

**REMARKS AT CANADA-AUSTRALIA-U.S. SMOKING BAN
ANNOUNCEMENT
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
CHICAGO ILLINOIS
NOVEMBER 1, 1994**

It's a pleasure to acknowledge my friend, Canada's Transport Minister Doug Young, their excellencies, Ambassador Don Russell of Australia and Ambassador L.J. Wood of New Zealand, and ICAO's Council President Assad Kotaite and Secretary General Phillipe Rochat.

Today, we've come together to keep a commitment that Australia, Canada, New Zealand, the United States and nine others nations made two years ago when we sponsored a resolution at the Assembly of the International Civil Aviation Organization calling on all nations to ban smoking aboard commercial passenger aircraft.

Today, in the presence of Dr. Kotaite and Secretary General Rochat, Minister Young, Ambassador Russell and I are signing an agreement that will ban smoking on all international flights by our carriers between our three nations. And while New Zealand is unable to join us in signing at this time, I am delighted that Ambassador Wood is with us so that we can acknowledge New Zealand's contribution to this agreement -- as we look forward to New Zealand's accession.

The United States is strongly committed to smoke-free travel in all forms of public transportation. Further, we believe that the world aviation industry should commit itself to further enhancing passengers' comfort and convenience -- as well as sustaining our supreme common value -- safety.

We are pleased today to join with Canada and Australia in the first multilateral agreement implementing the resolution that we co-sponsored two years ago. We strongly support ICAO's own target of on-board smoking bans by July 1996 -- to reduce health risks and enhance passengers' comfort.

Today's agreement is an important step toward smoke-free skies for passengers everywhere -- and we invite other nations to join us. Thank you very much.

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**TALKING POINTS
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
J.D. BEATTY EVENT
LOGANSPOORT, INDIANA
NOVEMBER 1, 1994**

- * I want to thank Sheriff J.D. Beatty for that introduction -- and for giving me an informative tour of the Hoosier Heartland Corridor.
- * I'm delighted to be in Logansport today -- and want to give the people of the Fifth District three reasons why I hope they elect Sheriff Beatty to Congress next Tuesday.
- * The first reason is that J.D. Beatty is the type of knowledgeable leader who will look out for his district's interests. I know that first-hand, because J.D. has done nothing for the past couple of hours but tell me how vital the Hoosier Heartland Corridor is to this area.
- * The second reason is that J.D. is a courageous leader -- someone who will stand up for what's right -- and not knuckle under to the special interests.
- * The third reason I urge you to support him is that he stands *for* the kind of responsible change our country needs -- and he stands *against* the effort to drag us back to the failed policies of the past.
- * Let's look at these reasons a little more closely.

I. BEATTY WILL LOOK OUT FOR THE FIFTH DISTRICT'S INTERESTS

- * First, J.D. knows his district well, and understands what it needs to prosper. He knows that the Hoosier Heartland Corridor is vital to northern Indiana.
- * This highway is a major transportation route for the manufacturers and agricultural producers of the Fifth District, and the Hoosier Heartland Corridor will greatly reduce delivery costs -- improving the

entire area's economy. The possible extension of the Corridor to Toledo would open up access to Great Lakes shipping -- increasing Indiana's competitiveness in global markets.

- * Safety is this Administration's highest transportation priority, so it's also important to us that the Hoosier Heartland Corridor will increase safety -- the State of Indiana projects that it will cut accidents by 50 percent.
- * We agree that the Hoosier Heartland Corridor is important -- that's why we accepted Governor Bayh's recommendation that we include it on the new National Highway System we have proposed to Congress.
- * And I look forward to working with J.D. Beatty to try to make the Hoosier Heartland Corridor a reality.

II. BEATTY WILL STAND UP TO THE SPECIAL INTERESTS

- * The second reason I admire J.D. is his courage. He's a strong leader -- not one who will back down to special interests or be co-opted by Washington. That will make him a force to be reckoned with in Congress.
- * For example, J.D. was the 1993 National Sheriff of the Year. He understands crime from the experience of facing down gunmen and drug dealers. He strongly supported the crime bill we recently passed -- *a bill his opponent voted against* -- because he wouldn't knuckle under to the special interests which opposed it. That takes a special kind of courage.

III. BEATTY IS THE CANDIDATE OF RESPONSIBLE CHANGE

- * But there is a third reason why it matters so much that we elect Democrats like J.D. Beatty. That's because the stakes in this election are very high -- and his opponent has given us a clear reading on what he stands for.

- * Republican candidates all across this country -- including J.D.'s opponent -- are running on something they call a "Contract with America." It's their party's basic agenda -- and it's more of the same old "trickle-down" economics that failed in the past.
- * What this "contract" calls for is *more* income tax cuts for the rich -- *more* capital gains tax cuts for stock market speculators -- and *more* defense spending than we really need. *And then they promise to balance the budget!*
- * Of course, they didn't say how they planned to pay for all of this. But *we* know -- because we've seen it all before. We saw it during a dozen years of Republican rule in which they *couldn't* pay for it -- so they quadrupled our national debt -- a debt which our children and grandchildren are going to be forced to pay.
- * Well, we aren't going to stand by and let it happen again. I believe that the American people are going to see the truth -- that this Republican scheme isn't a "Contract *with* America," it's a contract *on* America."
- * Yes, we have to cut the deficit -- and that's what a Democratic President and a Democratic Congress have been doing. We've cut the deficit for three years in a row -- the first time that's been done since Harry Truman was in the White House.
- * Republicans talk about things like cutting the deficit and reducing the size of government -- but they didn't do anything about it during twelve years in the White House.
- * We afford to try the Republicans' phony promises or destructive policies again. They failed -- they gave us the huge deficits in the first place -- *and they don't deserve another chance.*
- * We need to elect men and women like J.D. Beatty who will make government work for the people who pay for it.

- * J.D. Beatty is a strong, courageous man -- a man with experience who knows the people and the communities of the Fifth District. He's a leader with real vision.
- * We're into the final week of one of the most critical campaigns in American history -- a campaign which will decide whether we continue on the path of progress -- or go back to the failed policies of the past. I hope that the people of the Fifth District will vote for the candidate of responsible change -- the candidate who knows *how* to get things done -- a man who will work for you until he gets the job done -- Sheriff J.D. Beatty.
- * Thank you very much.

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REMARKS PREPARED FOR DELIVERY

SECRETARY OF TRANSPORTATION
FEDERICO PEÑA

Transportation Trends



50TH ANNIVERSARY COMMEMORATION
THE INTERNATIONAL CIVIL AVIATION ORGANIZATION

CHICAGO, ILLINOIS
NOVEMBER 1, 1994

In light of yesterday's tragic crash, I would like to begin by asking -- as others have today -- that we observe a moment of silence to reflect on those who died, and to recommit ourselves to aviation's supreme value: the safety of the passengers who trust their lives to our care....

It is an honor and a pleasure to join you -- in the same hotel -- where 50 years ago today, representatives of 52 nations met to craft the Chicago Convention that has shaped our whole aviation world.

I want to honor those pioneers -- and to pay tribute to the dedicated civil servants from all over the world who have worked with ICAO over the decades.

Your work has made possible the growth of an industry that has transformed the world economy -- and our personal lives -- in ways that few who gathered here 50 years ago could ever have imagined.

I want to offer a personal greeting to one man who is with us here today who was also here, in this hotel, 50 years ago. He was born before the first aircraft took wing at Kitty Hawk. He served as Chairman of the United States' Civil Aeronautics Authority from 1942-1946. He played a key role in the original Chicago Convention. And at age 95, he still keeps a fresh eye on aviation issues -- believe me.

Ladies and gentlemen, I would like to salute L. Welch Pogue and ask him to stand for a moment..... thank you.....

When Mr. Pogue and the other founding delegates came together here in 1944, commercial aviation was little more than a footnote in a world convulsed by war -- with much of Europe and Asia in ruins.

