6.105

U.S. Department of Transportation

News:

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

Contact: Steven J. Akey
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REMARKS PREPARED FOR DELIVERY
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
HEMISPHERIC BREAKFAST MEETING
DENVER, COLORADO
JULY 1, 1995

I want to congratulate my colleagues at Commerce, USTR, Labor, and elsewhere in government for their efforts to create an environment in which all nations of this hemisphere -- all nations -- can grow and prosper.

I am pleased to have been invited to address this conference, because my being here serves to acknowledge the critical role transportation plays in fostering international trade. Simply stated ... we deliver.

I know it's a tried analogy, but transportation really is the lubricant that makes our system of international commerce run smoothly.

Inefficient and congested transportation systems increase production and distribution costs, lengthen delivery times and make them unreliable, and cause excessive losses and damages. The less efficient our transportation systems are, the less trade there is ... and with less trade, the lesser prosperity.

This is really a very simple and direct relationship ... but one that seems difficult for some to grasp. Clearly, though, Ron Brown and Mickey Kantor understand that fundamental relationship, and today, I will talk about the opportunities we have in common -- the obligation we have -- to build a great transportation system.

Unfortunately, this week in California we were reminded of a common problem: the security of our transportation system.

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We are democracies, and we cannot have one dangerous person threaten millions of Americans travelling by air ... or a gang terrorize Tokyo's subway system ... or pirates in South America hijack containers enroute from port to inland destinations.

We ought to assist our law enforcement officers every way we can, otherwise all the trade and tourism we're working to develop this week, will be impeded by a few people. I encourage you -- don't let that happen.

Last November in Tampa I hosted a productive pre-Summit meeting of 12 of our hemispheric transportation ministers. We knew the potential for growth opportunities.

In 10 years, we could see an 80 percent increase in air traffic between North America and Latin America ... a 40 percent increase in cargo between our ports.

In 10 years, truck traffic in the United States could grow by 21 percent ... rail traffic by 16 percent.

Think of the jobs that could produce. But it will happen only if each country, my country included, puts the tools in place to prepare for this growth in 10 years -- and does it now.

So, my colleagues and I came up with a blue print.

We said we need to improve planning and financing of infrastructure, bringing the private sector in ... we identified regulations we would be better off without ... we prioritized technologies that would improve the efficiency and environmental friendliness of transportation systems ... and we identified ways we may harmonize construction, safety, and operating regulations, so each country plays by the same rules.

Most important, we identified areas where we could cooperate.

Every country is embracing change -- some faster than others. Much progress has been made in all transportation modes -- aviation ... trucking ... maritime ... and rail.

Let me give you a quick report on that progress, starting with aviation.

In February, Canadian Transportation Minister Doug Young and I signed an open market aviation agreement. It is worth billions of dollars in economic development and has the potential to add thousands in new jobs to cities in both countries. We're already seeing a 40 percent increase in airline flights between the U.S. and Canada.

And in June, the United States and Brazil reached an agreement that increases cargo charters by almost 30 percent a year.

We have liberal agreements with Mexico, Costa Rica, El Salvador, Guatemala, and Chile. We're seeing great growth in freight traffic with South America, up over 20 percent last year.

Recent events in the United States and throughout the world, however, remind us that we must constantly be focused on aviation safety and security. We must meet the standards of the ICAO and I hope even exceed those standards. My own Federal Aviation Administration stands ready to provide whatever technical assistance may be desired by any nation. Reliance on aviation is so enormous given the great distance in our hemisphere, that this commitment for safety and security must be our highest priority -- period.

Now, in the area of trucking, I have two main concerns -- one is safety (you will hear about safety a lot today); the other is facilitating cross border movements.

We found when negotiating NAFTA, our countries had different safety standards. We could have set our mutual standard to the lowest common denominator, but we did not. Instead, we are striving for the highest possible safety standards, and that is the model I would like to use for the hemisphere.

We agreed drivers of trucks and buses have comparable safety and operating knowledge and skills in order to be licensed -- we cooperated in developing compatible driver standards -- and that is now working well.

If my friends Ron Brown and Mickey Kantor visit our border crossings and see trucks lined up for miles, they might read that as a good sign -- plenty of trade going on. But don't ever tell that to a truck driver stuck in the congestion, unable to meet a delivery deadline ... or to the manufacturer that has to shut down its assembly line because it's just-in-time delivery hasn't arrived.

How do we speed the processing and cut congestion and bottlenecks? Through joint planning and technology -- specifically, intelligent transportation systems.

At the Nogales, Arizona, and Otay Mesa, California, border crossings we will have operational test programs, starting next year, to see if electronically we can check bills of lading, carrier credentials, safety records, and vehicle weight even prior to the shipments' arrival.

As an alternative to trucks crawling through congested border crossings, we're exploring the feasibility of moving goods by vessels that could safely navigate both ocean and inland waterways. Only about 3 percent of goods transported between Mexico and the United States travel by water.

But if you can visualize on a map, there's great potential for a Maritime System of the Americas, starting from the Gulf of Mexico and the Caribbean Sea ... up the Mississippi River and all of its navigable tributaries ... and to the north, the St. Lawrence and Great Lakes.

My department's Maritime Administration has been holding meetings with shippers and carriers and port groups from all the NAFTA countries. We're finding interest, and we'll continue to explore this concept.

Our ports and those throughout the Americas appreciate the importance of becoming more efficient. Additional capacity and new intermodal equipment are needed, land side connections must be improved, work rules need to be re-evaluated. Throughout the region, we see our ports striving to rise to the occasion.

Finally, on rail, we are excited about the opportunities that will come from the move toward privatization. For example, up to 49 percent foreign, private ownership in Mexico's railroad, the Ferrocarriles Nacionales de Mexico, will now be allowed.

I can tell you that U.S. rail carriers are expressing initial interest, because Mexico is one of their fastest-growing markets. Foreign investment could boost rail utilization, and encourage modernization of some existing routes, and new connections between our countries.

Our carriers and the Ferrocarriles Nacionales de Mexico have already undertaken many initiatives to improve connections; they've established privately financed rail terminals, so shippers can consolidate operations; and they've inaugurated despacho previo, a system similar to what we hope to do for our truckers, where all the necessary documents for the shipment are cleared before the cars reach the border.

Let me end on a personal note: There is no issue I have spent more time on as Transportation Secretary, than the relationship between the United States and our trading partners.

This year, we've taken many steps. But the real test will be in 10 years ... to see if we have airports to handle the 80 percent increase in traffic -- and do it efficiently with a continued high-level of safely ... to see if we can build a Maritime System of the Americas ... to see if we can get truckers across borders without congestion ... and improve international rail connections.

I look forward to our discussions today as a way to build on the work I and eleven of my counterparts started last October in Tampa. I believe that the time is right to convene a meeting of all transport ministers in the hemisphere to develop collaborative, strategic approaches to enhancing the efficiency, safety, and security of our transport systems. We have invited our colleagues to Miami on August 2 to join us in planning for that meeting. Through a cooperative initiative, I am confident that we can convert the many challenges and opportunities that confront us into real progress.

Thank you.

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6-104

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REMARKS PREPARED FOR DELIVERY
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
GM CHILD SAFETY SEAT FUNDING ANNOUNCEMENT
WASHINGTON, D.C.
JULY 6, 1995

Dr. Eichelberger -- I've been told that a third of trauma admissions into your emergency room are kids who've been injured in car accidents.

You, the other doctors, and nurses of this great medical center come to work everyday to fix their injuries and in some cases to save their lives.

I came today, with many friends, for one purpose: to prevent those injuries from ever happening in the first place.

I am delighted to announce that within four months, 40,000 children, from all 50 states and the District of Columbia, whose parents cannot afford it, will be given free child safety seats.

The groups Ric Martinez introduced will be the ones distributing them. And within four years, 200,000 children will receive safety seats.

We all feel like doctors and nurses today, because when all seats have been distributed, we'll save the lives of 50 children, and keep another 6,000 from being injured and needing to visit a hospital. Dr. Eichelberger, I hope you don't mind less business, because I'll tell you, there's not a better feeling in the world!

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Yet, this is just a start at fixing an awful problem. We're in the middle of a baby boom. Ellen and I aren't the only ones having children. Four million babies are born every year, the most we've seen since the last baby boom.

One-third are born into families earning $20,000 or less -- even though many of their fathers or mothers may be working, or want to work, or will work if welfare reform passes.

The law of the land in every state -- and it's a great law -- says kids must be in child safety seats. But in the limited studies available on this -- they show three out of four children covered by Medicaid do not ride in child safety seats.

So we have more babies being born to families who can't afford the $40 or $50 or $100 it takes to buy a seat, and when their parents have an accident, babies unnecessarily land in hospitals like this one.

Of course, if the babies are covered by Medicaid that means taxpayers pay their hospital bills, doesn't it? So everyone loses: the babies, the parents, the doctors and nurses who could be doing other work, and the taxpayers.

I've given you a lot of numbers today, but there's only one I want you to remember: 95 percent of low-income parents who own a child safety seat use that seat. 95 percent.

That's remarkable. I can't think of anything that has a 95 percent usage rate. Think of how many stubborn Americans have seat belts in their cars, but won't buckle up.

These parents will use them, if only they had them. Now, they'll have them.

When I came to Washington, I wanted to have an impact on the safety of our transportation system.

Last week, I spent much time taking all precautions we could for the security of air travelers in California. I've worked with the railroads and truckers to increase safety. I've spent time on Capitol Hill fighting for the highway safety laws Ric talked about. In May, we held a child safety summit, instilling in educators the importance of teaching safety.

But the largest impact a Transportation Secretary has is in car and truck safety. These seats are free to the new owners, but General Motors is paying for them.

It's part of a settlement, which closed the government's investigation into alleged safety problems in certain GM pickup trucks. We could have dragged that case on for years, and paid a lot of lawyers high fees. That's how it may have been done in the past.

President Clinton wants government to work better. I said -- and GM agreed -- let's use some common sense. Let's use the money to improve safety on our highways -- now. And let's do it for the kids who will be the future of this country -- who could be doctors, or car designers, or even Cabinet members one day.

Ellen and I are lucky. We have two healthy kids, who we put in car seats. Now, 200,000 more American kids will have seats, and a few less broken bones. It's a good day for America's children.

One more thing. If you haven't noticed, we still haven't shown you one of these car seats yet. NHTSA, and the hospital, and the Maryland State Police wanted to inaugurate this right. Usually, the hospital uses the helicopter to bring in a child injured in a car accident. It's a flight for life.

