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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
U.S. ASEAN COUNCIL
WASHINGTON, D.C
NOVEMBER 2, 1995

I wanted the opportunity to speak to a group like yours that is committed to working as a partner with government and the private sector in expanding the global U.S. competitive position, especially in Southeast Asia.

Thank you again to the ASEAN Council and your members.

I always enjoy meeting with the corporate leadership of our country. In fact, this is my third session with business executives in 10 days.

Now as most of you know, I'm leaving this weekend for a long trip -- 17 days -- to Asia. I'll be signing three new aviation agreements and advocating American technology and services with dozens of U.S. companies.

This trip is a reflection of the President's belief in open markets, fair trade and global opportunities for U.S. companies and workers.

As you know, working these big emerging markets of Asia takes time and patience and a lot of flexibility. But we are in it for the long haul.

So we'll continue our efforts to open markets and to search out new business opportunities, because when there is a global level playing field, U.S. companies do well.

Speaking of opportunities, let me address for a few minutes the budget battle we're debating in Washington. It's more than just a political fight, or a test of political wills. It's about values.

It's about the kind of America we want. The kind of opportunities we want to provide for our working families, for students who want a college education, for our senior citizens, for our businesses.

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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. After all, there is a right way, and a wrong way, of balancing the budget.

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.

But as you do for your family or business, the President has taken a strong stand on investing in education and job training, and technology 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 giving American companies an opportunity to compete. Given a fair chance, they compete and they win.

He believes that trade is an important avenue for corporate opportunity, and an important part of our economic future. It's no surprise that some say trade is our future.

Today one job in 13 depends on trade. In 50 years, one in five. In just the past 32 months, 2 million -- of over 7 1/2 million -- new jobs were created in the high-wage, high-skill export sector.

The President is well aware of these trends. He's an unabashed advocate of economic diplomacy, not afraid to step up and pitch for American business. Last week, he helped secure a $6 billion aircraft sale to Saudi Arabia that will create thousands of new jobs.

Since taking office, we've put in place 80 new trade agreements. We've created a free-trade zone with Mexico and Canada with NAFTA. And we won more open markets for American automakers and parts suppliers.

And we've made Asia a top priority.

Asia is the fastest growing market anywhere. Already one-third of U.S. exports -- supporting 2.7 million American jobs -- are destined for East Asia markets. As a region, growth rates average over 9 percent a year and (excluding Japan) peoples' incomes have grown by a factor of four in the past 20 years. Our airlines will soon be generating more revenue from Pacific routes ($6.8 billion now) than Atlantic routes ($7.1 billion now).

And that's why I'm taking this 17-day trade mission to Asia before joining the President at the APEC summit in Osaka -- to help American businesses be more successful and to make certain we're competing on a level playing field.

I'll be going with representatives from some two dozen top American companies and will visit 8 economies, including the first trade mission to Vietnam since U.S. diplomatic relations were restored in August.

Our trip to Vietnam is symbolic, I think, of the President's vision for this country and the importance of Asia as an expanding market. We normalized relations with Vietnam because the President concluded it would best serve our national interests, especially the interest in the POWs and the MIAs. At the same time it's an indication of the United States' engagement in the Pacific.

From the economic perspective, our timing is propitious. Vietnam is just starting to rebuild. It's economy is growing about 9 percent a year and inflation is low. Vietnam already has signed agreements to build auto assembly plants with two American automakers (Ford and Chrysler).

They will need to build new roads, airports, ports and rail systems. And these are projects in which America has a competitive edge.

I'm happy that executives from Caterpillar, Federal Express and Ellicott Machine Corporation, among others, will be with me in Hanoi.

I know financing is a challenge for U.S. firms doing business in Vietnam. While I'm in Hanoi, we'll be working on that problem in meetings with top officials. A U.S. interagency team will be there working with the Vietnamese on the nuts and bolts of normalizing economic ties, such as Export-Import Bank Financing, bilateral trade agreements, and other U.S. programs.

Vietnam, I believe, will be a key player in the region in the years to come and like all of Asia, U.S. business needs to be a part of this explosive developing economy.

East Asia and the Pacific, according to the World Bank, plan to spend some $600 billion on transportation projects over the next decade. That's of a total of some $1.2 trillion on total infrastructure.

In the ASEAN economies alone, we expect some $30 billion worth of public works contracts in the next five or six years. And U.S. firms are very competitive, winning large contracts.

Now let me talk a little about the other areas I'll be visiting.

Thailand is planning to invest some $125 billion in public works over the next decade, $52 billion in transportation alone. Thailand is a close economic and political ally with a solid growth record.

While in Bangkok, I'll be meeting with my counterparts in government and we'll be looking at a number of key projects, including a second Bangkok airport, a new expressway, highway improvements in the northern part of the country, a high speed rail system from Bangkok to the eastern seaboard, and tollway collection. A number of our companies -- General Electric (GE), Westinghouse, and Airport Systems International -- have an interest in these projects.

I'll also be working on improving aviation relations with Thailand, something I know interests Federal Express as well as U.S. airline companies.

In Hong Kong and Macau, I will formally announce new aviation agreements. We'll also be visiting the new $20 billion Chek Lap Kok airport -- that's four times what it cost to build Denver International -- a huge project. And we'll be pursuing port development and mass transit opportunities.

In Indonesia, the fourth largest nation with 200 million people, transportation is the key to its economic future. For many U.S. companies, this is their hottest market in the region. AAROTEC Airways Engineering, Northwest and United Airlines as well as Merrill Lynch are already engaged.

It's likely to spend $56 billion over 10 years just on transportation to link its 13,000 islands with new roads, bridges, trains and air routes and airports. We'll be pursuing a variety of business opportunities, including air and sea navigation technology, locomotives, and port dredging equipment.

Given its size and promise, this market should be as open as we can make it. I believe this is as much in our interest as it is to Indonesia's future prosperity.

Malaysia is a country doing so well that it has a labor shortage.

The U.S. business climate there is very friendly and a number of our executives do business there, including PACCAR International, Parsons Brinkerhoff, to name a couple.

The Malaysians plan to spend some $48 billion on infrastructure -- about half ($22 billion) on transportation. There's discussion of building a new capital south of Kuala Lumpur and I'll be interested in learning more about that project. We'll also be looking at airport, highway, and port development opportunities.

In the Philippines, I'll be taking a look at the results of our new air cargo agreement, which is making Subic Bay a major gateway to all of Asia for Federal Express. The Philippines is expected to spend some $38 billion on public works -- $14 billion on transportation -- so clearly U.S. businesses have an interest there.

Finally, I could not talk about Asia without discussing our largest trading partner, Japan.

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 relations with this exceedingly important ally.

So, it'll be a long trip, some 29,000 miles and 60 hours inside an airplane, but it's one I've wanted to make for a long time.

Let me close on this. President Clinton's first trip overseas as President was to Asia. He's made it clear we are truly a Pacific community, a community that one day I hope will be free of trade barriers and full of healthy, growing democracies.

I look forward to working with you and many others to make good on the President's vision.

Thank you very much.

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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
MANAGING FATIGUE IN TRANSPORTATION
TYSONS CORNER, VIRGINIA
NOVEMBER 2, 1995

I want to say a special welcome to the representatives from Europe, the Mideast, and Asia who are here. I don't know if you're over your jet lag yet. But on Sunday, I leave for a 17-day, eight country trip to Asia, and I'm about to have first-hand experience with transportation fatigue!

I'll be on a trade mission to promote American products and services and open aviation markets. Since President Clinton took office, the private sector has created 7.5 million jobs -- 2 million of which are export-related. We have signed 80 trade agreements.

As trade expands, 10 years from now you'll see truck traffic up 20 percent and rail traffic up a comparable number. Now, we have one-and-a-half million people flying every day in the United States, and within 10 years, it will be two-and-a-half million, every day boarding planes.

As Transportation Secretary, I want travellers to have a pleasurable experience. I want our companies to be globally competitive, and that means delivering people and products on time and efficiently. But most of all, I want safe roads, and safe skies, and safe waterways for the American public.

Sometimes, we get wrapped up in people taking different positions. Perhaps the unions wanting a day's pay for a day's work ... perhaps the transportation companies wanting more flexibility and speed ... and the travelling public demanding people flying planes or driving buses who are not tired and not falling asleep at the wheel.

Sometimes there's a disconnect between what everybody wants. But my bottom line is: the American people must trust us to make sure all transportation sectors are operating safely. Period.

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When I became Transportation Secretary, I set as one of my highest priorities improving safety because 43,000 Americans are killed every year in transportation accidents.

I'm finding, as every other Transportation Secretary found, safety improvements don't come cheaply or easily. We have to work hard for every life we save, and as we see traffic increase, we'll have to work even harder.

I'm constantly conferring with leaders in the airline, railroad, truck, and bus industries to see how we can work together for the sake of the public and their employers.

Today, for this conference, I'm responding to NTSB Chairman Hall's challenge by releasing the Department of Transportation's: Fatigue Program Overview. It summarizes the research and technology development, public education, outreach, and operational strategies being used by my Department.

I commend the group of senior managers, who are coordinating our research. They meet regularly with the NTSB to keep the Board apprised of our efforts to respond to their fatigue-related recommendations.

The Department also will be assuming responsibility for the Fatigue Resource Directory, assembled for this symposium. We envision that you can access it on the Internet.

In the breakout sessions, you'll be discussing the overview in depth, but let me make five observations:

First, I'm convinced that changing human behavior has to be the next frontier to improving safety. Human factors cause a third of all railroad accidents and are the number one cause in aviation accidents. Operator error is probably the most important single factor in truck and bus accidents.

Second, if it's human behavior we must change, then we need to educate, and not just regulate. I know so much of our time is spent developing rules for dealing with fatigue. But there are several realities after you make the rules, such as how do you mandate rest? How do you monitor rest periods?

You can tell a person: "this is the time for you to sleep," but it doesn't do us any good unless he sleeps. It's really a mater of personal responsibility.

It's like having a seat belt in a car. The law says buckle up, but three out of 10 people still don't take the personal responsibility of buckling. And if we hadn't spent hundreds of millions of dollars educating the public far fewer would be buckling.

