

REMARKS PREPARED FOR DELIVERY
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
FLORIDA COUNCIL OF 100
NOVEMBER 8, 1996
PALM BEACH, FLORIDA

SPEECH WAS CANCELLED -- DID NOT DELIVER

Thank you, Gov. Chiles, and thanks to all of you for the warm, warm welcome.

On Tuesday night in Little Rock, at a little after 7, when the President heard that he had carried Florida, he knew he would carry America. The President was very happy and humble, and he thanks you for your support.

For the last four years, I have had the honor to work for a great Transportation Secretary. Secretary Pena will long be remembered for what he has done to increase infrastructure investment, to open the skies of the world to our airlines, to reshape our Department and reduce its size, to modernize our air traffic control system, and to emphasize investments in technology that will change the way we move goods and people in the 21st century.

Leon Panetta asked the Secretary to stay on. He is already one of the longest standing Transportation Secretaries ever. But the Secretary has two young children and a beautiful wife, and he wants to enjoy them for a change.

I am here today because there is no governor in America who understands the significance of transportation investments as much as Lawton Chiles.

When I go before Congress to seek new ways to finance highway projects, it is so much easier to persuade them, because I can point to Lawton Chiles.

I point to how you are building highways sooner in this state, at no extra cost to federal taxpayers, because this Governor has changed financing and construction rules and is working with the private sector as partners.

I'll tell you what the reaction is from Congressmen. They want to know: how fast can they copy Florida?

During President Clinton's first term, transportation policy can best be summed up with one fact. He invested more in our country's infrastructure than any President in history. What is all the more remarkable is that he did it while cutting the budget deficit by more than 60 percent.

But today I want to discuss the President's second term -- how he will literally build more of the bridges he loved talking about in the campaign.

First, I will address our nation's broad challenges as we head to the 21st century; and then I will speak specifically about issues important to Florida.

BROAD CHALLENGES

In the next four years, we will see a broad range of transportation issues. And we need to address all of them if we are to sustain the substantial improvements we have seen to our economy during the past four years.

We have the challenge of how do we keep our transportation industry competitive?

When Secretary Pena and I came into office four years ago, and airlines were losing billions, some in the industry would have liked just to survive, yet alone compete. Today, we ask how do we open more markets for a healthy airline industry?

We need to ask: Can we increase the productivity of the trucking industry by changing regulations on the weight and size of trucks?

And can we help grow the emerging GPS industry -- the makers of receivers and equipment to help people navigate. Today, under 10,000 people are employed in GPS. In four years, it could be 100,000.

And we have to look closely at the railroad industry. Since 1980, the number of large freight railroads has fallen from 30 to 10, and this trend has great significance to the economy. We have to look at the effect that all of these mergers are having on shippers -- and their rates and their access to markets.

And we must find a way to address the environmental issues related to dredging shipping channels, or face an increasing diversion of ocean freight traffic from U.S. to foreign parts?

In the next term, we have some social challenges we need to face.

A major obstacle to employment for the poor is -- they can't get to their jobs. They have no cars. And too many times they can't take a bus, because so many of the jobs are now in the

suburbs, and regional transportation systems are not set up to provide access to where the jobs are.

Another social problem, and you feel this here in Florida, is that with the adult population growing, we need to figure out ways to keep older people driving safely as late in life as possible. We need to do a lot more research looking at, one if technology can help older drivers, and two, at the links between mobility, quality of life, health care costs, and how to deal with the fragility of older people when they are involved in accidents.

In the next term, the President will continue to focus on transportation policies that can reduce pollution in the air; the President and the Vice President will certainly be focused on increasing airport security and safety for the flying public; and they will continue the efforts Secretary Pena started to modernize the FAA.

So, those are some of the long-term, broad challenges we face.

Now, let me talk specifically about the four issues that are of most concern to Florida.

First, of all the transportation issues on the agenda next term, the largest and by far the most difficult will be: how much can we invest?

In a little less than a year, the grand law that authorizes how much we can spend on highway and transit projects expires.

