6-46

U.S. Department of Transportation

News:

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

REMARKS PREPARED FOR DELIVERY
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
DOPPLER RADAR DEDICATION
DALLAS-FORT WORTH, TEXAS
OCTOBER 6, 1995

DALLAS -- Two years ago I called for a major overhaul of the nation's air traffic system. I told the American people and the Congress that while our system is safe, it had old equipment, inadequate financing and personnel rules that made it difficult to assign air traffic controllers and maintenance personnel where we needed them.

I invited the press to take pictures of our towers and the old radar screens. I wanted everyone to see first-hand what we were up against. For some of you here this might not be your first visit. I'm glad you're here today to witness our latest effort to keep this vital airport up to date.

But we can't modernize the aviation system alone. We need help from Congress. That's why Vice President Gore and I sent reform legislation to the Congress to correct these problems. I hope by the end of the year that Congress will consider bipartisan FAA reform legislation sponsored by Senators McCain, Ford and Hollings. The FAA needs the flexibility provided on this legislation to operate more like a business.

In the meantime, our air traffic control system has experienced interruptions, power outages, and other problems that have caused the travelling public to raise questions about the safety of the system.

Let me assure you: American skies are the safest, anywhere, period. Flying continues to be the safest way to travel. And I'm committed to doing whatever it takes to keep it that way.

Our aviation system is safer now than it was last year ... safer than a decade ago. How do we know that? Well, the yardstick we use to measure how well the

- more -

system is working is called "equipment availability." This tells us how much of the time the system is up and running.

In 1985, a low point, controller equipment was available 98.6 percent of the time. Today it's running at 99.4 percent.

That means 99.4 percent of the time the nation's air traffic control system is fully operational, 24 hours a day, 7 days a week, every day of every year, even with 30-year- old equipment. It's a real testament to the hard work and dedication of the FAA technicians who keep the system operating and to the air traffic controllers who use it.

Still, that's not good enough. I want availability to be 100 percent ... all the time. That's my goal. And we have a strategy to get there.

We are in the process of aggressively installing the most technologically advanced system in the world. It's a bold and sophisticated project that will cost some $5.4 billion. This modernization effort is the backbone of the air traffic system of the future.

We will replace the 30-year- old display consoles, install modern controller workstations, and allow for future additions of new technologies of the next century. It will take time to make this high-tech system fully operational.

But we're not waiting in the meantime. We're constantly updating and improving the current system. And shifting personnel to the busiest airports.

For example, we recently sped up the timetable for installing new, interim support computer software and hardware to replace today's old computers at five of our busiest centers ... including this one ... by early 1997. In fact, we've installed some 2,700 new pieces of advanced gear over the last two years -- that's about 10 percent of existing equipment.

So today, I take great pride in being here to dedicate another new technology -- this new Doppler Weather Radar (TDWR) system. It's the latest effort to make sure our system is the best in the world, second to none.

This doppler system, in a word, is spectacular. You might call it a souped-up version of the doppler systems used by local TV weathermen. David Hinson, the FAA Administrator, will explain how it works in greater detail in just a minute.

This new system virtually eliminates the threat of deadly wind shears by enabling airport controllers to pinpoint them in arrival and departure corridors around airports. Aircraft can then be guided around these dangerous wind bursts.

This system should ensure that the1985 Delta tragedy that occurred here doesn't happen again.

Around the country, wind shear is the number one killer of U.S. airline passengers ... over 575 deaths since 1970. I'm changing that.

We're spending $380 million on 45 of these doppler units across the country. To date seven are operational, including this one at Dallas-Ft. Worth. This is a critical program. The FAA and its corporate partners have spent a lot of time and effort in developing this innovative technology.

Detecting deadly weather patterns is a problem we can and will effectively deal with. There is no higher priority than the safety of our skies.

Let me close by congratulating Dallas - Ft. Worth on recently becoming the second-busiest airport in the country. Some 50 million travellers pass through here each year. And the airport generates some $6 billion a year for the North Texas economy, I'm told. Pretty impressive.

That says a lot about how the local economy is developing and the vision of local leaders and businessmen. And I always like to see my home state getting ahead.

Thank you.

# # # #

TALKING POINTS PREPARED FOR
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
COAST GUARD SIGNING CEREMONY
OCTOBER 2,1995
WASHINGTON, D.C.

- Good morning. Thanks Admiral Kramek.

- No long speech. But did want to thank Secretary Perry, ***(Navy)*** Secretary Dalton, and Vice Admiral Reason ***(deputy chief of Naval Operations)*** for coming to Coast Guard headquarters for this ceremony.

- Coast Guard is a valuable national security asset. Secretary Perry and I recently visited one of its installations this summer in Boston ***(June 26)***.

- Coast Guard and military services have always worked closely. In wartime, Coast Guard command goes over to the Defense Department.

- Worked together recently in waters adjacent to Cuba and Haiti last year. Gulf War.

- This agreement ***(Memorandum of Agreement)*** we're signing today symbolizes the kind of cooperation among federal agencies President Clinton and this administration have been calling for. Good government. Want to see more.

- Assures that wartime commanders will be able to tap Coast Guard resources and capabilities. These include: 1) Port security for U.S. forces. 2) Maritime interception. 3) Environmental defense operations.

- Agreement demonstrates Coast Guard's commitment to national security and defense.

- Thank you.

# # # #

U.S. Department of Transportation

News:

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

REMARKS PREPARED FOR DELIVERY
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
DULLES GREENWAY RIBBON-CUTTING
SEPTEMBER 29, 1995
LEESBURG, VIRGINIA

What a great, beautiful day for opening a great innovative project like the Dulles Greenway. I had the pleasure of touring the toll road this spring while it was still under construction. I was impressed then as I am now.

I must congratulate, you Michael; your mother Maggie Bryant, the hard-driving visionary who led the venture; General Williams who pushed construction along at blazing speed; and the many investors who recognized the value of investing in Greenway. So many people who were a part of the team to congratulate, but I'd better stop there or we'll never get this road open.

Greenway -- I'm struck by the name. It's an unusual name for a highway. But this, as we all know, is not a usual highway. It wasn't built in the usual way. It wasn't finance in the usual way. And it won't operate in the usual way.

The Greenway is truly the product of the kind of innovative, forward thinking that makes our nation the crucible of creativity. President Clinton promised to rebuild America and over the last two years or so we invested more in our nation's infrastructure -- roads, bridges, transit systems, and airports -- than in any two-year period at the Transportation Department.

But in these times of fiscal restraint, there is only so much we can do. We must find ways to stretch both federal and state dollars by inviting entrepreneurs to help convert dreams into realities and by changing government, making it nimble and responsive to public needs.

That is precisely what President Clinton has asked us to do -- to put flexibility into outdated bureaucratic rules which for years stymied fresh ideas. So far our innovative finance program has generated $2 billion in new projects -- projects and dreams -- that otherwise wouldn't have made it off the drawing board.

- MORE -

The Virginia Commonwealth is a leader in what I call creative government. It passed a law that took effect in July which will make it easier for future ventures like the Greenway to get off the ground.

I salute Virgina for her bold move, a smart move, an exciting move in the public interest.

Despite all we're doing, it isn't enough. The need is too great. Some say there is a $20 billion a year gap between what the nation is spending and what it should be spending on transportation. And that's adding up to a huge "public works budget deficit."

So today I'm calling on all 50 governors, on local elected leaders, on strategic investors looking for new opportunities, to follow the leadership of the Dulles Greenway: work together, build partnerships, and help close that $20 billion gap.

Other countries have long experience with these approaches -- Chile, Mexico, Argentina and now the United Kingdom. And that's what I see in the Greenway project. A bold project. Friendly to the environment. Friendly to the driver. A good investment for the investor. A model that I hope will be used again and again throughout the country.

Back in the 18th century, we had dirt roads and horses. Now we have 21st century super highways, and Greenways, some of which even run through this kind of beautiful horse country.

Now some of you may not know it, but I'm a little bit Irish -- by marriage. And you know how the Irish feel about luck ... you can't ever have enough of it!

So Michael -- in that same spirit I have a little something for you. You might call it a kind of Irish insurance policy that will remind you of those horse and buggy days and bring you even more luck in the future.

An official ... Irish ... golden horseshoe.

Good luck to you, Michael and Maggie and your family and congratulations, once again. And remember, I'm challenging everyone here today to be inventive, to be creative, and form the partnerships we need to take us into the 21st century.

Thank you.

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6143

U.S. Department of Transportation

News:

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

FOR IMMEDIATE RELEASE
Friday, October 6, 1995

Contact: Lorie Dankers
Jim Gower
202-366-5565

MEDIA ADVISORY

U.S. Transportation Secretary Federico Peña will be in Detroit to address the Economic Club of Detroit on Tuesday, October 10, 1995. The subject of the address will be the current state of transportation, the status of federal transportation legislation and issues important to the auto industry. Before the speech, Secretary Peña will hold a press availability.

WHO: Transportation Secretary Federico Peña

WHAT: Address to the Detroit Economic Club

WHEN: Tuesday, October 10, 1995
11:25 am - Press Availability
12:00 pm - Luncheon and Address

WHERE: Cobo Conference Center
One Washington Boulevard, Room W154
Detroit, MI

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U.S. Department of Transportation

News:

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

FOR IMMEDIATE RELEASE
Friday, October 6, 1995

Contact: Wendy Burt
202-366-5037

MEDIA ADVISORY

Secretary of Transportation Federico Peña will travel to the Denver area on Saturday, October 7, for the commissioning of a Voice Switching Control System for the Longmont Air Route Traffic Control Center. The installation is part of the Department of Transportation and Federal Aviation Administration's effort to implement new technology to make the air traffic control system more efficient and help ensure safety for the traveling public.

Secretary Peña also will deliver the keynote address to the National Civic League's Annual Conference on Governance at the Adam's Mark Hotel at 8 p.m.

Secretary Peña's schedule for Colorado on Saturday, October 7, 1995:

12 p.m. **Commissioning of new Voice Switching Control System for the Longmont Air Route Traffic Control Center**
Secretary Peña will be joined by FAA David Hinson
Longmont Air Route Traffic Control Center
2211 17th Avenue
Longmont, Colorado

8 p.m. **National Civic League's 101st National Conference on Governance.**
Secretary Peña will be the keynote speaker.
Adam's Mark Hotel, Majestic Ballroom
1550 Court Place
Denver, Colorado

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6-45

REMARKS PREPARED FOR DELIVERY
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
NATIONAL CIVIC LEAGUE
OCTOBER 7, 1995
DENVER, COLORADO

(Note: First, remember you need to pen some thoughts about John Parr. Make it personal. Tell about how John encouraged you to run for mayor despite the odds. How he inspired you. John Gardner, the new NCL president will be introducing you. Second, the speech has three parts: 1) Tribute to John. 2) Try to make some sense about what's going on in the country, trends. 3) Solutions -- what the Clinton administration is doing and how the NCL fits in to those trends and the work that John has done.

JOHN PARR COMMENTS

PROBLEMS, OBSERVATIONS

- Tonight, I want to talk about America. I want to talk about where we are ... where we're headed ... and where I think we should be going. I think we need to reach back, in a way, to the days of Teddy Roosevelt who co-founded the league. Back to the days of self-reliance .. self-help .. self-entrepreneurship ... all traditionally American traits. First, let me start with a few observations.

- The national economic numbers tell one story -- 7.5 million new jobs, most of them high-wage, high-skill ... 2.3 new homeowners ... historically low inflation and jobless rates ... a record-breaking stock market ... more new entrepreneurs than we've ever had ... the largest number of millionaires.

- Still, people are worried. They have been called (Bob Reich) the "anxious class" and the "frayed collar" workers in a "gold-plated economy." You've read the stories.