When it comes to fatigue, every person at every level of an organization -- each driver, each operator, each dispatcher, each manager must personally be responsible.

Third, it's important to understand fatigue is not just a matter of rest. Lots of factors cause fatigue, such as pressures from the job, and the operating environment, and whether it's dark or light. We need to look into those factors further.

Fourth, the traveling public has just as much right to expect transportation operators to be unimpaired by fatigue as they have the right to expect operators to be unimpaired by alcohol or drugs.

We now have the capability to test for alcohol or drugs. We don't have all the fatigue testing capability we would like -- yet.

But we've been obtaining encouraging results with both fitness-for-duty testing devices and with unobtrusive, noninvasive techniques to detect the onset of performance deterioration in operators. I hope these countermeasures are used in the near future.

A few months ago, I was in Portland with the President at a regional economic conference. And the president of Freightliner told us about work they were doing on ventilation systems in cabs to alleviate fatigue.

Fifth, we should be focused on how tired workers perform, rather than how tired a worker feels at the end of the day.

The danger from fatigue is not just that someone will nod off to sleep at the controls of a plane, ship, train or motor vehicle, although I'm sure all of those have happened.

The insidious danger is that the operator may become dulled enough to miss -- or misinterpret -- a critical danger signal, or be slow in responding to it.

In transportation safety where the commercial operator may be responsible for the lives of hundreds, we must guard against the one-in-a-million risk because that is what the public demands.

Now, let me address a few issues now before Congress. If ever there was an issue the federal government took the lead on, and did it well, it's highway safety. That is about to come unraveled.

Congress is about to eliminate the 55 miles-per-hour national speed limit, which we credit for saving more than 2,000 lives a year.

And ... Congress is about to eliminate motorcycle helmet laws. The last time they did that, in the 1970s, and had the states decide, 27 states decided there's no reason to have a helmet law. So, what happened? Motorcycle deaths increased 61 percent.

And ... Congress is about to exempt a large part of the commercial truck fleet from our truck safety regulations.

It is distressing. Here, we hold conferences like this. We do all of this research on fatigue because we value life and the health of the nation and we know we can save one, two, or three lives at a time. But with one stroke, Congress is about to put at risk thousands of lives.

States would set their own speed limits. I met with state transportation secretaries from all 50 states on Monday. Many of them disagreed with me on who should be responsible for setting limits, but I told them we need to agree that safety must come first. We can't retreat on safety, because we have made too much progress.

We're making progress in every transportation sector.

In motor vehicles, the percent of all accidents caused by drunk drivers is down. Seat belt usage is up.

We have the world's safest air system, and are pursuing a goal of zero accidents.

In rails, 1994 was the safest year in history. Unfortunately, last week, there was a tragic school bus accident at a grade crossing in Illinois. I've formed a task force to review the design and construction approval process of highway and rail crossings, so that if there are holes, we'll find them.

Let me end on this. It's up to us ... each of us in this room ... to figure out how with all of that increased traffic we will see in the future, we can keep improving the safety record.

To ask what can we do to delay loss of alertness. To detect it if it occurs. And to prevent fatigue-based accidents.

So, I thank you for all your good efforts. As the President says: the best is yet to come, and it is.

Thank you very much.

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SPEECH BY
U.S. SECRETARY OF TRANSPORTATION
FEDERICO PEÑA
ON INITIATIVES TO REDUCE CARBON DIOXIDE
AND OTHER GREENHOUSE GASES
VIENNA, AUSTRIA
JUNE 8, 1995

Thank you for the opportunity to discuss the initiatives that we have undertaken in the United States to reduce carbon dioxide and other greenhouse gas emissions from the automotive sector. In the U.S., we are making transportation an important part of our strategy to reduce emissions, and we are working closely with our auto makers and other interests to find ways to accomplish these goals.

In the United States, the transportation sector accounts for more than 30 percent of our country's energy-related carbon emissions. Cars and light duty trucks are the major sources of the transportation sector's emissions. Looking to the future, U.S. transportation-related initiatives must focus on cars and light trucks.

We have already taken steps to improve air quality in the U.S. For example, lead has been virtually eliminated from vehicle exhaust. Carbon monoxide emissions from highway vehicles dropped by 59

percent between 1970 and 1991, despite the fact that vehicle travel almost doubled during that period. Our new car fuel economy doubled during a 15 year period beginning in the mid-1970's.

Following up on the U.S. commitment to meet the goal of the Rio de Janeiro Conference on the Environment and Development of reducing greenhouse gas emissions to 1990 levels by the year 2000, our government produced the "Climate Change Action Plan" in the fall of 1993. That plan outlines the steps that the U.S. will take by the year 2000. It also lays out a number of longer term strategies, including reducing emissions from cars and light trucks.

The U.S. has formed an Advisory Committee to recommend the most cost effective measures to reduce greenhouse gas emissions from personal vehicles. The committee, which is scheduled to have final recommendations ready this fall, includes representatives of the U.S. auto industry, the environmental community, oil companies, and government, including the U.S. Department of Transportation, the Department of Energy, and the Environmental Protection Agency. Their job is to develop recommended sets of policies addressing how we can

reduce emissions over the next 10 to 30 years, focusing on three areas: reducing the growth in vehicle-miles-travelled, stimulating the use of alternate fuels that produce lower greenhouse gas emissions, and improving fuel economy.

[For example, the Advisory Committee is analyzing the demographic, income, and land use factors that influence vehicle travel. The types of policy options under review by the Committee include providing people better alternatives to driving, land use planning strategies, and the use of pricing policies, such as tolls and taxes.]

Regarding alternate fuels, the Committee does not believe that they have a significant potential to reduce greenhouse gas emissions in the near future (before the year 2000), but they may provide longer term, benefits.

Bringing together all of the "stakeholders" to discuss and debate the options is the best way of getting meaningful results in the long run. We have launched a partnership for a new generation of vehicles, known as the "Clean Car Initiative" or "Partnership for a New Generation of

Vehicles." The "big three" U.S. automakers are participating, along with our national research laboratories, federal agencies, and many suppliers of auto parts, materials and equipment.

The goal of the Partnership is to develop a three part program which pursues advanced manufacturing technology promising near term advances in fuel efficiency, safety and emissions reduction, and the creation of a new generation of vehicles. Together, we're trying to create a vehicle that is up to three times more fuel efficient than today's cars, without sacrificing safety or comfort. That level of increase in fuel efficiency could have a dramatic impact on controlling and reducing emissions.

The types of technologies that the Partnership is evaluating include advanced light weight materials, gas turbines and fuel cells, energy storage devices such as fly wheels, ultracapacitors and advanced batteries, more efficient electrical systems, and exhaust energy recovery. Our objective is to have a prototype passenger car available in 2003.

CONCLUSION

This issue, and the larger issue of global climate change, continue to be major priorities for the United States, as they are in Europe. We recognize that a real problem exists, and that action must be taken to fix it. And transportation must play an important role in addressing the problem of carbon dioxide and other greenhouse gas emissions. Consistent with President Clinton's emphasis on a "Common Sense" approach to protect the environment, we will evaluate any additional steps by examining both their benefits and their costs. In the years to come, we will continue to work with our international partners on how we can achieve this objective. Thank you.

TALKING POINTS PREPARED FOR
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
FOREIGN PRESS CENTER
NOVEMBER 3, 1995
WASHINGTON, D.C.

Thank you. I'd like to thank our (U.S.) Foreign Center for setting up this briefing.

Now as most of you know, I'm leaving this weekend for a long trade mission -- 17 days -- to Asia. I'll be signing three new aviation agreements and advocating American technology and services with representatives from U.S. companies.

This trip is a reflection of the President's belief in open markets, fair trade and global opportunities for U.S. companies and our working families. As a nation, America has benefitted from an open, fair, competitive trading system. Many of you here today have seen first-hand the results of these policies.

So too, in Asia is there a long history of trade, dating back centuries before the American Republic.

In modern times, our challenge isn't looking for new trade routes but rather to make certain more nations, the

partnerships --relationships that benefit the people on both sides of the Pacific.

That will be my message on this trip. Yes, I'll be an advocate for American technology and services. We have the finest anywhere. But I'll also be seeking opportunities to broaden and deepen our trading partnerships.

I'll be meeting with a number of officials in the region. President Soeharto in Indonesia, Vietnam's prime minister -- Vo Van Kiet, and my counterparts in Malaysia, Japan, Thailand, and the Philippines.

One of the things I'll be telling them is how important trade and foreign investment is to our economic future, and to theirs. Many say trade <u>is</u> our future.

Today one American job in <u>13</u> depends on trade. In 50 years, one in <u>five</u>. In just the past 32 months, 2 million -- of over 7 1/2 million -- new jobs were created in high-wage <u>export</u> sector.

President Clinton is aware of these trends and has become an aggressive economic diplomat since taking office. We've put in place 80 new trade agreements. We've created a free-trade zone with Mexico and Canada with NAFTA.

And we agreed with other APEC leaders in Boor last year to create a free trade zone in the Pacific. We'll talk about putting that pledge into action later this month when I join President Clinton for the APEC summit in Osaka.

- Visit to Vietnam is symbolic of the President's vision for this country and the importance of Asia as an expanding market. Vietnam is just starting to rebuild. Economy growing about 9 percent a year. Inflation low. They will need to build new roads, airports, ports and rail systems. And these are projects in which America has a competitive edge.

- I know financing is a challenge for U.S. firms doing business in Vietnam. We'll be working on that problem in meetings with top officials.

- In Bangkok, Kuala Lumpur, and Manila, I'll be meeting with my counterparts. We'll be talking about construction of new airports and highways. Also, improving aviation relations.

- I'll be meeting with Indonesian Communications Minister Dhanutirto and other officials. Given the geography, an efficient transportation system is very important to Indonesia's economy.

- While in Hong Kong and Macau, I will formally announce new aviation agreements. Plan to visit the new $20 billion Chek Lap Kok airport, one of the biggest public works projects in the world.

- Finally, Japan. APEC summit and report on June meeting of APEC transport ministers. Also, want to pursue improved aviation relations.

So, it'll be a long trip, some 29,000 miles and 60 hours inside an airplane, but it's one I've wanted to make for a long time.