As many of you know, it's called ISTEA. It was established, on a bipartisan basis, in 1991. It was intended to give states more flexibility in the kinds of transportation projects they want to build -- and it has.

Because of ISTEA, state and local officials have more power to fund projects that make sense for their communities. They have looked beyond roads, and almost \$3 billion have been transferred from highway to transit programs. ISTEA has improved the planning process, so more people are involved and projects are more acceptable to the public. It has allowed Gov. Chiles to be creative in how to finance projects.

Those are the positive.

Secretary Pena held a hearing in Miami in September, and Secretary Watts expressed Florida's concerns with ISTEA. The citizens of Florida pay \$200 million more in federal gas taxes than they receive back to build highways. You are not the only state in this position -- and I understand your concerns.

We will present the Transportation Department's position for the first time when the President submits his budget to Congress, the first of the year.

Just as we have met with Secretary Watts and many Floridians on this issue, we have met with thousands of people across the country.

We have held 13 hearings. We have conducted 100 focus groups because we wanted our legislation to reflect the needs of the country, and not have Washington make a decision for you.

So, I commit to you, the President's plan will not be written in a vacuum. You will see in our plan the message we heard throughout America: Tune it up, don't toss it out.

Next year, I anticipate many tense debates on the issue. The fact that Congress will be Republican, again, has little impact, because transportation has always been a bi-partisan issue. On Tuesday, voters said: we like it when Republicans and Democrats work together. And I know the President looks forward to working with the new Congress on ISTEA.

What I am concerned with is that as we compete for shrinking funds, and as we head to a balanced budget, we get as big of a pot as we can for transportation.

At the beginning of the decade, before ISTEA was enacted, we invested \$18 billion a year in infrastructure. The President and Congress increased it to more than \$25 billion.

So, I want to ask all of you not to be so focused on formulas, and how much each state gets, that we lose sight of the bigger picture of convincing the public how important infrastructure investment is.

For every \$1 billion of infrastructure investment, we support 40,000 jobs.

Even more important to all of you, is that transportation systems increase the productivity of American companies.

We conducted a study that showed that from 1950 to 1989, for every dollar we invested in our road system, American industry lowered production costs by 18 cents. In the decade of the '80s,

highway capital investments contributed 7 percent to annual productivity growth.

Tell me -- how will our manufacturers compete with those in Asia and Europe -- if they have a better transportation system than we do? So, I hope in the ISTEA debate, you make your voice heard.

Second, on the President's agenda, will be to find ways to bring high speed rail to our country for the 21st century. When Americans visit Europe and Japan, they ride high-speed rail. Why can't we have it in our country?

In the original ISTEA legislation Congress endorsed high-speed rail. I consider your project from Miami to Orlando to Tampa to be a project of national significance which Congress should support if it is to build upon the potential of high-speed technology. So, next year, in the context of ISTEA re-authorization, as I have told the Governor, and Secretary Watts, we want to work with you to develop innovative financing methods.

And we will work with you to guide your project through the environmental and safety regulatory process. In fact, by the end of the month, we hope to outline the steps that will need to be taken on this front.

Third, we want to work with you on the Miami Intermodal Center, where you would link the airport, to the port, to the high speed rail, to light rail. So a visitor can, say, fly into Miami, and take a train ride to the port to board a cruise ship.

This too is a huge undertaking, but we want to help you because it is the vanguard of comprehensive transportation planning.

In 20 years, you can have 80 million people visiting Florida -- double what it is today. But you can only attract them ... and they will only want to return ... if they can get here easily and move around efficiently.

That brings me to the fourth, and final, issue I want to discuss --- and that's our aviation system. Half of your visitors get here by flying.

We have made major capital investments to upgrade your airports. In the last few years, we have extended the runways at Daytona Beach and Jacksonville. We have improved a runway in Orlando, and are working to improve one in Tampa.

We're beginning environmental and planning studies for a new runway and terminal in Miami, and to extend runways in Ft. Lauderdale and at West Palm Beach.