  -- They worry about job security, fewer opportunities. Major companies: a job with IBM or AT&T was once thought to be a job for life. Now,

corporate dinosaurs are things of the past. They are laying off workers, "downsizing" is the euphemism. Government layoffs. Defense industries consolidating as military scales back.

++ Workers are being asked to telecommute -- a new word in the nation's lexicon. Good for traffic congestion. Good for reducing corporate overhead costs, but some workers fear the next step is the unemployment line.

-- They worry about stagnate wages and declining living standards. Labor Department says average wage worker took home $475 a week in 1995 compared to $479 a week in 1994, and $498 in 1979 (all figures take into account effects of inflation). ***(Many analysts say a major part of the reason for this is rising fringe benefit costs, especially for health insurance which is why health care reform is needed. As a result, employers can't afford wage hikes.)***

-- Families need more than one worker to make it. They face rising education and day care costs. Higher health care expenses.

-- Corporate profits are surging, up some 5 percent from a year ago, but workers don't appear to be benefitting as much.

-- Race relations. Made a lot of progress: Anti-discrimination laws. Voter rights laws. No more state-sponsored discrimination. And people are <u>talking openly</u> about race problems. Everybody is talking about the O.J. (Simpson) trial.

-- But the O.J. trial underscores how far apart we still are, polarized largely by race on the jury's verdict. Who was on trial? --

- That's the big picture. But I think you have to dig deeper. Throw out the traditional textbooks to find what's troubling people. What is it people are really anxious about?

-- The cover story in the current Atlantic Monthly might have some of the answers. The authors use a "Genuine Progress Indicator" to gauge how well off Americans are ... instead of the traditional GDP (Gross Domestic Product) economists use to measure progress in economic terms.

-- They look at things ignored by the statisticians

On the plus side:

... work in the family, caring for children, aging parents, housework.

... volunteer work in the community, such as sprucing up the neighborhood *(Note: tell your story about Saturday cleanups in Denver.)*

On the negative side:

... loss of leisure time, such as spending four hours in the car commuting, both parents working.

... no time to help kids with homework, or for workers to further their education.

- Government. Many people are looking to their government, at all levels, to fix the problems they see. This has been the traditional role of federal government for many years. However, times have changed but maybe not peoples' thinking.

-- Most popular candidate for President doesn't have a party -- Colin Powell. What does this tell you about what the citizens think about what our two-party system can deliver?

- We now blame the government for not doing what it once did. Fundamental role change. The federal government doesn't really do that much any more. It writes checks to states to help them with their programs. It writes checks to individuals -- Medicare, Medicaid, Social Security, defense contractors.

-- Government is no longer building interstate highway systems in a decade. No longer spending as much on public works projects -- dams, public parks, public buildings. longer using federal money to rebuild inner cities.

- Government now mostly a check writer instead of a public works builder as it was 20 or 40 years ago. Money goes first to interest on the national debt. Second, social safety net. Third, states and defense. After that, not much left over.

-- Example of the times: President Truman could spend $80 billion -- in current dollars -- on the Marshall Plan and today we're scrounging for a few billion dollars for worker retraining and education. ***(Figure comes from a Berkely University economic historian -- Brad DeLong.)***

SOLUTIONS

- All this may be a sign of government's success in doing what it does best, fixing problems/filling needs -- such as

building highway systems, responding to natural disasters, opening new markets to American exporters, fighting wars in the national interest, modernizing the FAA's air traffic system.

-- Everybody wants to cut federal deficit. That's a good thing people say. They would rather <u>cut</u> the deficit than <u>benefit</u> from a tax cut, according to polls.

- People may be expecting <u>less materially</u> from the government and more <u>forward-looking leadership</u>. Government that does the right thing ... gets the job done ... shows leadership.

-- *(Tell stories about challenges you had while mayor: 1)Convincing people to go along with a tax hike and more bonds. 2) Writing checks to local groups for trees, etc. and letting them provide the labor -- they said it was illegal ... <u>bull</u>, I said.)*

- President Clinton is way out in front with his <u>Community Empowerment</u> program. Some of you I know are aware of it, but Americans haven't a clue. Over 100 communities across the country targeted. It's a <u>creative way of investing federal money</u> in projects that improve the quality of life.
  -- Program includes most federal agencies. HUD, Labor, Treasury, Education, even Justice.

-- At my agency, we call it Livable Communities.

+ Let me tell you what we did in East Cleveland, Ohio. *(Personalize based on what you saw.)* Took $3.2 million in federal transit money and built a day care (Head Start) facility for 250 kids. Built it as part of a new transit station (Windmere Station). Non-profit group runs the

center. Convenient for parents, cuts down on commute time.

+ In Chicago, we're spending $2.8 million to rehab the 35th street transit station. Station will be more secure, safer, and user friendly.

- Federal role: facilitator. Met this week with the San Antonio Chamber of Commerce and Hispanic Chamber to talk about a common problem. These are two groups that you wouldn't expect to see in the same room.

- Need more public-private partnerships in public works. *(Tell about your recent visit to the Dulles Greenway.)*

CONCLUSION

- I don't have all the answers. Nobody does. But I think our future depends on who Americans have always relied on ... themselves ... self-help ... self-entrepreneurship.

- Need more involvement by citizens, communities in their government. Need more groups like the National Civic Leagues and the league's new initiative: Alliance for National Renewal. Motto of Civic League: "Governance is not just government." Need more people with vision and energy like John Parr.

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U.S. Department of Transportation

News:

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

REMARKS PREPARED FOR DELIVERY
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
VOICE SYSTEM PRESS CONFERENCE
DENVER AIR TRAFFIC CENTER
OCTOBER 7, 1995
DENVER, COLORADO

DENVER -- Two years ago I called for a major overhaul of the nation's air traffic system. I told the American people and the Congress that while our system was safe, it had old equipment, inadequate financing and personnel rules that made it difficult to assign air traffic controllers and maintenance personnel where we needed them.

I invited the press to take pictures of our towers and the old radar screens. I wanted everyone to see first-hand what we were up against. That's why Vice President Gore and I sent reform legislation to the Congress to correct these problems.

But we can't do it alone. We need help from Congress. I hope by the end of the year that Congress will consider bipartisan FAA reform legislation sponsored by Senators McCain, Ford and Hollings. The FAA needs the flexibility this legislation would provide to operate more like a business.

In the meantime, our air traffic control system has experienced interruptions, power outages, and other problems that have caused the travelling public to raise questions about the safety of the system.

Let me assure you: American skies are the safest -- anywhere, period. Flying continues to be the safest way to travel. And I'm committed to doing whatever it takes to keep it that way.

Our aviation system is safer now than it was last year. Safer than a decade ago. How do we know that? The yardstick we use to measure how well the system is working is called "equipment availability." This tells us how much of the time the system is up and running.

In 1985, a low point, controller equipment was available 98.6 percent of the time. Today it's running at 99.4 percent.

That means 99.4 percent of the time the nation's air traffic control system is fully operational, 24 hours a day, 7 days a week, every day, of every year -- even with 30-year-old equipment. It's a real testament to the hard work and dedication of the FAA technicians who keep the system operating and to the air traffic controllers who use it.

Still, that's not good enough. I want availability to be 100 percent, all the time. That's my goal. And we have a strategy to get there.

We are in the process of aggressively installing the most technologically advanced system in the world. It's a bold and sophisticated project that will cost some $5.4 billion. This modernization effort is the backbone of the air traffic system of the future.

We will replace the 30-year-old display consoles, install modern controller workstations, and allow for future additions of new technologies of the next century. It will take time to make this high-tech system fully operational.

But we're not waiting in the meantime. We're constantly updating and improving the current system. And shifting personnel to the busiest airports.

For example, we recently sped up the timetable for installing new, interim support computer software and hardware to replace today's old computers at five of our busiest centers -- including this one -- by early 1997. In fact, we've installed some 2,700 new pieces of advanced gear over the last two years -- that's about 10 percent of existing equipment.

So today, I take great pride in being here to dedicate another new technology -- this voice switching and control system (VSCS). It's the latest effort to make sure our system is the best in the world, second to none.

FAA control centers such as this one handle some 40 million flights a year ... a third more than just 10 years ago. Denver by itself handles some 1.5 million flights. Managing all that traffic demands crisp, clear communications between pilots and air traffic controllers. And this new system will do the job.

It's the third unit we've installed as part of a $1.6 billion program to replace 1950s vintage communications equipment in our 21 flight centers around the country. We plan to finish the program by early 1997.

Already we're hearing good feedback from users, such comments as: "There's a lot less static," and "The VSCS is reliable and easy-to-use."

Now before we show you how this new gear works, I'd like to answer your questions. I also have with me David Hinson, the FAA Administrator, and several technical experts.

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6-44

TALKING POINTS
PREPARED FOR DELIVERY
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
HISPANIC COMMUNITY OUTREACH EVENT
DENVER, COLORADO
OCTOBER 7, 1995

Have a conversation

Issues ripping country apart:

1. English Only

-- U.S. News

-- Do we need a law?

-- sun shall rise and sun shall set every day

-- Japanese aviation agreements

-- Hemispheric trade and Spanish

2. Affirmative Action

-- President has spoken clearly

-- No quotas

-- No reverse discrimination

-- No preference for unqualified

-- No continuation of programs meeting goals

-- Wilson and California

3. Immigration

-- I'm a recent immigrant

-- My roots

-- every immigrant starts somewhere and makes a contribution

-- Ellen Ochoa and her contributions

-- Willie Velasquez

What are real issues facing our country?

-- Education

-- Gangs

-- Health Care

-- Increasing skills in global economy

-- Rebuilding the family

This is why President has focused energies on:

1. Education

-- Head Start (50,000)

-- Americorps (10% Hispanic)

-- student loan reform (saved $7 billion)

2. Growing the economy

-- 7.3 million jobs (160,000 in Colorado)

-- 2.5 million new homeowners (Henry's plan will make 2/3 of Americans homeowners by 2000)

-- 2 million new small businesses

-- low inflation

-- deficit (40%) -- 3 years ... Harry Truman

-- more invested in transportation than any President

3. Expanded trade

-- open skies

-- NAFTA

-- Zedillo visit next week

4. Social problems

-- crime, murder rates down (hired 200 police in Colorado)

-- welfare

-- EITC (14 million benefit)

Now asks: what vision do you have for future?

-- Both: balance budget

-- President: Invest in future ... raise minimum wage (600,000 Hispanics)

-- Republican Congress: cut medicare $270 billion to give $250 billion tax benefit to people in my bracket ... and cut EITC (working families) by $280 a year

-- 10 years from now, hope we don't have to look back and say we were shortsighted

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642

U.S. Department of Transportation

News:

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

REMARKS PREPARED FOR DELIVERY
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
DETROIT ECONOMIC CLUB
OCTOBER 10, 1995
DETROIT, MICHIGAN

DETROIT -- Thanks, Mayor Archer, and good afternoon to all of you. I was here two years ago. It's a great honor to be back to speak to this prestigious organization, where world leaders have stood at this podium. I'm so glad Senator Levin could join us, he's a real friend of the auto industry.

Let me say something about the Mayor. He's brought a new spirit to Detroit, formed partnerships with the businesses, and I know all of you support his efforts to rebuild key neighborhoods through the President's Enterprise Zones program.

Originally, I had planned to take this occasion to present for the first time my perspective on the state of our nation's transportation industry and describe the work of our Administration.

But in light of yesterday's Amtrak attack in Arizona, let me first thank you for keeping your thoughts and prayers for the passengers and crew, and their families, who were subject to that cowardly act. I talked to FBI Director Freeh, and he is applying the finest investigative resources of the federal government to find those responsible. More than 268 people were on the train when it was sabotaged and derailed. I will talk more about this at the end of my remarks.