Let me close on this. President Clinton's first trip overseas as President was to Asia. He's made it clear we are truly a Pacific community, a community that one day I hope will be free of trade barriers and full of healthy, growing democracies.

Thank you very much. Now let me take your questions.

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U.S. Department of Transportation

News:

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

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REMARKS BY
TRANSPORTATION SECRETARY FEDERICO PEÑA
MERRILL LYNCH ASSET MANAGEMENT INDONESIA CONFERENCE
JAKARTA, INDONESIA
NOVEMBER 14, 1995

Thank you for that kind introduction.

I'd like to congratulate Merrill Lynch and Indonesia's Capital Market Supervisory Agency for sponsoring this timely conference on Indonesia's rapidly expanding investment industry and for inviting me to make a few remarks this morning.

I know the Indonesian government is particularly interested in developing its investment industry as a way of accelerating the mobilization of domestic savings to help finance the country's aggressive privatization and infrastructure investment program.

The timing is indeed propitious. I am pleased to see the focus of this conference on an issue which the APEC transport ministers agreed last June is one of the most critical issues facing Asia -- the need for alternative methods to finance transportation infrastructure projects.

In the United States we have a long history of privatized transportation. Our private air carriers, for example, are among the most profitable in the world, with profits of $2 billion expected this year. Our private railroads are profitble and rail traffic is growing by almost double digits while our freight car manufacturers just had their best year in 15 years.

Still, when it comes to infrastructure -- roads, ports, airports -- historically national governments have been the major source of financing these projects. But today a major challenge faces transportation: a shortfall in financial resources to respond to needed investments in transportation infrastructure, both building new projects and maintaining or upgrading existing ones.

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One remedy that has evolved over the last decade is an increasingly larger role for the private sector, including major engineering and construction firms financial investors, toll road operators, and even owning transportation facilities.

International leaders throughout the world are realizing that modern and efficient transportation infrastructure is critical to the economic health of any nation and is the key to global competitiveness.

Even when countries realize the need, many face budgetary constraints and are forced to consider alternatives, in effect, public/private sector partnerships. Still, capital is scarce and there is tremendous competition domestically and worldwide for private investment.

As a result, new approaches, new programs, new financing mechanisms, and new incentives must be found to attract private investment in public infrastructure projects.

And that is why APEC transport ministers created a special group to facilitate privatization of public works projects -- roads, airports, ports railways.

It is chaired by Indonesia -- a world leader in this area -- and will meet for the first time early next year to develop a set of principles to guide its work. Next spring it will report on its findings at the APEC transportation working group scheduled for next spring in Vancouver.

I'll be reporting on our efforts to encourage privatization later this week when I join President Clinton for the APEC leaders summit in Osaka. At our first ever meeting last June which I hosted in Washington, we also issued a joint ministerial statement establishing our overall objectives in transportation. And we agreed on a number of related goals, reducing trade barriers, encouraging competition in the transport sector, and improving global transportation systems.

I know the Indonesian government is particularly interested in developing its investment industry so it can tap domestic savings more easily and quickly as a way to help finance the nation's aggressive privatization and infrastructure investment program.

Transport Minister Haryanto, for example, told me his goal is to privatize 44 percent of Indonesia's infrastructure over the next few years, that would be substantially higher than today's 18-20 percent.

That is a trend being repeated throughout Asia. Currently about 10-15 percent of total infrastructure investment is now privately finance, according to the World Bank. And over the next decade, the share of private financing is likely to jump to 30 percent.

This month, my department sent Congress our bi-annual report on the state of infrastructure. All levels of government invested about $40 billion a year in our highways, bridges and transit systems. But the report said we should be spending $57 billion just to maintain them. That's a $17 billion gap. And to improve our infrastructure, we need to spend $80 billion.

In the years ahead, I know my government will be looking for more innovative techniques to fill the gap, and that means finding ways to attract private capital.

Transportation infrastructure is the backbone of any economy. I know it is for America, and I know that's true for many nations around Asia which are building their economies for the future. As leaders, we must come to grips with this reality if we are to meet the needs of our people by preparing our economies for competition in the increasingly globalized marketplace. If we fail, our people will be less prosperous and the futures of children put in jeopardy. I don't believe anyone wants that to happen so I'm optimistic that we will find solutions to these challenges.

And I know, as you know, that one of the best ways to deal with these problems is by doing what we can to strengthen our capital markets so they can provide the necessary financing in partnership with the public sector.

And that is what we'll be working on through the APEC regional forum in the years to come.

So let me close by recognizing President Soeharto's leadership in these issues. He's a strong promoter of international trade and private investment throughout the Pacific as economies become more interconnected.

In his words -- Siap atau tidak. Suka atau tidak. "Ready or not, like it or not," privatization and global trade are coming, it's our future.

I couldn't agree more.

Thank you.

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International relations

U.S. Department of Transportation

News:

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Statement of Transportation Secretary Federico Peña Concerning the Boeing Order with Singapore Airlines

November 14, 1995

U.S. Transportation Secretary Federico Peña today congratulated Boeing aircraft company for winning an order for new 777 airplanes from Singapore Airlines, reported to be worth up to $12.7 billion.

In Malaysia, midway through his 17-day Asian trade mission, Peña stated, "American aircraft manufacturing has continued strongly over the past two and a half years of our nation's economic recovery, and the 777 has been a cornerstone of this progress. I am delighted that Boeing has won this order for 34 aircraft and an option for at least another 33. It is a great tribute to the Boeing Company, their designers, assemblers and all others who put this extraordinary aircraft together."

Secretary Peña continues his trade mission in Kuala Lumpur, Malaysia tomorrow before flying tomorrow evening to Osaka, Japan to attend the opening of the APEC conference there. On Sunday, Peña travels to Manila, the Philippines.

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U.S. Department of Transportation

News:

Office of the Assistant Secretary for Public Affairs
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REMARKS BY
TRANSPORTATION SECRETARY FEDERICO PENA
PRESS CONFERENCE AFTER MEETING WITH PRESIDENT SOEHARTO
JAKARTA, INDONESIA
NOVEMBER 13, 1995

Thank you. On behalf of President Clinton, I'm delighted to be here in Jakarta. I am honored and gratified to have had the opportunity to meet with President Soeharto today, so soon after his visit to Washington last month and his meetings with President Clinton.

Our two countries have benefitted for many years from a productive and cooperative relationship. During our meeting today, I underscored President Clinton's appreciation for the close friendship and cooperation between the United States and Indonesia.

President Soeharto and I had a very productive session. We had an excellent exchange on a broad range of issues of common interest. Of particular importance to us both is developing ways for broadening and deepening economic relations between Indonesia and the United States.

I'm delighted to announce we had a productive discussion on expanding and improving aviation relations. We agreed that our countries will undertake senior level discussions in the very near future.

Under President Soeharto's leadership, Indonesia's development record over the last decade has been remarkable. And I salute him for this achievement.

The economy is growing over 8 percent a year. Per capita income has increased ten-fold. Literacy rates are rising steadily. And the government is reducing trade and investment barriers. Indonesia is truly an economic success story.

During my meeting this morning, I told President Soeharto how very important Indonesia is to many of our outstanding American companies doing business here, and to U.S. workers.

They want to be major partners in Indonesia, as evidenced by the nearly two dozen business executives accompanying me during our visit.

Later this morning, for example, Minister Haryanto and I will witness the signing of an agreement for a new U.S.-Indonesian joint venture -- the first Indonesian manufacturer of advanced air navigation equipment.

This new partnership represents a major transfer of technology to Indonesia, and is symbolic of the high degree of economic cooperation enjoyed between the United States and Indonesia.

We'll be seeing a lot more infrastructure investment in the years ahead. And making certain that Indonesia is aware of how American companies can assist in that investment is at the top of the agenda for my meetings here today and tomorrow.

Let me close with this. President Clinton believes that putting people first, creating opportunities for them, is one of the best ways of assuring prosperity and stability and peace.

We've been very successful in achieving those goals.

Later this week at the Osaka APEC summit, President Clinton and I will be pursuing that agenda globally. I believe it is an agenda that we share with Indonesia and many economies around the world.

I will be reporting on the progress the APEC transport ministers made last June in Washington when we met for the first time in history. We issued a joint ministerial statement establishing our overall objectives in transportation.

We agreed to reduce trade barriers, to encourage competition in the transport sector, to improve global transportation systems, and to enhance cooperation in training, safety and security. And we agreed to establish a working group on aviation, which has already held its first meeting.

The United States intends to be actively engaged in Asia in a way that encourages economic growth, development and stability.

I look forward to continuing our close working relationship with Indonesia as partners in a new Pacific community -- and in the spirit of this beautiful country's motto -- Unity in Diversity.

Thank you.

-30-

U.S. Department of Transportation

News:

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

CONTACT: Wendy Burt
(202) 366-5565

REMARKS BY
TRANSPORTATION SECRETARY FEDERICO PENA
JOINT VENTURE CEREMONY
AIRPORT SYSTEMS INTERNATIONAL, INC., P.T. LEN
AND P.T. ELEKTRINDO NUSANTARA
JAKARTA, INDONESIA
NOVEMBER 13, 1995

Minister Haryanto, Mr. Bambang Trihatmodjo, Keith Cowan -- President of Airport Systems -- distinguished guests. I'm delighted to be here.

This is my first visit to this prosperous commercial center you call "Glorious Fortress" -- Jakarta, which makes this ceremony today all the more special. It is a privilege to witness this new alliance between the United States and our long-time friend and business partner, Indonesia.

Our two nations have a long and productive history. We share a common goal of peace, security and prosperity. Minister Haryanto and I have been working closely together and through the APEC regional forum to create a framework for efficient transportation development.

He led a discussion on developing human resources in the transportation industry at the APEC transport ministers meeting that I hosted last June in Washington. His personal involvement in this critical issue demonstrates his commitment to making transportation systems efficient and run by properly educated and trained personnel.

Today's announcement of a joint venture between P.T. LEN, Elektrindo Nusantara and Airport Systems International, Inc. is the latest sign of that cooperation.

I want to congratulate the new partners for this exceptional achievement, and thank the people of Indonesia for selecting one of America's many outstanding companies to do business with.