Today, world aviation directly accounts for more than \$1 trillion in world output and 22 million jobs. It has become a premier catalyst for world trade, a bridge between nations and peoples, a powerful stimulus for the enormous rise in tourism, trade, cross-

- more -

border investment, high-tech manufacturing and other industries.

ICAO'S ACHIEVEMENTS

Much of this great progress was made possible by the vision -- and the willingness to work together -- that the founders of ICAO brought to the Chicago Convention.

Certainly, ICAO's work over the years since -- establishing international safety standards, strengthening aviation security, and harmonizing operating rules -- laid a firm foundation for global aviation's growth.

Today, as in the past, the United States seeks to strengthen this foundation so that world aviation can reach ever-higher standards of safety; so that operating rules can be harmonized; and so that the regulatory burden on global aviation may be eased.

OUR COMMITMENT TO SAFETY AND TO PASSENGERS

Before I address the three major elements of today's speech, let me re-emphasize how strongly the United States feels about the need for all of us in world aviation to be mindful of passenger safety and the comfort and convenience of airline consumers.

It is especially important that we reaffirm these shared values as we look forward to the explosive growth in worldwide passenger traffic that we can foresee -- from 1.25 billion passengers today to 2.5 billion by early in the next decade.

Above all, as yesterday's tragedy so painfully reminds us, the United States believes that the supreme commitment that all ICAO members share -- to passenger safety -- must be strengthened.

This is first of all a moral commitment,

but is it also an operational imperative for the entire world's aviation industry.

The United States is already extending our safety assistance to many nations and we are willing to do more. We believe that it is essential that the safety standards that all ICAO members adhere to -- and the ability to monitor and enforce them -- keep rising so that the world's public may travel by air with confidence. We will continue to provide information to our travelling public on safety compliance by other nations.

We believe the travelling public of all nations deserves this information -- as well as a greater level of concern from this industry for their comfort and convenience.

That is why we have called for full disclosure of code-shares when passengers buy their tickets. That's why we insisted on informing the public that they may

be sprayed by insecticides on some flights. And that's why we have backed efforts to ban smoking on aircraft such as the agreement we reached with Canada and Australia today -- and why we support ICAO's own target of on-board smoking bans by July, 1996.

Let me also say that we welcome ICAO's acceptance of the United States' offer to share the Standard Positioning Service of our Global Positioning System Service.

The United States is committed to ensuring the integrity and reliability of this system -- which we have invested more than \$10 billion to develop. And we are proud to offer it to the world aviation community in the spirit of the Chicago Convention's pledge to "create and preserve friendship and understanding among the nations and peoples of the world."

But even as we celebrate ICAO's technical achievements, we must admit that the new challenges of our times demand that we move beyond the institutional framework of bilateral air rights negotiations that began here in Chicago.

Designed to accommodate the national anxieties and ambitions of the 1940's, this bilateral system now triggers more disputes than progress. It clearly lags far behind the dynamic forces transforming global aviation on the eve of the 21st Century.

VISION, GLOBALIZATION AND POLICY

Today, I want to first, share with you the United States' vision of the future of world aviation -- a future now being shaped by powerful market forces - as airlines respond to demands from travellers and shippers for truly "global" air services.

Secondly, I will explain why the United States believes that globalization will bring vast benefits for all nations and air carriers that embrace and adapt to it -- and impose painful costs on those who resist.

Thirdly, I will describe how we have recast U.S. international aviation policy to support -- and hasten -- what we view as the inevitable evolution of a far more open global aviation world.

OUR VISION OF THE AVIATION FUTURE

All of us know that the airline industry -- all over the world -- is navigating through often turbulent changes. These changes are being driven by commercial and financial imperatives, by consumers' demands for greater safety, convenience and value and by the spread of free-market policies to more and more nations every year.

Travel and cargo demand is clearly rising

far more rapidly on international routes than most domestic markets worldwide. Airlines everywhere are struggling to meet that demand -- as effectively and as rapidly as they can within today's constricted aviation rules.

As a result, the process of globalization - a phenomenon that we've seen in telecommunications, banking and many other industries -- is now well underway in the world's airline industry.

We are witnessing the integration of worldwide airline services through a host of arrangements -- code-sharing, joint marketing agreements, cross-border investments and others -- all designed to create truly "global" networks able to meet what has become truly "global" demand.

The U.S. airline industry's experience under domestic deregulation has clearly shown the airlines of the world the need to build

efficient networks to deliver better service and more access to markets of all sizes. Now, the hub-and-spoke networks that already exist on different continents can be linked to permit more efficient service to hundreds of new international markets -- markets that are not large enough by themselves to support direct air service.

Some carriers are pursuing independent strategies to develop their own global networks. Others are seeking greater efficiencies through code-sharing and other cooperative marketing techniques. But all carriers are responding to demand for better air service in these smaller markets.

Their ability to effectively flow passenger traffic between their own and others' networks now enable carriers to provide much improved, more competitive services to millions more travellers and shippers every year. The

shorthand term for all of this is "globalization".

WHY WE SUPPORT GLOBALIZATION

On the question of whether the global aviation community should embrace -- or resist -- globalization, the United States' position is unequivocal:

We believe that enhanced airline competition and the trends of privatization, marketing alliances, code-shares and cross-border investments that fuel globalization are here to stay -- and that these developments offer great benefits for all nations.

For our part, the United States will support these trends. We will place the full leverage of our 40 percent share of the world aviation market behind them. We will offer consistent leadership that takes

account of other nations real concerns as we move -- together -- toward a more open aviation world.

We do so not only because we believe that liberalization is in the interests of U.S. airlines, or even the U.S. economy -- although it is -- but because it is in the interests of the whole world's economy -- of travellers, businesspeople, cities and regions everywhere.

As my friend, Congressman James Oberstar, one of our nation's aviation leaders and the chairman of the House Aviation Subcommittee puts it, "Experience teaches us that aviation is virtually unparalleled in the benefits that it can provide to the world economy....far beyond the jobs created in the aviation sector itself...."

Indeed, the economic case for airline liberalization is overwhelming. So are the costs of resisting it.

Governments that resist more open aviation regimes retard the growth of their entire economies -- inflicting real damage on domestic industries which are far larger, if less visible -- and less vociferous -- than national airlines.

The irony is that protectionist governments actually stunt the very airlines that they seek to protect. These carriers will ultimately have to face up to rivals -- and not just American rivals -- who have learned to compete -- and to win -- on their own.

Worse still are the huge, uneconomic subsidies that some nations continue to offer their carriers -- distorting the market, injuring competition -- and only delaying an inevitable day of reckoning.

By contrast, we believe that acting to expand air service and enhance competition is one of the best, most cost-effective steps that

any government -- anywhere -- can take to benefit its own people. Air services have become the key "infrastructure for trade" creating new jobs every day -- in the airline industries, at airports, in tourism, and in all of the new high-wage, high-tech industries -- foreign and domestic -- that flock to regions well-served by competitive air services.

OUR NEW INTERNATIONAL AVIATION POLICY

Precisely because we take this favorable view of current trends in world aviation, we have developed the first comprehensive international aviation policy position that the United States has put forth since the late 1970's.

This policy statement not only recognizes the vast changes sweeping world aviation -- it places the power of the United States government firmly behind the movement to

privatization, increased international traffic and the growth of global networks.

Our strategy is to actively engage with these trends -- and shape them -- to create a tail-wind taking us all toward a more open aviation world. By doing so, we believe that we will accomplish far more than governments and airlines that choose to fly against the winds of change.

We are distributing copies of this policy statement here today -- and we will work with Congress, with our airlines and with other interested parties to refine it.

Though it addresses issues as new as code-sharing, this policy reaffirms goals and principles that the United States has stood for consistently -- as long ago as the original Chicago convention.

Under this policy, for example, we seek unrestricted, market-based agreements with

any nations that can offer economic and strategic benefits to the U.S. and U.S. carriers. And we will view "economic value" broadly to mean direct and indirect access and potential for future development.