First, let me address the state of our transportation industry and the challenges we face in the future. In 1992, candidate Clinton and President Bush both unveiled their economic plans here at the Economic Club, because they knew without a strong Detroit, and a healthy Michigan, we wouldn't have a strong national economy.

Since President Clinton took office, 7.5 million jobs have been added; there are 2.5 million new homeowners; and we have seen the largest number of new small businesses incorporate in any two and a half year period in American history.

- more -

We have the lowest combined rate of unemployment and inflation in nearly three decades. We've cut the budget deficit by 40 percent -- partly by reducing the size of the federal workforce. For example, there are 160,000 fewer federal employees than the day the President took office. Put in perspective, that's about the size of Ford Motor Company's domestic operations.

Of course, Detroit deserves as much credit as any for helping our economy grow. Of the 7.5 million jobs created, about 400,000 are in transportation.

By most measures, transportation is as healthy as it's been in two or three decades. In spite of yesterday's rocky day on Wall Street, the transport index is up 30 percent this year.

It wasn't this way when we began. The auto industry, for example, had laid off 50,000 people in four years. But I don't hear much about Detroit's competitiveness problems today. To the contrary, last year the United States overtook Japan as the world's number one auto producer, for the first time since before Ronald Reagan was President. Congratulations!

I believe that there hasn't been a President who has worked harder for this industry, to open markets in Japan that will mean jobs here; to fight for and sign a free trade agreement with Mexico; and to normalize relations with Vietnam, so U.S. auto companies could open plants in emerging markets. This process was unheard of three years ago.

The bottom line, the auto industry is strong, again.

So are our railroads. They're on the move and profitable. Today, rail traffic is growing by almost double digits, a far cry from the late '70s, when rails were so unprofitable they were ready to be nationalized. Last year, freight car manufacturers had their best year in 15 years, with orders for almost 60,000 cars.

One other thing about railroads I want you to know is that last year they had the best safety record in their history.

And the shipbuilding industry has also come back. The last time U.S. shipyards built a large vessel for export to another country was 1957 -- 38 years ago.

President Clinton initiated a five part shipbuilding strategy that has helped shipyards up-grade technology, ended unfair foreign subsidies, and made loan

guarantees possible. After 38 years, American shipyards are exporting again -- and U.S. shipyards have gone from 30th place among the busiest in the world, to 23rd.

And consider the record comeback of the airlines. I remember the day of my confirmation hearings, United Airlines announced 3,000 lay-offs, and the first question the senators asked me was: What are you going to do about our failing airline industry?

Within a month, the President and I went to Seattle, to Boeing, to meet with leaders from the airlines and aerospace industries.

A commission of experts made recommendations in 90 days and we have acted on 80 percent of them. The major airlines had lost $10 billion in three years. Last quarter they made $1 billion, because in the context of a strong economy, they've cut costs and addressed their problems.

Mickey Kantor's responsibility is to open car markets; by law, mine is to open aviation markets. If you think opening Japan's car market is difficult, prior Administrations had tried 13 times to open the skies between Canada and the United States, all unsuccessfully.

I noticed when I drove in, the signs for the tunnel to Canada. It's been easy to drive there. But until we signed a new open skies agreement in February, it wasn't easy to fly between our countries. But now, 29 U.S. cities have direct flights to Canada -- you can now fly direct from Detroit to Ottawa and to Halifax -- all of which makes Ambassador Blanchard rather happy!

We're opening aviation access to lucrative markets in Europe, and Japan, and Hong Kong, and the Philippines and Latin America, something helpful not only to the airlines -- but to you who travel and do business.

Next month, I'll visit Asia, to continue to open aviation markets. In fact, I met with Bob Braun and Ed Mcnamara in my office a few weeks ago, they're pressing for a Detroit to China route. We'll take a hard look.

Let me now address the state of our transportation infrastructure. In the first two years, this Administration has invested more in our nation's highways than in any two year period -- more than $40 billion, and that's while cutting the budget deficit 40 percent. But we still have a $15 to $20 billion a year gap between what the nation is and should be investing.

So the President asked me to find ways we can be more innovative in financing highways and transit systems and to provide incentives for the private sector to be involved.

For many years, Washington supported projects by requiring state matching grants -- with strict rules attached. As an example, Romulus, for 10 years, had wanted to build an interchange on I-94 at Vining Road, but lacked state matching funds, so Washington turned them down.

A year and a half ago, I threw away the old rules. Romulus came back to us with a private developer contributing the state's portion, and we said great. The mayor of Romulus is a Democrat. The head of Michigan's Department of Transportation is a Republican. They both like it, so we must be doing something right!

But we're not stopping there. Just this morning my federal highway people told me they'd approved some $55 million for three projects here in Michigan that wouldn't have been funded if we'd followed the old rules. About $50 million will be used to widen state roads in Isabella and Kent counties. The rest is for the Grand River I-96 interchange in Brighton.

So far, innovative finance programs have generated $2 billion in projects -- with no new money from the federal government.

This month, I opened a toll road in Virginia near Dulles Airport. It is entirely financed, constructed, and will be operated for 40 years by private investors. The same day, another privately built road opened in Orange County, in California. We will continue to change old ways to encourage more private sector financing, construction, and operation of new facilities throughout the country.

Now, I'd like to address one pertinent issue I know interests many of you in the auto industry. That is regulations. When I first met with the chairmen of the Big Three almost three years ago, over-regulation was at the top of their list.

I ordered NHTSA to review all regulations and to get rid of those that were not cost beneficial or necessary. I'm pleased to report they're deleting or revising one-third of their regulations, and will be tossing out 100 of 850 pages. Maybe this won't dramatically alter the auto industry, but it cuts some red tape and it'll lessen the intrusion of government.

I've also asked them to work more closely with the industry, to be sensitive to product lead times, and to examine how we set automotive standards so that they could also be harmonized internationally.

I know CAFE is a concern, especially on light trucks. Congress created fuel economy standards 20 years ago, during an energy crisis. They're now considering capping the truck standard at its current rate of 20.7 miles per gallon. Insofar as the CAFE process is concerned to set standards let me say this: I understand your concerns. Minivans and sport-utilities are a big market. I'll take a close look at industry costs.

Ultimately, we believe it is far better for industry and government to work in partnership, as we all share a common concern for the environment and energy conservation. So, we formed a partnership to achieve the ambitious goal of building cars that could get three times greater fuel economy. Unfortunately, Congress is now considering significantly reducing funding for this project. I would have hoped that by years of experience, we would have learned that money spent on research and technology has a way of making America competitive in the long term.

Let me now address the serious challenge facing us as Americans -- the security of transportation in this country.

The hard fact is that today we live in a more dangerous world.

Since 1991, there have been 11,000 terrorist attacks throughout the world, and transportation was the target of 1,600 of them -- against trains, civil aviation, buses, pipelines and our transportation infrastructure.

We've seen a shift from hijacking being the preferred form of terrorist activity, to explosive devices, which have deadly consequences.

Whether real or implied, we've experienced more threats.

The most important shock came from the World Trade Center bombing, then the Oklahoma City bombing, and then the re-emergence of the Unabomber. And now Amtrak. We have learned that we Americans are not immune.

For decades, we've built a foundation of solid security measures. I say to you we must significantly improve them and maintain a sharper security focus in every mode of transportation.

In August, I directed an increase in security at airports, based on assessment provided by law enforcement and intelligence agencies. Last week, I increased the level again -- because conditions warranted it and I will continue to adjust them as conditions change.

In addition, I've requested all other modes of transportation to heighten their security. I'll continue to work with other governmental agencies and our private industry partners to share information and to develop strategies that address any evolving new threats.

These are somber, but constructive, actions that have had to be taken, and just as others around the world have become accustomed to heightened security, Americans must, too. Because these types of activities are likely to continue.

In this country, people have always risen to every challenge. They have done it in face of war and diseases and disasters that affect one part of the country or another. Just last week, I saw that same determination in Florida after hurricane Opal and we'll help residents rebuild their roads and airports, just as we have done after every disaster. The American people expect that of their government; President Clinton demands it.

I'm optimistic we will meet this challenge -- for that has been the greatest American tradition. And we'll continue to build up our economy, with transportation as the bedrock. And the American people have you in Detroit, to thank for your determination.

Thank you.

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6-41

TALKING POINTS ON MINNESOTA RURAL TRANSPORTATION
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
MINNEAPOLIS, MINNESOTA
OCTOBER 12, 1995

* When we think of mass transit budget cuts, we often think of the service cuts and fare hikes they'll force in big cities. However, the biggest impacts -- proportionately -- will come in smaller cities and in rural America. Congress wants to slash funding for travel to jobs and to such vital lifeline services as health care -- cuts that would put these Americans at risk.

* These impacts are *real*. In Minnesota, federal aid to smaller cities -- such as Duluth, Rochester, and St. Cloud -- would be slashed by 44 percent. Rural transit funding would be cut by almost 20 percent -- $568,000. Transit aid for senior citizens and the disabled -- many of them in rural areas -- would be cut by 14 percent -- over $140,000. The small local providers who operate these services can't possibly make up the difference.

* Cuts of that magnitude will force drastic fare hikes and service cutbacks. They may even cause some smaller carriers and paratransit providers to go out of business, stranding thousands of Americans.

* Budget cuts are necessary, and we've proposed them in transportation -- but they should be reasonable and balanced -- and not unfairly harm working families and the most vulnerable Americans.

# # # # #

6.40

U.S. Department of Transportation

News:

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

REMARKS PREPARED FOR DELIVERY
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
MINNESOTA CHAMBER OF COMMERCE
MINNEAPOLIS, MINNESOTA
OCTOBER 12, 1995

Let me say something about the chamber. I understand you have a long history in forming partnerships with businesses and governments and communities to solve common problems. As a former mayor I know how vital these kinds of partnerships are to metropolitan areas.

Your latest effort aimed at easing strains in the transportation industry through the Freight Stakeholders National Network is a sign that community spirit is alive and well in Minneapolis. A freight coalition, such as the one you're organizing, is the kind of local cooperation we need to rebuild America for the future.

Seems like everybody is talking about transportation these days. I know you're focusing on transportation at a special seminar this afternoon. So let me tell you a story.

A few months ago at the Iowa straw vote the presidential candidates needed warm bodies to cast ballots. So they bused voters in, flew them in, carpooled them in, and vanpooled them in. Finally, Pete Wilson said: "We're not running for President. We're running for Transportation Secretary!"

I hope with his most recent announcement he's not after my job!

So, I'd like to take this occasion to give you my perspective on the state of America's transportation industry and to describe the work of our Administration and the challenges of the future.

I'll begin with a general report on the state of the economy. Since President Clinton took office, 7.5 million jobs have been added. Minnesota has added far more jobs in the last 30 months than were created in the prior four years.

- more -

There are 2.5 million new homeowners; and we have seen the largest number of new small businesses incorporate in any two and a half year period in American history.

We have the lowest combined rate of unemployment and inflation in nearly three decades. The national jobless rate is now 5.6 percent against 7.1 percent in January 1993. In Minnesota, it's about 3.7 percent versus 5.2 percent.

We've cut the budget deficit by 40 percent -- partly by reducing the size of the federal workforce. For example, there are 160,000 fewer federal employees than the day the President took office. Put in perspective, that's about the size of three 3-M companies.

Of course, transportation deserves some of the credit for helping our economy grow. Of the 7.4 million jobs created, about 400,000 are in transportation. Many are high-skill, high-wage jobs.

By most measures, transportation is as healthy as it's been in two or three decades. Despite, a couple of recently rocky days on Wall Street, the transport index is up 30 percent this year.

