allows the Federal Government to guarantee this loan. It was a tough battle. The vote was close. Change is never easy. So without Chuck Robb this day might not be possible.

-- Two Tidewater area Congressmen Bobby Scott (D) and Herb Bateman (R) have also proven themselves to be valuable friends of transportation and to the entire maritime industry.

-- Admiral Herberger, head of the Maritime Administration, Marad's Deputy Administrator John Graykowski and the entire Marad staff created this loan guarantee out of whole cloth. There are no precedents. And they did in the 60 days they said it would take!

-- Bill Fricks and Greg Cridlin put together the marketing and design teams that worked until it happened.

-- Thomas Crudup, of United Steelworkers Local 8888, and the workers he represents here labored side by side with management and the government to ensure the success of this venture.

-- Eletson Shipping Corporation expressed solid faith in American shipbuilding. Given the stature of Eletson and the reputation of the Eletson family, this is a tribute to Newport News and to America.

-- And especially of course, Gregory Hadjileftheriadis (PRONOUNCED Ha- jeh-lef-ther-ee-ah-dis) who labored with us to break the new ground we have.[1]

Let me just say that I thank all of you for sharing this special moment with us.

It is a special moment indeed for two compelling reasons:

One, these agreements not only provide $133 million in federal loan guarantees to build up to four oceangoing ships for export -- the first in three decades. This single deal also sustains 500 jobs right here in this shipyard in Newport News.

Two, these agreements also signal to the world -- in a real dollars and cents way -- that the United States of America is back in the world shipbuilding game to stay -- and to win. We are going to see the kind of comeback in American shipbuilding that we've seen in American auto manufacturing and in American semi-conductors.

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[1]Fleves Shipping was created by Eletson to purchase these ships. Gregory was their negotiator.

Point One

The health of America's shipbuilding industry contributes in a tangible way to the health of our economy. Take the 500 jobs assured by this one contract. The ripple effect will boost the entire Virginia economy and strengthen the national economy as well.

President Clinton realized this. That's why last October, the President announced his five-point plan to revive the entire maritime industry.

At that time, the President said "given the right tools and opportunities, our shipbuilders can out-produce any competitors in the world."

The President has put the government of the United States squarely behind American producers -- selling American products abroad. And I want you to know it's easy to sell American quality, American technology and American craftsmanship.

Today President Clinton, who promised as a candidate to support America's shipyards and defense workers has delivered ... in less than one year. This is remarkable for any government program.

This Administration gave you the financial tools by changing the law -- but <u>you</u> marshalled the crack marketing team to sell yourselves. <u>You</u> created the new ship design. And <u>you</u> deserve the credit for another success story for America's exports.

<u>Point Two</u>

This is the first time the U.S. government has guaranteed funding for a self-propelled ship built in the United States for export.

Today at Newport News Shipyard, we all can see what savvy shipbuilders and owners worldwide already know -- that American yards are ready -- and able -- to compete with the best in the world. Smart ship buyers -- like Mr. Hejelftheriadis (PRONOUNCED Ha-jeh-lef-ther-ee-ah-dis) are coming to America -- routinely now -- and <u>they mean business.</u>

And the rewards that America can win in the world market are huge.

With world merchant fleets aging and environmental and safety standards rising, the maritime industry forecasts that a booming world market will develop over the next ten years -- 9,000 to 10,000 ships -- worth $350 billion.

We are determined to see American yards and American workers win back our share of that market. These agreements symbolize the first step. But let me assure you it won't be the last.

CONCLUSION

No doubt history will mark this day as one more sign of the rebirth of the United States' commercial shipbuilding industry. I think we can look forward to many more of these occasions at Newport News and throughout the country.

Thank you very much and now, let's get on with the work.

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