Today, they want to have a flight for safety. So, let's all look for the helicopter and see what it's delivering.

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6.103

STATEMENT OF
FEDERICO PEÑA
SECRETARY OF TRANSPORTATION
BEFORE THE
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION
CONCERNING INTERNATIONAL AVIATION POLICY
JULY 11, 1995

Good morning Mr. Chairman and members of the Committee. I appreciate this opportunity to participate in your comprehensive examination of international commercial aviation. The type of hearing you are holding today on broad policies and goals is helpful. It serves as a guide we can use in each of our individual bilateral matters.

The importance of this subject is highlighted by the fact that world aviation now accounts for more than $1 trillion in world output and 22 million jobs. It functions as a primary bridge between nations and peoples, and a powerful stimulus for the enormous rise in tourism, trade, crossborder investment, high tech manufacturing and other industries.

Before I talk about the opportunities in aviation, I want to start with a problem which recently surfaced in California, and that's the security of our transportation system. All the trade and tourism we're working to develop cannot be impeded by the actions of a few individuals.

After the Unabomber threats, I flew to Los Angeles and personally reviewed the security. I have tasked the Transportation

Department and the FAA to work closely with the law enforcement officers to ensure the security of the flying public.

Right from the beginning, the Clinton Administration recognized the huge contribution that commercial aviation makes to international trade and development, and the corresponding need to remain responsive to the needs of both the users and providers of air transportation.

Within a month of being sworn into office, the President traveled to Seattle to meet with Boeing's workers and management. He assembled all the major airline and aerospace industry leaders to develop strategies to help the then-ailing industry. I was with the President when he went around the table asking each airline CEO what his recommendations were. Following that meeting, the President and Congressional leaders appointed the National Commission to Ensure a Strong Competitive Airline Industry which produced recommendations in a 90-day review. We are now implementing many of those recommendations, and they are working.

The Administration also took major steps to address the federal deficit problem. The resulting economic recovery and period of expansion have been the most important factors in the recovery of the U.S. airline industry. U.S. airlines enjoyed significant increases in traffic, revenues and load factors in 1994, compared to the previous year. This positive development has strengthened

our airlines' ability to compete in international markets. In 1994, our airlines reported an operating profit of $500 million for their international operations and our share of the growing international market increased to 53%. We expect 1995 to be significantly profitable.

Moreover, this administration recognized that it must have a detailed framework for conducting international aviation to ensure that this important function produced the most significant public benefits. Accordingly, it developed a new U.S. international aviation policy statement. This major initiative provided the first comprehensive articulation of U.S. public policy for this critical economic sector in nearly two decades.

Our policy statement defines our fundamental policy goals and describes the initiatives that we are taking to achieve those goals.

Our overall objective is to open international air service markets. At first blush, this means finding and maintaining new opportunities for our great airline industry. We take this responsibility seriously, and have attempted to perform it conscientiously. The airlines, however, are not the only parties whose legitimate interests we must consider. The needs of travelers, shippers, airports, and cities, among others, must

also be taken into account because of the impact of aviation on their vital interests.

In these circumstances, we have looked beyond the specific interests of individual airlines and have developed an aviation policy that considers all of these important concerns to arrive at what we believe best serves the national interest.

Enhanced competition and greater service opportunities will lead to significant benefits for travelers, shippers and communities, greater general economic development, and greater financial rewards for carriers and their employees.

We are committed to developing programs, initiatives and strategies which promote this objective, by:

* Increasing the variety of price and service options available to consumers;

* Enhancing access of U.S. cities to the international air transportation system;

* Providing carriers with unrestricted opportunities to develop types of service and systems based on assessments of marketplace demand;

*Ensuring that competition is fair and that the playing field is level by eliminating marketplace distortions such as state subsidies;

*Encouraging the development of the most cost-efficient and productive air transportation system that will be best equipped to compete in the global market at all levels and with all types of service.

As to the last point, it is our firm conviction that an open aviation regime will provide the most effective framework for that system. In this way, all airlines would have the greatest freedom and opportunity to develop the systems they need to meet consumer demand for air service. As you know, that demand is no longer just local and regional -- it is now global. Many airlines are now attempting to meet that demand as effectively and rapidly as they can with today's constraints. As a result, we are witnessing the initial integration of world-wide air services through arrangements such as codesharing, joint marketing agreements, and crossborder investments..

Our policy statement recognized that the trend towards globalization of air services through efficiency-enhancing networks and alliances is here to stay, and that this development offers great public benefits for all nations. It also recognized that both the growth of international aviation and the ability of U.S. airlines to meet the demand for global air service have been seriously hampered by the diverse positions of our trading partners, their varying degrees of willingness to liberalize aviation, and by the framework that has governed international air service for more than fifty years. I am referring to the bilateral system created by the Chicago Convention of 1944. Under that system, no service can be provided unless bilateral government-to-government agreements permit it. Indeed, there are now more than 1000 such agreements setting out exactly what

airlines can do. In many cases these agreements operate to limit competition and the ability of airlines to establish worldwide service.

Against this background we determined that we must develop a new approach for dealing with the old problem of bilateralism and for otherwise creating freer trade in aviation services. We needed to go beyond the traditional methods for managing trade in aviation services and to devise innovative pathways for achieving our liberal aviation objectives.

Our policy statement addressed this critical issue by stating that we would embark on that new direction by, among other things, working hard to build a coalition of like minded trading partners committed to the principles of free trade in aviation services; developing new incentives for encouraging market reform; and devising alternatives to the bilateral system. Moreover, we emphasized that we would adopt a practical approach for expanding air service and eliminating restrictions on airline operations. We would, in particular, work closely with our trading partners to address their concerns, advance liberalization of air service regimes as far as possible and withhold benefits from those countries that are not willing to move forward.

Applying these principles, we decided to pursue the following strategy: First, we would renew efforts to achieve liberal agreements with those countries with which our aviation relationships lagged behind progress in other trade areas, such a Canada.

Second, we would offer liberal agreements to a country or group of countries if such agreements could be justified economically or strategically. In the past, we were prepared to offer these market-oriented arrangements only to our major trading partners based on a strict balance of benefits analysis.

The new approach recognizes that there may be overriding strategic value -- and, perhaps, economic value -- in concluding open-skies agreements with smaller countries.

Third, we would give priority to building aviation relationships between the United States and potential growth areas in Asia, South America and Eastern Europe. We recognize that the high growth areas in international aviation will be in these rising markets.

Fourth, we would emphasize the importance of sound economic analyses based on the best available data in developing policies and strategies for achieving our aviation goals.

Fifth, we would offer transitional agreements, among other innovative market-opening mechanisms, to those countries which are not prepared to enter into an unrestricted air service regime immediately. Transitional agreements provide for the phased removal of restrictions and liberalization of the air service market. This approach contemplates that both sides agree, from the beginning, that a completely liberalized air service regime come into effect at the end of a certain period of time.

Sixth, we would maintain maximum leverage to achieve our procompetitive objectives for those countries that are not willing to work with us to liberalize our respective aviation markets.

Seventh, we would act vigorously to defend our existing rights and to protect our airlines.

Mr. Chairman, we have already implemented all of these initiatives, and I would like to report today on the results of our efforts. Since November, we have liberalized our aviation relationship with Canada, opened the skies with eight countries in Europe, improved our analytical capabilities and expanded air service in many markets including the United Kingdom, Peru, Brazil, and Ukraine. We are now preparing for further aviation discussions with Germany and the United Kingdom that could produce additional benefits. At the same time, we have firmly

resisted efforts to reduce U.S. rights in other instances, and have taken steps to increase our ability to respond rapidly to airline "doing business" problems abroad.

In February, I joined President Clinton to sign our new aviation agreement with Canada. On that day, we effectively deregulated the largest single bilateral aviation market in the world. This magnificent achievement was made possible by a shared commitment to liberal aviation principles and to working together to find effective solutions to problems that had previously inhibited the implementation of those principles. The net result was a creative transition agreement that significantly expanded transborder service and fare options immediately while providing for a fully open air service regime in fewer than three years. The value of this agreement to our economy has been estimated to be in the range of $15 billion per year. In a matter of three months, we have had an immediate 25% increase in transborder service, with major benefits to cities, consumers, and the economies of both nations.

Last month, we signed open-skies agreements with eight countries in Europe, and we anticipate a ninth signing shortly. This development represents a dramatic breakthrough in our strategic plan to encourage increased service, competition, and airline efficiencies. For the first time, we were able to reach accords with multiple countries that lay the foundation for providing our

industry with the aviation infrastructure it needs to meet the growing demand for worldwide air service. These agreements allow our airlines to build and/or enhance their service networks between the United States and major gateways in Europe, and beyond those gateways to third countries. They also provide our airlines with enhanced flexibility to conduct their operations, by permitting them to capitalize on the new opportunities with their own aircraft or under commercial arrangements with foreign airlines. We believe that these agreements not only assist the development of global systems, but encourage neighboring countries to seek similar arrangements with us.

As the Secretary of Transportation, I have spent much time working with fellow ministers from around the world. Last November in Tampa, I hosted a meeting of 12 Western hemispheric transportation ministers and I was in Denver last month at the meeting Secretary Brown and Ambassador Kantor hosted with trade ministers. I stated to our hemispheric associates that in 10 years there will be an 80 percent increase in air traffic between North and Latin America, and that we need to prepare now to be ready for that growth.

I also hosted a meeting last month of 18 APEC transportation ministers and we included in our sessions industry leaders. We discussed the importance of opening aviation markets in Asia for all air carriers. Then I took the ministers around the country

to showcase American technology. In fact, I went back to Boeing, but this time with customers. Many of the Asian airlines are purchasing Boeing's 777, and that will mean jobs for Americans.

I also traveled to Europe last month and met with all of the Ministers of Transportation in Europe. I emphasized that we will continue to work with the European countries to reach prompt and fundamental liberalization of air services with the United States.

In addition, I made clear that we do not exclude working with the European Union itself - when it has the clear authority to negotiate with us and its members are prepared fully to open their markets. I recalled in this context our two previous efforts to work with the European Union on the liberalization of our cargo sector and that the Union at that time did not have the ability to proceed with those efforts. I also emphasized that full liberalization with the EU cannot be realized unless restrictive practices are eliminated. These practices include impediments to our airlines obtaining adequate gatespace, providing effective ground services, marketing their services, as well as the very significant, unfair and conticompetitive subsidization of foreign airlines. In this regard, I reminded the Europeans of my previous strong protests of government airline subsidies in Europe.