Before I go any farther, they told me there's a bump in the road here in Minneapolis -- the transit strike, which affects 100,000 riders. I don't intend to get directly involved in this, but I understand one of the problems is the Republican budget in Congress. If the cutbacks are as deep as Republicans want in transit operating assistance -- $2.8 million out of the current $6.4 million for the Twin Cities -- to make up the difference bus fares would either have to go up 8 percent, services would need to be cut, or offsets made some other way.

We need to balance the government's budget -- everybody has to make a contribution. But I oppose cuts as drastic as Congress wants.

Now, lets look at some of the transporation industries, starting with our railroads.

James Hill would be proud to know railroads are on the move and profitable. Today, rail traffic is growing by almost double digits, a far cry from the late '70s, when rails were so unprofitable they were ready to be nationalized. Last year, freight car manufacturers had their best year in 15 years, with orders for almost 60,000 cars.

Despite the tragic attack on Amtrak in Arizona earlier this week, I want you to know that last year the railroads had the best safety record in their history. I'll have more to say in a minute about transportation security.

Let's talk about autos. At the time President Clinton took office, car makers had laid off 50,000 people in the prior four years. I was in Detroit on Tuesday and while I was there, they told me about how they were hiring again.

In fact, last year the United States overtook Japan as the world's top automaker for the first time since Ronald Reagan was President.

I believe that there hasn't been a President who has worked harder for this industry, to open markets in Japan that will mean jobs here (he did that with the help of Ambassador Mondale); to fight for and sign a free trade agreement with Mexico; and to normalize relations with Vietnam, so U.S. auto companies could open plants in emerging markets. This process was unheard of three years ago.

The bottom line: the auto industry is strong again.

And the shipbuilding industry is coming back. The last time U.S. shipyards built a large vessel for export to another country was 1957-- 38 years ago.

President Clinton initiated a five-part shipbuilding strategy that has helped shipyards up-grade technology, ended unfair foreign subsidies, and made loan guarantees possible. After 38 years, American shipyards are exporting again -- and U.S. shipyards have gone from 30th place among the busiest in the world, to 23rd.

Now consider the record comeback of the airlines. I remember the day of my confirmation hearings, United Airlines announced 3,000 lay-offs, and the first question the senators asked me was: What are you going to do about our failing airline industry?

Within a month, the President and I went to Seattle, to Boeing, to meet with leaders from the airlines and aerospace industries.

A commission of experts made recommendations in 90 days and we have acted on 80 percent of them. The major airlines had lost $10 billion in three years. Last quarter, they made $1 billion, because in the context of a strong economy, they've cut costs and addressed their problems.

By law my job is to open aviation markets. Prior Administrations tried 13 times to open the skies between Canada and America -- all unsuccessfully.

Today you can board Northwest Airlines here in Minneapolis and fly to any of 16 Canadian cities. It wasn't always that easy, not until we signed a new open skies agreement in February. Now, 29 U.S. cities have direct flights to Canada.

We're opening aviation access to lucrative markets in Europe, and Japan, and Hong Kong, and the Philippines and Latin America, something helpful not only to the airlines -- but to you who travel and do business.

Next month I'll visit Asia to continue pressing for open aviation markets. In fact, yesterday in Detroit, I met with city officials pressing for a Detroit to China route for Northwest. And we'll be negotiating later this month for more air routes to Britain.

I've been taking a hard look at many business opportunities -- not just airlines. I can brag about helping win some $10 billion in new business for American firms during visits to Saudi Arabia, the United Arab Emirates, Bahrain, and Taiwan.

And I'll be talking to officials and business people in the Pacific Rim about airport development projects, mass transit projects, road construction, and traffic control technologies. These fast growing emerging markets over the next few years will spend $1 trillion on nation-building infrastructure, nearly a third of it on transportation.

I met this morning with L.D. DeSimone and several of his top executives at 3-M world headquarters. Saw a lot of leading-edge products. A top priority for their traffic safety products division is breaking into emerging markets across Asia. They want to tap into that trillion-dollar infrastructure market. These are the kind of American competitors this Administration wants to make sure are playing on a level field overseas.

Let me now address the state of our transportation infrastructure.

First aviation. I know the Twin Cities are faced with a major airport decision. I know first-hand the toughness of the situation. As a former mayor I was confronted by similar issues before Denver went ahead and built a new airport. I urge you to keep working together, keep talking, keep analyzing. And when you've reached a consensus we'll support it.

With air travel expanding as rapidly as it is around the country, our airports must be prepared to handle it efficiently and safely. I'm doing our part by updating the nation's air traffic control system as aggressively as I can through a $5.4 billion

modernization program. When we're done in the next few years, we'll have the most reliable system anywhere as we do now, but it also will be the most technically advanced and able to accommodate new technologies as they become available.

Now, highways. In its first two years, this Administration invested more in our nation's highways than in any two year period -- more than $40 billion, and that's while cutting the budget deficit 40 percent. But we still have a $15 to $20 billion a year gap between what the nation is and should be investing.

So the President asked me to find ways we can be more innovative in financing highways and transit systems and to provide incentives for the private sector to be involved.

For many years, Washington supported projects by requiring state matching grants -- with strict rules attached. As an example, Romulus in nearby Michigan, for 10 years, had wanted to build a new interchange on I-94 but lacked state matching funds, so Washington turned them down.

A year and a half ago, I threw away the old rules. Romulus came back to us with a private developer contributing the state's portion, we said great and the project is underway.

So far, innovative finance programs have generated $2 billion in projects -- with no new money from the federal government.

This month, I opened a toll road in Virginia near Dulles Airport. It is entirely financed, constructed, and will be operated for 40 years by private investors. The same day, another privately built road opened in Orange County, in California. We will continue to change old ways to encourage more private sector financing, construction, and operation of new facilities throughout the country.

I'd like to cut the ribbon on innovative projects like these in Minnesota.

So I'd like to challenge Minnesota to join the ranks of 31 other states in using creative ways to stretch the dollar by tapping private sector resources to meet our transportation needs in the 21st century.

Finally, let me now address a serious problem facing us as Americans -- the security of transportation in this country.

The hard fact is that today we live in a more dangerous world.

Since 1991, there have been 11,000 terrorist attacks throughout the world, and transportation was the target of 1,600 of them -- against trains, civil aviation, buses, pipelines and our transportation infrastructure.

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These are somber, but constructive actions, that have had to be taken, and just as others around the world have become accustomed to heightened security, Americans must, too. Because these types of activities are likely to continue.

In this country, people have always risen to every challenge. They have done it in face of war and diseases and disasters that affect one part of the country or another. Just last week, I saw that same determination in Florida after hurricane Opal and we'll help residents rebuild their roads and airports, just as we have done after every disaster. The American people expect that of their government; President Clinton demands it.

I'm optimistic we will meet this challenge -- for that has been the greatest American tradition. And we'll continue to build up our economy, with transportation as the bedrock. And the American people have you in the Twin Cities, to thank for your determination.

Thank you.

# # # #

6.39

FP
Norm Mineta - Oct. 16, 1995
Ilene

- Pleasure to be here for a dear friend. But Norm, first let me ask you a question. I was thinking on the way over in the traffic from the march: which is worse -- gridlock on the roads or gridlock in Congress?

- There is perhaps no better training ground for Norm's new position to sell devices that will stop gridlock than the United States Congress.

- A million men may be in town, but Norm is <u>one</u> in a million. He's a genuine, decent human being, who more than any other, has been my mentor in Washington, providing wise counsel and advice every time I need it. Former mayors always stick together, and we certainly have.

- President Clinton has asked his Cabinet to advocate on behalf of American businesses. Secretary Brown is headed to China this week. In a few weeks I'll be in Malaysia, Japan, Indonesia, and Hong Kong. W ith me at various stages, will be about 2 dozen businessmen for some commercial diplomacy.

•Over the last 2 1/2 years, I've assisted businesses sell about $10 billion in transportation-related products in Asia and the Middle East ... of course, we've opened skies with Canada and Europe ... I had 20 transportation ministers from APEC here in the summer, and Lockheed was so gracious in helping us host them.

•My point is: it helps me to have businessmen like David Hinson at my side. It helps the President to have Bob Rubin and Mack McLarty -- people who come from corporate America making the policies that affect corporate America.

•I believe it's a two-way street. You've taken one of the best from the public sector into the private sector, but that is good for all of us. We need to understand each other better in order to provide the environment that allows the private sector to grow and create jobs. And so, I wish a very good friend, the very best.

# # # #

6-38

U.S. Department of Transportation

News:

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

FOR IMMEDIATE RELEASE
Thursday, October 19, 1995

Contact: Ilene Zeldin
1 (800) SKY-PAGE
PIN#: 378-8022

MEDIA ADVISORY

COLUMBUS -- Transportation Secretary Federico Peña will hold a press conference immediately after President Clinton speaks Friday, October 20 at the Midwest Economic Conference. He will answer questions about the speech as well as other national economic and political issues.

WHO: Transportation Secretary Federico Peña

WHAT: Midwest Economic Conference

WHEN: Approximately 10:30 a.m.
Friday, October 20

WHERE: Ohio State University
Regional Media Center
Fawcett Center Auditorium
2400 Olentangy River Road
Columbus

** Contact in Washington: Scott Dykema (202) 366-5563

-30-

6-31

TALKING POINTS ON RECONCILIATION FOR WORCESTER, MA.
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
OCTOBER 24, 1995

* POTUS has cut deficit by almost half -- $290 billion to $161 billion. Both POTUS and Congress want to build on this and balance the budget -- but the Republican proposals put Americans' economic security and well-being at risk, with cuts in everything from education to home heating assistance to food stamps.

* The harm extends to my own field of transportation, especially mass transit -- and the biggest impacts of Republican transit cuts will come not in large cities like Boston but in smaller cities like Worcester.

* Impacts are *real*. In Worcester, the Republicans would cut federal funding so much that a massive fare increase -- perhaps even 27 percent -- would be needed to make up the difference at WRTA. The alternatives would be service cutbacks or increased local aid.

* If this is true for the third-largest transit system in the state, it's even more so for small local providers who can't possibly make up the difference. Would force drastic fare hikes and service cutbacks. May even cause some to go out of business.

* As devastating as these cuts in annual spending bills will be, an even greater threat is the "budget reconciliation bill" -- massive package of tax cuts for the rich and cuts in Medicare and Medicaid for working and retired Americans

now making its way through Congress. Let's compare the President's proposals with the Republicans'.

☞ **POTUS: Target limited <u>tax cuts</u> to fund education and training for working families.**

GOP: Reconciliation includes $245 billion of tax cuts skewed to the rich. $3,400 windfall for those making over $100,000, $19,000 for richest 1 percent. Cuts Earned Income Tax Credit, *raising* taxes on 14 million working families. Families earning under $30,000 will see *higher* taxes.

☞ **POTUS:** Save $124 billion in **<u>Medicare</u>** costs by using government buying power to **reduce the cost growth of health care providers** and by a major new **fraud** initiative.

GOP: Cut Medicare by $270 billion through **higher premiums and deductibles** -- through **"vouchers" that will lose value** because of **unrealistically tight growth rates** -- and by **forcing higher costs -- up to $5,650 more per couple -- onto seniors** who want to keep their own doctors.

* These are *real* cuts: Congress says that spending will be higher in the future, but it **won't keep up with inflation, forcing seniors to pay more -- get less -- or both.**

☞ **POTUS: Reform <u>Medicaid</u>** -- which offers health coverage for 36 million Americans -- through health care provider reform.

GOP: Cut Medicaid by up to $182 billion, end traditional protections. Force states to end coverage for 8.8 million, including 4.4 million children, more than 900,000 seniors, 1.4 million disabled. Force seniors into poverty to pay for spouses' care. Force families to choose between nursing home care for their parents and education for their children.