And we have made major advances into bringing international service to Florida. Today, 13 Florida airports provide some international service.

That is very important, because while air travel inside the United States will grow, the pace of growth for international routes will be even faster.

That means that in a decade 800 million people a year will be flying in the U.S. ... 45 percent more than today. Ninety million of them will be flying to international destinations.

For example, double the number of people flying today from the United States will be flying to Latin America.

Secretary Pena signed 40 new aviation agreements. These are important, not just for making travellers' lives more convenient, but for boosting local economies.

Let me illustrate. In February, of 1995, we signed an agreement with Canada, and since then, 2 million extra passengers have flown between our two countries, generating nearly \$4 billion in new economic activity and for many of those passengers -- their destination was Florida.

As for Latin America, we have to work with each of the democracies to open markets and create new air service opportunities. We've made progress, signing new air agreements with Argentina, Brazil, and Peru, which already are increasing service.

As for Europe, we have made major progress in signing open skies agreements. The most recent was with Germany, bringing 40 percent of Europe under a fully open aviation regime. And we're continuing discussions with other European countries.

Asia is by far the world's fastest growing region ... and we've been in contact with Korea, Taiwan, Malaysia, Singapore, Brunei, and New Zealand communicating our intention to move toward open skies in Asia. Our initial focus is on nations sharing our pro-competitive aviation philosophy. But we are prepared to consider open skies relations with any Asian country.

Let me end by saying there are many challenges ahead of us in the next four years. It will take the energy and resilience and personal responsibility and leadership of the private sector to help those of us in the public sector build the bridges to the 21st century.

What happens in 20 years when you have 8 million more residents ... and your international trade volume grows in numbers you can't even imagine? Do you think the quality of life will be the same here, if the transportation system doesn't keep up with the growth? Do you want the gridlock that happened in Los Angeles, to happen to Orlando?

I know you don't. This state is innovative, You understand the link between transportation and the economy, and our quality of life.

It's all of you, who will take the personal responsibility to help Florida become the state I know the Governor hopes it can be. Thank you.

TALKING POINTS PREPARED FOR DELIVERY
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
LAND TRANSPORT SECURITY CONFERENCE
NOVEMBER 12, 1996
WASHINGTON, D.C.

- Good morning and welcome everybody. And thank you all for coming.

(Why we're here)

- Terrorism, as we all know, is a major problem. Since 1991, there have been 11,000 terrorist attacks throughout the world. Last year alone, there were 2,067 attacks. And the toll of innocent lives lost was great, too great -- nearly 1,000 victims.
- Because we live in a more dangerous world it is our job to do whatever we can to combat this pestilence. We know we can't make the world risk-free. But we can reduce the risks, and we must take the fight to the terrorists.
- President Clinton has a very aggressive anti-terrorist strategy. Rallying a world coalition ... bringing security leaders like you together ... against terrorism is one of our highest priorities.
- Increasingly, we have seen more ad hoc terrorist groups, such as those involved in the World Trade Center bombing in New York City in 1993.

- However, often terrorists are state-sponsored. They have access to national intelligence. They are typically well-financed. They have the ability to acquire sophisticated weapons and training. And various groups often work together, sharing information and experience.
- And we must be partners, too. We must come together and work as a team with one goal: zero tolerance for terrorism.
- Increasingly, transportation systems have become enticing targets for terrorists (as security at other places has increased). Some 20 percent of last year's attacks were aimed at transportation systems. These systems are relatively soft, easy targets. They follow set schedules ... they are designed for easy access ... and hundreds of millions of people use some form of mass transportation so the potential for significant casualties is great.
- In fact, did you know that the single, deadliest terrorist attack last year was against a subway system? A bombing in Baku, Azerbaijan that killed 289 people and injured hundreds more.
- Formal international organizations already exist to deal with aviation and maritime security. The International Civic Aviation Organization in Montreal, and the London-based International

Maritime Organization have been working on security issues for some time. *(Ad lib about Cuban aircraft shootdown)*

- But there is no established international mechanism for land transportation, including rail, mass transit (including bus and rail), pipelines, and other forms of transport.