We are also acting on a commitment we have from Germany to establish a fully open air service regime. Negotiators representing both countries are now meeting in Berlin to discuss this subject. We are bringing fresh ideas and proposals to the table that should help settle outstanding bilateral issues and demonstrate the overriding value of promptly eliminating existing restrictions on service in the market. I am hopeful that our continuing dialogue will lead to a more liberal regime with Germany, considering that both countries enjoy the benefits of liberal practices in other important sectors of our overall trade relationship, and that we no longer see any reason why aviation should remain an exception to this hugely successful and mutually beneficial approach.

Moreover, we are moving forward in our aviation relationship with the United Kingdom. When I appeared before your Subcommittee on Aviation, last month, I noted that I was dissatisfied with that relationship because of its restrictive features and because the British have thus far been unwilling to take major steps to open the market. Indeed, that our U.K. market share is now 42% is not only frustrating for me, but indicates why we have been fighting hard to open that market. Our current two stage approach to liberalization with the U.K. should help rebalance that relationship.

The first round of negotiations with United Kingdom has produced a new agreement providing for new fare and service options, and improved operating flexibility for U.S. airlines. The new agreement constitutes a good economic deal for U.S. interests and therefore is consistent with the standards set forth in our policy statement for trading with countries that follow restrictive aviation practices. A second series of intensive negotiating sessions will focus on liberalizing specific sectors of our relationship-- cargo, pricing and charters--plus additional access to Heathrow and/or Gatwick. The two sides have already held a working group meeting on this important issue. The meeting has paved the way for full-scale negotiations on liberalization, which will begin in London next week.

I would like to point out other issues we are addressing. Some carriers engaged in alliances with foreign airlines have raised the possibility of seeking antitrust immunity from the Department of Transportation, asserting that such immunity is important, if not essential, to maximizing the benefits of integrated alliances. My Department is actively considering this question of antitrust immunity. Where the overall net effect of a particular transaction for which immunity is sought is procompetitive and proconsumer, there may be important benefits to be gained from granting immunity in appropriate cases. The existence of an "open skies" environment, and the elimination of

other competitive restrictions, would be key factors in any consideration of a request for immunity.

As this Committee recognizes, obtaining and exercising international aviation rights requires an on-going, cooperative effort by our cities, consumers, air carriers and the Department of Transportation, as well as other federal agencies. The job doesn't end when negotiations are completed, or even when our regulatory staff issues the required economic authority to the carriers. Sometimes, U.S. airlines encounter problems operating and marketing their services abroad. These "doing-business" problems require constant vigilance.

As GAO researchers found in a study published last November, we have been successful in solving these problems. To further strengthen our capabilities in this area, we are inserting stronger guarantees against doing business problems into the new and revised bilateral agreements we are negotiating.

Further, we are in the process of implementing GAO's recommendation to develop a consolidated data base of doing-business issues. We have invited U.S. carriers to give us up-to-date information on current and recent problems to form the baseline for this tracking system, and we will be receiving this material very soon.

To enhance our analytical capabilities we have created a new Office of Aviation and International Economics and have recently moved our aviation data function into our new Bureau of Transportation Statistics. This will allow our aviation data to be modernized, streamlined and more efficient so that better and quicker analyses can be done by our staff. In addition, we are considering a rulemaking to follow up on recent recommendations of the General Accounting Office that we collect more data on international aviation.

As a final matter, I would like to briefly mention our ongoing aviation dispute with Japan. As you know, Japan has denied U.S. carrier rights under our bilateral agreement. Because of this denial and after comprehensive efforts to resolve this matter, I have proposed sanctions against Japanese airlines. This proposal of sanctions has led to intense negotiations which were held last week in Washington and will resume this week in Tokyo. Because comments are due on our proposed sanctions and our talks are at a delicate stage, I cannot discuss these issues. However, let me assure you we will uphold our carriers rights to fly to and beyond Japan.

In conclusion, I would like to assure the Committee that the U.S. Department of Transportation has a full set of goals, objectives, and strategies for the international aviation sector. We know we are living through a period of great change for our airlines.

Privatization abroad, increasing competition and globalization are fueled by economic and political forces that will ultimately prevail. We know that governments that embrace these changes will far out pace those governments that do not.

The U.S. Government will be at the forefront of those that embrace the future. We will continue to work with our airlines, their employees, our cities, and ultimately, the American consumer to assure the benefits of truly open aviation markets.

6-002

U.S. Department of Transportation

News:

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

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REMARKS PREPARED FOR DELIVERY
SECRETARY OF TRANSPORTATIN FEDERICO PEÑA
FUTURE HOMEMAKERS OF AMERICA NATIONAL SAFETY BELT EVENT
JULY 13, 1995
WASHINGTON, D.C.

Where you're standing have stood many great Americans who come here to exercise their freedom of speech. But as Secretary of Transportation, nothing makes me prouder than to stand with 4,500 enthusiastic students who want to send America a great message: "buckle up."

When I was 17, seat belts became standard equipment in cars. But nobody wanted to wear them, and 20 years later they still weren't wearing them. But once the states started passing seat belt laws in the mid-'80s, and groups like yours started educating Americans, seatbelt usage went up. Today, almost 7 of 10 Americans buckle up. I look forward to the day when everyone is buckled up.

Ever since I became Transportation Secretary, one of my highest priorities has been safety. And I do everything I can to work on the safety of our children because the leading cause of death for young Americans is on our highways.

If you look at all the kids who develop mumps and measles and all the other major diseases, over a one year period, you'll find more kids are injured by traffic crashes in a month, than all those diseases combined.

Last week, I had the opportunity to pass out 40,000 child safety seats to parents who couldn't afford to buy them. And last month, the President got the Senate to stiffen federal rules against underage drunk drivers.

But as we're doing everything we can to promote safety, especially for young Americans, recently the Senate voted to scrap the national speed limit of 55 miles per hour for cars.

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Tampering with that law will cost as many lives a year as there are future homemakers standing here today. Look around -- this is how many people will die if we wipe out the speed limit law.

Some people have said that the speed limit law is a matter of states' rights. I say whether young Americans are more likely to be killed in highway crashes, shouldn't depend on what state they live in. This is like cancer -- it's a national problem.

Look -- when 40,000 people die on the roads a year, and that number is going up, not down, it's an issue of safety that the federal government should address.

Look at the facts:

In 1987, Congress allowed states to raise speed limits to 65 on some rural interstates, and fatalities were 30 percent higher than expected.

A third of all crashes are speed related. And who gets hit hardest are young Americans, people your age.

Let me tell you what has happened since the Senate vote to eliminate the 55 mile speed law. We've heard already a dozen states talking about raising their speed limits: Alaska, Arizona, California, Louisiana, Massachusetts, Missouri, Montana, Nevada, Nebraska, Oklahoma, South Dakota, and Wyoming. A dozen states.

But the vote's not finished. It goes before the House now. I hope some congressmen are looking out their windows right now, because if they could only see your spirit, and your belief in safety on our roads, maybe we can change the outcome.

We've come too far in this country to turn back.

Thank you very much.

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6.101

TALKING POINTS
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
CELEBRATION OF THE FIFTH ANNIVERSARY
OF THE AMERICANS WITH DISABILITIES ACT
WASHINGTON, D.C.
JULY 13, 1995

(Introduction to be made by Michael Winter)

* Thank you, Michael -- for that introduction, and for all of your work on accessibility issues here at DOT. I also want to thank Mary-Elizabeth Peters for her efforts as the chair of DOT/ADA.

* I'm happy that all of you can join me as we celebrate the fifth anniversary of the Americans with Disabilities Act. Today I'd like to speak about two things. First, the Clinton Administration's -- and my personal -- commitment to accessibility. Second, what we're doing here at DOT to make our transportation system accessible.

* This is an Administration with a deep commitment to equal opportunity for *all* Americans. We know that transportation is the key that allows people with disabilities to enter the mainstream and participate fully in American life. Enabling them to do that with dignity is essential.

* That's why one of my seven key goals for DOT is *putting people first* in our transportation system by making it relevant and accessible to *all* users.

* That includes ensuring mobility in *all* forms of transportation for Americans with disabilities. This is something I've believed in for a long time. As Mayor of Denver during the 1980s, I worked with Wade Blank and ADAPT to make the city's buses accessible. And we also worked to make the new Denver International Airport a model of accessibility.

* As Secretary of Transportation, I'm committed to ensuring similar progress throughout our transportation system. For example, we now require that all airports and terminals receiving federal aid have accessible parking, baggage services, ticket counters, and lavatories.

* We've also required improved accessibility onboard aircraft. Most planes will have movable armrests on half of their aisle seats, and large planes also will have special wheelchairs to permit easy boarding and movement within the cabin. These steps ensure that the spirit -- as well as the letter -- of the ADA is met.

* Airplane manufacturers understand the importance of this, and some are ahead of the curve. For example, Boeing included advocates for the disabled when it was designing its new triple 7, and the result is a far more accessible plane -- one that's also more comfortable for all travelers.

* Nor are our efforts confined to aviation. We've made progress in *every* form of transportation. Every federally-funded mass transit system provides some type of accessible service. Bus lifts, accessible key stations, and demand-response paratransit services are appearing rapidly throughout the country, and AMTRAK is making similar progress.

* No effort to improve transportation accessibility can succeed without affecting the mode used for 90 percent of all travel -- roads and highways. Streets and sidewalks being built or renovated with federal funds now have curb cuts to accommodate people in wheelchairs. And rest areas on all Interstate Highways and all new federally-funded roads must now be accessible.

* We can point to many accomplishments, but the job is isn't over. I want to give you my firm commitment to continue working hard to tear down the barriers to full participation in American life.

* And now I'd like to introduce Judith Heumann, the Assistant Secretary of Education. She was one of the first to recognize that discrimination against disabled citizens is a civil rights issue, and she's championed the cause of equality for disabled people at home and around the world.

* At Education, she manages a budget of over $5.5 billion and oversees the Office of Special Education Programs, the Rehabilitation Services Administration, and the National Institute on Disability and Rehabilitation Research.

* She's among the nation's foremost advocates of the inclusion, independence, and empowerment of disabled people throughout American society.

* Today she'll speak to us about the history of the disability rights movement and its future here in America. I'm proud to serve with her in the Clinton Administration, and hope that you'll join me in giving her a warm welcome...

# # # # #

V-100

REMARKS PREPARED FOR VIDEOTAPING
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
OLYMPIC TORCH RELAY VIDEO
WASHINGTON, D.C.
JULY 14, 1995

It seems like only yesterday that thousands of Americans carried the torch that brought the Olympic Flame to the Los Angeles Olympics. As Mayor of Denver, I was one of those Americans.