* **POTUS: Invest in people, strengthen families, target tax cuts to working families, balance budget sensibly.**

* **GOP: Cut taxes $245 billion -- mostly for the rich -- but raise taxes and cut benefits for working families -- a $148 billion tax *increase* for them. Puts America at risk --** *and* a top private economist forecast that it would **raise interest rates and slow growth.**

* **POTUS's plan makes sense: based on sound forecasts, reflects mainstream values --** a traditional consensus threatened by an extremist agenda that undermines our basic values of fairness -- opportunity -- and responsibility. Need to reach common ground on balancing the budget so we can move on to build a better world for our children.

# # # # #

6-36

REMARKS PREPARED FOR DELIVERY
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
APEC BUSINESS LEADERS DIALOGUE
OCTOBER 26, 1995
WASHINGTON, D.C.

Good morning to all of you. I always enjoy talking with business people ... and I see a lot of familiar faces here today. Peter Bowe (Ellicott Machine), Charles Trimble (Trimble Navigation), Denis Picard (Raytheon), Frank Shrontz (Boeing), John Dasburg (Northwest Airlines) ... good to see you all.

I want to thank Joan (Spero) and her business liaison, David Ruth, for organizing this dialogue. I understand it's the second one they've put together in conjunction with President Clinton's efforts to secure our economic interests in the Pacific.

I know you've already heard from Secretary Christopher ***(Note: He might still be in the room during your session)*** and Laura Tyson, the President's national economic adviser. ***(Note: Ron Brown follows your session.)*** So I'm sure you now have a good feel for what we're trying to accomplish through APEC.

I don't think I need to tell you about opportunity and the Asia-Pacific region ... you've heard the numbers. It's the fastest growing market on earth. And if we are to

remain a great Pacific power, our country, and especially our businesses must go out and compete ... and win in those markets.

President Clinton took his first trip overseas as president to the Pacific region ... and we've been working hard ever since to pry open those markets. There is no issue I have spent more time on as Transportation Secretary than the relationships between the United States and our trading partners.

(Note: you may want to drop this paragraph if Spero mentions your deals in Saudi Arabia and Taiwan.)

I went to Saudi Arabia and Taiwan, as some of you know, to make a pitch for American commercial aircraft makers. We came home with $10 billion in new sales contracts.

Competition is one of the core values of America. We believe in it. We've worked hard to preserve it. And we've benefitted from it ... enormously. To keep benefitting the country must now look overseas to the global market. Some 2 million of the 7.5 million jobs created over the last 32 months are in export-related industries.

So my job is to do what I can to make sure you and the American worker have the opportunity to compete in those markets. On a level playing field, our companies can and do beat the best of them.

Now, let me tell you what I've been doing ... and then about my upcoming trip.

I. Met with APEC transport ministers in June. They spent an entire week here, a clear of their interest in American products.

- Took cross-country trip to show off American products.

- Agreed to a number of action principles, including:

  -- More competitive markets.

  -- More private and international institution financing of infrastrucure projects.

  -- Wider use of new technologies.

  -- More cooperation to enhance aviation safety and security.

II. Aviation talks & open skies -- June APEC meeting already producing results.

- Open Japan's cargo market by March.

- If that goes well, might take another look at opening commercial markets.

- New agreements: Hong Kong, Philippines and discussions with others (Indonesia, Thailand and Macau).

- Very active in negotiating bilateral aviation agreement with China.

III. Asia trip: 8 countries, 17 days (November 5-21). While there, I'll be meeting with my counterparts and other top officials, including Indonesian President Soeharto.

(East Asia and the Pacific plan to spend some $600 billion on transportation over the next decade -- $1.2 -1.5 trillion on total infrastructure, according to the World Bank.)

- Vietnam. Country is just starting the rebuilding process. Will take time, but great potential. Positive growth, inflation under control.

-- Financing: U.S. interagency delegation will be in Vietnam when I'm there to work with local officials on normalizing economic relations ... Exim Bank financing, OPIC guarantees, bilateral trade agreement, and other U.S. programs.

-- Key projects: Airport expansions in Saigon and Hanoi; port dredging (Ellicott Machine); highway construction; rail locomotives.

- Thailand. Expected to spend $57 billion on infrastructure over next decade. Close economic and political ally. Solid growth. Massive spending on infrastructure.

  -- Key projects: Second Bangkok airport (already had some success there by U.S. led consortium -- Murphy-Jahn); highway projects; high speed rail; tollway collection technology.

- Hong Kong/Macau. Booming economy. Fortune 500 all there. Main Gateway to China.

  -- Key Projects: Civil air agreements; huge $20 billion airport project ***(that's 4 Denver International airports)***; mass transit rail; port development.

- Indonesia. Expected to spend $62 billion over next decade on infrastructure. Many years of solid growth. Fourth largest nation (nearly 200 million people). Transportation key to economic future -- 13,000 islands.

  -- Key projects: (F-16s intended for Pakistan, may not want to mention). Airport expansions and Navaids -- doppler radar, etc.; air traffic control systems; port development.

- Malaysia. Expected to spend $22 billion on infrastructure over the next decade. Fast growing, in fact, doing so well they have a labor shortage. Top exporter of semiconductors. Positive climate for U.S. business.

-- Key projects: Airport in Kuala Lumpur; highway development; Port Klang development.

- Philippines. Expected to spend $18 billion on infrastructure over next decade. On the road to economic recovery, new democracy. Recent air cargo agreement.

  -- Key projects: Radar systems; port signalling systems; airport expansions.

- Japan. Joining President Clinton for APEC summit, reporting on progress on opening transportation markets. Will be meeting with transportation officials.

  (Note: Agenda on this leg still a bit unclear. You might know otherwise.)

Let me end by going back to my main theme. We will work with you to make the climate right for American firms .. to knock down the barriers ... so you can compete. And when there's an American company in competing for a contract, I won't be bashful about stepping up to argue the case. And if more than one of you is in the running, you can count on a generic pitch to buy American.

Thank you. Now let's hear what's on your minds.

6-35

U.S. Department of Transportation

News:

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

FOR IMMEDIATE RELEASE
Friday, October 27, 1995

Contact: **Wendy Burt**
Lorie Dankers
202-366-5565

**** CORRECTED MEDIA ADVISORY ****

U.S. Transportation Secretary Federico Peña will be in Norfolk and Portsmouth, VA, Monday, October 30, 1995, to address the annual meeting of the American Association of State Highway and Transportation Officials (AASHTO). He will speak on the budget currently being debated by Congress and how it could affect the future of infrastructure financing.

Secretary Peña will also visit the Ready Reserve Force ship CAPE RACE. At a ceremony honoring civilian seafarers, he will address the role of the American merchant marine in supporting the nation's armed services.

Secretary of Transportation Federico Peña's schedule, open for press coverage, in Norfolk and Portsmouth, VA:

8:50 am **Address to AASHTO Annual Meeting**
Norfolk Waterside Marriott Hotel
235 East Main Street
Norfolk, VA
** Media availability follows

10:30 am **Speech and ceremony honoring Ready Reserve Force ship and crew for support of NATO troops in Bosnia**
On board the RRF ship CAPE RACE
Moon Engineering Co,. Inc.
Portsmouth, VA
** Media availability follows

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STATEMENT OF THE HONORABLE FEDERICO PEÑA
SECRETARY OF TRANSPORTATION
BEFORE THE SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION
SUBCOMMITTEE ON AVIATION
ON S. 1239, THE AIR TRAFFIC MANAGEMENT SYSTEM PERFORMANCE IMPROVEMENT ACT OF 1995.
SEPTEMBER 27, 1995.

Mr. Chairman and Members of the Subcommittee:

I am pleased to appear before you today to provide the Administration's perspective on S.1239, the "Air Traffic Management System Performance Improvement Act of 1995". Accompanying me today is FAA Administrator David Hinson.

At the outset, Mr. Chairman, I would like to thank you, Senator Ford, and Senator Hollings for the commitment and responsiveness shown by the leadership of this Subcommittee and its professional staff in working to develop comprehensive and meaningful FAA reform legislation. I salute the bi-partisan efforts of this Subcommittee to address this challenge and, on behalf of the thousands of FAA employees who contribute each day to the safety and efficiency of our air transportation system, I thank you.

When I appeared before the Subcommittee August 2 I stressed that, of the three problems we had earlier identified -- personnel, procurement, and finances --ensuring the long-term financial viability of the FAA was a paramount concern. Finding the needed resources to meet projected increases in air traffic over the next seven years, while facing declining budgetary resources under the Concurrent Budget Resolution, will be difficult. I stated that this budgetary pressure would be with us for the foreseeable future, and I pledged my efforts at that time to work with you to find a solution. During the past few weeks, my staff worked with yours in a joint effort to reach that common goal.

When I first took office as Secretary of Transportation, we undertook a comprehensive review of the challenges facing the FAA. Through President Clinton's National Commission to Ensure a Strong Competitive Airline Industry, the National Performance Review, and our own efforts at the Department of Transportation, we gained a good perspective of the fundamental underlying problems facing the FAA, as well as the industry and the passengers who rely upon its service.

There has been a tremendous change at the FAA during my administration to address the problems we confronted. I recruited an FAA Administrator, a businessman from the aviation community, who in turn has brought in new managers. As result, we

have tuned around major procurement projects, such as the Advanced Automation System. We have made the agency more fiscally accountable, reducing the work force by 5,000 and paring the annual budget by $600 million. A new streamlined organizational structure has been adopted, giving the FAA a more businesslike approach to its mission. The benefits to the industry have been great, and just when new aviation growth requires them. There seems to be a new start-up carrier every week, more Americans are flying than ever before, and after years of bleeding red ink, the airlines are beginning to report record profits. General aviation has also seen a renewal of American airframe manufacturing, vital to helping this important segment of the aviation community regain its world preeminence.

However, the challenges to meet the growing needs of the airline industry and aviation in general are still ahead of the agency, not behind it. By 2002, more than 800 million passengers per year will be flying the nation's skies--a 35 percent increase over 1995. The number of commercial operations is expected to increase by 18 percent--to approximately 28 million annually. As I noted earlier, however, under the Congressional budget resolution reductions applied across government during the same time period, FAA's budget could be reduced 15 percent.

The challenge and responsibility that we share is to ensure that the projected growth of aviation--over 300 million more people flying each year in this country within the next decade--can be handled safely and efficiently. This is important to both the traveling public and to sustained growth in the U.S. economy. We all agree we must address these problems:

Procurement: Today, we have a procurement system that makes it extremely difficult to keep pace with new technology. I do not need to repeat for the committee's benefit the extraordinary steps required for every major FAA procurement -- steps not required in the private sector -- that can lead to lengthy delays. This has significantly slowed and complicated the effort to complete the Capital Investment Plan. S. 1239 would allow the FAA to develop an alternative procurement management system that narrowes the competition to those with proven skills and background, without arbitrarily excluding qualified bidders.

Personnel: We have an inflexible personnel system unable to match resources with real personnel needs, which makes it far too difficult to staff high-cost, busy facilities, to reward good work, and to deal with poor performance. I have been in the field and visited with the controllers and maintenance workers, hearing of the arbitrary and needlessly complex factors that interfere with efficient placement and advancement of a skilled workforce. S. 1239 would provide the FAA with the freedom to design a personnel management system with private-sector-style incentives across the board.

Financing: In what is really the biggest challenge, we have a financing system that doesn't allow for long-term planning or timely acquisition. Although the FAA provides a valuable, mandatory service to a major industry in our economy, it cannot undertake the kind of capitalization needed to obtain state-of-the-art technology on an

accelerated basis. The industry has clearly received more in services from the FAA than it has paid into the Airport and Airway Trust Fund up to now. But the budget process and limitations on Trust Fund expenditures prevent the industry from working with the FAA to finance new technologies and place them on-stream quickly. One goal of our efforts is to tie together fees paid by users with direct gains in system capability and efficiency.