Also under this policy, we will defend and seek to enhance existing U.S. bilateral rights. If there is no other reasonable alternative, we will act, as we have and will, to counter nations that discriminate against U.S. carriers.

OUR COMMITMENT TO WORKING COOPERATIVELY

But today I want to stress our strong, renewed commitment -- clearly embodied in this new policy statement -- to work cooperatively with all nations.

We want to encourage those that seek more open aviation to join us -- as partners. We also want to make steady, incremental progress with others still

caught in the vise of protectionism.

As our policy statement makes clear, we are willing to consider new bi-lateral agreements that provide for moving toward full liberalization -- by phases -- to allow a partner's carriers time to adjust. We will offer attractive service opportunities to U.S. cities -- to provide greater incentives to enter into such agreements.

We will also consider agreements that eliminate service restrictions only in specific sectors -- such as charters or air cargo -- with a view to building confidence and proving -- in practice -- that the benefits of full liberalization can be mutual.

We understand -- very clearly -- the legitimate anxieties that many nations feel about exposing their carriers -- overnight -- to the intense competition that now marks international air services.

The United States is prepared to work in every way we can to address the concerns of nations that want long-term liberalization, but need time to adjust to competition.

Our goal of aviation openness is clear. But we are not dogmatic about the process. We know that progress to a more open aviation world will be long and sometimes rocky. So we will pursue negotiations in bilateral, trilateral or multilateral formats.

We will do anything and everything we can to move forward -- never backwards -- toward an open aviation world whose benefits, we believe, far outweigh the costs.

Toward that end, our policy statement also discusses a series near-term actions that we are taking. Let me give you just a few highlights.

As you will see, we have significantly strengthened the DOT's own efforts in

international aviation -- by establishing a new economic analysis unit to focus solely on long-term strategy and analysis of the international airline sector.

We are giving a new, urgent priority to building aviation relationships between the United States and "emerging growth" areas -- in Asia, South America and Central Europe.

We continue to seek new aviation agreements with Canada and the United Kingdom -- even though we know that progress will be difficult. We believe that these are two countries with whom our aviation agreements lag behind our growing trade -- and far behind our real aviation potential.

And we will pursue legislation to liberalize our foreign investment law in the aviation sector -- with a view to providing our trading partners new incentives for aviation openness.

As I said earlier, we look forward to input on our policy statement. But we are already acting -- every day -- with the strategic goal of a far more open aviation world in mind. The consensus in favor of that goal in our country is near-unanimous.

WE ARE ACTING NOW

That's why I am truly delighted today to be able to announce a major breakthrough in the direction that we want to go -- a series of talks that will set a dramatic example for all nations of what we can achieve to liberalize air services trade.

Very soon -- within weeks -- we will begin to explore with a nine individual European nations a move together toward free trade in aviation services.

We extend a warm invitation to all European countries -- and to the European Union itself -- to join us in seeking full free trade in aviation services.

Taken together, the accords we seek with this group of European partners will provide important benefits for all U.S. interests, and strong new voices for aviation openness in Europe.

Above all, these agreements will make clear to all nations the benefits that the U.S. is ready and willing to extend to partners committed to open aviation agreements.

I hope that these agreements encourage other new partners -- from Asia, from Latin America, from Africa -- indeed, from any nations willing to talk with us about free trade in aviation.

CONCLUSION

Ladies and gentlemen, 50 years ago, the founders of ICAO made history right here -- in this hotel.

As a great Marxist -- Groucho -- might have put it, "History hasn't stopped since."

We have seen many startling transformations in the 50 years since ICAO's birth:

The central ideological battle of this century -- between communism and free enterprise -- has been waged -- and won -- decisively.

Half a dozen rounds of GATT trade talks have moved us ever closer to the ideal of global free trade. From the ashes of war, the European Community has risen to become a global economic power. The United States, Mexico and Canada have formed the largest free trade zone in human history. Technological revolutions in computing and communications have unfolded. They are gathering speed.

And yet we -- all of us in the world aviation industry -- labor still within air service trade rules drafted half a century ago -- largely in response to war-weary

nations' protectionist fears.

We in the United States believe that it's time to let the currents of freedom and reform sweeping so much of the world's economy into the halls where we form world aviation policy.

And it is time for all of us in global aviation to embrace a new way of thinking. We must begin to begin see the world -- and the issues of airline liberalization -- in terms of opportunities, not threats; in terms of national and global economic growth, not just the parochial interests of airlines; in terms of the real needs of travellers and shippers, not of turf-consciousness or protectionism.

In reflecting on the benefits of more open, more "global" air services, I suggest that all of us in world aviation need to come together around a few basic truths:

-- expanded, competitive air service is good for passengers and shippers because it gives them more service and lower fares.

By "democratizing" air travel and attracting millions of new passengers it can expand the market for air services and aircraft themselves.

-- expanded air service is good for airlines -- yes, for U.S. airlines -- but also for all airlines that seek to become self-sufficient and grow with the world economy -- not hide behind barriers and live on their taxpayers' dole....

-- expanded air service is good for the nations that adopt it. The benefits ripple through cities and regions to spur whole nations' economies,

stimulating the growth of other industries which actually dwarf the global airline business itself.

-- finally, expanded air services help strengthen the whole world's sense of community. It builds cultural and intellectual ties between peoples and deepens international understanding.

From the United States' viewpoint, I believe that the forces at play in world aviation and in the world economy will ultimately prove too powerful for governments to veto -- and that the benefits of openness will prove too great to indefinitely delay.

Our challenge is to embrace the forces of change and act as the pioneers of ICAO did -- to consciously shape a more open, competitive aviation world.

If we rise to that challenge, I am convinced that we can bring all nations many billions of dollars of new economic activity and many millions of new jobs -- well into the next century.

And if we do that, I promise you, I'll come back to Chicago for ICAO's 100th anniversary -- in the year 2044.

I'll be as young then as Mr. Pogue is now -- and I'll come to celebrate what we pass on to the future -- a legacy as great as the one that ICAO's pioneers secured for us -- here -- in this hotel -- half a century ago.

Thank you very much.

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**REMARKS PREPARED FOR DELIVERY BY
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
NATIONAL TRANSPORTATION SYSTEM OUTREACH
CHICAGO, ILLINOIS
NOVEMBER 2, 1994**

(In essence, you are to make a 10+ minute speech to provide a broad, general overview of NTS rather than specific details. The audience is 60 city and state officials, private providers of transportation, and transportation interest groups from the Greater Chicago area.)

I want to thank Michael Huerta for that introduction and to say thanks to all of you for responding to our National Transportation System "outreach" today.

I also want to congratulate Mayor Richard Daley and all of you who have a part in this city's transportation system. It is a system that shows vision in planning for the future, in understanding the need to serve users and in common sense approaches. I'm especially impressed with the circulator project -- a \$775 million dollar light rail project that will ease congestion in downtown Chicago.

Let me say at the outset that this magnificent exhibition hall -- originally created as a memorial to the Grand Army of the Republic -- is another example of Chicago's wise use of existing resources -- a historic asset equipped with the newest modern technology. It is a perfect place for this meeting because the National Transportation System we create will link the best of the transportation that America has built in the past with new technologies and a clear strategic focus for the future.

MAJOR THEMES

Today I would like to discuss (1) why we must plan and invest more coherently and more strategically for future transportation and infrastructure development and (2) my vision of the important role the National Transportation System will play in America's future.

THE NEED FOR MORE STRATEGIC PLANNING AND INVESTMENT

I know you would all agree that we in the United States have the finest transportation system in the world. It's a system we can be proud of, one which has served us well for generations.

But it is also a system that is under increasing pressure from rapidly-growing demand for travel. And over the past decade and more we have failed to invest enough to keep our "infrastructure deficit" from worsening. The result, as you well know, is that limited capacity, poor connections, and traffic growth are decreasing our transportation system's reliability and increasing its costs.