And now, as Secretary of Transportation, I'm proud that America will play host to the world at next year's Atlanta Olympics. These Games will mark the centennial of the modern Olympics, and we want them to be very special.

That's why the Olympic Torch Relay will include not only the traditional runners, but *all* forms of transportation -- everything from the Pony Express to Mississippi River paddlewheel steamboats. They'll reflect the rich diversity of America's transportation resources, which have contributed so much to our greatness as a nation.

I applaud the thousands of Americans who are contributing to the Olympic endeavor. They understand that these are not only Atlanta's Olympics: they're *America's* Olympics. They'll rekindle the pride all Americans felt at the success of the Los Angeles Games. This will be America's moment: I know we're going to come away with the gold.

# # # # #

I WAS MAYOR OF
Denver when The
torch ~~d~~ PASSED
Through my city.

6.99

VIDEOTAPED REMARKS PREPARED FOR
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
TO THE 1995 NATIONAL
HIGHWAY RAIL-GRADE CROSSING SAFETY CONFERENCE
"TRACKING TRENDS FOR SAFETY"
CONROE, TEXAS
JULY 17, 1995

Good morning. I'm sorry I can't be with you in person today.

Two years ago when I addressed you, I had just begun my job as Secretary. I told you then that safety was my top priority and it still is. I'm committed to work with you to combat the senseless and preventable deaths at highway-rail grade crossings.

Last June, I unveiled a comprehensive, multi-modal action plan to reduce crashes. The plan has 55 specific recommendations and initiatives designed to:

- intensify law enforcement efforts;
- to enhance rail corridor reviews an improvements;

- to increase safety at private rail crossings;
- to improve our data and research activities; and
- to expand education efforts to change driver behavior.

This action plan is significant, not only for what it does, but for who the players are. I know crossing safety is an intermodal challenge requiring intermodal solutions. For the first time, the Federal Railroad, Highway, Transit and National Highway Traffic Safety Administrations are attacking this problem -- in unison.

By the way, we can't do it alone. We all must pool our talents if we are to be successful.

FRA Administrator Jolene Molitoris will address you later, but let me mention some of our successes:

- The Federal Railroad Administration finalized a rule that sets uniform standards for inspecting, testing, and maintenance of active warnings at crossings. Previously, this rule had been stuck in "the system" but we were able to push it through.
- We have included highway-rail safety and trespasser prevention themes in outreach related to our child safety initiatives.
- The National Highway Traffic Safety Administration released a demographic report that sheds more light on who is involved in these crashes and where they are occurring.

- At a time when I am reducing the overall size of my Department, FRA made it a priority to hire eight new regional Crossing Program managers to work with states and local communities to address crossing safety issues.

- A California Police Officer was also detailed to the FRA for one year to coordinate efforts with law enforcement officials across the country. Sergeant Don Hatch is with you this week, and I urge you to talk to him.

- The Federal Highway Administration has made a goal of upgrading or eliminating all crossings on the National Highway System, including grade separating those crossings that intersect principal rail lines.

- And we've begun to fund demonstrations of high-tech crossing improvements such as barrier systems, localized software for 1-800 emergency calls, low-cost ways to build bridges or tunnels at crossings, and other systems to improve crossing safety.

We are attacking all fronts, but I'll tell you; it doesn't do any good if motorists don't understand their responsibilities. Or if they choose to disregard them.

So, we recently released the *Always Expect A Train* Public Service Announcement campaign.

In partnership with Operation Lifesaver, rail management and rail labor, we distributed English and Spanish language spots across the country.

I'd like to show you them.

[INSERT CLIPS OF PSAS HERE]

They are very powerful don't you agree?

The goal is to change behavior by increasing awareness of the dangers. I believe through increased awareness, we can reduce the number of deaths and injuries at crossings and from trespassing.

By working together, we can make a difference -- we can <u>save lives</u>.

Thank you and have a good meeting.

# # # #

6.95

U.S. Department of Transportation

News:

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

FOR IMMEDIATE RELEASE
Tuesday, July 18, 1995

Contact: Bill Mosley
Tel.: (202) 366-5571

MEDIA ADVISORY

U.S. Transportation Secretary Federico Peña and Japanese Transportation Minister Shizuka Kamei will meet Thursday, July 20 in Los Angeles to discuss the current civil aviation dispute between the United States and Japan.

Vice-ministerial level talks were held in Washington, D.C., on July 5 and 6, in Tokyo on July 13-15, and will immediately precede the ministerial talks in Los Angeles on July 20.

The talks are scheduled for the Los Angeles Biltmore Hotel in downtown Los Angeles. News media seeking additional information regarding coverage of the talks should phone the contact listed above.

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6.97

FINAL

FP -- Flight Attendants -- Tuesday, July 18
draft 2 (by Ilene)

I. Personal Story:

On Thursday, I will have been in office 2 1/12 years. I remember my confirmation hearings were the day after United announced they'd lay off 3,000 employees and the then-chairman Steven Wolfe was calling for a blue-ribbon committee to fix the industry.

So, at the hearings one of the first questions I was asked was: If I became Secretary, how will I help United and strengthen the industry, which most people thought was a basket case.

II. Turnaround

Within a month after taking office, the President and I went to Boeing with leaders from the airlines and the aerospace industry and labor, and we sat in a room

about this size and we asked: How can we be most helpful?

Ninety days later the commission had a report and we've acted on 80 percent of the recommendations.

But I told the President back then, that for the airline sector to rebound, the overall economy had to rebound.

In 2 1/2 years:

-- 7 million jobs (employed people fly airplanes, unemployed ones don't)

-- lowest unemployment and inflation rates in 25 years

-- deficit reduction

-- government cut 150,000 jobs

III. Charts:

A. Operating Profits. '93 - '94 (I see where some analysts are predicting $1.7b for the second quarter)

B. 4 International Maps. Let me ask you first, how many of you fly international flights?

-- Policy Statement

-- Open Skies (2 1/2 years ago, adjective to describe skies was troubled skies. Now it's open skies.)

1. Canada: USAir -- National to Toronto
United -- San Francisco to Vancouver

2. North America: 80% increase in traffic in 10 years. Discussed open skies with ministers.

3. Europe: 8 (almost 9) agreements

UK: frustrating

But United: Heathrow to Chicago

4. Asia: Problems with Japanese to open markets

C. Market Share Summary.

-- Overall, U.S. share of international market is 53%. I don't know many other industries that have that kind of global strength.

IV. Regulatory Role

I have dual role. I'm an advocate for your industry globally, but I also regulate it. I'd like to think that I have a fair view on the regulatory end. I believe strongly in analyzing issues very carefully ... bringing all the parties in ... asking a lot of questions (some on my staff say too many questions) ... and then making a

decision and moving on it quickly. However controversial, however unpopular -- I want regulations out on a timely basis.

Generally speaking, we've agreed on many issues.

Duty Time -- You petitioned for it 15 years ago. I put it on my radar screen. I do not believe that you should be working 18 plus hours a day. No one else in the industry is. So I issued a rule, and it was recently challenged in the courts by Sun Country, but we prevailed, and I was glad to see that.

International Smoking Ban -- Again, we agree. Air quality is especially critical on international flights, because of the duration, and recycling air increases the exposure to secondary smoke.

With ICAO, we've introduced a resolution that all countries ban smoking by July 1, 1996. We sponsored

the agreement now in effect that all carriers on non-stops flying between Australia, Canada, and the U.S. ban smoking.

Delta has banned smoking on all flights. 14 foreign carriers have banned it ... I urge others to join in.

Personally, I'd like to see smoke-free environment in all sectors -- trains, buses, ships. Some of the automakers no longer put lighters in as standard equipment, and they aren't hearing many complaints. So, progress has been made, and we need to do more.

Disinsection -- A year ago, 25 countries required aircraft to be sprayed for insecticides with passengers on board. I've written every transportation minister and Ambassador, and now it's only 12, and I expect that number to drop.

Commuter Safety Rule -- Earlier this year, I proposed having one level of safety on flights. We're still in the rule-making phase. But FAA says this rule will be done in the shortest time in history, and yet it is one of the most complex. The rules will be out December 14th.

Over 2,000 comments have been received. It's expensive to make changes and we have to question: Are the costs justified? Since it's still in rulemaking, I cannot be specific, but I don't think flight attendants will be effected that much, other than additional training requirements.

Child Safety Seats -- Here we have our differences. I know your slogan: "FAA restrains coffee pots, but not children." I respect your position -- I have a 3 and a 5 ear old at home and protecting kids is both our goals. But this is an area we should be very thoughtful about.

First, when we tested commercial seats, we found they don't always fit properly -- especially booster seats that have no back. If a 200-pound man is sitting in row 4, and a child in a booster is in row 3, and there's an accident and the man crashes forward into the seat with the child, the child could be hurt more by sitting in a booster. Manufacturers are continuing their testing, but in the interim, we won't mandate their use.

Second, the economics don't make sense. The cost of purchasing a seat will cause many parents to drive instead of fly, and driving isn't as safe, so in the end we'll have more fatalities. This is one Secretary of Transportation who has made safety one of my priorities, and I must look at the larger picture, and I hope you respect that.

Gas Tax Exemption -- Again, I believe we disagree. I was very supportive of this two years ago, when the President asked Congress to enact it. But I think now is an appropriate time -- given the industry is again profitable ... and in fairness to the other sectors of the transportation industry that are paying the tax -- that airlines pay the gas tax. The President and the Republican leadership are very serious about balancing a budget, and coming up with tax breaks that help selected industries will be harder.

Turbulence -- After the recent turbulence problems, I directed FAA to study the issue of whether passengers should be in their seats belts at all times. FAA is looking at what, if any, actions are right. Data collection will be completed in about two weeks.

From a passenger's perspective, they want to move around, they want circulation, they want to go to the bathroom.

I can appreciate from your perspective, it would be difficult to enforce. 48 states have seat belt laws for car passengers, and I don't know any law enforcement agencies who have figured out how to enforce that.

I also understand if some of you are thinking: "if it's so rough passengers should be belted up, shouldn't I be, too?"

We have to think this out very, very carefully and find the right balance and use some common sense -- to me it's common sense that if you're seated, you wear your belt!

FINAL

V. Thank you

Usually when I end a speech, I challenge the audience to go out and do something great. I want to end by saying something you don't hear enough: and that's thank you. You do great work everyday.

I fly a lot. In fact, somebody figured out last month I was in 16 airports. I don't know if my title has anything to do with it, but flight attendants are very helpful to me!