In addition, S. 1239 appropriately demands better performance from the FAA as respects regulatory responsiveness, more efficient delivery of services, and better management. Along with this greater flexibility, there should also be greater accountability. We would be happy to discuss with you how to refine some of the governance provisions in the bill to strike an appropriate balance.

In this time of diminishing resources and increasing demands, it is crucial that we allow the FAA to manage its services and resources with a goal of saving time and dollars. Your legislation, Mr. Chairman, is a major step forward in accomplishing this goal.

While provisions of the bill need additional work, S. 1239 represents great progress toward removing many of the obstacles that prevent the FAA from operating like a business.

In one area of concern, the bill has a provision requiring the Department of Defense to reimburse FAA for its use of the Air Traffic Control System. This provision raises the complex question of how the services provided to, and the costs imposed on, the ATC system by DoD should be accounted for under user-financing. The Administration looks forward to working constructively with the Committee as we try to resolve the issue. We need to address regulatory responsibilities for aircraft emissions in the same manner.

Because of the special and unique mission of the FAA, S. 1239 specifically gives authority to the FAA to develop a modern procurement system within six months of enactment. The Administration does not intend that this special authority for the FAA serve as a precedent for other agencies.

I understand that change can be very controversial. I am sure, Mr. Chairman, that some segments of the industry, as well as others in Congress, have shared their comments and concerns with you. I would like to take a moment to briefly mention one of the more controversial aspects of your proposal.

As I mentioned earlier, aviation activity and the FAA's workload will continuously increase while budget resources decrease. There will be a funding shortfall unless immediate actions are taken. Even today, as we appear before this Subcommittee, the appropriations conferees are faced with difficult choices concerning FAA's Fiscal Year 1996 operations budget.

There is a compelling need to address FAA's budgetary challenges, both short-term and long-term. S. 1239 recognizes this, and proposes to move to a fee-based system of financing. That is obviously of concern to some in the aviation community. However, the realities of the budget demand action.

There is no question that funding alternatives are necessary. I, like you, do not take lightly asking users to help finance a 24 hours a day, 365 days a year operation that the industry and the public expect the FAA to deliver with near-perfect performance.

I want to assure you that we stand ready to work with you and industry to resolve these difficult issues. But I want to stress that meaningful budgetary reform must be provided, so that the FAA has the resources it needs and users have assurances that their fees will be spent efficiently and effectively. Financial reform that will provide adequate resources to the FAA and long-term financial stability is the most critical element of agency reform. We will also work with the committee on the longer-term innovative financing alternatives that the bill encourages.

In the event there are those who question the need to provide improved procurement, personnel, and budgeting tools to the FAA, they need only look at recent press coverage of the status of our air traffic control system. This year, the American people have heard too many stories of problems with our nation's air traffic control system. The computer glitches, power outages, and aging equipment have all been an unmistakable sign to thousands of delayed passengers and millions of others that, despite the hard work that has been done in the past two years, we need a major overhaul.

I have mentioned that the FAA will be called upon to meet significant increases in the aviation services it provides, despite the potential for dramatic budget cutbacks. Future requirements on the FAA will continue to escalate. We can either meet these requirements head-on by achieving meaningful FAA reform, or we can explain later to the aviation community and the traveling public why the costs of flying have grown, even while passengers and pilots spend more time on the ground waiting for take-off clearance; why it is taking longer to bring new aircraft and related safety equipment on line, even though the aviation manufacturing community has contributed most strongly to our balance of trade; why aviation safety regulatory actions are not as prompt as they should be, even though everyone may recognize the need for such timely action; why new air traffic technology and equipment is not being developed and brought on line to meet increased safety and efficiency demands, even though experts may all agree on what's needed and when; and why the government can no longer provide the degree of safety surveillance and oversight needed to assure continued high levels of safety, even though everyone agrees that has been an essential element in creating the world's safest aviation environment.

We must move ahead together rapidly on reform. S. 1239 is and excellent start toward giving the agency the freedom it needs to continuously update its technology, to shift personnel more easily to where workers are needed, and to have long-term

financing both to provide vital safety and operational services and to bring on new technologies of the future. Having noted that there are changes needed, the Administration strongly urges the Subcommittee to move forward in its efforts to enact meaningful FAA reform. I can assure you of our continued commitment to work with you along each step of the way.

I am confident that, working together, we can produce a product that will meet the fundamental elements necessary for effective reform. Accomplishing that objective will, over time, become recognized as the most significant aviation legislation since the Congress first acted to create the FAA in 1958. That is a potential legacy in which we should all take pride.

That concludes my prepared statement, Mr. Chairman. I would be pleased to answer any questions you or other members of the Subcommittee may have at this time.

6.33

U.S. Department of Transportation

News:

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

TEXT AS PREPARED FOR DELIVERY
For Immediate Release
October 30, 1995

SECRETARY OF TRANSPORTATION FEDERICO PEÑA
AMERICAN ASSOCIATION OF STATE HIGHWAY
AND TRANSPORTATION OFFICIALS
NORFOLK, VIRGINIA
OCTOBER 30, 1995

Wayne Shackelford -- I'm surprised you're not celebrating with the Braves; I personally worked with you on the floods and the Olympics, and we'll miss you as president. Bill Burnett, you have big shoes to fill, but if anybody can do it, it's a Texan. I grew up in Texas, so I had the good fortune to learn early on to love highways.

I understand that a couple good friends of mine, Senator Warner and Congressman Wolf, are speaking right after me. They know, as you do, that today marks the 30th day $5.4 billion of your money is being withheld. They are as frustrated as I am that Congress has not passed the National Highway System bill.

Michigan out $159 million. California out $467 million. Georgia out $169 million. It's a long list. Money for all 50 states. Money for the roads that carry 40 percent of America's traffic.

And the longer this bill is in limbo and your money sits on the table in Washington, issues that we thought were resolved might become unraveled.

This is a bill that I delivered ahead of schedule -- two years ago in 1993. I said from the first day: Pass a clean highway bill. We ought not to have it encumbered with side issues. The bill is bogged down with issues having little to do with it. Senator Warner has said let's get on with it, let's bring it up for a final vote. And I couldn't agree with him more.

- more -

So, I again urge Congress to get this legislation to the President's desk so he can sign it into law.

Now, I'm sure Congressman Wolf will talk about the transportation appropriations bill. It passed the House on Wednesday, and it's awaiting Senate consideration. It includes almost $20 billion for highways. While we have concerns with some parts of it, overall it's a good bill for the country. I'm pleased to tell you I will urge the President to sign it.

Speaking of legislation going to the President, let me address for a few minutes the bigger budget debate in Washington. It's more than just a political fight, or a test of political will. It's about values.

It's about what kind of America we want. What kind of opportunities we want to provide for our children, for our senior citizens, for our working families.

What we should do in Washington is what Americans do every day when they balance their family budget. If you have shortfalls, perhaps you don't go out to the movies as much. Perhaps you don't go out to eat as often. Or you eliminate expensive vacations. But you keep investing in your kids' education and their future. You keep supporting your ailing mother or father. You fix a leaking roof because if you don't, you'll lose your furniture.

Those are common sense values you apply, and the President shares them.

When the President walked into the Oval Office, he inherited a $290 billion budget deficit. He has cut that by 40 percent. There are 160,000 fewer people working for the national government than the day he took office; 7,000 fewer are working for me. I don't have an executive dining room or planes waiting for me at National Airport. I flew here commercial, in coach.

But as you do for your family, the President has taken a strong stand on investing in education and job training, and protecting Medicare. Those are his core fundamental values. He believes in them deeply. So do many Americans. And that's what the debate in the next month will be about.

The President also believes in investing in our nation's infrastructure and has called for record investments there, too. In his first two years, he invested more in infrastructure than at any time in our history. He believes that strategic transportation investments lead to more opportunities for Americans.

How can we be serious about getting people off welfare and onto jobs if they can't get to work on a well maintained highway? Or a bus? Or a subway? How can we be

serious about encouraging working parents to be home with their children, when they're stuck on freeways because we aren't investing in technology to alleviate congestion?

What about opportunities for American companies -- there's no doubt our infrastructure gives them the advantage in global competition. Why would Honda and BMW build plants in America? Why? Because our infrastructure allows them to do just in time inventory and helps to make us the lowest cost car producer in the world.

Last week, we issued to Congress our bi-annual report on the state of our infrastructure. I doubt the numbers will surprise you.

Let me give you a few. All levels of government invested about $40 billion a year in our highways, bridges, and transit system. But we should be spending $57 billion to maintain them. That's a $17 billion gap. And if you want to improve them, we need to spend $80 billion.

Our report is a wake-up call. We have kept the transportation system in reasonable condition, because in partnership with the federal government, the states have made wise strategic investments. I commend you for that.

But in 20 years, if we don't close some gaps, the percent of pavement in poor condition will be 50 percent, the percent of deficient bridges will be 40 percent, and peak hour congestion will increase to 60 percent.

Where will manufacturers go then? To our country, or to Asia, where they're spending record levels on infrastructure.

We are left with the inescapable conclusion: we need to do more. I know how difficult it is for a governor or mayor to raise taxes to close the gap; and when the President and Congress are squeezing every last dollar, increased funding is difficult.

But we can be more innovative, more entrepreneurial. We can use innovative financing; and encourage the private sector to participate, like other countries do; and we can use more intelligent transportation system technologies.

It's time to recognize that road building is not a government monopoly anymore. Those days are over.

We need more Dulles-Greenways. More Orange County Toll Roads. We need roads that are financed, constructed, and operated by private investors. Other countries have long experience with these approaches -- Chile, Mexico, Argentina and now the United Kingdom.

In Asia, 10 to 15 percent of their total infrastructure spending is now privately financed. In 10 years, they want it to be 30 percent so they can increase their total investments. Here, in America, less than 1 percent of our transportation infrastructure is privately financed. My friends, to be globally competitive, we must change.

From the first day I took office, the President asked me to find ways to be more innovative in financing highways. A year and a half ago I threw out the old rules. I tried to get restrictions out of the way, because as a former state legislator and mayor, I knew that Washington was dictating too many limitations on how to build highways or airports.

So we developed new, flexible rules. Rules on flexible matches ... revolving funds ... phased funds ... advanced construction ... and bond financing.

In January, we approved 35 projects, in 21 states, involving nearly $2 billion, without using any new federal funds. As you know, we're working on a second round of projects, which I'll be announcing in the next several months. I'm hoping we can beat the $2 billion announced in round one.

It won't fill the $17 billion infrastructure gap. But it's a good start. It will deliver transportation projects sooner to the public and it will make a big difference in people's lives.

Ask the people of Michigan, who for 10 years had tried to build an interchange on I-94 near the Detroit airport. Today, they can. Ask the people of South Carolina, who can build an improved access way to Myrtle Beach 20 years sooner. Ask the people in central Florida, who don't have to wait until 1998 to start major corridor improvements on I-75.

I know all of this would not have happened if it weren't for the partnership we've had with AASHTO, for your ideas, and for your efforts.

Rodney Slater and Jane Garvey will be talking about infrastructure banks to provide more flexibility. But let me say this, one more time: the authorization to do it, may be included in the National Highway System bill, but it won't happen unless Congress frees it up.

In addition to being more creative in how we finance highways, you will also be called upon to be much more creative in ensuring the safety of the travelling public.

As you know, it is very likely the Congress will completely eliminate the 55 mph speed limits, giving each state complete authority in setting speed limits. With that authority, comes enormous responsibility.

I have strongly opposed the elimination of the speed limit. That is probably unpopular with many of you in this room. But let me tell you why I oppose it. I am concerned we will see increased fatalities.