For example, we have over \$300 billion in backlogged bridge and highway construction needs. Traffic congestion alone costs our 50 largest cities some \$43 billion a year -- that's more than \$1,500 for every family of four living in those areas.

Transit ridership in many areas of the country is either stagnant or falling. Bottlenecks exist in intermodal connections. And at the same time we face the need to meet the new higher compliance targets set by the Clean Air Act -- and insisted on by our citizens.

Clearly, we must rethink our whole approach to transportation planning -- find new ways to bridge the investment gap -- and make our investments more strategic.

The President is doing his part.

President Clinton understands the critical importance of investment in infrastructure -- even as he continues to cut the federal budget deficit. That's why his budget provides as much infrastructure funding as possible within very tight budget constraints.

Indeed, about 71 percent of DOT's 1995 budget -- more than \$27 billion -- was dedicated to infrastructure investment -- the highest level in history.

But this increased funding alone cannot meet all of our transportation needs -- although it certainly is a good start -- one we want to continue -- and one which we can build on.

We must plan to use existing transportation resources to their fullest extent and make our investments in new infrastructure where those investments will bring the most service to people who use transportation. Gone are the days when we can afford to think of transportation mode by mode.

Now, you may have asked yourselves why we need to create a National Transportation System when the Intermodal Surface Transportation Efficiency Act (ISTEA) brought so much progress in transportation planning?

I'll tell you why. The ISTEA law did set in motion a clearer linkage between planning and funding. Today states and Metropolitan Planning Organizations must develop transportation plans and ensure that project decisions are consistent with broader planning frameworks.

ISTEA required that plans consider the impact of transportation on such issues as the environment and land use.

But as ISTEA has unfolded, it has become apparent that something is lacking -- and that missing link is the intermodal connections. ISTEA called on us to address that by developing a "National Intermodal (transportation) system ..." and that is exactly what we're doing.

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Last December we sent the National Highway System -- 159,000 miles of the most strategically and economically important roads in the country -- to Congress a year ahead of schedule.

Unfortunately as you know, despite our early start, Congress failed to pass a bill this session. Let me emphasize that we must move a new NHS bill in the next Congress and we want your support to do that. It is an essential step forward to America's future transportation system.

But even while we work to pass the NHS, we also need to continue the work we launched last December on a far more comprehensive National Transportation System -- as a means to fill in the remaining gaps and meet the DOT's strategic goal of "tying America together."

MY VISION OF THE NATIONAL TRANSPORTATION SYSTEM

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

Building on the National Highway System, the NTS will eventually expand to embrace airports and seaports, waterways and pipelines, rail and transit systems and their connections -- the whole intermodal backbone of America's transportation future.

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We are consulting on the NTS now with states, cities, public authorities and private industry all over the country.

We want to take intermodalism to the next step, and go beyond the current stage of making better connections for "hand-offs" from truck to rail to ship.

With the NTS, we are applying the principles of intermodalism to facility and policy development on a national basis, to passenger transportation as well as to freight.

The NTS will allow us to see how the entire system functions and to make adjustments.

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 blinders of our current mode-by-mode planning.

For example, with the NTS we could relate performance measurement to national objectives such as energy consumption, environmental factors and economic performance.

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-shaped -- by the availability of funds for specific modes -- with little concern for making connections.

It is past time that we realize that seemingly local decisions have profound implications -- not only for local congestion, but for the whole nation.

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

The NTS will help us do that.

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

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

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

To reach these goals we need all of your expertise.

We are working to develop an initial NTS concept and a process for updating it to reflect changing conditions and demand -- and we need your help to do this. We want to hear from those who use our transportation systems -- and from those who operate and maintain them -- about how we should shape the NTS so that it best serves local and national needs.

In developing the NTS we have conducted many outreach sessions such as this one. And we have consistently found broad support for the concept and the framework.

I want to be clear that the NTS that we are working to develop is more than a map -- although we will use advanced Geographic Information Systems to show the interaction between transportation systems, population, local economies and the environment.

We are seeking ways to analyze and better integrate system performance, strategic corridors and existing and potential connectors that could improve overall transportation efficiency. We also want to be able to identify alternatives -- including infrastructure that does not yet exist -- but which could offer valid options to the status quo.

Revised
FINAL

For us to succeed, you must be a part of this effort.

That's why I'm delighted to be here today to listen to your ideas and hear your advice at a key point in the development of the NTS.

Let us work today to continue -- and expand -- the new spirit of partnership that exists between federal, state and local officials. We owe it to the people we serve to build on our partnerships -- starting here, starting now.

Thank you very much.

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425
FINAL

FINAL - 11-2-94

**REMARKS PREPARED FOR DELIVERY BY
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
27th ANNUAL DOT AWARDS CEREMONY
WASHINGTON, D.C.
NOVEMBER 3, 1994**

(You are to speak 3 - 5 minutes.)

Thank you, Mort (Downey). Let me welcome all the visitors -- families and friends of the recipients of these awards. This annual awards ceremony has been one of the highlights of the Department of Transportation's year ever since the Department was founded in 1967.

This year, for the first time, I declared November 3rd to also be Employee Recognition Day to honor the contributions of all DOT employees -- in the regions and here in Washington. I did that because I'm proud of every employee in this Department and I'm proud to be your Secretary.

But today, at this 27th annual awards ceremony, we are especially proud to honor the most outstanding members of our DOT team -- those who went the extra mile to serve our clients, men and women who truly stood out and set great examples for us all.

Some recipients are honored for bravery -- for risking their lives to save others. Others are honored for compassion in volunteer work for the communities we work and live in. Still others are honored for their great professionalism in their particular field of endeavor.

FINAL

All of these awards are for special, individual excellence. But they also recognize contributions to achievements that we have all shared this year at DOT -- as a team.

We have all had a part in dramatically changing the way we run this Department and the way we serve our customers.

Over the past year, we have repositioned the Department to become the leader in research into new American transportation technologies and in their deployment. This sets America on the pathway to excellence in transportation into the 21st century.

We have developed a clear, seven point strategic plan for the Department that will make intermodalism a working reality.

We have made major strides in promoting diversity in the DOT work force and in contracting.

We have produced a National Highway System and sent it to Congress a year in advance of the deadline.

We have begun work on a National Transportation System that will achieve more efficient use of the transportation resources that America already has and help us make wiser infrastructure investments in the future.

FINAL

We have produced a plan to reform our air traffic control services so they become a business-like entity. We have redoubled our rail safety efforts and made real progress toward high-speed rail.

We have ignited America's imagination about commercial space transportation and ensured that hazardous materials move more safely than ever before.

Our highway safety programs have shifted into overdrive with the opening of a Trauma Research Center to help us prevent injuries and save lives -- reducing the needless loss of human lives, human spirit and health care resources.

Our maritime reform plan has moved further than in any Administration in the history of DOT. Just last week in Newport News, Virginia, I signed a loan agreement that will allow the shipyard to build up to four oceangoing commercial vessels for export to Greece.

We have restored mass transit to its rightful place in the national transportation system -- a role of getting travellers who have no other transportation to the doctor, to the day care center and to the grocery store. And, oh yes, getting employees to work on time!

And in addition to all those things, we have responded with efficiency and compassion to the needs of the American people in the Northridge Earthquake and the floods in the South and the Midwest and the Caribbean.

FINAL

Our Coast Guard has served our nation's humanitarian values by rescuing thousands of mariners from the icy waters of Alaska to the rock bound coasts of Maine, to the gales of Cape Hatteras. And this year, the Coast Guard saved the lives of 62,000 Haitians and Cubans.

We all had a part in this remarkable year and both this awards ceremony and Employee Recognition Day celebrate these wonderful achievements.

With your help, I am convinced that the Department of Transportation's team will achieve even more next year.

So when our children or grandchildren ask what we have done with our work lives, we will all be able to say that we played a part in change for the better -- that we made a real difference for the people of America.

And if that's true for DOT employees who simply do their jobs every day -- how much should we say for today's award winners, who did their jobs very well -- and then did more than their jobs.