(Goals)

- So our purpose in meeting today and tomorrow is to discuss whether there would be value in an international network for exchanging information and technology to strengthen the global battle to prevent terrorist attacks on land transportation systems.
- We're not advocating creation of a new bureaucracy. Instead, we want a process that improves communication among our governments, and among transportation security professional ... both nationally and locally.
- We want to see regular meetings of national experts. We want transportation operators and policymakers from around the world to meet periodically, so they can share ideas and information and form working relationships. (Being able to pick up the telephone and call one of my counterparts because we know each other is, for

me, one of the most effective ways of problem-solving.)

- And beyond meetings, we want to develop joint strategies and tactics for dealing with terrorist threats. And we want to transfer appropriate security technology among governments who join us in this effort.
- Finally, those of us here today represent the largest industrial nations on earth. In the past, the G-7 nations have worked effectively on many challenges, from coordinating economic policy to cleaning up the environment to preventing terrorism.
- But the terrorist threat goes beyond our borders. Many nations are affected. So we should consider involving other governments. We should consider Israel, Australia, Holland, Sweden and others.

(Conclusion)

- This is a challenging list of goals. It will require substantial hard work and commitment by everyone in this room, and by the governments you represent. But we must achieve our goals. We must work together to break the backbone of terrorism.
- There is no silver bullet. We're facing new challenges, serious challenges. And we have to

come up with new solutions. That is our charge today. And I am confident that together, we can find those solutions.

- Thank you.

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U.S. Department of
Transportation

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REMARKS PREPARED FOR DELIVERY
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
DEPARTMENT OF TRANSPORTATION AWARDS CEREMONY
NOVEMBER 14, 1996
WASHINGTON, D.C.

I'm so glad to see so many friends, and spouses, and family members here to help me honor this year's recipients of the Secretary's Awards.

Our winners serve at no small sacrifice. There's an extraordinary commitment here that more Americans are coming to appreciate -- something that your friends and families have known for a long, long time.

Four years ago, when the President asked me to come to Washington, Ellen and I were honored. It's been my privilege to have served my country, and my President. And it's been a privilege to work side-by-side with the finest and most dedicated federal employees around.

From day one, I've asked every one of you to ask yourselves the basic question that I have asked myself every day: What have I done to help someone across our great land?

And each of you, in your own unique fashion, has responded. I know, because as Transportation Secretary, I've travelled this great land.

Not very long ago, I was in Youngstown, Ohio, a community that had lost 30,000 jobs. We made an investment with funds from the FAA to build an air cargo facility there. It will serve as the foundation to rebuilding their economy, creating thousands of new jobs, and bringing hope and opportunity. Just ask the hundreds of people who showed up for the check presentation.

I was in St. Louis, with the President, riding their light rail system, which now has twice the number of passengers they originally expected. It's been so successful that it's being extended across the river in Illinois to serve college students and senior citizens.

- more -

I was in Yolo County in California, with Cong. Fazio, and I met senior citizens and people with disabilities. They came up to me and said: "Mr. Secretary -- we couldn't visit the doctor, we couldn't get to our jobs, if it weren't for the transit system." It makes me very proud to know that not in the 30 year history of this Department, have we seen as much construction of transit systems, as we see today.

What about the highway projects that people said couldn't be built? Some had been on the books since the '60s. But you found a way to build them with innovative financing and the participation of the private sector.

I wish all of you could have seen how we reached out to people during times of crises. In Iowa during the floods. In California during the earthquakes. In Florida during the hurricanes. I wish you could have seen how we rebuilt bridges and highways and helped people rebuild their communities so quickly.

I wish you could have been with me in Detroit, and see a full 747 leave with tourists and businessmen on the first non-stop flight to Beijing, because of the aviation agreements we've negotiated.

Or I wish you could be with the men and women of the Coast Guard -- every hour, every day, every week -- saving lives and serving their country.