We have made tremendous progress in reducing fatalities, although that has bottomed out in the last two years. I know you are as concerned about safety as I, and I hope that we can continue to work together to reduce fatalities.

Also in the area of safety, last week, as you know, there was a tragic school bus accident at a grade crossing in Fox River Grove, Illinois.

In the aftermath of the accident and the questions that have arisen from it, today, I have ordered the Department of Transportation to form a Grade Crossing Safety Task Force to conduct a comprehensive national review of the design and construction of highway and rail crossings.

They will examine how designs of intermodal crossings are evaluated and ultimately approved from a standpoint of safety. This is not intended to form new layers or new burdens. It is intended to identify if there are any holes, and where, and how to fill them.

I have asked Michael Huerta, Associate Deputy Transportation Secretary, to head the task force and report to me within 120 days of any recommendation on changes that are needed. The task force will include representatives from four agencies within my Department, and I've asked Mr. Huerta to consult with state and local transportation authorities and the National Transportation Safety Board.

We owe it to the children injured and killed last week, and the 600 more killed every year, and to every motorist and passenger in this country that steps be in place to ensure safe grade crossings.

Now, let me address one other piece of legislation -- the re-authorization of ISTEA. I believe ISTEA should run through its six-year period, and be re-authorized at the end of 1997. I'm approaching re-authorization with the conviction that the underlying principles that made it sound in 1991 continue to be sound today, and will be sound in 1997 and beyond.

We've achieved too much with ISTEA to turn back the clock.

More funding for surface transportation than ever before ... a strong and open and more inclusive planning process ... new partners at the table ... progress in improving bridge conditions ... fast and effective responses to earthquakes -- to name just a few.

I'm sure there will be differences over ISTEA, just as there are over any legislation. But let us not forget: this nation is still the leader in the world when it comes to transportation.

I've been to many countries. I've talked to transport ministers from around the globe. I don't know of another nation that doesn't look to our infrastructure and wish they had what we have. And this is a tribute to you and your predecessors.

This is an exciting time to be Transportation Secretary. The sector is healthier than it's been in decades.

When I came into office, the airline industry had just lost $10 billion in three years; this year they'll make $2 billion. The auto industry had laid off 50,000 people in the four years prior to our Administration. They've now hired 100,000. Or while you're in Virginia go visit Newport News. You'll see American workers building four large ships for export to another nation. It's the first time we've sold large vessels to another country in 38 years. Remarkably, the customer is the pre-eminent shipowners of the world, Greece.

Next Sunday, I am leaving on a trip to Asia, to continue our efforts to open markets and promote American transportation products and services.

No matter where I go in this world, what strikes me is how America is still the model.

Here we are -- still the model of how to build a great highway system ... still the model for how to create jobs ... still the model of how to care for our elderly, of how to educate our college students. Maybe most of all, of how to be fair and just, and stand for the right values, so we can give all Americans the chance to do our best.

The President always says: the best days of this country are before us. The best is yet to come.

Thank you very much.

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6-33

U.S. Department of Transportation

News:

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

TEXT AS PREPARED FOR DELIVERY
For Immediate Release
October 30, 1995

SECRETARY OF TRANSPORTATION FEDERICO PEÑA
HONORING CREW OF CAPE RACE
PORTSMOUTH, VIRGINIA
OCTOBER 30, 1995

Admiral Herberger -- I could be up here all day saying nice things about the Admiral and his staff; Cong. Pickett and Scott, they support maritime when pressure is on to cut; I'm sorry Cong. Bateman and the rest of the Virginia delegation couldn't be here, all are your friends; we have representatives from our contractors OMI and Moon Engineering; and it's a very special day for Vince Canepa, MARAD marine surveyor, who's responsible for the Cape Race. We're all partners, and it's a proud day for all of us.

The Admiral mentioned I was the first Secretary to visit a ready reserve fleet vessel. I hope I'm the first of many.

But this is not my first visit to the area. I was at Newport News Shipbuilding a year ago, with Senators Robb and Warner and others. It was a fantastic day.

We did something we hadn't done in almost 40 years. We announced the President's plan to finance the first ocean going vessels sold to a foreign buyer since 1957. The Admiral tells me they're now cutting the steel for four ships. I look forward to seeing the finished products before they sail for Greece.

I'm here today for three reasons: One, is to honor the crew of the Cape Race. What a service you and the crew of your sister ship, Cape Diamond, in Jacksonville, Florida, have done for our country. I also want to discuss the ready reserve fleet and the President's Maritime Security Program, programs that I believe are invaluable to our national security. Finally, I want to emphasize that we cannot have a strong maritime and military strength unless we have a strong domestic economy.

For those of you who don't know the story, the Cape Race was notified on June 23rd that she'd be activated for service in the Balkans. In just 23 hours, she was ready for tender.

- more -

Six days later, she sailed for Europe, picked up military equipment and supplies in Germany and England, and then proceeded to Croatia to support the NATO mission.

She made a second trip to England and in total carried 14,000 tons of military vehicles, construction equipment, supplies, and ammunition.

Today, you hear much about how government cannot do things right. That it's incapable of quick response, or flexible operations. You also hear things said about the U.S. merchant marine industry. That it's inefficient and incapable of existing in today's competitive climate.

My friends, the next time I hear someone say that, I'm going to ask them to come here.

In preparing for today, I received a summary of the recollections that the crew had of their mission, and I want to share a couple of their impressions.

Where's Paul Musotto? Paul's the chief engineer. He tells how proud he felt when he went to the British Officer's club one day to join the officer in charge of the British operations. As the conversations went, the British officer had high praise for our rapid deployment, and skillful cargo handling, and the reliability of our gear. This struck me, as it did Paul, because Britain has always ruled the seas, and to hear the British compliment us is as high a compliment as there is.

Where's Peter Ryan, the first assistant engineer? What Peter said was the activation period was one of the most intense periods of his life -- and it worked because all departmental boundaries vanished, and everybody pitched in, and did whatever it took for the common cause of helping our country.

Peter, I believe a lot of us in Washington who seem to have difficulty working together should come here to learn from you.

Cape Race is part of the Transportation Department's Ready Reserve Fleet. We own the vessels and maintain them to provide prompt sealift support for our military forces. I believe it's as essential to the nation's security as an M-16 rifle or an F-16 fighter. We have seen this time and time again as America's role has evolved since the end of the Cold War.

There is an unmistakable trend: our nation will continue to play a major role in peacekeeping and humanitarian efforts in conjunction with our allies. In all likelihood, we'll be called upon to assist in multilateral operations.

The ready reserve fleet, our skilled merchant mariners, and the entire maritime industry have been integral to these operations. In Desert Storm, for instance, 80 percent of military cargoes were carried on U.S.-flag vessels, crewed by 3,000 U.S. merchant mariners called up at short notice. Seventy-nine rapid reserve fleet ships were part of that effort.

We've seen the fleet support missions in Somalia, Haiti and now in Bosnia. In each of these, the fleet has proven indispensable in fulfilling our commitment to international peace and stability.

The United States is the only nation with the sealift capability to transport large quantities of military cargoes to virtually any port in the world. But this capability is only possible if we are fully committed to maintaining it.

And the ready reserve fleet is only one part of our overall sealift strategy. As Desert Storm showed, any large-scale trouble situation requires utilizing the U.S.-flag merchant fleet.

President Clinton has proposed the Maritime Security Program. We want to invest $100 million a year to support 50 vessels as part of our own merchant marine fleet. These vessels will be available to provide sealift for emergencies and guarantees that we will have professionals to crew them.

This makes good sense for us strategically. It makes good sense for us economically. In short, this is good for our country. With the help of the Virginia delegation, we have a real chance of enacting Maritime Security Legislation by the Congress. This program is not a Democratic or Republican issue, it's an American investment. And it's for our economic and military security.

Because human nature is the way it is, we must always be ready for battle. We're ending one of the most cruel centuries the world has seen. More than 70 million people died in wars. But you can't be a military leader, unless you're an economic leader. Just ask politicians in the former Soviet Union -- and they'll tell you.

The President has led the framework to make America the economic leader of the world again. He's done it by getting our economic house in order, reducing the budget deficit by 40 percent. By creating jobs ... 7.5 million jobs since he took office. And by increasing trade opportunities ... 2 million Americans have new jobs producing goods for exports, like those working in the Newport News shipyard.

In fact, today, one job in 13 in America depends on trade. In 50 years, it could be more like one in five, and no one knows this more than you here at the Port of Hampton Roads.

The President has asked his entire cabinet to advocate on behalf of American businesses. Next Sunday, I leave on a trade mission to Asia, to open aviation markets and promote American-made goods and services in seven countries, including Vietnam.

There are 400 million people in the Pacific Asia region (excluding Japan) -- and their purchasing power has grown enormously. And they are investing billions of dollars in new infrastructure. U.S. companies want to do business there, and we're going to help.

In conclusion, let me again say what a great honor it is to be here for the crew of Cape Race, to continue to fight for maritime legislation before Congress, and to emphasize that the President will keep fighting for strong economic security.

# # # #

FP -- ITS Tape
draft 3 -- 4 minutes
(by Ilene)

Go-ke-gen-yo.

Prime Minister Murayama ... and to all of the attendees in Yokohama ... let me start, first, by wishing you a very good meeting.

Second, let me thank our Japanese hosts for bringing us together.

If there was any way in the world I could be with you, I would ... because you're discussing something very important to me: our future transportation system.

We in America admire Japan's successes in intelligent transportation systems.

For three years, we have been sharing information and research, and much good has come out of that.

President Clinton and I strongly support the technology.

In many American cities, we don't have the money ... nor the land to build new roads.

But we can manage the ones we have better.

We can use technology to cut down on congestion.

I've helped to open new traffic management systems in several cities.

For me, it's a matter of values. Like many of you, I'm a parent.

I want more time to spend at home with my wife and two young children, just as all parents do.

The last thing I want when I leave work is to be stuck in traffic for an hour, when it should take <u>half</u> an hour.

I believe there's a constructive role government can play in spreading the use of this technology.

When America, in the 1950s, decided to build our great interstate highway system, government had two roles.

One, we paid 90 percent of the <u>costs</u>.

And, two, we set the interstate <u>standards</u> ... standards that ensured a nationally compatible system.

Once again, we can set the standards. That has to be our role.

Under my direction, the U.S. Transportation Department is determining which technologies cities will need.

Early next year, I'll announce them ... and the costs ... and how we'll work with the cities.

But let me give you a preview, because so many cities already have at least some of them in place.

They include: <u>a traffic signal control system</u>. For example, one of these in Lexington, Kentucky has cut "stop and go" delays by 40 percent.

They include <u> freeway</u> and <u>transit management systems</u>.

Here's another example: Kansas City

has optimized routes so well, they've been able to eliminate 7 out of its 200 buses. So the system has paid for itself in two years.

They might include an incident management program.

In Chicago, they've been able to respond to vehicle accidents and clear the roads 50 percent faster.

They might include: an electronic fare payment system ... or toll collection ... or a regional traveler information center.

The real key to all of this is that the technologies be linked.

That they be integrated ... that they work together, so that a city can provide lots of ways to control traffic.

As a former mayor, I can tell you -- all mayors around the world -- want to solve congestion problems.

I am proud we're taking the lead to encourage cities to develop this core infrastructure.

I appreciate all the work many of you have done to help us.

We welcome your ideas.

So, have a good meeting ... we look forward to hosting it in our country next year.

And let me say to the Prime Minister that President Clinton and I look forward to seeing you, when we visit Osaka for the APEC meeting.