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The new venture will be the first manufacturer of advanced radio navigation, landing, and runway visual aids in Indonesia, which will be competing in a billion dollar air navigational aids market throughout East Asia and the Pacific.

This new partnership represents a major transfer of technology to Indonesia, and is symbolic of the high degree of economic cooperation enjoyed between the United States and Indonesia.

I wish the new business partners much success in the years to come.

Finally, I see this new business partnership as a reflection of the open approach to trade and business relations envisioned by President Clinton's commitment to broadening ties between the United States and our trading partners throughout Asia.

Closer relations, economically, culturally and politically, will be the President's agenda this week when he and I attend the summit meeting of APEC leaders in Osaka. And we will be talking about innovative ways in the spirit of this new joint partnership, to develop more competitive and efficient transportation systems across the Pacific community.

When I brief the President about my trip around the region, I'll be delighted to report that cooperation and friendship and business relations are thriving here in Indonesia.

Thank you.

# # # #

U.S. Department of Transportation

News:

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

CONTACT: Wendy Burt
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REMARKS BY
TRANSPORTATION SECRETARY FEDERICO PENA
U.S.-MACAO AVIATION CEREMONY
MACAO
NOVEMBER 11, 1995

Thank you. I am delighted to be here today with you, Secretary Machado, Director Queiroz, distinguished guests, to affirm our mutual commitment to a new aviation relationship.

I also want to thank Governor Vieira, who couldn't be here today, for his personal involvement in the negotiations that led to this landmark agreement.

This new agreement is exceptional and forward-looking. It provides many mutual benefits, especially fifth freedom destinations beyond Macau and new cargo opportunities for U.S. air carriers. For Macau, the agreement creates a competitive and attractive business environment for the aviation industry.

The progressive approach taken by this agreement is in the spirit of the open approach envisioned by President Clinton's commitment to broadening ties between the United States and our trading partners throughout Asia.

Closer relations, economically, culturally, politically, will be the President's agenda next week when he and I attend the summit meeting of APEC leaders in Osaka.

There is little doubt that as this vibrant part of the Pacific community continues to grow and prosper, Macau will be prepared for the future and will prove an attractive market for global business.

As we flew in today and toured the Macau International Airport, I couldn't help but admire this impressive new facility. As a former Mayor who helped build the Denver International Airport, which opened earlier this year, I, more than anybody, understand what it takes to accept the challenge of planning and constructing a new airport.

It takes vision and courage, persistence and patience, to turn the dream into a reality. But now after the hard work is over and airlines begin to sign up for terminal slots, the people of Macau have a new symbol of hope and purpose and pride.

This new airport is significant for the United States -- not only because we have today a new first-ever U.S.-Macau aviation agreement -- but also because of our involvement in developing the new facility.

America's Trade Development Agency issued a grant to study the feasibility of the project. And a number of top U.S. companies helped in the construction, management, and servicing of Macau International Airport.

Macau overcame many challenges to build this airport. You reclaimed parts of the sea. You built special bridges. And you finished the project in record time, just four years.

A local newspaper headline called the new airport a "lofty ambition." I call it "smart ambition." Smart because Macau's leaders took a hard look at their economy and its future, and decided it was time for bold action, a time to diversify. I salute you, the people of Macau, for your courage and foresight as you face the challenges of the next century's truly global economy.

So, today I want to wish you the very best and commend you for your achievements. Speaking for the United States, our people and our businesses, I look forward to many more years of mutual success as partners and as close friends.

Thank you.

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U.S. Department of Transportation

News:

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

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REMARKS BY
TRANSPORTATION SECRETARY FEDERICO PENA
AMERICAN CHAMBER OF COMMERCE
JAKARTA, INDONESIA
NOVEMBER 13, 1995

Distinguished guests, it's an honor to address the American Chamber of Commerce in Jakarta.

I also want to acknowledge our American city mayors in the audience today. I understand you are visiting Jakarta in connection with the sister cities program. Welcome.

First, I want to congratulate our corporate executives for their bold vision and foresight to come to Asia. I'm impressed by the number of American firms operating in this rich and thriving country.

You are making the long term investments that our country needs to create jobs and prosperity back home, while promoting economic growth and opportunity throughout the Pacific region.

Today one American job in 13 depends on trade. In 50 years, one in five. In just the past 32 months, 2 million -- of over 7 1/2 million -- new jobs were created in the high-wage export sector.

Trade is no longer just important to America's future, it is our future.

President Clinton is fully aware of these trends. He is actively engaged in world affairs, and extraordinarily committed to enhancing America's relationships in Asia. His first trip overseas as President was to Asia, and this week I'll be joining him in Osaka for the APEC leaders summit.

The President has asked members of his Cabinet to devote as much time and effort as we can to opening markets, developing relations, and advocating for American companies around the globe.

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And I'm very pleased to be part of that effort.

This is my eighth trip to different parts of the world. I've been to Europe, the Middle East, Taiwan, Canada -- all as part of the President's involvement in economic diplomacy. This is my first visit to Indonesia. On this trade and investment mission, I'm visiting 7 other nations over 17 days.

So far, it's been a successful trip. In Hong Kong and Macau, where I just came from yesterday, we affirmed new aviation agreements. And in Bangkok, we agreed to resume formal negotiations on a new air agreement.

Today, we had productive discussions with Indonesia on expanding and improving aviation relations. I anticipate we can move forward soon to more formal discussions.

These new agreements will greatly expand our trading relations in the region. They will provide new opportunities for air passenger and cargo carriers. And consumers -- many of you in this room -- will benefit from increased competition through lower prices and a wider selection of flights.

What strikes me most is how welcome American products and services are in so many markets throughout the world.

I was in Hanoi several days ago, for instance, and despite many years of estrangement between our countries, the Vietnamese were exceptionally warm and very interested in doing business with our companies.

Executives from a dozen U.S. firms were with me. I witnessed the contract signing of Ellicott Machine Corporation for new dredging equipment. I was also advocating on behalf of other U.S. companies in many other product lines.

So we'll continue our efforts to open markets, to reduce trade barriers, and to search out new business opportunities for American companies. Given the chance to compete on a level global playing field, U.S. companies and U.S. workers can and will be very successful.

Now, let's talk about Indonesia.

As many of you know, Indonesia is one of the hottest markets in the region. For some of the executives here with me, this <u>is</u> their top market today and will be for some years to come.

Under the leadership of President Soeharto, Indonesia's development record over the last decade has been remarkable.

We agreed with our APEC partners in Bogor last year to create a free trade zone in the Pacific. And we're going to put that pledge into action at the summit.

Liberal trade relations -- as reflected here today and in our work with APEC -- are vital to economic and political interests of both Hong Kong, the United States, and to all of Asia.

So I want to congratulate Secretary Siu and his government for the vision and express my deep gratitude for the warm welcome I have received in hong Kong.

Thank you.

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U.S. Department of Transportation

News:

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

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REMARKS BY
U.S. TRANSPORTATION SECRETARY FEDERICO PEÑA
U.S.-HONG KONG AVIATION CEREMONY
HONG KONG
NOVEMBER 10, 1995

Thank you. I am very proud and honored to be here today with Secretary Siu to affirm our commitment to a new and expanded aviation relationship.

Secretary Siu's leadership in the negotiations was instrumental in making this achievement a reality. I warmly congratulate him.

This agreement we are affirming today is truly an historic milestone, and unique in many ways. For one, it is a reflection of President Clinton's commitment to broadening ties between the United States and our partners in Asia. His first trip overseas as President was to Asia and his next journey will be to Asia, to Osaka next week for a summit meeting of the APEC regional forum.

This agreement also is the first ever stand-alone aviation agreement reached between the United States and Hong Kong. The fact it is an aviation accord which facilitates the free flow of people and ideas and commerce is especially symbolic of the closeness of our relations in Asia.

With the signing of today's memorandum, I look forward to the submission of this agreement to the Joint Liaison Group, and I hope that it will be approved quickly by Britain and China.

The agreement is important because it creates operating certainty for U.S. carriers beyond 1997 when Hong Kong reverts back to China. And it gives us the ability to work now with the Hong Kong government and the Hong Kong special administrative region after 1997.

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Achieving this agreement was not an easy undertaking. It took some years of persistence and determination on both sides. In the end, though, we found common ground and forged a new partnership, a lasting partnership of the kind I hope will be repeated in other trade accords throughout Asia in the years to come.

Air transportation in the Asia-Pacific region is growing faster than anywhere in the world, an average of 8.6 percent a year from now until the end of the century. Some 41 million passengers will travel to and from Hong Kong by the year 2000, up nearly 50 percent from some 28 million travellers today.

This new agreement should help consumers and the aviation industry to better manage the demands of this rapid increase in business, which makes this agreement so essential to the stability and expansion in the thriving U.S.-Hong Kong aviation market.

Millions of working American families depend on a vibrant and open world trading system. Today Asia, as the fastest growing regional economy in the world, is an increasingly important market to the U.S. economy.

One-third of U.S. exports -- supporting 2.7 million American jobs -- are destined for East Asia markets, and the United States remains a crucial market for our Asian business partners and for tourists.

President Clinton recognizes the significance of these trends and has developed a strategy through the APEC regional forum for encouraging closer ties in a way that benefits people on both sides of the Pacific.

The U.S.-Hong Kong aviation accord is a product of that strategy, and we're implementing this new relationship to enhance travel, trade and economic growth.

Let me close on this. Building new, constructive partnerships across Asia is a fundamental component of President Clinton's vision for the region. Today's announcement is in that spirit.

Trade is one way we can build bridges of peace and understanding among the peoples of the world. I'll be working to build more of those bridges next week when I join President Clinton for the APEC summit in Osaka.

We agreed with our APEC partners in Bogor last year to create a free trade zone in the Pacific. And we're going to put

The economy is growing over 8 percent a year. Per capita income of its 200 million people has increased ten-fold. Life expectancy has increased 50 percent. Literacy rates are rising steadily. And the government has been reducing trade and investment barriers.

The United States and Indonesia are good trading partners. Total trade with the United States is about $10 billion. This morning, I witnessed the sealing of an agreement for a new U.S.-Indonesian joint venture -- the first domestic manufacturer of advanced air navigation equipment.