Or I wish you could have been with me at airports, dedicating towers and runways, and installing new equipment so that the dedicated FAA employees can continue to serve the one-and-a-half million people who fly safely -- every day.

None of this could have happened without you. Without the teamwork that I have seen every day for four years. Without your professionalism. Without your helping in reducing our size, in working with budget constraints, and in doing more with less -- something the American people have come to expect from us. And you did it, I might add, in an uncertain political environment.

I've had a wonderful four years. And I can tell you this: the President believes Transportation will be at the forefront in the next four years.

In my meeting with the President on Tuesday, he told me how he appreciates all the extraordinary work and achievements of the Transportation team. The President's bridge to the 21st century will be built by the Transportation Department.

So I say to the families: If you thought I had your spouses working overtime, wait until the next Secretary comes!

What drew me into public service, what drew all of you into this noble endeavor is the privilege and high honor to serve our country. To make life better for someone, somewhere -- every day. I will miss this.

The President asked me to stay on. And while there's never a perfect time to leave, I believe January 20th is the right time for me to pass the torch to a new Secretary of Transportation.

I do so knowing that our country's Transportation Department will be in good shape, in capable hands, and that you will serve the next Secretary as well as you have served me.

I will miss you. I will miss serving our President. And I will miss serving the American people.

And I will forever miss days like today -- when I am able to thank a hundred of you for answering that question: What have I done to help someone across our great land?

Thank you.

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REMARKS PREPARED FOR DELIVERY
SECRETARY OF TRANSPORTATION FEDERICO PEÑA
U.S-SPAIN FORUM MEETING
NOVEMBER 16, 1996
TOLEDO, SPAIN

(AFTER ACKNOWLEDGEMENTS)

In May, 1757, the Spanish government sent an inspector to a rugged area along the Rio Grande River in New Spain to report on what had become of a tiny two-year old settlement named San Agustin de Laredo.

He reported that it was doing well.

There were 85 people living in Laredo. They were prospering under the guidance of its leader. The leader was prospering too -- at that point he owned three-fourths of the horses in Laredo and all the mules.

That leader's name was don Tomás Sánchez de la Barrera y Gallardo. Tomás Sánchez.

I sometimes wonder what Tomás Sánchez would think if he could look down the centuries at what happened to his descendants. One was a military commander in the Mexican Revolution of 1810. Another was Mayor of Laredo during the days of the Texas Republic. Yet another was one of the highest ranking Hispanics in the Confederacy. Later, as a member of the Texas Legislature he used to ride on horseback to the State Capitol when the legislature was in session.

And yet another, Tomás Sánchez's great-great-great-great-great-grandson...stands before you today. You know, an ancestor on my father's side once created a sister-city relationship with Laredo, Spain and went there as a representative of his city, Laredo, Texas. And, Today, I stand before you on a mission representing the President of the United States.

It is a great pleasure and privilege for me to return to places from which my forebears came over 250 years ago.

Not that it's the first time.

In fact, my wife and I honeymooned here in southern Spain, back in 1988, and we still talk about the amazing moments we had at Costa del Sol, Madrid, Seville, and then the wonderful Parador in Arcos de la Frontera, where we would sit out on our balcony, looking down 2000 feet to a tiny river, eating sardines and asparagus, and watching birds floating by our balcony.

While today's meeting may be less romantic...it is also full of meaning.

With almost 600 American companies with Spanish subsidiaries, with direct U.S. investment in Spain of over \$1 billion in 1995, our two countries share a close and mutually beneficial relationship.

I am here as part of a mission to broaden and deepen that relationship.

I'm painfully aware that I follow a path blazed in part by someone who was my friend, the late Ron Brown, one of the guiding spirits of American political life, who was here just a year ago furthering what he called a "transatlantic business dialogue."

If he could be here today -- and how I wish he could! -- he would be gratified to see the progress we've made.

Today, I'd like to talk

First, about the progress we've already made...

Second, the Clinton Administration's views on our priorities for further progress in the next four years... and Third, some thoughts I have for progress in the area of transportation.