De wa ri shu. -30-

6.24

U.S. Department of Transportation

News:

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

FOR IMMEDIATE RELEASE
Monday, October 30, 1995

Contact: Wendy Burt
202-366-5037

MEDIA ADVISORY

Transportation Secretary Federico Peña will speak at the White House Conference on Travel and Tourism in Washington, D.C. on Tuesday, October 31. Secretary Peña will address aviation safety; open skies negotiations; technological improvements such as global positioning satellites (GPS); and the need for infrastructure investment to support a safe and efficient transportation system for tourists.

WHO: Secretary of Transportation Federico Peña

WHAT: White House Conference on Travel and Tourism

WHERE: Sheraton Washington Hotel
Grand Ballroom
2660 Woodley Road, NW
Washington, D.C.

WHEN: Tuesday, October 31, 1995
9:30 a.m.

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6-30

U.S. Department of Transportation

News:

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

REMARKS PREPARED FOR DELIVERY
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
INTERNATIONAL LAW SECTION OF
THE DISTRICT OF COLUMBIA BAR ASSOCIATION AND THE
FEDERAL BAR ASSOCIATION'S TRANSPORTATION LAW SECTION
OCTOBER 31, 1995
WASHINGTON, D.C.

This morning, I spoke to the White House Conference on Tourism and Travel, talking about the importance of opening international markets for our global competitiveness. The President convened the meeting because travel and tourism is the second largest employer in the country, and an industry where we have the competitive edge -- a $22 billion trade surplus last year. The President wants to help it grow and do better in the future.

President Clinton is a lawyer and former governor, and he hired many people who had previous and sometimes frustrating experiences with the federal government. They were men and women of action, doers, former mayors and lawyers like myself, and former governors. We came here to Washington to change things, to try to make government more responsive to consumers and business, and to make a difference. I believe that in aviation, we've done that.

As you know, when the President came into office, the airline industry was in dire financial shape. It had lost $10 billion in three years and two major airlines were in bankruptcy. Within a month of taking office, the President and I went to Seattle, to Boeing, to meet with leaders from the airlines and aerospace industry. We worked out a rescue plan and acted on 80 percent of it. The bottom line: the major airlines net profits this year should be $2 billion and none of the major airlines are in bankruptcy.

A stronger economy has helped. But much of the credit goes to the airlines and their workers for making the tough choices. They cut costs, addressed over-capacity, and restructured their fleets. The industry's competitive strategy of high volume, low fares worked.

Today, I'd like to talk about what we're doing in the international sector, especially since I'll be flying to Asia for 17 days beginning this weekend.

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In November 1994, I issued the first U.S. International Aviation policy since Jimmy Carter was President. The objective was to ensure that our negotiating policies are consistent with today's airline realities and reflect the growing international trends in aviation.

We have signed "open-sky" agreements with 9 European nations. We improved our relations with Germany, and are continuing informal discussions with this important trading partner. And we had a major breakthrough on Canada in February.

Still, I'm not satisfied by all the results. As you know talks broke off last week with the United Kingdom. I am very frustrated and disappointed that Britain hasn't opened its market more fully. They offered us insufficient market access and in the markets they did offer to open, they wanted, in effect, to pre-select their American competitors.

Now, while our work with Europe continues, I have turned our sights on Asia, the fastest growing aviation market in the world. Our Policy Statement will guide us in Asia. The overall objective is to open international air service markets. I strongly believe that enhanced competition and greater service opportunities will lead to significant benefits for travelers, shippers and communities.

We have to be willing to take a fresh look at aviation issues, fashion innovative strategies for achieving our objectives, and look at the economics of each market.

In our Policy Statement we recognize that some nations are not ready for immediate open skies. And we say that we will work with these partners to develop approaches that address their immediate concerns and our immediate needs.

But we must in each case make substantial progress toward fundamental liberalization, attempt to satisfy our immediate interests, and at the same time preserve a real opportunity for future expansion of aviation relations.

I began a review of Asian aviation earlier this year. We invited airlines in to present their strategies in Asia and really tried to rethink US-Asian aviation.

What did we learn? First, the growth potential of Asia is enormous. Our airlines will soon be generating more revenue from pacific routes than atlantic routes. This is quite remarkable since 15 years ago atlantic routes generated twice the airline revenue of the pacific.

Second, Asia is where there are opportunities for real progress in opening markets. The accepted wisdom had been to the contrary. The dynamics are now right and many Asian countries understand the mutual benefits of market liberalization. In addition, Asian flag carriers are stronger now and willing to compete on a global scale.

Third, if America doesn't act now, we risk limiting our opportunities in this market of the future as we approach the next century.

Our international aviation focus on Asia reflects the President's emphasis on the Asian Pacific Economic Cooperation (APEC) forum. In June, I hosted 18 of my counterparts from Asia. We toured the United States to show-case American technology and even took them on a Boeing 777 ride across the country.

We also agreed at that conference to form an APEC working group on aviation liberalization. Singapore has agreed to chair this effort.

Since the APEC meetings, we have been working almost nonstop with our Asian partners.

I became personally involved in talks with Japan to ensure that our cargo rights were honored. A trade crisis with Japan was averted, and we laid the groundwork for the further expansion of U.S. cargo services in that important market.

In just the past few months we have had successes in at least six other area:

1) Reached a breakthrough agreement with Hong Kong, which I will formally announce next week in Hong Kong. It took several years to negotiate this, and the general wisdom was that we were unlikely to succeed. But failure would have hurt us since Hong Kong reverts to China in 1-1/2 years and a new stand-alone agreement for U.S.-Hong Kong relations is essential. And we have already started the process of allocating new passenger and cargo rights.

2) We reached a new agreement with the Philippines. We now have the rights for a major cargo center in Asia in Subic Bay. Significantly, the Philippines agreement reflects our overall policy perspective. In accommodating the key concerns of both nations, this accord reflects understanding of the practical concerns of our Asian aviation partners, while recognizing our bedrock principle of open skies around the world.

3) We reached our first-ever agreement with Macau and its massive new airport complex, just south of China's border. I am convinced years from now this liberal new agreement will be of enormous benefit to the United States and to Macau, which reverts to China in 1999.

4) We have begun talking with Thailand to improve our aviation relationship, which failed in 1990 when Thailand renounced our previous bilateral agreement. Government officials have met in Washington and further informal meetings are being conducted in Asia as we speak. I'm committed to renewing and reviving a stable relationship with this key partner -- with aviation relations that stand as a symbol of renewed partnership rather than a testament to past difficulties.

5) We will also be meeting with top officials in Indonesia, one of the most important emerging markets in Asia. We recently had informal discussions with Indonesian aviation leaders in Washington and while there remain differences in our approaches, we must make every effort to find common ground on expanding and opening our air services with this nation of nearly 200 million.

6) In Vietnam, I'll be working to build on our first aviation links in some 20 years. I met with the Vice Minister just 3 weeks ago in my office and we met with Vietnam airlines officials. I'll also be looking for ways that American business can play a role in Vietnam's infrastructure -- when I become the second member of the Cabinet to visit that nation during my upcoming trip.

Our strategy is pro-active, not reactive. Compared to the past, our efforts have been remarkably fast-paced. When I travel to Asia this weekend, I will visit eight economies in 17 days -- to promote the sale of U.S. goods and services abroad and to advance U.S. aviation policy.

Finally, I could not address our Asian aviation relations without discussing Japan, our largest aviation trading partner in Asia, by far. In Japan, I will be joining the President and reporting to the APEC leaders on the APEC transportation working group I hosted in June, and I will meet with the Japanese Transport Minister, Mr. Hiranuma.

I believe that discussions on a ministerial level can advance the state of our sometimes complex aviation relations, and make progress toward more liberal aviation relations with this exceedingly important ally.

I am committed to seeing that the liberalization goals enunciated in the Policy Statement were not just bound in a book and put on the shelf. I'm not satisfied just to react to developments and hope for the best.

Rather, we are working proactively to realize our goals. I am very pleased to say these efforts are bearing fruit, and I hope and expect 1995 will prove to be a watershed year for U.S.- Asia aviation.

Let me close on this. There are few issues that are as important to this country than expanding economic opportunity for American businesses and workers. Of the 7.5 million jobs created since President Clinton took office, 2 million are in high-paying, export-related industries. That about says it all.

Thank you for all the hard work and contributions you have made to this effort.

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TALKING POINTS PREPARED FOR
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
TRAVEL AND TOURISM
OCTOBER 31, 1995
WASHINGTON, D.C.

-- Acknowledgements: Charlie Garfield (intros you)

... thank Bill Norman -- terrific job!

-- I understand how important your business is ...

Colorado's number one industry is travel and tourism ... as a Mayor, I built a convention center and an airport ... and as Secretary of Transportation, I've travelled 62,000 miles this year -- commercial, coach! (Story: sitting in coach waiting for guest. Me!)

-- When I took on the exciting challenges of Transportation Secretary, I committed to making sure we had the safest and most efficient system -- not only for the American travelling public, but

for our global competitiveness, because this industry has a $22 billion trade surplus.

-- Whether somebody was visiting dazzling New York, the beautiful beaches of Florida, the majestic Rockies of the West, historic San Francisco, our extraordinary Grand Canyon, or the many exciting national parks or grand other parts of our country -- I wanted their travels to be safe and efficient.

-- So, I undertook a number of bold actions. Together, with the conference's goal of ensuring infrastructure funding to keep pace with increasing demand, I believe your industry will be globally competitive.

<u>Open Skies</u>:

-- 9 European; Canada (29 cities, 25% increase)

-- Asia on Sunday

-- Latin America

Safe Skies:

-- Sought for 2 years to reform FAA.

-- President told you good news: personnel and procurement.

-- Still safest in world.

-- Up and running more today than in a decade.

Building Highways:

-- President invested more in 2 years than in history.

-- $17 billion gap.

-- 1 1/2 years ago threw out financing rules; projects built 2-3 years sooner (Myrtle Beach 20 years sooner) Border crossings around Niagara Falls; scenic by-ways in Idaho; bridge between Cape Coral and Fort Myers, Florida.

-- Want private developers.

-- Free NHS; 31 days; 40% of traffic.

Alternative Transportation:

-- Amtrak: Improved service. Great way to see the Fall colors with a family -- in comfort and no driving.

-- Salt Lake City: light rail (Denver); took 7 weeks. new speed record in funding Olympic Transportation.

Technology:

-- From day one, focused on using technology better.

-- U.S. should lead world in user-friendly technology that makes it easier for leisure travellers to get around.

-- People coming into National Airport or Union Station ought to have quick and easy one-stop shopping. electronic kiosks that print out routes, metro directions, etc.

-- Will see some of this at Olympics. Eyes of world on us. We ought to show them what we can do.

-- GPS: DOD spent $10 b. I say let's commercialize it.

-- Aviation: Satellites will guide landings; means trips can be shorter, land at more airports in bad weather; fewer delays; fewer cancellations.

-- Rental cars: Orlando. (No fighting spouse)

-- Smart highways (ITS)

-- Manage traffic, 1/3 more capacity

-- My worry: other countries will get ahead of us. Japan 160. I'm fighting for money.

<u>End</u>

-- I'm proud of what we've been able to do. As a former mayor, I always keep the local perspective. Open skies helps more than just the airlines ... a rail system helps more than just Olympic tourists -- they help the communities and the people who live and work there. Our objective should be making sure America's a nice place to visit and, I'd add, <u>I'd want to live there, too.</u> With your help, it is.

Thank you.

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<u>Introduce Mayor</u>

-- Mayors always stick together. So, it's a great pleasure to introduce a gentleman from an area

which is beautiful ... which the country now knows has the best baseball team ... and the world will soon know as the wonderful venue of the 1996 Olympic Games. Please welcome the mayor of Atlanta, a good friend, and the man with the tickets, the Honorable Bill Campbell.