While in Jakarta, I'll be advocating on behalf of our business executives a variety of additional business opportunities, in air and sea navigation technology, air traffic control systems, rail development, and port expansion.

There are many, many specific projects that we're looking at in Indonesia. Let me mention a few.

Permuka railways wants to purchase high-tech locomotives for pulling coal trains in South Sumatra. They've bought American in the past I hope they do so again.

We're also interested in a number of aviation development projects involving air traffic control equipment, navigational aids, pilot training, and global positioning systems. Port development, and railway resignalling also are key areas.

We'll be seeing a lot more infrastructure investment in the years ahead. And it's at the top of the agenda during my meetings here today and tomorrow.

Indonesia, according to World Bank estimates, is likely to invest $56 billion over 10 years just in transportation to link its 17,000 islands with new roads, bridges, trains and air routes. It wants to develop airports, port facilities, and rail stations.

I know my friend Transport Minister Haryanto who I've worked closely with through the APEC forum, Minister Habibie and Minister Ginanjar all share the view that building infrastructure is a key strategy for developing their nation.

We have a lot to offer. And we want to be a major player in assisting Indonesia as it builds its economy and provides economic opportunity for its people.

Indonesia also is an innovator in financing infrastructure projects. Many government today face challenges in finding the money to pay for needed public works projects. And forming public/private partnerships to design, construct, and finance these projects as Indonesia, the United States and other nations are doing is not only innovative but an intelligent solution.

In Asia, 10 to 15 percent of total infrastructure spending is now privately financed. Even more impressive, in 10 years, it'll be 30 percent.

I salute Indonesia for your leadership, and foresight in this area and urge you to tap the resources of American investors in this regard.

Let me close with this.

President Clinton ran for office on an economic agenda because he knew that putting people back to work, creating opportunities, cutting fiscal deficits, and reducing government regulation are the best ways of assuring prosperity and stability and peace.

We've been very successful in achieving those goals.

This week at the Osaka APEC summit, we'll be pursuing that agenda globally. I believe it is an agenda that we share with many economies around the world.

I will be reporting on the progress the APEC transport ministers made last June in Washington when we met for the first time in history. We issued a joint ministerial statement establishing our overall objectives in transportation.

We agreed for the reduction of trade barriers, for the encouragement of competition in the transport sector consistent with the spirit of the World Trade Organization, for improvement in the transportation system, and for tangible progress and cooperation on training, safety and security.

We also agreed to establish a working group on aviation, which has already held its first meeting.

The United States intends to be actively engaged in Asia in a constructive way that encourages economic growth, development and stability.

I look forward to continuing our close working relationship with Indonesia as partners in a new Pacific community -- and in the spirit of this beautiful country's motto -- Unity in Diversity.

Thank you.

# # # #

U.S. Department of Transportation

News:

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

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PRESS STATEMENT BY
TRANSPORTATION SECRETARY FEDERICO PEÑA
MINISTRY OF TRANSPORT
HANOI, VIETNAM
NOVEMBER 9, 1995

As I come to Hanoi on America's first trade and investment mission to Vietnam since normalization, we begin a second chapter in this new relationship between our two countries.

In restoring ties with Vietnam, President Clinton's top priority remains clear: the fullest possible accounting of American POW's and MIA's. Our cooperation in that area has been very positive since we opened the U.S. embassy here in August.

President Clinton also believes that the time has come to build for the future.

Just as the people of Vietnam and the United States have together worked long and hard to account for missing U.S. service personnel -- a process that continues -- I hope we can use that same determination to build an economic relationship that advances our mutual interests.

There are many areas in which we can work together, but I believe finding ways to foster a thriving economic relationship is one of the most powerful means of assuring peace and stability and understanding among peoples of the world.

And that's why we're here this week in Hanoi.

The challenge before us is to translate these broader goals and policies into action. This week we're taking the first steps toward furthering the relationships between our two economies.

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First, let me mention the U.S. interagency delegation also visiting Vietnam this week. They are here on a fact-finding mission. They represent key U.S. agencies, including the U.S. Treasury, the Export-Import Bank, the Overseas Private Investment Corporation, and the State, Labor, Commerce and Agriculture Departments. What they learn will help the United States and Vietnam to determine what measures are necessary to make our two countries full trading partners.

In transportation, we're already beginning the process of restoring our ties with Vietnam. I share the view of Transport Minister Luu that the development of transportation infrastructure is an essential component, the backbone, of any vibrant economy. I know that is especially true in the United States.

The United States and Vietnam are moving ahead in several key areas. I met with Transport Vice Minister Hoan in my office in late September. We had a long agenda. And we're following up on those discussions today.

We're discussing a number of ways to promote cooperation between our two government agencies, to reintroduce American suppliers to Vietnam, and to encourage market-oriented approaches to solving transport problems.

Our Federal Aviation Administration (FAA), for instance, is actively working with Vietnam's Civil Aviation Administration to prepare for commercial aviation operations between our countries. Several FAA teams already have visited Hanoi and Ho Chi Minh City. In September, FAA experts provided airport security training to Vietnamese personnel -- the first training session by a U.S. government agency with Vietnam since diplomatic relations were restored.

Today, Minister Luu and I just witnessed the signing of a $12 million financial agreement between Ellicott Machine Corporation and Vietnam's Transportation Ministry for port dredging equipment.

I understand Vietnam plans to spend some $8 billion in the coming years on transportation development and I hope U.S. companies will be major participants in these key projects.

I also will be meeting with Prime Minister Kiet and we will talk about the benefits of more market-oriented policies.

As more U.S. companies start returning here, I hope Vietnam will come to learn that American products and services are the finest in the world. And we want to make certain that U.S. firms

can compete effectively in Vietnam's rapidly opening market.

Our transportation companies are especially c
they want to establish partnerships here as Vietnam
develops its airports, road, ports, and railroads.

The United States and Vietnam share the common goals peace and stability and prosperity for all of Asia. We can pursue these goals by closer bilateral relations and in broad forums, such as the ASEAN Regional Forum.

Vietnamese membership in this forum is a positive step toward broadening Vietnam's relationships in Southeast Asia, which is of interest to the region and our two countries.

I look forward to working with Minister Luu and other Vietnamese officials in building and developing our new relationship.

Thank you.

# # # #

U.S. Department of Transportation

News:

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

CONTACT: Wendy Burt
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TRANSPORTATION SECRETARY FEDERICO PEÑA
AVIATION JOINT STATEMENT CEREMONY
BANGKOK, THAILAND
NOVEMBER 8, 1995

Thank you. I am very proud and honored to be here today with Minister Wanmuhamadnoor at this very important ceremony.

Our nations have worked closely now for some 162 years since the United States signed its first peace agreement in Asia with the people of Thailand.

And both our governments have been trying to help one another ever since.

President Clinton believes cordial and mutually beneficial relations with Thailand continue to be very important to the United States.

Thailand is a critical ally and important partner in all aspects of our relationship -- economically, culturally, and militarily.

The joint statement we're issuing today is symbolic of the closeness and depth of the relationship between the United States and Thailand.

We've agreed that major progress has been made in developing the basic framework of a new aviation relationship and that both countries will work to complete negotiations.

This framework includes new opportunities for passenger services between Thailand and the United States. And it allows for new opportunities for cargo and charter operations.

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Stable and improved aviation relations between our countries are mutually beneficial. As Southeast Asia's second largest economy with near double-digit growth and rising personal incomes, Thailand is enhancing its transportation systems. A smoothly running infrastructure -- roads, ports, railways, air services -- is the backbone of any thriving economy.

President Clinton believes very deeply in building new, constructive partnerships across Asia. Today's communique is in that spirit.

Trade is one way we can build bridges of peace and understanding among the peoples of the world. I'll be building more of those bridges next week when I join President Clinton for the APEC summit in Osakka.

We agreed with our APEC partners in Bogar last year to create a free trade zone in the Pacific. And we're going to put that pledge into action at the summit.

Liberal trade relations -- as reflected here today and in our work with APEC -- are in the interests of both our nations.

So I want to congratulate Minister Wanmuhamadnoor and his government for their vision, and express my deep gratitude for the warm wlecome we have received in Thailand.

Thank you.

# # # #

U.S. Department of Transportation

News:

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

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REMARKS BY
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
U.S.-ASEAN COUNCIL
BANGKOK, THAILAND
NOVEMBER 8, 1995

Thank you very much. And let me thank U.S. ASEAN Council and the Thai Private Investment and Trade Organization for sponsoring today's luncheon.

I always enjoy meeting with the corporate leadership of our country, especially with people like you in the trenches battling for new business for the home office, and the working families back home.

I also am gratified to see so many Thai business people. Thank you for cominlg.

As all of you know, President Clinton has been very engaged in world affairs, and in particular, very much involved in the Asia region. He has asked members of his Cabinet to be more fully engaged in opening up markets throughout the world in supporting American companies in their efforts to work around the globe.

And I'm very pleased to be part of that effort. I had a lot of time to reflect on the way here -- some 21 hours inside a plane. This is my eighth trip to different parts of the world. I've been to Europe, to Saudi Arabia, to Taiwan, to Canada -- all as part of the President's involvement in economic diplomacy that has become so vital to our interests since the ending of the Cold War.

That is my message on this trip. Yes, I am an advocate for American technology and services. We have the finest anywhere. But I'll also be seeking to broaden and deepen our trading relationships as a way to foster peace and understanding around the world.

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Today one American job in 13 depends on trade. In 50 years, one in five. In just the past 32 months, 2 million -- of over 7 1/2 million -- new jobs were created in high-wage export sector. President Clinton is aware of these trends and has become an aggressive economic diplomat since taking office.

We've put in place 80 new trade agreements. We created a free-trade zone with Mexico and Canada with NAFTA. We agreed with our APEC leaders in Bogor last year to create a free trade zone in the Pacific.

And we're going to talk about putting that pledge into action next week when I join President Clinton at the APEC summit in Osaka.

There is a long history of trade in Asia. Ships from the area were plying the waters of the South China Sea and the Gulf of Siam long before the Europeans set foot in America.

In modern times, our challenge isn't looking for new trade routes but rather to make certain more nations, the nations of Asia and the United States, form lasting economic partnerships -- relationships that benefit the people on both sides of the Pacific.