Congratulations to all of you. It's an honor to work with you.

Thank you very much.

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FINAL

FINAL

**SECRETARY OF TRANSPORTATION FEDERICO PEÑA
ANNOUNCEMENT OF FEDERAL LANDS GRANT TO NEW MEXICO
ALBUQUERQUE, NEW MEXICO
NOVEMBER 3, 1994**

It is my pleasure to announce that the Department of Transportation is providing \$3.5 million in Public Lands Highway discretionary funds for the reconstruction of a 6.5 mile section of State Route 537 in the Jicarilla Apache Indian Reservation.

This project will improve access to federal lands in northern New Mexico, especially to the Reservation and the Jicarilla Ranger District of Carson National Forest.

As is the case with most transportation projects, this reconstruction will promote economic development because it provides access to logging, hunting, recreation and oil and gas exploration.

And I want to add that this project would not have been possible without the hard work of Governor Bruce King, Senator Jeff Bingaman and Congressman Bill Richardson. New Mexico has an excellent governor who really knows how to run a state. And your representation in Washington is also the best.

I have worked closely with all of them and I look forward to continuing this relationship for the good of New Mexico and our nation.

Thank you very much.

###

FACTS ON DOI/DOT AREAS OF JOINT INTEREST

WATERSHEDS, WETLANDS, AND WATER QUALITY

- **ISTEA strengthened environmental analysis in transportation planning and contributed to watershed protection and management activities through improved area-wide and project planning, mitigation, and enhancement activities.**
- **Transportation planning procedures now must consider the economic, energy, environmental, and social effects of decisions of highway and other transportation improvements.**
- **ISTEA provides funding for wetland mitigation banking and contributes to regional wetland conservation plans, and funds the mitigation of water quality impacts resulting from stormwater runoff. Other efforts include the Wetlands Reserve Program and Partners for Wildlife.**

ENDANGERED SPECIES

- **The federal interagency memorandum of agreement on implementation of the Endangered Species Act recently signed by FHWA and other federal agencies emphasizes regional interagency cooperation and planning to improve management of listed species. State DOTs can participate in the regional coordination committees to improve their planning process and increase alternatives for mitigating unavoidable impacts on protected species.**

HISTORIC AREAS

- **The design of guardrails has been improved, both to increase safety and to enhance historic and scenic quality.**
- **DOI/NPS will be providing technical assistance to an FHWA study of methods and techniques for the rehabilitation of historic roads.**

- NPS and FHWA are integrating transportation planning into NPS's studies for economic, tourism, and historic development of Heritage Areas.
- NPS and FHWA are working together to develop techniques and methods to improve historic bridge rehabilitation, archeological resource identification and evaluation, and similar functions.

NATIONAL RECREATIONAL TRAILS FUNDING PROGRAM

- In consultation with DOI, FHWA administers the ISTEA-authorized National Recreational Trails Funding Program -- a program which was modeled on DOI's Land and Water Conservation Fund program.
- Trails Program funds can be used on federal, state, local, and private land, and for multiple purposes: urban connections, back country trails, new trail construction, providing access to the disabled, and environmental mitigation.
- The Trails Program is authorized at \$30 million annually using Highway Trust Fund revenues generated by off-road recreational fuel use (estimated to be \$60-150 million per year). Only \$7.5 million has been appropriated so far, and only in FY1993. States chose over 450 projects for funding, but 850 projects remained unfunded.
- Projects include: trail work in the Chattahoochee National Forest in Georgia using youth employment; trailhead facilities in the Coronado National Monument in Arizona; an urban riverfront trail in Pittsburgh, Pennsylvania; environmental educational boardwalks at elementary schools in Alaska, Wisconsin, and Virginia; and access for the disabled to an abandoned railroad bridge over the Niobrara River in Nebraska.

PLANNING

- ISTEA's statewide and metropolitan transportation planning rules were issued on November 29, 1993. They emphasize partnerships between transportation agencies and entities that generally have not been part of the transportation planning process, including federal

lands agencies, Indian tribal governments, and resource and permit agencies.

- ISTEAs specifically requires that the transportation planning process consider the effect of transportation decisions on land use, access to National Parks, Indian reservations and lands, recreation areas, monuments and historic sites. Federal Lands Highway Program projects must be part of metropolitan and statewide transportation plans and programs.
- DOI and DOT have encouraged state and local planners to include DOI and state and local resource agencies in their planning processes. These efforts include a joint Secretarial letter on March 4, 1994 to all governors on resource agency involvement in the planning processes.
- The FHWA and FTA Administrators sent a May 4, 1994 memorandum to Regional Federal Highway and Federal Transit Administrators on resource agency involvement in the planning processes and directing field offices to work with states and MPOs to ensure that these agencies have the opportunity to participate in transportation planning.
- DOT's ISTEAs *Regional Roundtable Report and Action Plan* includes as a major goal the involvement of Indian tribal governments in transportation planning. Good examples of efforts by state DOTs to improve coordination with Indian tribal governments and federal lands agencies include Idaho and Nebraska.

OTHER SPECIFIC EXAMPLES OF COOPERATION

- DOI ISTEAs Coordinating Group with OSI, NPS, BIA, BLM, and Reclamation membership is responsible for internal and external ISTEAs coordination.
- DOI/DOT will establish two additional Indian Local Technical Assistance Program (LTAP) centers (for a total of six) to educate tribal government leaders and staff in transportation planning. The new centers will serve Indian tribal governments in California, Kansas, southern Nebraska, Nevada, Oklahoma, and Texas.

- DOI/DOT have worked with the newly-created Intertribal Transportation Association to improve ISTEA transportation planning involving Indian tribal governments.
- DOI land management agencies have been participating in the quarterly Federal Agency Coordination meetings held by the FHWA to keep DOI agencies informed and share the latest transportation information, policies, and issues.
- DOI serves on many state recreational trails, scenic byways, NHS designation, and Surface Transportation Program enhancement committees in western states.
- NPS, in cooperation with FHWA, has completed an alternative transportation mode/resiting feasibility study for Denali, Yellowstone, and Yosemite National Parks.
- BIA/NPS are working with FHWA to reinventory Indian reservation and park roads' conditions and needs. The Forest Service and FHWA are reinventorying forest highways.
- BIA/NPS are developing ISTEA-required pavement and bridge management systems for their facilities, and the NPS has developed a safety management system for its roads.
- BLM/ FHWA executed a memorandum of agreement outlining BLM participation in the Federal Lands Highway Program.
- DOI/DOT have participated in recent joint conferences, including the September 1994 Governor's Interstate Indian Council meeting in Polson, Montana, and the October 1994 National Conference for Integrating Environmental Considerations into Transportation Planning in Denver.
- DOI/DOT working with other federal agencies and the Transportation Research Board on an April 23-26, 1995 American Indian Transportation and Land Use Summit in Albuquerque and a December 1994 coordination meeting for improving transportation planning between Indian tribal governments, states, MPOs, and counties.

REMARKS PREPARED FOR DELIVERY
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
ST. LOUIS REGIONAL COMMERCE AND GROWTH
ASSOCIATION ANNUAL LUNCHEON
ST. LOUIS, MISSOURI
NOVEMBER 14, 1994

I want to thank my good friend Dick Fleming for that very generous introduction. From our years together in Denver, I am sure that Dick has hit the ground running here in St. Louis -- and you can count on him to do a great job for the economy of this whole region.

It's a great pleasure for me to come again to St. Louis -- for the fourth time since becoming Secretary of Transportation.

I was here last July last year for the opening of your wonderful new Metrolink -- and to work with local and state officials and the members of our Coast Guard who were working their hearts out in that Summer's flood emergency.

I came again in September of this year to see the great work being done to renovate Union Station -- and to visit with TWA management and workers here and in Kansas City. I want to congratulate them for the award they received today -- and for the partnership they forged to earn it.