I began my career in this town with the question, Senator Danforth asked at my hearing: How can I help United? How can I help our airlines compete?

I hope the President and I are helping, through opening routes, by improving the economy, by being a fair regulator.

I know we're globally competitive because of our technology, and because of our people. You're the front lines. You're the first Americans many visitors to our country meet. You're the ones who deserve the credit for the turnaround. So, I thank you.

And thank you very much for inviting me. I've enjoyed this.

# # # #

6.96

REMARKS PREPARED FOR DELIVERY
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
BIG EMERGING MARKETS
JULY 24, 1995
WASHINGTON, D.C.

draft 2 -- 12 minutes by Ilene

Thank you, for the kind words, and good afternoon.

Well, I have many kind words for Secretary Brown. Because of his leadership, and his travels around the world, he has opened the doors for American businesses like never before. The President always says he's the best Commerce Secretary this country has ever seen. I'll never understand why Republicans in Congress would want to shut down this Commerce Department, but that's another speech.

<u>President's Priority</u>

Traditionally, Transportation Secretaries haven't played much of a role in trade advocacy. But the

President decided he would turn loose each department and let it bring its expertise to support our businesses and the jobs they create.

Saudi Arabia

Role of others in Cabinet

Not only do you see Ron Brown and Mickey Kantor advocating, you see Hazel O'Leary helping our energy sector ... Carol Browner on the environment ... Bob Rubin on financial services ... Warren Christopher even has his embassies promoting American products ... and there's no better spokesman than the President.

#

What DOT is doing in emerging markets

First, understand, how important emerging markets are to our transportation companies. When you ask Detroit what markets they anticipate will be growing

the most, seven of their top 10 are big emerging markets. Understand, when you ask the same question to our aerospace companies -- again, seven of their top 10 are big emerging markets.

In Mexico, I've actively participated in hooking up U.S. investors and construction and engineering companies, with those in Mexico building nearly 3,000 miles of toll roads.

In China, we've provided technical assistance to upgrade their air navigation system, creating business opportunities for U.S. companies while simultaneously enhancing safety for air travellers.

In South Africa, I've sent my highway and transit administrators to look for opportunities for joint venture projects, where U.S. companies can collaborate to plan and manage projects.

In the two dozen OECD countries, we worked to eliminate subsidies in shipbuilding, leveling the playing field for all. It makes a difference: now, for the first time in 20 years, an American shipbuilder is building tankers for export.

In Hong Kong, we're working to upgrade our aviation agreement to increase service for our airliners. Beyond this single bilateral agreement, I've proposed to all our partners in the Asian-Pacific region that we explore options for liberalizing aviation markets, as we have been liberalizing them in Europe.

And last month, following the first ever meeting of transportation ministers from APEC economies, I took 17 counterparts to Denver, Seattle, and San Francisco. They saw first-hand what the U.S. transportation sector has to offer. We showcased airport

construction and operation ... aircraft manufacturing ... alternative fuels transit vehicles ... air traffic and vessel navigation systems ... and earthquake mitigation technologies.

I can tell from my mail we sparked interest in our goods and services. Many of my counterparts have written to say how impressed they were with American technology.

It is easy to advocate on your behalf, when you make great products.

#

Let me tell you what strikes me when I meet ministers from around the world -- whether from developed or developing countries.

It's their keen appreciation of the critical role transportation plays in their economic and social

development, and their ability to compete effectively in international markets. As our world moves to freer trade, we simply cannot afford inefficient and congested transportation systems.

Increase Transportation investments by BEMs

In Korea, there's the new Seoul airport ... in Hong Kong, the Chek Lap Kok Airport ... in Mexico, the possibilities for a new Mexico City airport.

In Poland ... and Argentina ... and Mexico, I see them privatizing their rail systems, to bring in investments.

In fact, I met with Polish Transportation Minister Liberadski -- twice -- to discuss their efforts. Last month, our railroad administrator went to Poland, with U.S. railroad industry reps, to explore partnerships between our rail sectors.

Mexico also is privatizing its ports systems -- again to bring in investments. I convened a meeting in Washington with my Mexican counterparts and with U.S. port management and financing experts to discuss a range of options. Already U.S. businesses are helping with that effort.

Too often in the past, countries have made transportation investments in isolation, rather than in coordination. We've been guilty of that. But through our work in APEC and in our own hemisphere, I see that changing. It's a very healthy trend.

Let me illustrate. With Mexico, we created a joint planning body that will identify mutual key infrastructure needs to make sure we're coordinating investments. To make sure one doesn't build a superhighway to the border while the other builds a

gravel road, we now agree on our priorities and the timing.

Links

I. Aviation

-- open skies (fly to south America)

-- at APEC, talked bottlenecks

-- safety and security

-- synchronizing ATC

II. Maritime

-- Intermodal Corridor in LA

-- Maritime System of the Americas

-- Taiwan -- special zone

Let me end by saying there are great opportunities for all of us to participate in big emerging markets.

I'm not done helping American companies export.

We're not done investing in our transportation

infrastructure that will make it easier to transport goods and people.

I'm looking forward to continue advocating on your behalf and to continue investing in our country, so long as Congress passes my budget.

Thank you very much.

# # # #

6.95

REMARKS PREPARED FOR DELIVERY
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
DOT HAMMER AWARDS CEREMONY
WASHINGTON, D.C.
JULY 24, 1995

(Introduction to be made by Melissa Spillenkothen)

Thank you, Melissa. I'd also like to thank you for your leadership in our efforts to reinvent and restructure DOT. I know it hasn't been easy, but I'm proud that we're a leader in reinventing government.

Events like today's are good not simply because they let us recognize the achievements of outstanding employee teams, but because they remind us of how far we've come.

It was just two years ago, in this very room, that Vice President Gore challenged us to improve our organization and the way we serve the public. We accepted that summons and began an intensive effort to reinvent ourselves.

When President Clinton, acting on his mandate for change, announced the National Performance Review and asked the Vice President to lead it, he said:

"Our goal is to make the entire federal government both less expensive and more efficient ... we intend to redesign, to reinvent, to reinvigorate the entire national government."

And now, two years later, we *have* made real progress towards those goals. Today, we're here to celebrate those successes -- and also to challenge ourselves to keep moving forward.

That's because success in reinventing ourselves is going to come from the efforts of those closest to our work -- by you, and me, and every other employee.

That commitment is symbolized by our Department's Strategic Plan, whose dominant theme is "putting *people* first."

The core of what it means to put people first is to view those who receive our products and services as our *customers*. Our programs are *not* ends in themselves, but ways to meet the needs of the American people.

That's why we've been setting service standards for our customers, just as any business does, and giving them the chance to tell us how we're doing -- because customer satisfaction *has* to be the driving force behind what we do.

By September we'll have adopted 30 of these standards, affecting almost all of us. And the positive results of working with our customers shows in the efforts of today's winners.

Beyond adopting a more business-like approach to customer service, we're also shifting from systems in which

people are accountable for *following rules* to systems in which they're accountable for *achieving results*.

We're creating a clear sense of mission and delegating the responsibility -- and the authority -- to get the job done.

That's why we're setting goals, decentralizing authority, and empowering those of you on the front lines to make your own decisions.

Because, if these new initiatives are to succeed, we need the help of *each* of you. The effort to "transform transportation" may seem slow: the ship of state doesn't turn on a dime. But it *is* happening. It's a once-in-a-generation opportunity to improve our operations *and* to make this a better, more rewarding place to work.

Together, we can create a work environment which truly encourages creativity, risk-taking, teamwork, and continuous, *positive* change -- a work environment that *will* transform transportation.

Thank you. Now, I'd like to join Melissa in presenting this year's Hammer Awards.

# # # # #

6c 94

FP -- County Execs, Tuesday, July 25
draft 3 -- 19 minutes (by Ilene)

John Horsley, who is a former NACO President and now on my staff, told me a story about Michael Hightower from here in Fulton County. Where are you Michael? You told John I've been to Atlanta 3 or 4 times, and I always visit the mayor, and not the county commissioner.

Well, I do have a rapport with mayors. But I'm delighted you've given me the chance to talk to county executives from all over the country, in one room, at one time.

In fact, I spoke to this group in '93, and I've been looking forward to coming back.

What some of you may not know is that in addition to being mayor of Denver I was a county official because Denver is a city and <u>county</u>. So for eight years, I ran the hospital ... social services ... the county jail ... and sheriff's department, and if that doesn't mean I speak your language, I don't know what does!

And you speak mine, because counties maintain 1.7 million miles of roads ... 219,000 bridges ... one third of the nation's transit system ... and one third of our airports.

Today, I want to talk about the challenge for our nation -- from Washington to the state and local level: Of how to meet the growing infrastructure needs of our country at a time of deficit reduction.

We have growing needs.

Ten years from now, in this hemisphere, we'll see 80 percent more air traffic and 40 percent more port traffic. We better ask -- do we have the airports and ports to handle that?

In 10 years, in this country, we'll see a 20 percent increase in truck traffic. If you think the Los Angeles freeways are crowded now, it wouldn't surprise me to see the average speed at 15 miles an hour one day.

And 10 years from now, we will have a balanced budget. Maybe that's the hardest of all to imagine, but it is what the President and the Republicans want.

Look at the consequences to transportation of a balanced budget, and I'll do this with five year numbers, because nobody has figured out the 10 year numbers yet.

In five years, the President would cut transportation spending by $22 billion. The Senate and the House propose $32 billion in cuts -- $10 billion more than the President. In my opinion, that would be a train wreck.

Nationally, about one-fifth of the money used to build highways ... one-quarter of the money to build airports ... half of transit operating and building money comes from the federal government.

Cut some of that funding, and who will make up the difference? Who will pick up the slack? Do you want to raise state and local taxes to pick up what Washington isn't contributing.

I worry if we'll have the money to make sure our transportation systems are safe and secure, because that's one of my highest priorities.

The $10 billion difference between the President and the Congress would eliminate Amtrack operating subsidies. Amtrack serves 10 million households in America that have no access to an automobile. What on earth are they supposed to do?

I believe the best kept secret in the country is that Washington has become austere already. There are 150,000 fewer employees than the day President Clinton took office. I have about 5,000 less at the Transportation Department.

In the future, our resources will be scarcer, our cuts will be deeper, but I am determined, regardless of what happens, to meet our transportation challenges.

Every generation before us has. When canals didn't work well enough, Americans built railroads; and Americans supplemented railroads with highways; and highways with airports.

This time our innovation won't be one new sector, one new breakthrough. It will be a series of strategies. It will be innovative financing ... and technology ... and re-inventing government to create new public-private partnerships.