I know I'm not the first Cabinet officer to visit Bangkok. Secretary of State Warren Christopher and former Treasury Secretary Bentsen came here to encourage more liberal trade and closer ties.

It's no wonder we visit often. America is Thailand's biggest market. We export about $6 billion to Thailand. Now I know there's a trade gap in favor of Thailand, but I hope that balances out as Thai-U.S. economic ties continue to expand and strengthen.

While in Bangkok, I'll be advocating on behalf of a number of top American business people. Our top priority at the American embassy here is promoting American business.

Representatives from a dozen firms and I met this morning with Thai officials and delivered the message that American firms -- given a fair chance -- can compete and win in the global marketplace.

Many of these firms -- including Airport Systems International, American President Lines, ARINC Engineering, Caterpillar, Ellicott Engineering, Federal Express, General Electric, HNTB Corporation, Trackmobile, and Westinghouse -- are major transportation companies, which is big business here.

Thailand will need to invest some $125 billion in public works alone over the next decade. Some 40 percent -- $52 billion -- will be in transportation.

I hope to see substantial American participation in a number of these major projects, including: the new Bangkok International Airport, new railway equipment for the State Railway system, some 2,000 kilometers of new roads, container handling at Laem Chabang, and a new mass transit line here in Bangkok.

In aviation we're making progress. This morning, for instance, Thai officials and I agreed to get our aviation relations back on track by restarting negotiations.

Asia is increasingly a major market for our airlines. Soon they will soon be earning more from Pacific routes -- some $6.8 billion now -- than Atlantic routes -- some $7.1 billion now today.

I'm optimistic we'll have a new U.S.-Thai passenger, cargo and contract services agreement soon. A new agreement would be mutually beneficial to both countries.

Such an agreement would offer enhanced opportunities for U.S. and Thai carriers in this important market.

In addition, we're looking toward improved cargo and charter services, and eliminating past restrictions that will significantly improve the flexibility of the carriers of both our nations.

What does this mean for American and Thai consumers? More and better services -- for travellers and for companies doing business here.

As a nation, America has benefitted from an open, fair, competitive trading system. Many of you here today have seen first-hand the results of these policies.

Asia is the fastest growing market anywhere. Already one-third of U.S. exports -- supporting 2.7 million American jobs -- are destined for East Asia markets.

As a region, growth rates average over 9 percent a year and (excluding Japan) peoples' incomes have grown by a factor of four in the past 20 years. As you know, working these big emerging markets of Asia takes time and patience and a lot of flexibility. But we are in it for the long haul.

East Asia and the Pacific, according to the World Bank, plan to spend some $530 million on transportation projects over the next decade. That's a total of some $1.2 trillion on total infrastructure.

In the ASEAN economies alone, we expect some $30 billion worth of public works contracts in the next five or six years. This trip more than anything is a reflection of the President's belief in open markets, in fair trade and in global opportunities for U.S. companies and our working families.

He believes that trade is an important avenue for corporate opportunity, and an important part of our economic future. It's no surprise that some say trade is our future.

Let me now tell you briefly about where else we'll be going, and what we'll be doing.

This afternoon I'll be flying to Hanoi on America's first trade mission to Vietnam since U.S. diplomatic relations were restored in August.

Our trip to Vietnam is symbolic, I think, of the President's vision for this country and the importance of Asia as an expanding market. We normalized relations with Vietnam because the President concluded it would best serve our national interests, especially the interest in the POWs and the MIAs. At the same time it's an indication of the United States' engagement in the Pacific.

From the economic perspective, our timing is propitious. Vietnam is just starting to rebuild. Its economy is growing about 9 percent a year and inflation is low. Vietnam already has signed agreements to build auto assembly plants with two American automakers Ford and Chrysler.

They will need to build new roads, airports, ports and rail systems. And these are projects in which America has a competitive edge.

I know financing is a challenge for U.S. firms doing business in Vietnam. While in Hanoi, I'll be working on that problem in meetings with top officials. A U.S. interagency team will be there working with the Vietnamese on the nuts and bolts of normalizing economic ties, such as Export-Import Bank Financing, bilateral trade agreements, and other U.S. programs.

This nation of 77 million, I believe, will be a key player in the region in the years to come and like all of Asia, U.S. business needs to be a part of this explosive developing economy.

Stacked up against our competitors, we're in 8th place with about $600 million in projects. I think we can do better and will work with you to achieve that goal. With a $20 billion wish list of projects -- $7 billion in transportation -- this is a market we shouldn't turn our backs on.

In Hong Kong and Macau, I will formally announce new aviation agreements. We'll also be visiting the new $20 billion Chek Lap Kok airport -- that's four times what it cost to build Denver International -- a huge project. And we'll be pursuing port development and mass transit opportunities.

In Indonesia, the fourth largest nation with 200 million people, transportation is the key to its economic future. For many U.S. companies, this is their hottest market in the region.

It's likely to spend $56 billion over 10 years just on transportation to link its 13,000 islands with new roads, bridges, trains and air routes and airports. We'll be pursuing a variety of business opportunities, including air and sea navigation technology, locomotives, and port dreding equipment.

Malaysia is a country doing so well that it has a labor shortage.

The U.S. business climate there I'm told is very friendly.

The Malaysians plan to spend some $48 billion on infrastructure -- about half ($22 billion) on transportation. There's discussion of building a new capital south of Kuala Lumpur and I'll be interested in learning more about that project. We'll also be looking at airport, highway, and port development opportunities.

In the Philippines, I'll be looking at the results of our new air cargo agreement, which is making Subic Bay a major gateway to all of Asia for Federal Express. The Philippines is expected to spend some $38 billion on public works -- $14 billion on transportation -- so clearly U.S. businesses have an interest there.

Finally, I could not talk about Asia without discussing our largest trading partner, Japan.

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. Takeo 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 relations with this exceedingly important ally.

So, it's a long trip, some 29,000 miles and 60 hours inside an airplane, but it's one I've wanted to make for a long time.

Let me close on this. President Clinton's first trip overseas as President was to Asia. He's made it clear we are truly a Pacific community, a community that one day I hope will be free of trade barriers and full of healthy, growing democracies.

I look forward to working with you and many others to make good on the President's vision

Thank you very much. Now let me take your questions.

# # # #

U.S. Department of Transportation

News:

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

FOR IMMEDIATE RELEASE
Wednesday, November 8, 1995

Contact: Bill Mosley
202-366-5565

Joint Statement by
Thai Minister of Transport and Communication Wanmuhamadnoor Matha
and
U.S. Secretary of Transportation Federico Peña

We are pleased to announce that we have achieved major progress in developing the basic framework for a new bilateral aviation agreement between Thailand and the United States. Based on this progress, we have agreed to instruct our aviation officials to commence formal negotiations at the earliest mutually acceptable date.

Our common goal will be a new aviation agreement that will allow significant expansion of passenger, cargo and charter services next year. We share the view that such a new agreement will benefit both our nations and will stand as a symbol of our renewed commitment to more mutually advantageous aviation relations.

#

The Peña Economic Record

	Before	Last 3 Years
JOBS		
Transportation Services Jobs	Gained less than 200,000 in previous 4 years	Gained 400,000
Auto Manufacturing Jobs	Lost 50,000 in previous 4 years	Gained 100,000
SMALLER GOVERNMENT		
Department of Transportation Jobs	Increased 9,600 in previous 4 years	Decreased 9,700
CONSUMER BENEFITS		
Interest Rates (Average Bank Rate on Car Loans)	From 1989-'92: 11.1%	Since Jan. '93: 8.6%
Airline Fares	From 1989-'92: 6 new low-fare airlines were certified.	Since Jan. '93: 17 have been certified, bringing in new competition. Since Jan. '93 air fares have dropped 7.4%. In 1994, this saved consumers $4.5 billion.
HEALTHY INDUSTRIES		
Selling Ships Abroad	From 1957-'92: zero American-made commercial vessels sold abroad	Since '93: 22 deals in the pipeline
Airline Industry	Lost $10 billion in 3 years	Earning $2 billion this year

Building A Better Future:

Highways: invested more than in any time in U.S. history; build them 2 to 3 years sooner with innovative financing.

Airports: built 115 new runways; extended 150 others; opened Denver International, first new airport in a generation.

Aviation Agreements: signed 26, with countries representing one-seventh of world's population.

Auto Production: The United States was the world's number one auto producer last year, for the first time since 1980.

Transportation Exports: Secretary Peña has helped American businesses sell $10 billion in exports through trips to Asia, Europe, and the Middle East.

Record Stock Market: Since Jan. '93, the Dow Jones transportation index is up 36%.

6.17

U.S. Department of Transportation

News:

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

CONTACT: Wendy Burt
(202) 366-5565

REMARKS BY
TRANSPORTATION SECRETARY FEDERICO PEÑA
JOINT VENTURE SIGNING BY ZAINUDDIN PARSONS-BRINCKERHOFF
AND KERETAPI TANAE MELAYU BERHAD
KUALA LUMPUR, MALAYSIA
NOVEMBER 15, 1995

Thank you. This is my first visit to this prosperous country. I'm delighted to be here.

Malaysia from the earliest of times has been an active trading partner with its neighbors. This new alliance between Zainuddin Parsons-Brinckerhoff (ZED) and Keretapi Tanah Melayu Berhad (KTMB) is symbolic of the cordial and productive relationship between the United States and Malaysia.

We have worked together over the years in many areas. Most recently through the APEC regional forum to create a framework for efficient transportation infrastructure development.

I want to thank Malaysia for its participation at the APEC transport ministerial that I hosted last June in Washington. We agreed to work more cooperatively in a number of key areas, including reducing trade barriers, encouraging competition, and facilitating private sector financing of infrastructure projects.

Today's announcement of a joint venture between ZBD and KTMB for railway consulting services for KL's planned Central Station Project is the latest symbol of that cooperation.

This project is an exciting one. Central Station will provide the people of KL with "seamless" intermodal transportation from the airport to the center of the city via a separately planned rail link. This is what transportation systems of the 21st century ought to look like to meet the rigors of expanding global competition. Central Station should be an inspiration to us all.