Let me also say that I had St. Louis in mind -- from more than 7,000 miles away -- when I visited King Fahd in October last year to support the sales of McDonnell-Douglas airliners to Saudi Arabia.

My own experience here tells me that the metro St. Louis region is one of the best examples in the whole nation of the critical connection between all forms of transportation investment and America's economic future. And there are few groups anywhere that so well link business, government, labor, universities and community organizations -- the way you do -- in the kind of partnership that America needs more of.

Today, I want to talk with you about some of what we have achieved in transportation and the crucial role that transportation plays in securing America's economic future.

THE ELECTION'S MESSAGE:
DO THE PEOPLE'S BUSINESS

But before I do that, let me say a few words about last week's election.

The American people sent a very strong message to Washington last Tuesday -- and we heard them loud and clear.

As President Clinton himself said: "there's been too much politics as usual in Washington; too much partisan conflict; too little reform of Congress and the political process....and not enough people have felt more prosperous and more secure."

I believe that the message the people sent in this election poses a real challenge -- not only for the Administration I serve -- but also for the new Republican leadership in Congress.

That challenge is to get about doing the people's business, strengthening our economy, keeping up the work we've done of cutting the deficit and continuing our efforts to shrink the size of the federal government and make it work better and cost less.

I believe that we can come together to do that as Americans -- not as partisans -- working together for the national interest.

We did that by last year by passing the North American Free Trade Agreement. Next month we will do it again by passing the new GATT treaty -- with bipartisan support.

This treaty will add \$110 billion a year more in U.S. production, save consumers billions and bring huge job gains over time.

This Administration intends to keep America an export superpower. Winning support from both parties in Congress for increased world trade

is part of that strategy. And so I want to thank this group -- and commend you -- for unanimously endorsing GATT's passage. I urge you to make your voices heard in next month's debates.

As the President said, doing the right thing on GATT, will "pave the way for further cooperation" on welfare reform, health care reform and broad political reform.

As regards the issues under my jurisdiction, if Yitzack Rabin and Yasser Arafat can shake hands, isn't it possible that Americans can all agree that we must invest in the transportation systems that this country needs -- from highways to urban transit, airports to riverports -- and the intermodal connections that link all of these things to form a truly seamless system.

I hope that we can find support -- across party lines -- for reducing traffic congestion, for cleaning the air, for increasing safety and for developing new American transportation technologies and new American industries to build them -- and to export them worldwide.

We are ready to work toward these goals with anyone who'll work with us -- from Dick Gephardt to Newt Gingrich.

So I am eager to respond to the message the American people sent to Washington last week: get back to doing the people's business.

THE ADMINISTRATION'S TRANSPORTATION ACHIEVEMENTS

I ground my optimism that we can do that in what we have already accomplished in transportation in just 21 months in office.

Right from the beginning this Administration recognized -- as you do -- that investment in transportation is key to raising America's global competitiveness and creating the high-quality, lasting jobs that good transportation brings.

We hit the ground running -- and we started by keeping the President's campaign commitment to invest more in America's transportation and infrastructure.

We secured a record DOT budget -- up 10 percent to \$40.4 billion in 1994 -- including emergency funds to repair infrastructure hit by natural disasters. And we did that at a time when many federal programs were being scaled back.

We have targeted our investments better, and we have used innovative financial techniques to "leverage" our impact by attracting new public and private partners. Very soon we will be announcing dozens of transportation projects in 20 states -- worth more than \$1 billion -- involving public-private partnerships -- none of which could have gotten underway without new financial ideas and greater flexibility from the federal government.

This is the "re-inventing" government message that the President and the Vice President have been espousing.....showing that we can make the government work for the benefit of the American people.

We want to do more of that. We're inviting more ideas. We realize very keenly that in a time of chronic budget restraint we cannot fill the "gap" between America's infrastructure needs and public resources unless we break with business-as-usual habits.

That's why we have "re-invented" the DOT itself -- by slashing red tape, cutting staff by nearly 4,000, paring overhead costs and sharpening

our investment criteria. We have also made the development of American transportation technology a new, central goal for the Department.

And we have integrated all of these initiatives into a comprehensive, long-term strategy -- called the National Transportation System -- to target scarce resources -- and provide better options -- so that America will have the transportation system we need to compete -- and win -- well into the next century.

In short, we have begun to do what so many private American businesses have done: face reality, cut costs, develop a focussed long-term strategy and improve services to the customer -- in our case -- the American people.

Because we took that approach over the past 21 months, we have made real, measurable progress for the American people, for our economy and for America's transportation industries.

Let me give you just a few examples.

American aviation and shipbuilding -- two industries in deep trouble when we took office -- are both showing signs of a healthy recovery.

After losing \$10 billion in the years from 1990-92, the nine major American carriers this year moved into the black, with \$1.4 billion in operating profits -- compared to a collective operating loss of \$1.35 billion through June of last year.

Much of the credit for that belongs to airline managements and workers -- like those of TWA -- who made hard decisions and cut costs sharply.

But the strong economic recovery that President Clinton's policies have secured -- with more than 5.0 million new jobs, record numbers of new businesses, and solid, low-inflation growth -- has clearly been the single most powerful element in the airline revival.

As the recovery continues -- and as the Administration's trade policies open new markets all over the world for U.S. goods and services --

including aviation -- rising international passenger and cargo traffic, which hit record levels last year, will help sustain our airlines' financial recovery.

In much the same way, the Clinton Administration is leading a renaissance in American commercial shipbuilding -- an industry that was dying when we took office -- with just one, single ship export order recorded from 1986-1992.

Today, thanks to a shipbuilding initiative we launched last year -- and changes in maritime finance laws we won in Congress -- foreign orders are pouring in to U.S. shipyards. Foreign ship-buyers now recognize that U.S. yards are ready -- and able -- to compete with any in the world.

Since this Administration has also secured an international agreement to eliminate unfair foreign subsidies, American ship-builders and workers will have a fair chance to compete in the booming world market for new commercial shipping -- 7,000 to 10,000 ships worth \$350 billion -- by early in the next century.

In public transit, too, we have made a dramatic turn-around from the neglect of the 1980's. We have sought and secured the two largest budgets in the history of the Federal Transit Administration -- more than \$9 billion in our first two years in office. And we are investing those funds to complete major transit systems all across the country.

This Administration has, for example, continued the federal government's support for Metrolink. FTA has contributed \$342 million of the \$351 million cost to date, and there is more on the way in our next budget.

This project, begun under Ronald Reagan's presidency has enjoyed bipartisan support from Senator Danforth and Congressman Gephardt -- and from President Clinton who took a ride on Metrolink earlier this year.

We believe that transit systems like Metrolink are critical to relieving congestion, improving air quality and stimulating the growth of entire regions.

Similarly, we see airport development -- something I am very personally associated with as another key to linking regions to national and world markets -- bringing jobs, tourism and investment.

Over the past 21 months, the Federal Aviation Administration, has issued more than 2,600 grants, totalling \$3.26 billion to improve the nation's airports.

We are well aware of the risk of capacity shortage and we are working to equip America's airports -- including Lambert -- to handle the 50 percent increase we foresee in passenger travel by the year 2005.

We passed our first high-speed rail bill this year and we selected Detroit-Chicago-St. Louis-Milwaukee as one of five high-speed rail corridors to benefit from a \$30 million, six-year funding plan to prepare for high speed rail's arrival by eliminating grade crossing hazards.

Our goal in supporting high-speed rail is to relieve congestion on highways and at airports along densely-trafficked corridors across America -- and foster the growth of a new American industry with worldwide potential.

Fostering new American industries is also what DOT's new emphasis on technology development is all about. We have raised the DOT's total budget authority for R&D from \$559 million in fiscal 1992 to \$688 million in 1994 -- an increase of nearly 25% -- at a time when we were cutting or freezing many other line items in our budget.

These new funds are being used to speed the deployment of Intelligent Transportation Systems, to support research and development on new vehicles, new materials, and new communication systems -- in short, to spur along a technological revolution in transportation. Our goal is to see that American firms and American workers take and hold the lead in these technologies -- so that they do not migrate abroad for lack of support here at home.