Take innovative financing. I want to make life easier for local and state officials, because the last thing I wanted from Washington was to have them tell me what to do when I was building an airport in Denver.

Traditionally, Washington supported projects through matching grants. We had 50 programs, and the game was everyone would waste time jumping bureaucratic hoops to fit their needs into very rigid funding categories.

A year and a half ago, I threw away the rule book. I got federal restrictions out of the way. I didn't offer new money -- just <u>new rules</u>. The states were interested.

We've approved 35 projects involving nearly $2 billion -- again, without using any new federal funds.

Let me give you some examples:

In Romulus, Michigan, local authorities for 10 years had wanted to build an interchange to connect the interstate to the regional airport, but they lacked state matching funds. And we said in our rigid way: without state funds -- no deal -- and nothing can substitute for a state fund. Under innovative financing, a private developer contributed the state's portion of the matching funds, we said that's acceptable, and construction is now underway.

The Mayor of Romulus tell us she's happy; so is the head of the Michigan Department of Transportation. She's a <u>Democrat</u> ... he's a <u>Republican</u>!

One more: South Carolina will construct a half-a-billion dollar, 30-mile toll road to give better access to Myrtle Beach, one of the top destination resorts in America today. South Carolina knows there's a one to one relationship in investing in highway capacity and expanding jobs.

They put together a public/private partnership that included proceeds from a 1 cent sales tax in Horray County ... and a developer putting his own funds into it. We gave them flexibility to repay the package, which permits more timely construction, which cuts their costs. If we hadn't given them flexibility, it would be 20 years before that road would be built. Can you imagine the construction costs then?

Earlier this year, we issued another call to the states to submit their proposals to us for another round of projects.

They've worked so well at the state level, I'm convinced we can broaden the array of financial possibilities to counties and cities. I told John Horsley, I want to find ways to do this. I've asked him to look into this, to figure out the best approach, and if you have suggestions, call him.

Another way we'll face up to fiscal constraints is through technology.

In the 1950s, we built the interstates that provided capacity for two generations of Americans: for my parents' ... and for my mine. But where is the capacity for our children?

Not only is there dwindling resources, there is no land for another interstate. That capacity will have to come from technology. My staff tells me intelligent transportation systems -- making the highways smart -- will gain us up to a third more capacity on our current highways.

For example, this is a toll card used by a quarter million motorists in Oklahoma. They velcro this onto the dashboard and

instead of stopping at toll booths ... they drive through a special card lane ... pass an electronic reader that debits their personal account ... and they drive straight through. Oklahoma has cut its toll collection costs 90 percent per lane. It saves a million hours a year of toll congestion, cuts pollution, and has cut accidents to zero in the pass thru-lane.

Tomorrow, I'll be in San Antonio opening a traffic management system that eventually will monitor 190 miles of freeways. On Thursday, I'll see the new home for a similar center in Houston that will coordinate all 3,000 traffic signals in Harris County,

And this fall, on I-75, which runs through counties from Florida to Canada, I'll turn on what will become a network of 300 electronic weigh stations that will have trucks check in once at the beginning of their trip, and then let them be checked electronically at all the others -- letting safe trucks through without stopping.

Deploying technologies are local decisions, and I encourage you -- look into them. Dr. Christine Johnson, who heads the efforts for me will discuss this later today, and please go meet her.

Third, and finally, I think re-inventing government will help us in a fiscally austere environment. I've been getting rid of unnecessary regulations since the day I walked in.

Out the door are 1,450 pages of the Code of Federal Regulations ... we're eliminating requirements that will save the big railroads 3.6 million paper records a year.

Just last week we put this out -- a guide to metropolitan transportation planning under ISTEA, the law authorizing highway and transit money. This explains to county officials all the fine print only a lawyer could love (and I'm a lawyer!)

To me, one key way to re-invent government, is to re-invent partnerships between locals, states, and Washington.

For example: If your locality has dirty air, Washington gives you money to clean it up. If you clean it up, you lose your funds. So the incentive is to keep your air dirty, right?

Based on ideas from local officials, we changed the rules last week to give localities that clean up their air a two-year transition period. Funds continue for two years, so they won't slip backwards.

One last example: should you want to build a bike path in a park and you want to use only county money, with minimal hassles -- you go build it, right?

But get Washington as your partner, and you'd have to fill out paper work to prove it's not an historical site ... you'd have to go through an environmental checklist ... you'd have to prove your bike path is not detrimental to the park .... and should a boy scout group want to offer some free labor, you'd have had to hire a team of lawyers to figure out how to get around that.

I see an unnecessary piling on, and I want my Department to work at cutting through the (pardon my English) crap.

It's just plain old common sense. I'm a former local official, and local officials use common sense. It's that easy.

Let me end on this. What both the President and the Republicans want is to eliminate the deficit. We will have arguments over how to do it ... and what areas to cut ... and where we need to make investments.

I can throw out scary numbers all day and say there's no way we can do it as we have more goods and people to transport -- but let's be honest, Americans aren't going to get as worked up about roads as they will their Medicare cuts.

When it comes to roads, they just <u>expect</u> we'll figure out a way to work with less money. And we will.

Of all the people in our country, you and the mayors and the state legislators have the best opportunity to help me throw out the regulations ... throw out the rules book ... bring in technology ... bring in partners ... bring in innovative financing. So, let's work, together. I need your help.

And Michael, next summer, if you'd like me to visit Atlanta's county officials, I'd be glad to -- of course, I can tell you now, I'll also need a few Olympic tickets. Thank you.

-30-

6.93

TALKING POINTS
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
OLYMPIC PLAQUE PRESENTATION
ATLANTA, GEORGIA
JULY 25, 1995

(Plaque to be presented by Rex McClelland, Senior Vice President, Corporate Sservice, Delta Airlines, and Gerald Bartles, President, Atlanta Chamber of Commerce)

* I'd like to thank you for this plaque. I want to accept it on behalf of the men and women of the Department of Transportation, who are so committed to helping you make the Atlanta Olympics and Paralympics a success.

* Supporting these Olympics is a high priority for the federal government from President Clinton on down. We want the centennial Olympics to be a showcase for America in everything from technology to tourism. To do this, the President has pledged the full support of the federal government to help Atlanta get ready.

* We at the Department of Transportation are ready to do everything necessary to ensure that Atlanta can handle the traffic generated by both of these Games.

* We want the transportation systems developed for the Olympics and Paralympics to be efficient and convenient for everyone -- for the athletes and officials, for the hundreds of thousands of visitors, and for the area residents who will need to travel during the Games.

* Towards that end, the President has committed the federal government's full cooperation for transportation improvements in Atlanta -- most of which will remain to serve Atlanta for years to come. Right here at Hartsfield, we've supported a new concourse and terminal improvements.

* We're funding expansions of MARTA transit service, new road and pedestrian improvements, and -- most significantly -- the first of a new generation of Intelligent Transportation Systems made possible by the President's commitment to supporting the use of advanced technologies in transportation.

* They'll help to make these Games a success not only *on* the field, but *off* the field as well. That's important to all of us, because these are not only Atlanta's Olympics: they're *America's* Olympics.

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

* For a month, the whole world will be watching Atlanta -- and the United States. These Games are a great opportunity for America to showcase the energy, the talents, and the creativity that have contributed so much to our success as a nation.

* They'll also be an economic and tourism boost to Atlanta -- and to the entire nation. Most importantly, they'll rekindle the pride all Americans felt at the success of the Los Angeles Games.

* I'd like to close by saying that these Olympics and Paralympics will be America's moment: I know we're going to come away with the gold.

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6.92

TALKING POINTS
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
MARTA OLYMPIC GRANTS
ATLANTA, GEORGIA
JULY 25, 1995

(Introduction to be made by Rick Simonetta, MARTA General Manager and Chairman, American Public Transit Association)

* Thank you, Rick, for that introduction -- and for your leadership in helping Atlanta prepare for the Olympics. I also want to acknowledge Andy Fleming, CEO of the Paralympics; Morris Dillard of ACOG; Wayne Shackleford of the Georgia Department of Transportation; and our Federal Transit Administrator, Gordon Linton.

* I'm happy to be in Atlanta -- home of the Centennial Olympics and the 1996 Paralympics. Supporting the Games is a high priority for President Clinton. He wants them to be a showcase for America, and he's pledged the full support of the federal government to help Atlanta get ready.

* One of the key ways we're supporting Atlanta is through transportation systems to help athletes, officials, visitors, and area residents travel safely and conveniently during the Games. Today, I'm pleased to announce two grants totalling $28 million for transportation programs here in Atlanta.

* First, we're providing $15 million to help MARTA operate and maintain buses to be used in transporting athletes and visitors -- reducing traffic congestion throughout the Atlanta region.

* These are part of a total of 2,000 buses donated by transit agencies around the country for Atlanta's use during the Olympics and Paralympics.

* This grant will also support the Paralympics Transportation System -- a variety of special transportation services for athletes and visitors to the Paralympics.

* Second, we're awarding $13 million -- to be matched by $3.25 million in local funds -- for the first part of a regional Intelligent Transportation System.

* This element of the system will give people real-time information on transit routes, schedules, and conditions. These user-friendly kiosks will let visitors and residents alike find out quickly and accurately what their travel options are.

* This is part of the "core infrastructure" of state-of-the-art communications and information technology that will form an eventual regional system of traffic management and travel information services -- using the Information Highway to make our asphalt highways and transit systems safer and more efficient.

* Today's grants are part of a federal commitment that will contribute more than $400 million for transportation programs and projects alone -- most of which will remain as part of the Games' legacy to Atlanta.

* They'll help to make these Games a success not only *on* the field, but *off* the field as well. That's important to all of us, because these are not only Atlanta's Olympics: they're *America's* Olympics.

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

* For a month, the whole world will be watching Atlanta -- and the United States. These Games are a great opportunity for America to showcase the energy, the talents, and the creativity that have contributed so much to our success as a nation.

* They'll also be an economic and tourism boost to Atlanta -- and to the entire nation. Most importantly, they'll rekindle the pride all Americans felt at the success of the Los Angeles Games.

* I'd like to close by saying that these Games will be America's moment: I know we're going to come away with the gold.

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TALKING POINTS
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
MEETING WITH ATLANTA COMMITTEE FOR
THE OLYMPIC GAMES TRANSPORTATION STAFF
ATLANTA, GEORGIA
JULY 25, 1995

(Introduction to be made by Billy Payne, Chief Executive Officer, Atlanta Committee for the Olympic Games)

* The countdown has begun... there are now only 376 days... until the Closing Ceremonies, when Billy Payne can relax for the first time in 10 years. Seriously, Billy, your leadership of the preparation for these Games has been inspirational. No one who has watched you can doubt that America still has the spirit to succeed.