- more -

The new venture will provide planning, and tenacity in design engineering, and project management for this strategic rail development project. I know building efficient transportation systems is a key national objective. I believe this project will make a significant contribution in that effort.

I hope we'll see many more such partnerships between U.S. and Malaysia firms as Malaysia pursues its Vision 2020 economic program.

This new partnership also represents a major transfer of technology to Malaysia, and is symbolic of the high degree of economic cooperation enjoyed between our two countries.

I wish the new business partners much success in the years to come.

Finally, I see this new business partnership as a reflection of the open approach to trade and business relations envisioned by President Clinton's commitment to broadening ties between the United States and our trading partners throughout Asia.

Closer relations economically, culturally and politically, will be the President's agenda this week when he and I attend the summit meeting of APEC leaders in Osaka.

And we will be talking about innovative ways, as in the spirit of this new joint partnership, to develop more competitive and efficient transportation systems across the Pacific community.

When I brief the President about my trip around the region, I'll be delighted to report that cooperation and friendship and business ties are thriving here in Malaysia.

Thank you.

# # # #

U.S. Department of Transportation

News:

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

Contact: Wendy Burt
Tel.: (202) 366-5565

REMARKS BY
TRANSPORTATION SECRETARY FEDERICO PEÑA
AMERICAN CHAMBER OF COMMERCE
KUALA LUMPUR, MALAYSIA
NOVEMBER 15, 1995

Thank you. Distinguished guests, it's an honor to address the American Chamber of Commerce in Kuala Lumpur.

First, let me congratulate our corporate executives for their bold vision and foresight to come to Asia. I'm impressed by the number of American firms operating in this rich and thriving economy in Malaysia.

You are making the long term investments that our country needs to create jobs and prosperity back home, while promoting economic growth and opportunity throughout the Pacific region.

Today one American job in 13 depends on trade. In 50 years, one in five. In just the past 32 months, 2 million -- of over 7 1/2 million -- new jobs were created in the high-wage export sector.

Trade is no longer just important to America's future, it <u>is</u> our future.

President Clinton is fully aware of these trends. He is actively engaged in world affairs, and extraordinarily committed to enhancing America's relationships in Asia. His first trip overseas as President was to Asia, and this week I'll be joining him in Osaka for the APEC leaders summit.

The President has asked members of his Cabinet to devote as much time and effort as we can to opening markets, developing relations, and advocating for American companies around the globe.

And I'm very pleased to be part of that effort.

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This is my eighth international trip. I've been to Europe, the Middle East, Taiwan, Canada -- all as part of the President's involvement in economic diplomacy. This is my first visit to Malaysia. On this trade and investment mission, I'm visiting 7 other nations over 17 days.

I want to be clear about our message. We are committed to expanding and liberalizing global markets. And we are aggressively advocating American business where ever and when ever we can.

This is the President's top priority, making sure U.S. businesses and working Americans have a major stake in markets around the world.

So far, my trip has been quite successful.

Yesterday in Jakarta, we announced a joint venture between Airport Systems International and two local companies, creating the first manufacturer of advanced air navigational aids in Indonesia. The regional market for these products is expected to grow to $1 billion in the years ahead.

We also put back on track several other contracts during meetings with President Soeharto, Transport Minister Haryanto and others.

I also had productive talks on expanding and improving aviation relations. Minister Haryanto and I agreed to elevate these discussions to a senior level in the near future.

In Hong Kong and Macau, we affirmed new aviation agreements. I toured the new Chek Lap Kok airport, a $20 billion facility, one of the largest public works projects. A number of American firms are working on Key elements of the project.

And in Bangkok, we agreed to resume formal negotiations on a new air agreement, and advanced the ball for a number of pending contracts in the transportation industry.

These new agreements we signed in Hong Kong and Macau, and will sign the Philippines next week will greatly expand our trading relations in the region. They will provide new opportunities for air passenger and cargo carriers. And consumers -- many of you in this room -- will benefit from increased competition through lower prices, higher quality service and a wider selection of flights.

The significance of aviation in Asia is extraordinary. Today the value of international aviation in the Atlantic is about $7.1 billion. But the value of traffic between the United States and Asia is $6.8 billion.

We predict that in a year or so, the value of international travel between the United States and the Asian market will exceed the Atlantic routes.

So in our discussions with a number of countries in the region, we are urging that there be more opportunities for U.S. carriers. We also believe that it is important to recognize the role of "beyond rights" -- the ability to fly to one country and beyond to another country.

What strikes me most is how welcome American products and services are in so many markets throughout the world.

I was in Hanoi several days ago, for instance, and the Vietnamese were warm and interested in doing business with our companies. They have extensive plans to build major highways, to develop their ports, and to expand airport facilities.

Executives from a dozen U.S. firms were with me in Hanoi. I witnessed the contract signing of Ellicott Machine Corporation for new dredging equipment. I was also advocating on behalf of other U.S. companies in many other product lines.

So we'll continue our efforts to open markets, to reduce trade barriers, and to search out new business opportunities for American companies. Given the chance to compete on a level global playing field, U.S. companies and U.S. workers can and will be very successful.

Now, let's talk about Malaysia.

The United States and Malaysia benefit from a very cordial and constructive relationship.

American companies, as you know, have a long and successful history in Malaysia. And I am anxious to promote U.S. goods and services to build on the relationships that you have worked so hard to develop.

While here, I'll be meeting with Deputy Prime Minister Anwar Ibrahim and Transport Minister Datuk (Dr.) Ling.

I'll be reinforcing the importance of open markets and fair opportunity for American business. Both countries have benefitted for many years from the absence of trade barriers, giving you the environment you need to do business.

Tomorrow, for example, I'll be witnessing the signing of Parsons Brinckerhoff's management services contract for the Brickfields Central Train Station project.

There are many projects I'll be advocating for American participation.

A number of U.S. firms already are involved in Kuala Lumpur's new international airport. But there are more opportunities I'd like to see our companies take advantage of.

Malaysian State Railways is shopping for new locomotives and I'd like to see an American Company win this contract as well as others in connection with various rail expansion projects.

I'll be advocating for American participation at Port Klang's container facility.

The opportunities seem endless. The World Bank, for example, estimates that Malaysia likely will invest some $22 billion in transportation over the next decade as part of nearly $50 billion in overall infrastructure development.

Let me close with this.

President Clinton ran for office on an economic agenda because he knew that putting people back to work, creating opportunities, cutting fiscal deficits, and reducing government regulation are the best ways of assuring prosperity and stability and peace.

We've been very successful in achieving those goals. Later this week at the Osaka APEC summit, we'll be pursuing that agenda globally. I believe it is an agenda that we share with many economies around the world.

I will be reporting on the progress that APEC transport ministers made last June in Washington when we met for the first time in history. We issued a joint ministerial statement establishing our overall objectives in transportation.

I want to thank Ambassador (Data' Abdul Majid) Mohamed for his personal involvement in the APEC transportation ministerial. He was an active participant in the discussion in Washington and made a significant contribution in crafting our objectives.

We agreed for the reduction of trade barriers, for the encouragement of competition in the transport sector consistent with the spirit of the World Trade Organization, for improvement in the transportation system, and for tangible progress and cooperation on training, safety and security.

We also agreed to establish a working group on aviation, which has already held its first meeting.

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The United States intends to be actively engaged in Asia in a constructive way that encourages economic growth, development and stability.

I look forward to continuing our close working relationship with Malaysia as partners in a new Pacific community.

Thank you.

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6-16

U.S. Department of Transportation

News:

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

Contact: Wendy Burt
Tel.: (202) 366-5565

INTERVENTION BY
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
TO THE SEVENTH APEC MINISTERIAL MEETING
OSAKA, JAPAN
NOVEMBER 16, 1995

- Ministers, Excellencies, and friends, I appreciate the opportunity to join you today at this seventh ministerial meeting of the Asia-Pacific Economic forum to discuss the APEC Action Agenda.

- Last year in Indonesia, the Leaders endorsed the need for an APEC action program in transportation. Since I have just visited several APEC economies, including Indonesia, Malaysia, Hong Kong, Japan, Thailand -- and next week the Philippines -- I strongly support the focus on transportation by APEC Leaders.

- As a result of the Leaders' request, I was honored to host the first ever transport ministers meeting in June, in Washington, D.C. We met for two days and agreed to a specific set of principles as a basis for the APEC Transportation Action Program, which I am pleased to see were incorporated into the Osaka Action Agenda.

- Among a number of principles we agreed to were:

  -- Lower trade barriers and greater competition in the transport sector, consistent with the spirit of the World Trade Organization.

  -- Improved efficiency of regional transportation systems, including the introduction of new technologies and the promotion of private/business sector participation.

  -- Closer cooperation in training, safety, and security in the transport sector.

-more-

- Most importantly, the Ministers agreed to 12 specific initiatives. These include:

  -- 1. Creating an experts group to study air safety;

  -- 2. Developing ways to reduce urban traffic congestion and we agreed to form an APEC urban transport forum to share mutual experiences;

  -- 3. Promoting timely, rational investment in the region's transport infrastructure.

  -- 4. Adopting internationally accepted safety, environmental, and technical standards.

  -- 5. Reviewing the harmonization of regulatory practices and procedures.

  -- 6. Facilitating improvement and productivity, skills, and efficiency of labor and management in the transport industry.

- Since our meeting in June, we've taken several concrete actions.

  -- 1. We created a special group to facilitate privatization of public works projects -- roads, airports, ports, railways. It's chaired by Indonesia -- a world leader in privatization -- and will develop a set of principles to guide its work. Next spring, the group will report its findings to the APEC transportation working group.

  -- 2. We also created a small group to prepare an options paper, on a "consensus basis," for more competitive air services, with fair and equitable opportunities for all member economies.

  -- 3. The group -- chaired by Singapore -- met for the first time in October. The aviation group issued a paper with eight options covering a number of issues, including air carrier ownership and control, air cargo, multiple air designation, charter services and market access. The options paper will be reviewed by the Transportation Working Group in April 1996. Given the work that we have done in aviation, I hope that this initiative will be advanced expeditiously through the Action Agenda we adopt today.

- In conclusion, we believe these ministerial discussions have promoted greater mutual understanding of transportation issues of common interest and are pleased that we have identified priorities for cooperation and action on them. We therefore look forward to a continuing dialogue among APEC transport ministers.