This technology initiative is part and parcel of the Clinton Administration's commitment to ensure that America's defense workers -- the men and women who won the Cold War -- are not left out in the cold.

Applying their skills and the unique expertise of our great national research laboratories to peaceful ends, we can create transportation technologies that pay a real peace dividend for America.

We're already doing that through the fast-moving deployment of Global Positioning Systems -- based on military navigation satellites that are now available for civilian uses. GPS technologies are already being applied to managing truck fleets, rail car fleets, transit systems, ship traffic in harbors, precision approaches to airports, and better routing of airliners.

These and other transportation technologies we are backing will save American shippers and consumers billions of dollars a year -- and open vast new export markets for their American producers.

We are already backing American exports directly -- as I did personally on the \$6 billion sale of U.S. airliners to Saudi Arabia and indirectly by preparing America's transportation systems to handle the rising volumes of trade that our export strategy is designed to produce.

Along our land borders, DOT is working closely with other federal agencies, state and local governments and our Mexican and Canadian partners to speed the movement of people and cargo. At our ocean and river ports, we are facilitating dredging and improving road, rail and air connections to America's ports -- so that American industries have better access to world markets.

And we are seeking access to new foreign markets for U.S. goods and services through the first U.S. International Aviation Policy developed since the late 1970's.

Everyone here knows that U.S. air carriers offer the best, most competitive services in the world. What you may not know is that my Department has had to act forcefully -- several times in the past 21 months -- to defend U.S. carriers' rights against a wave of protectionist moves by foreign governments.

The new aviation policy we just announced seeks to move beyond

this current, dispute-prone aviation rights system to a far more open aviation world -- one in which we believe that U.S. carriers will flourish and the whole world's economy will gain as well.

We are now engaged in negotiations with nine European nations toward fully open aviation agreements. We will pursue similar access for U.S. carriers in emerging markets in Asia, Latin America and the former communist world -- with the long-term goal of building momentum towards worldwide free trade in aviation.

But while we pursue the growth of America's transportation industries -- at home and around the world -- the safety of travellers has remained our highest priority.

We have fought consistently to raise safety standards in all forms of transportation.

Last year, for example, saw a record number of voluntary automobile safety recalls -- more than 9 million.

We also launched a vigorous campaign to reduce alcohol-related fatalities and increase seat-belt use -- to save 3,000 lives and prevent 153,000 injuries by 1997. And we set tough new drug and alcohol testing rules covering literally millions of workers in all modes of commercial transportation.

We took very strong steps to bolster rail, barge and pipeline safety and inspection and in aviation, among other measures, we moved to install better weather detection systems at the nation's airports and insisted that all 300 foreign carriers serving the U.S. meet minimum international standards -- or be prohibited from flying here until they do.

Let me note that the DOT has also led remarkable efforts in saving lives and restoring transportation services after both natural -- and man-made -- disasters.

Working with other federal agencies and local officials, all elements of the DOT cut red tape and speed emergency grants for recovery here in the Midwest and after this year's deluges in Georgia, Florida and Texas.

When the Northridge Earthquake struck Los Angeles in January, 1994 -- paralyzing regional transportation -- DOT helped set up emergency transit services virtually overnight. And we approved -- and funded -- the innovative contractive procedures that brought the Santa Monica Freeway back on line in record time.

Along our Gulf and Caribbean frontiers, the Coast Guard responded to two vast flows of seaborne refugees from Haiti and Cuba by launching Operations Able Manner and Able Vigil -- mustering 6,000 men and women of the active service, reserves and auxiliaries to rescue more than 54,000 people adrift on the high seas.

CONCLUSION

Ladies and Gentlemen, I think that this is a pretty good start toward making the Department of Transportation work better.

I hope that it's also a powerful reminder to you of what we can actually achieve for our country by using the power of government wisely, strategically -- and effectively.

I think that it's important to reflect on that after a campaign in which the real achievements of government -- the things it can do -- and must do -- to serve our people -- were often forgotten. We saw a barrage of negative ads fuel the deep-seated angers and anxieties that the American people feel.

To resolve the very real crisis of confidence that this mood reflects, we need to prove to the American people that this government -- the government that they pay for -- can serve their needs.

We need to prove that we can help Americans make a living in a tough world. We can move people and goods where they need to go. We can educate our children. And most of all that we will uphold the values of work and opportunity and personal responsibility that most Americans

live by -- and that our future depends on.

Only by doing all that can we pass on the American Dream of a better life to our children.

That's a tall order. But it really is the challenge we face. We've had our election. We've heard the people speak.

Now, I believe, it's up to all of us who work in government -- whatever our party -- to prove that while free people may argue and dispute and even doubt ourselves -- we can also rally our spirits, find common ground and make our government work for the people.

That's the job we've got to get down to in Washington. I believe we will do it. In fact, I think that Democrats and Republicans will show the whole world that the best days of America haven't passed us by -- they're not behind us -- they're yet to come.

And they are ours to build together.

Thank you very much.

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THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

November 15, 1994

Dr. Richard R. John
Director
Volpe National Transportation Systems Center
Kendall Square (DTS-1)
Cambridge, Massachusetts 02142

Dear Dr. John:

On behalf of the entire Department of Transportation, I would like to convey our sense of loss at John Volpe's recent death. I know that this is a loss which you and the members of the Volpe National Transportation Systems Center's staff feel especially strongly.

As the nation's second Secretary of Transportation, John Volpe defined this Department's mission and set the standard for all future Secretaries.

He was an early supporter of industry deregulation and of efforts to fight automobile air pollution and drunken driving. He also supported the creation of AMTRAK and the National Highway Traffic Safety Administration and major new programs for airport, mass transit, and highway construction.

He conducted the first comprehensive review of national transportation policy, saying that it was critical to "think not in terms of aviation alone or railroads alone, but to think in terms of broader transportation considerations." Secretary Volpe's vision marked the first step towards the creation of a national intermodal transportation system.

John Volpe's legacy lives on at the Department of Transportation, most clearly in our continuing dedication to the future. And so it is especially appropriate that, in his native Massachusetts, we operate the Volpe National Transportation Systems Center.

The center carries on the same commitment to the future of a man who once said that "as we live in times of change, we must be the architects of that change or we will most certainly be its victims." John Volpe was an outstanding example of a principled and dedicated architect of the American future. I hope that, in coming years, his spirit will continue to guide your work.

Sincerely,

Federico Peña

TALKING POINTS
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
DYNAMICS OF TRANSPORTATION PILOT COURSE CLOSING
WASHINGTON, D.C.
NOVEMBER 18, 1994

- * I want to thank you all for taking the time to participate in this course over the past two days. Before we finish, I would like to offer my thoughts about what it all has meant.
- * Two years ago, President Clinton was elected on a platform of change. And things *have* changed -- this Administration has accomplished a lot since it took office, not least of all in transportation.
- * But last week's election results showed that we still have far to go before we satisfy the American public's desire for change -- not just change for its own sake, but change to develop a government that works better and costs less, and change to create a political system that is more responsive to the needs of ordinary Americans.
- * This can't just be rhetoric -- it has *got* to be our guiding principle over the next two years -- because if *we* can't give the public the responsive government it wants, the public will give someone else the chance to try.
- * I don't want to let that happen -- because I came to Washington believing that *we* can serve this country *better* than the other guys -- that we have more to offer. That's why I'm here, and I know that's why you are here, too.
- * But the only way we're going to renew our mandate to carry out our ideas is to we prove we can do so effectively -- that's part of what last Tuesday was all about.