* Of course, you're not alone. ACOG's staff has already built a reputation for excellence, and I'm happy to have the chance to meet those responsible for transportation during the Olympics.

* The work that you're doing is among the most important of the entire Games. If there's one thing that event organizers learned from the otherwise superb Lake Placid Winter Olympics of 1980, it's the importance of a sound transportation system for moving athletes, officials, visitors, and residents.

* Los Angeles took that lesson to heart four years later, and developed transportation programs which suspended that

city's legendary gridlock. In fact, I was out there just last week, and local officials still point to the management of traffic during the Games as an example of how people from all parts of a community can come together to solve a tough problem.

* Well, we learned a lot from Los Angeles -- and we've learned a lot since then about how to manage traffic at special events. You're going to benefit from things like Intelligent Transportation Systems, which were only a dream a decade ago, but which are reality today.

* You're also going to benefit from a strong federal commitment -- a commitment that's directly due to President Clinton, who wants the centennial Olympics to be a showcase for America.

* We want to help you make these Games a success not only *on* the field, but *off* the field as well. That's important to all of us, because these are not only Atlanta's Olympics: they're *America's* Olympics.

* I'd like to close by saying that I'm proud of you and your commitment. These Olympics will be America's moment: I know we're going to come away with the gold.

# # # # #

U.S. Department of Transportation

TRANSPORTATION TRENDS

REMARKS AS PREPARED FOR DELIVERY
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
TRANSGUIDE OPERATIONS CENTER OPENING
SAN ANTONIO, TEXAS
JULY 26, 1995

TransGuide is an extraordinary system, but it's only the beginning -- part of the "core infrastructure" of state-of-the-art communications and information technologies that will form an eventual regional system of traffic management and travel information services.

This will be the first of a new generation of transportation infrastructure. Unlike the "one size fits all" projects of the past, these projects will be tailored to local needs and selected by local decision-makers. TransGuide is the first of this generation in San Antonio, and it's going to have tremendous benefits for the entire region.

I think that the other speakers today have explained those benefits quite clearly, so I'd like to talk about something else: the threat to the American transportation technology that has made TransGuide a reality.

That technology has been created through partnerships that unite American private-sector ingenuity with public-sector resources. Most of those resources are provided through a federal transportation research budget for which the President has proposed nearly $1.1 billion in 1996, more than 50 percent more than just three years ago.

I've recommended increased research even as we decreased overall transportation spending in order to cut the deficit. That's because I believe that adequate funding of research and development is critical: technology is no place to scrimp on investment.

(More)

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

Technology can increase transportation efficiency -- and just a one percent improvement in efficiency can save our economy *$100 billion* over a decade, and make us far more competitive internationally.

These new technologies also can help us to increase safety -- overcome the traffic congestion and pollution that erode our quality of life -- and make the most of our existing transportation system without expensive new construction.

Finally, these technologies are the seeds of new American industries -- producing not only for domestic markets but also for export -- and creating hundreds of thousands of secure, high-wage jobs for American workers.

I think these reasons for investment in technology research speak for themselves -- but some people in Congress don't. They've proposed drastic cuts in our proposed research budget -- about 35 percent, including cuts in the technologies we saw here today.

That's a mistake. There was an old saying among early American settlers: "don't eat the seed corn." If you do, you won't have the seed to start next year's crop -- and then you'll *surely* starve.

That's where we are with technology. Our funding of research is our seed corn. We have to sustain it if we're going to benefit in the years to come. I hope that, as Congress moves through the budget process, it recognizes this simple fact: *you can't reap what you didn't sow*.

We in the Clinton Administration understand that, and have supported the new generation of American technology that has created breakthroughs like TransGuide and -- in other fields -- the Internet, a revitalized semiconductor industry, and the miracle of biotechnology.

Tomorrow's scientific breakthroughs are at risk today. Fortunately, it's not too late. We're in a great national debate over our priorities. The Clinton Administration's position in this debate is clear: we stand for the federal investment in research and technology that can improve our economic security and the quality of our lives.

As this debate takes place, it's vital that all Americans make their voices heard -- so that systems like TransGuide can continue to develop the services they provide, and so that our nation's future prosperity and well-being won't be sacrificed for short-term savings.

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6.90

FP -- County Execs, Tuesday, July 25
draft 3 -- 19 minutes (by Ilene)

John Horsley, who is a former NACO President and now on my staff, told me a story about Michael Hightower from here in Fulton County. Where are you Michael? You told John I've been to Atlanta 3 or 4 times, and I always visit the mayor, and not the county commissioner.

Well, I do have a rapport with mayors. But I'm delighted you've given me the chance to talk to county executives from all over the country, in one room, at one time.

In fact, I spoke to this group in '93, and I've been looking forward to coming back.

What some of you may not know is that in addition to being mayor of Denver I was a county official because Denver is a city and <u>county</u>. So for eight years, I ran the hospital ... social services ... the county jail ... and sheriff's department, and if that doesn't mean I speak your language, I don't know what does!

And you speak mine, because counties maintain 1.7 million miles of roads ... 219,000 bridges ... one third of the nation's transit system ... and one third of our airports.

Today, I want to talk about the challenge for our nation -- from Washington to the state and local level: Of how to meet the growing infrastructure needs of our country at a time of deficit reduction.

We have growing needs.

Ten years from now, in this hemisphere, we'll see 80 percent more air traffic and 40 percent more port traffic. We better ask -- do we have the airports and ports to handle that?

In 10 years, in this country, we'll see a 20 percent increase in truck traffic. If you think the Los Angeles freeways are crowded now, it wouldn't surprise me to see the average speed at 15 miles an hour one day.

And 10 years from now, we will have a balanced budget. Maybe that's the hardest of all to imagine, but it is what the President and the Republicans want.

Look at the consequences to transportation of a balanced budget, and I'll do this with five year numbers, because nobody has figured out the 10 year numbers yet.

In five years, the President would cut transportation spending by $22 billion. The Senate and the House propose $32 billion in cuts -- $10 billion more than the President. In my opinion, that would be a train wreck.

Nationally, about one-fifth of the money used to build highways ... one-quarter of the money to build airports ... half of transit operating and building money comes from the federal government.

Cut some of that funding, and who will make up the difference? Who will pick up the slack? Do you want to raise state and local taxes to pick up what Washington isn't contributing.

I worry if we'll have the money to make sure our transportation systems are safe and secure, because that's one of my highest priorities.

The $10 billion difference between the President and the Congress would eliminate Amtrack operating subsidies. Amtrack serves 10 million households in America that have no access to an automobile. What on earth are they supposed to do?

I believe the best kept secret in the country is that Washington has become austere already. There are 150,000 fewer employees than the day President Clinton took office. I have about 5,000 less at the Transportation Department.

In the future, our resources will be scarcer, our cuts will be deeper, but I am determined, regardless of what happens, to meet our transportation challenges.

Every generation before us has. When canals didn't work well enough, Americans built railroads; and Americans supplemented railroads with highways; and highways with airports.

This time our innovation won't be one new sector, one new breakthrough. It will be a series of strategies. It will be innovative financing ... and technology ... and re-inventing government to create new public-private partnerships.

Take innovative financing. I want to make life easier for local and state officials, because the last thing I wanted from Washington was to have them tell me what to do when I was building an airport in Denver.

Traditionally, Washington supported projects through matching grants. We had 50 programs, and the game was everyone would waste time jumping bureaucratic hoops to fit their needs into very rigid funding categories.

A year and a half ago, I threw away the rule book. I got federal restrictions out of the way. I didn't offer new money -- just new rules. The states were interested.

We've approved 35 projects involving nearly $2 billion -- again, without using any new federal funds.

Let me give you some examples:

In Romulus, Michigan, local authorities for 10 years had wanted to build an interchange to connect the interstate to the regional airport, but they lacked state matching funds. And we said in our rigid way: without state funds -- no deal -- and nothing can substitute for a state fund. Under innovative financing, a private developer contributed the state's portion of the matching funds, we said that's acceptable, and construction is now underway.

The Mayor of Romulus tell us she's happy; so is the head of the Michigan Department of Transportation. She's a Democrat ... he's a Republican!

One more: South Carolina will construct a half-a-billion dollar, 30-mile toll road to give better access to Myrtle Beach, one of the top destination resorts in America today. South Carolina knows there's a one to one relationship in investing in highway capacity and expanding jobs.

They put together a public/private partnership that included proceeds from a 1 cent sales tax in Horray County ... and a developer putting his own funds into it. We gave them flexibility to repay the package, which permits more timely construction, which cuts their costs. If we hadn't given them flexibility, it would be 20 years before that road would be built. Can you imagine the construction costs then?

Earlier this year, we issued another call to the states to submit their proposals to us for another round of projects.

They've worked so well at the state level, I'm convinced we can broaden the array of financial possibilities to counties and cities. I told John Horsley, I want to find ways to do this. I've asked him to look into this, to figure out the best approach, and if you have suggestions, call him.

Another way we'll face up to fiscal constraints is through technology.

In the 1950s, we built the interstates that provided capacity for two generations of Americans: for my parents' ... and for my mine. But where is the capacity for our children?

Not only is there dwindling resources, there is no land for another interstate. That capacity will have to come from technology. My staff tells me intelligent transportation systems -- making the highways smart -- will gain us up to a third more capacity on our current highways.

For example, this is a toll card used by a quarter million motorists in Oklahoma. They velcro this onto the dashboard and

instead of stopping at toll booths ... they drive through a special card lane ... pass an electronic reader that debits their personal account ... and they drive straight through. Oklahoma has cut its toll collection costs 90 percent per lane. It saves a million hours a year of toll congestion, cuts pollution, and has cut accidents to zero in the pass thru-lane.

Tomorrow, I'll be in San Antonio opening a traffic management system that eventually will monitor 190 miles of freeways. On Thursday, I'll see the new home for a similar center in Houston that will coordinate all 3,000 traffic signals in Harris County,

And this fall, on I-75, which runs through counties from Florida to Canada, I'll turn on what will become a network of 30 electronic weigh stations that will have trucks check in once at the beginning of their trip, and then let them be checked electronically at all the others -- letting safe trucks through without stopping.

Deploying technologies are local decisions, and I encourage you -- look into them. Dr. Christine Johnson, who heads the efforts for me will discuss this later today, and please go meet her.