- Thank you.

# # # #

U.S. Department of Transportation

News:

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

FOR IMMEDIATE RELEASE
November 18, 1995

CONTACT: Scott Dykema
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(06) 448-1121

U.S. TRANSPORTATION SECRETARY FEDERICO PENA REPORTS SUCCESSFUL ASIA TRADE MISSION; APEC MINISTERS ADOPT TRANSPORT ACTION PROGRAM

Secretary of Transportation Federico Pena today said his trade and investment mission to 8 Asia Pacific economies and the third APEC leaders summit in Osaka, Japan has been very successful.

"My message for this trip is straight-forward. The United States supports liberalized trade and investment policies and we want to work with our trading partners to achieve this goal," Pena said.

"Not only will U.S. businesses and workers benefit from the prosperity that freer trade creates but also people throughout Asia," Pena said. "This is not a zero sum game. All our economies, all our peoples stand to gain. And I believe working through APEC is the best opportunity to achieve a united Pacific community for the 21st century."

As part of his mission, Pena, accompanied by some two dozen business executives, advocated on behalf of American products and services in the economies he visited, including Vietnam, Thailand, Indonesia, Malaysia, Hong Kong, Macau and, next week, the Philippines.

Pena met with government and business leaders during his trip, signing new air agreements with Hong Kong, Macau, and next week, the Philippines. He also held productive aviation talks with Indonesia and Vietnam, and agreed with Thai officials to hold senior level discussions over the next several months.

Pena also witnessed the signing of a number of U.S. business deals. These include: a joint venture by Airport Systems International, Inc. for first ever Indonesian manufacturer of advanced air navigational aids; a contract by Parson-Binckerhoff International for railway design in Kuala Lumpur, Malaysia and a

contract by Greiner Engineering, Inc. for airport management services in Malaysia; and a contract by Ellicott Machine Corporation International for dredging equipment in Vietnam.

Establishing personal relationships with regional leaders also was a priority for this trip, Pena said. In addition to meetings with transport ministers and other key leaders, Pena held talks with Indonesia's President Soeharto; Thailand's Deputy Prime Minister Thaksin; Vietnam's Prime Minister Kiet; Hong Kong's Governor Patton; Macau's Governor Vieira; and Malaysia's Deputy Prime Minister Anwar. In the Philippines, Pena is scheduled to meet with President Ramos.

Pena also said APEC leaders will endorse a specific set of principles for lowering trade barriers and increasing competition in the transport industry, Pena said. In addition, the Transportation Action Program will help improve the efficiency of regional transport systems, including the wider use of advanced technologies, and will encourage great private sector financing of strategic transportation projects, such as toll roads, airports, and railways, he said.

"The rapid pace of growth throughout the region will continue to increase demand for efficient transportation systems. This action agenda will help APEC economies better cope with these demands by guiding how we invest in our vital transport system, air land and sea," Pena said.

The action agenda was crafted last June in Washington during two-days of ministerial meetings hosted by Pena. In their first ever meeting, APEC transport ministers agreed to a number of principles and initiated over a dozen measures that are now being put into effect.

Since June, for example, a special group chaired by Indonesia began work on set of guidelines for encouraging privatization and private sector investment. Over the next 10 years, some $530 billion is expected to be invested in transportation throughout the region. As much as 30 percent of that will be financed by private investors.

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6.14

U.S. Department of Transportation

News:

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

For Immediate Release
Tuesday, November 28, 1995

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

STATEMENT BY TRANSPORTATION SECRETARY FEDERICO PEÑA ON NATIONAL HIGHWAY SYSTEM

Today, in response to President Clinton's directive to me to develop an action plan to help states ensure highway safety, I call on the governors and the state legislators to adjust and refashion their highway safety strategies and to work in partnership with the Department of Transportation to make our highways the safest in the world.

For two decades the laws have worked. Today, our traffic fatality rate is at a record low level. In 1972, more than 55,000 Americans died on our highways. Last year, about 40,000 Americans were killed. Over the last decade, drunk driving fatalities have declined more than 17 percent and seat belt usage is now at 67 percent, up from 15 percent.

I am proud of our progress on highway safety. But much more remains to be done because the fatalities have leveled off for the past two years, further emphasizing the need for us to redouble our safety efforts. We, as a nation, cannot and should not accept 40,000 fatalities and 3 million injuries a year caused by highway accidents.

When a plane crashes and kills people, every news show in the country reports it. People are concerned, and that's appropriate. Last year, we lost 262 lives through seven major airline crashes. Yet on our highways, we lost 40,000 lives, and it doesn't make page one. That is the equivalent of 110 people killed in an airplane crash every day, for an entire year, 365 days of the year.

If we framed the tragedy that we see on our highways in this context, I believe most Americans and their state elected officials would be outraged at the senseless slaughter of our fellow citizens on our highways.

-- more --

They are fatalities that we accept too easily. As we drive past a terrible highway crash, we seem numb to the tragedy, believing that it could not happen to us. We forget the leading cause of death for people ages 5 to 34 is transportation accidents. It does not come from crime, or domestic abuse, or disease. It comes from car crashes.

And while one cannot put a price on losing a loved one or suffering an injury, motor vehicle accidents cost the public more than $137 billion a year. These costs include $45.7 billion in property losses, $39.8 billion in market productivity, $13.9 billion in medical costs, $10.8 billion in household productivity, $10 billion in insurance administration, $8.9 billion in legal and court costs and $8.4 billion in other costs.

There is a possibility states may end up with the full responsibility for addressing Medicaid costs. This means that citizens in every state would be challenged to curtail the costs of Medicaid resulting from highway deaths and injuries, because these costs would be borne by taxpayers in every state.

This year, in a fundamental shift of authority from the federal government to the states, the Congress has granted the states the right to set virtually their own highway safety laws. The shift in authority brings with it much responsibility because we all pay the bill from traffic accidents.

I accept this change in legislation as an opportunity to engage in a national debate, not only with the state elected leaders, but with the American people as well, about what our true commitment is to reducing the loss of 40,000 lives.

From my travels across America, I know firsthand that governors share the same commitment the President and I share to ensuring and promoting highway safety. I hope and expect to continue to work closely with the states to save lives and prevent injuries on all our highways.

So, I am taking the following eight actions.

- Immediately urge the Governors of the states where the speed limits automatically increase upon repeal of the National Maximum Speed Limit to work with their state legislatures to have public hearings to carefully consider the costs and benefits, especially in health care and Medicaid costs of increasing speed limits. There were no public hearings here in Washington on the speed limit repeal in the Congress.

- Begin a public education campaign to communicate with citizens, governors and legislative leaders, about the burdens that motor vehicle crashes currently place on their states, to provide estimates of potential cost increases due to lessening highway safety in each state.

- Immediately establish a nationwide safety team to educate state policy-makers of the consequences of weakening highway safety laws. The members will include those who bear the costs, such as citizens representatives, businesses, insurance and health care providers; and those who develop and implement the policies.

- Assist all states in identifying and using current data to track their state-specific costs due to motor vehicle crashes and to identify the ultimate payor of these costs. This will assist the states in fulfilling the requirements for a report on the consequences of raising the speed limits. With this data, most states, for the first time, will have the costs imposed on a state due to various accident factors. Working with the Department of Health and Human Services, the Department of Transportation will provide data to states on Medicaid costs due to highway accidents.

- Aggressively support the "zero tolerance" provision in the legislation, urging the states without such laws to promptly adopt them.

- Promote and support safety management systems. The Department will showcase "best practices" as well as provide training to ensure all states take advantage of the safety management systems. The Department is already working with 16 states on a true performance-based safety management system where the state has the lead.

- Carefully exercise discretion in the implementation of the pilot program to reduce regulations for medium-sized trucks in order to maintain safety levels.

- Carefully monitor the results of numerous statutory exemptions granted for hours-of-service requirements for different truck types.

Finally, the National Highway System represents strategic investment in not only our transportation system, but also our economy. I am pleased at its passage and would like to acknowledge the work of all the Department of Transportation employees who contributed to its fruition, particularly the men and women of the Federal Highway Administration.

# # #

U.S. Department of Transportation

News:

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

FOR IMMEDIATE RELEASE

Contact: William Schulz
Tel.: (202) 366-4531

STATEMENT OF U.S. TRANSPORTATION SECRETARY FEDERICO PEÑA
ARRIVAL - MANILA INTERNATIONAL AIRPORT
PREPARED FOR DELIVERY
NOVEMBER 19, 1995

Thank you for the warm welcome.

I am pleased to be here on behalf of President Clinton. It was a little more than a year ago when our President was here and I am pleased to follow him here.

My 17-day Asia trade mission would not be complete without a visit to this close ally of the United States.

On a personal note, let me say that the thoughts and prayers of the people of the United States have been with the people of the Philippines in the aftermath of the terrible typhoon.

President Clinton and I value the relationship between our two nations. The United States and the Philippines have a longstanding cordial relationship which includes close economic, cultural and military ties.

I am here to expand our excellent relationship and I also hope my visit will serve to expand the participation of U.S. businesses in this rapidly-growing economy.

I just visited Subic Bay this afternoon which proved to be a remarkable reflection of the people of the Philippines who rise to challenges and make the best of opportunities.

- more -

The economy of the Philippines is a remarkable success story. I believe history will record that your nation's strategic location and your government's visionary leadership enabled the Philippines to take full advantage of not only the Asia Pacific market -- the fastest growing in the world -- but also the entire global economy as we move into the 21st century.

Earlier today, I left Osaka where the APEC leaders adopted an action agenda for trade expansion.

President Ramos was a very active participant in that important meeting of world leaders. I know the leadership of President Ramos in APEC will be highlighted when your government hosts the 1996 APEC meeting here.

I look forward to my meetings tomorrow with President Ramos, Secretary Garcia and other officials to exchange views on many issues of mutual interest -- and also the signing of our new aviation agreement.

Finally, let me say that the people of the Philippines are renowned worldwide for their gracious hospitality and I am honored to be in the Philippines on behalf of the United States of America.

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An electronic version of this document can be obtained via the World Wide Web at:
http://www.dot.gov/affairs/index.htm