- * That's why our effort to transform this Department is so important -- so that we can better serve the public, and so that we can establish confidence in our ability to carry out new and different ideas.
- * In the coming months, we're going to be carrying out a lot of NPR recommendations. NPR's basic themes -- putting customers first, cutting red tape, empowering employees to get results, and cutting back to the basics -- are ideas which are going to impose a new culture on the federal government -- one with greater accountability, but also one with more flexibility and greater freedom to innovate.
- * Change of this magnitude -- and the accompanying uncertainty -- will be hard, and it is up to us to make change work for our organizations.
- * I want each of you to go back to your people and work with them to make this succeed -- to manage this process of change in ways which serve our customers better. *Nothing we do during the next two years will be as important as this.*
- * Because, if we want to capture the imagination of the American people with a vision of what government can be, then we have to start here -- today -- to define that vision and to make it a reality. As with so much this Administration is doing, this is about the future.
- * So, let me close with a quotation by astronaut -- now U.S. Senator -- John Glenn: *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. I can't think of a better thought with which to end this course, and to start the work of reinventing government.*

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THE SECRETARY OF TRANSPORTATION

WASHINGTON D.C. 20590

November 15, 1994

Mr. Matt Storin
Editor
The Boston Globe
Boston, Massachusetts 02107

Dear Mr. Storin:

On behalf of the Department of Transportation, I would like to convey our sense of loss at John Volpe's recent death.

As the nation's second Secretary of Transportation, John Volpe defined this Department's mission and set the standard for all future Secretaries.

He was an early supporter of industry deregulation and of efforts to fight automobile air pollution and drunken driving. He also supported the creation of AMTRAK and the National Highway Traffic Safety Administration and major new programs for airport, mass transit, and highway construction.

He conducted the first comprehensive review of national transportation policy, saying that it was critical to "think not in terms of aviation alone or railroads alone, but to think in terms of broader transportation considerations." Secretary Volpe's vision marked the first step towards the creation of a national intermodal transportation system.

John Volpe's legacy lives on at the Department of Transportation, most clearly in our continuing dedication to the future. And so it is especially appropriate that, in his native Massachusetts, the Department operates the Volpe National Transportation Systems Center. This center carries on the same commitment to the future of a man who once said that "as we live in times of change, we must be the architects of that change or we will most certainly be its victims." John Volpe was an outstanding example of a principled and dedicated architect of the American future.

Sincerely,

Federico Peña

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TALKING POINTS FOR
SECRETARY OF TRANSPORTATION
FEDERICO PEÑA
AT THE RECEPTION TO CELEBRATE THE
SWIFT RAIL DEVELOPMENT ACT OF 1994
AND THE
FEDERAL RAIL SAFETY AUTHORIZATION ACT OF 1994
NASSIF BUILDING
NOVEMBER 29, 1994

- Thanks, Jolene. Much of the credit for both these bills and for the success of the Rail Summit goes to Jolene, Don, and the many dedicated people in the offices of Safety, Chief Counsel and Railroad Development.
- These two bills we are celebrating today demonstrate this Department's continued commitment to American railroading.

THE SWIFT ACT

- The Swift Rail Development Act is a first step in our long-term strategy to promote high-speed rail in the United States.
- It is not all that we wanted -- or enough to make truly dramatic progress on deploying high-speed rail in America -- but the \$184 million commitment we secured does provide a substantial down payment toward the goal of developing American high-speed rail systems.

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- The Act establishes a federal role in two key areas: corridor planning and technology development. In FY 96, \$40 million will go towards corridor planning, with another \$45 million in FY 97. As matching grants, this money will be leveraged, providing at least \$170 million worth of high-speed preparation and planning over the next three years -- a good beginning.
- The Act's other focus is developing specialized technology -- high-speed equipment, specifically suited to the North American setting.
- While most European and Asian railroads are electrified, most in America are not; this makes electrification one of the major costs of upgrading existing rail for high-speed service. Through our non-electric locomotive project, DOT will work with the railroad industry to develop locomotives and trainsets that will operate as well as electric locomotives, without the expense of electrification.
- Another technology development effort DOT and FRA are undertaking is the High-Speed Positive Train Control (or PTC) Demonstration. We will demonstrate a fully operational PTC system on a high-speed corridor within three years -- a major step towards making it safe to run high-speed passenger and freight trains on the same track. PTC will also increase capacity and ensure that both passenger and freight service can grow together.

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THE RAIL SAFETY ACT OF 1994

- The Federal Rail Safety Authorization Act of 1994 is a second cause for celebration here today. It is a major step forward in improving rail safety across America.
- First of all, and I know this makes folks from both FRA and the Congressional staff happy, this is a four-year reauthorization that eliminates one reauthorization process -- without reducing Congressional oversight of safety in any way.
- This law also supports DOT in its decision to issue passenger car safety standards over the next five years, as we announced at the Rail Summit last September. We will have core requirements in three years, and final rules in five years, that will standardize the current advances that Amtrak and commuter operators are making in designing passenger cars for safety.
- But the most important aspects of this new law assist the Department in carrying out its grade crossing Action Plan, which we announced in June.
- Everyone in this room knows that grade crossings accidents are the leading cause of rail-related deaths, and that trespasser fatalities are the second leading source. Several provisions in this law allow DOT to

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increase its efforts against this problem, including two that stand out:

- \$1.5 million in increased funding for Operation Lifesaver's impressive public education campaign on the need for greater rail-highway safety awareness. [Tom Simpson, President of Operation Lifesaver may be in attendance]. This will keep Operation Lifesaver on the front lines of the battle against grade crossing accidents.
- A requirement that DOT review current laws on all levels regarding trespassing on railroad property, and develop model prevention strategies and model legislation. We will look forward to working closely with AAR and its member railroads in developing these guidelines, and reducing the number of trespassing deaths, which was over 500 last year.

AMTRAK & THE FUTURE

- Let me turn now to the subject of Amtrak and the future of passenger rail. We all know that Amtrak is going through a major reorganization and that Tom Downs is making some very tough decisions. I attended an Amtrak board meeting earlier today and I can tell you that we are making real progress.

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- We support Amtrak's reorganization -- precisely because we believe that intercity passenger rail service has to be an important part of our National Transportation System. America needs passenger rail to relieve the growing problems of airport and highway congestion along many of our major inter-urban corridors.
- The question that the next Congress will have to answer is whether we, as a nation, are prepared to make the same commitment to passenger rail as we have made to highways and to aviation.
- We believe, as you do, that securing the future of passenger rail will require not only tough choices, but further investment. We cannot expect a capital-starved business to survive, and we must give Amtrak the capital assistance it needs to improve both America's passenger rail infrastructure and Amtrak's equipment. As we work to complete the Northeast Corridor, to acquire new equipment, and to move Amtrak towards financial stability, I hope that we can count on your support.

THANKS AND SALUTE TO REP. AL SWIFT

- As I said, everyone in this room deserves credit for the success of the Swift Act and the Rail Safety Act. I've already mentioned that everyone at FRA worked hard on these bills. I'd like to thank our Assistant Secretary for Governmental Affairs, Steve Palmer --

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and my Deputy Chief of Staff, Katherine Archuleta, who was present at the creation and hung in all the way through -- and two people from our Congressional Affairs office, Regina Sullivan and Carol Zok.

- Ed Harper and the Association of American Railroads were key supporters, as were representatives of the freight railroads, AMTRAK, rail unions and members of the High Speed Rail/Maglev Association.
- And what can I say about our friends in Congress? Representative Lynn Schenk is here today, and we all need to thank her for her leadership in introducing this bill and being such a staunch ally.
- I'm proud to say that these two Acts were bipartisan efforts, which passed by unanimous consent. I'd like to thank . . . [Mention all Members in the room, and Sen. Trent Lott.].... and I am delighted to say that we'll be giving each of you a memorial medal at the end of this ceremony.....
- Finally, I'd like to thank today's guest of honor, Representative Al Swift of Washington, who has served this country in the House of Representatives since 1979. Among his other leadership roles, Al has been one of the foremost supporters of high-speed rail on Capitol Hill. It is a fitting tribute that this law which moves high-speed rail through the planning stages is named after him. When he retires

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next month, all of us who have worked with him in Washington, and throughout American railroading, will miss him.

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