Third, and finally, I think re-inventing government will help us in a fiscally austere environment. I've been getting rid of unnecessary regulations since the day I walked in.

Out the door are 1,450 pages of the Code of Federal Regulations ... we're eliminating requirements that will save the big railroads 3.6 million paper records a year.

Just last week we put this out -- a guide to metropolitan transportation planning under ISTEA, the law authorizing highway and transit money. This explains to county officials all the fine print only a lawyer could love (and I'm a lawyer!)

To me, one key way to re-invent government, is to re-invent partnerships between locals, states, and Washington.

For example: If your locality has dirty air, Washington gives you money to clean it up. If you clean it up, you lose your funds. So the incentive is to keep your air dirty, right?

Based on ideas from local officials, we changed the rules last week to give localities that clean up their air a two-year transition period. Funds continue for two years, so they won't slip backwards.

One last example: should you want to build a bike path in a park and you want to use only county money, with minimal hassles -- you go build it, right?

But get Washington as your partner, and you'd have to fill out paper work to prove it's not an historical site ... you'd have to go through an environmental checklist ... you'd have to prove your bike path is not detrimental to the park .... and should a boy scout group want to offer some free labor, you'd have had to hire a team of lawyers to figure out how to get around that.

I see an unnecessary piling on, and I want my Department to work at cutting through the (pardon my English) crap.

It's just plain old common sense. I'm a former local official, and local officials use common sense. It's that easy.

Let me end on this. What both the President and the Republicans want is to eliminate the deficit. We will have arguments over how to do it ... and what areas to cut ... and where we need to make investments.

I can throw out scary numbers all day and say there's no way we can do it as we have more goods and people to transport -- but let's be honest, Americans aren't going to get as worked up about roads as they will their Medicare cuts.

When it comes to roads, they just <u>expect</u> we'll figure out a way to work with less money. And we will.

Of all the people in our country, you and the mayors and the state legislators have the best opportunity to help me throw out the regulations ... throw out the rules book ... bring in technology ... bring in partners ... bring in innovative financing. So, let's work, together. I need your help.

And Michael, next summer, if you'd like me to visit Atlanta's county officials, I'd be glad to -- of course, I can tell you now, I'll also need a few Olympic tickets. Thank you.

-30-

6.89

FP
Houston Traffic Management Grant 7/26/95
draft 1 -- 3.5 minutes (by Ilene)

No speech. Would rather take questions. But let me make a few points.

First, had terrific tour led by the Mayor. What impressed me most was hearing that in the last 10 years, Houston has reduced congestion more than any other city. As a former mayor, I'm envious.

Mayor, if you ever decide to pursue a new career, you'd make a great Transportation Secretary.

In the last two days, I've visited three mass transit systems -- in Atlanta as they prepare for the Olympics ... in San Antonio ... and now here. Each time I think it doesn't get any better than what I've just seen, and Houston just proved it does.

Second, the Mayor talked about the help he's received from Washington, but let's face it: my transportation budget is being cut ... we'll have dwindling resources to build infrastructure in the future ... and there isn't any land in the middle of cities to build highways anyway.

But what isn't dwindling, is the number of drivers during rush hour.

To increase capacity, we must employ state-of-the art technology and manage the roads better. If we do this right -- and HOV is one common sense technique -- we can gain up to a third more capacity on our current roads.

Plus, HOV makes the commute faster. I live __ miles from work, and it takes me ___ minutes, if I drive in an HOV lane, and ___ minutes longer if I don't.

Plus, it's better for the car than idling in at 15 miles an hour, and it's better for the gas mileage, so the environment benefits.

So, Mayor, I have a check for you to modernize and enhance your 64 miles of HOV lanes. I understand you'll put up electronic messaging that will make the lanes less complicated, and you'll make safety modifications to prevent the possibility of making wrong way movements.

When you complete this project and the bus system, I have no doubt people around our country will think of Houston as the city that has brought space-age technology to the roads.

So, here it is: $3,854,836.

-30-

6.88

TALKING POINTS
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
TRANSGUIDE OPERATIONS CENTER OPENING
SAN ANTONIO, TEXAS
JULY 26, 1995

(Introduction to be made by Judge Cindy Krier)

* Thank you, Judge Krier, for that introduction. I'd like to congratulate John Kelly, Dick Tankerson, Bill Burnett, and Bob Marbuck.

* TransGuide is an extraordinary system, but it's only the beginning -- part of the "core infrastructure" of state-of-the-art communications and information technologies that will form an eventual regional system of traffic management and travel information services.

* This will be the first of a new generation of transportation infrastructure. Unlike the "one size fits all" projects of the past, these projects will be tailored to local needs and selected by local decision-makers. TransGuide is the first of this generation in San Antonio, and it's going to have tremendous benefits for the entire region.

* I think that the other speakers today have explained those benefits quite clearly, so I'd like to talk about something else: the threat to the American transportation technology that has made TransGuide a reality.

* That technology has been created through partnerships that unite American private-sector ingenuity with public-sector resources. Most of those resources are provided through a federal transportation research budget for which the President has proposed nearly $1.1 billion in 1996, more than 50 percent more than just three years ago.

* I've recommended increased research even as we decreased overall transportation spending in order to cut the deficit. That's because I believe that adequate funding of research and development is critical: technology is no place to scrimp on investment.

* Technology can increase transportation efficiency -- and just a one percent improvement in efficiency can save our economy *$100 billion* over a decade, and make us far more competitive internationally.

* These new technologies also can help us to increase safety -- overcome the traffic congestion and pollution that erode our quality of life -- and make the most of our existing transportation system without expensive new construction.

* Finally, these technologies are the seeds of new American industries -- producing not only for domestic markets but also for export -- and creating hundreds of thousands of secure, high-wage jobs for American workers.

* I think these reasons for investment in technology research speak for themselves -- but some people in Congress don't. They've proposed drastic cuts in our proposed research budget -- about 35 percent, including cuts in the technologies we saw here today.

* That's a mistake. There was an old saying among early American settlers: "don't eat the seed corn." If you do, you won't have the seed to start next year's crop -- and then you'll *surely* starve.

* That's where we are with technology. Our funding of research is our seed corn. We have to sustain it if we're going to benefit in the years to come. I hope that, as Congress moves through the budget process, it recognizes this simple fact: *you can't reap what you didn't sow*.

* We in the Clinton Administration understand that, and have supported the new generation of American technology that has created breakthroughs like TransGuide and -- in other fields -- the Internet, a revitalized semiconductor industry, and the miracle of biotechnology.

* Tomorrow's scientific breakthroughs are at risk today. Fortunately, it's not too late. We're in a great national debate over our priorities. The Clinton Administration's position in this debate is clear: we stand for the federal investment in research and technology that can improve our economic security and the quality of our lives.

* As this debate takes place, it's vital that all Americans make their voices heard -- so that systems like TransGuide can continue to develop the services they provide, and so that our nation's future prosperity and well-being won't be sacrificed for short-term savings. Thank you.

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6.87

REMARKS PREPARED FOR DELIVERY
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
CONTINENTAL
HOUSTON, TEXAS
JULY 27, 1995

draft 1 (by Ilene)

I. Town Hall Like President At Boeing.

When I became Secretary, the industry had lost about $10 billion, and Continental hadn't made a profit since 1986. So one of the first things I did was to take the President to Boeing to meet with leaders from the airlines and aerospace industry. We sat around a table and we listened, and we asked: What can we do in Washington for you?

Today, I'd like to use that same format -- to listen and learn from you. To hold a town hall meeting. I want you to ask me about anything you'd like -- however, controversial.

But first, let me start with a few observations.

II. Economic Rebound

I told the President back then, that for the airline sector to rebound, the overall economy had to rebound.

In 2 1/2 years:

-- 7 million jobs

-- lowest unemployment and inflation rates in 25 years

-- deficit reduction; balanced budget in 10 years

-- government cut 150,000 jobs

III. Airline Rebound

My strategy for the airlines industry has been:

A. Commission.

B. Open skies.

1. Canada: you can fly 5 new routes

-- Newark to Montreal ... Newark to Vancouver ...

-- Houston to Toronto ... Houston to Montreal ... Houston to Vancouver

2. North America: 80% increase in traffic in 10 years.

3. Europe: 8 (almost 9) agreements

-- UK: frustrating (how can Houston, 3rd busiest airport, and Newark have no direct flights to Heathrow?)

4. Asia: Fed Ex

5. U.S. share of international market: 53%.

C. Aviation Safety

D. ATC Reform.

-- I'm very concerned about what Congressional budget could do to the entire air traffic control system. We proposed to create a government-owned ATC Corporation last year. Without some

form of fundamental change, we're in for air traffic control staffing cuts, even slower introduction of new technology, and mounting delays for all carriers.

IV. Regulatory Role

I have a dual role. I advocate, but I also regulate. We may disagree sometimes, but I try to be fair. Let me tackle some tough ones:

Gas Tax Exemption -- I was supportive two years ago, when the President asked Congress to enact it. But I think now is an appropriate time -- given the industry is profitable (Continental earned over $100 million, 2nd quarter)... and in fairness to other transportation sectors paying the tax -- that the industry pays the tax. The President and the Republican leadership are serious about balancing a budget. If we continue to exempt

the airlines, by law, we'd have to make up the money somewhere else -- in medicare or social security cuts, or in somebody else's hide -- and nobody's volunteering.

Delays at Newark -- I know you have half the traffic out of Newark, and until recently Newark led the nation four years in a row in flight delays. FAA is very concerned ... they're working on solving the problem ... they've added an instrument landing system on one runway and hopefully the next one will be installed on a speedier basis ... they've changed the approach for Teterboro to stop smaller planes from conflicting with air traffic at Newark ... they're hiring 10 more air traffic controllers. The answers take time and money, but I'm for moving forward as quickly as possible.

Change in On-Time -- I know Continental hasn't taken a stand, but I've been told many of you think mechanical delays should be counted in on-time performance, because you think some people liberally interpret mechanical delays. How many of you think they should be included -- raise your hand? In June, I made the proposal not to include them, because of the alleged safety risk. We're now in the middle of the rule-making process (we're receiving comments through August 5th) and after we examine them carefully, we'll make a decision.

V. Challenge -- On Time Performance

One last thing before I open it up. Usually I end by challenging an audience to go out and do something great. I think your management challenged you

already, and you have done something great: a total reversal on your on-time record.

It's unique in this industry to tie bonuses to on-time performance. They tell me you earn $65 a month, every time you rank in the top half of my Department's arrivals standing. So good luck.

Questions?

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