Of course, progress did not begin last year. The fact is, that for half a century the transatlantic partnership between the United States and Europe has been the leading force for peace and prosperity, not only in our countries but around the globe.

Together we helped transform former adversaries into allies and dictatorships into democracies. We built the institutions that ensured our security and economic strength -- like NATO and the EU. We created great institutions of global cooperation: the United Nations, the World Bank, the OECD, GATT and the WTO.

Because of our efforts the Cold War is at an end. The Old World and the New World have made a better world.

But now we enter a new century. It offers challenges no less urgent than those faced by our counterparts a half century ago: terrorism, international crime, aggressive nationalism and massive poverty -- we live, after all, in a world in which a billion people go to bed hungry each night.

It is also a world of technical revolution.

When Spain was first settling America, human knowledge was entering a revolution made possible by that intriguing invention, the printing press.

Today, we enter a century in which a book coming off that press -- and hundreds more -- can be sent round the world in a fraction of a second.

It is a world characterized by events like the one scheduled for December 10th. On that day Spain's first minisatellite will be launched by Pegasus -- the U.S. Orbital Sciences Corporation airborne launch vehicle. It's a unique operation, a perfect example of the way countries can act as partners -- and, as it covers in a half hour or so the route that took months for Columbus, an illustration of how far we've come.

But technology doesn't solve everything. Not in a world in which airplanes can be blown up by terrorists, where deadly viruses can decimate a population, where ethnic differences in Bosnia or Rwanda can lead to wholesale slaughter, or where millions around the world can't find work.

How do we work together to solve these problems?

Certainly, Spain has been one of those countries rising to the challenge.

It was in June, 1995, after all, that Secretary of State Warren Christopher came to Madrid, and in the Casa de América where we will dine tomorrow night, proposed a new Transatlantic Agenda between Europe and the United States.

Spain was President of the European Union in the second half of 1995, and under its leadership we negotiated a New Transatlantic Agenda and Action Plan -- signed by President Clinton in Madrid last December.

Now, of course, it is time to implement that plan.

In the United States we approach this task with optimism.

We have just completed an election. Bill Clinton will serve a second term as President of the United States, in his words, "building a bridge to the 21st Century."

For the last four years I've been privileged to be part of an Administration that has created jobs and economic growth at home, and worked as a constructive force for peace abroad.

From the perspective of my own job, the President has worked to create a healthy transportation industry, made air traffic safer and promoted transportation policies that will benefit every region of the globe.

I talked to the President about what I should say at this meeting concerning his priorities for the next four years.

Let me share those views with you.

There are four priorities.

First, security.

It is the bedrock of our partnership. It is the guarantor of our freedom.

And so, in the next four years, the President will move to adapt and enlarge NATO. He will seek to

strengthen the Organization for Security and Cooperation in Europe.

He will support Europe's integration and enlarging the EU. He will seek to enhance a European security and defense identity within NATO.

And we are determined to continue engaging the Russian Federation in a productive way.

The Cold War consumed much of our energy. But remembering it energizes our resolve. We must work to make sure that for the next generation, wars, whether cold or hot, are only in the history books.

Equally important to the daily life of our citizens is prosperity. And so, economic growth is next on the list.

Essential to such growth is a vigorous partnership of both continents. After all, the United States and Europe enjoy the largest combined external trade and investment relationship in the world today. United States investment in Europe alone equals the investment there of the rest of the world put together.

The President has an ambitious, long term objective. It is nothing less than a Transatlantic Marketplace. We want a system where goods and services can move with more freedom and less regulation than any time in world history.

What does this mean for the United States and Spain? It means economic initiatives that can multiply trade, investment and jobs on both sides of the ocean. It means constant attention to the way the investments we propose in meetings like these become jobs for people in Toledo, Spain, or Toledo, Ohio; in Laredo, Spain, or Laredo Texas.

We have the will and the commitment to achieve this Transatlantic Marketplace.

A third priority: global political cooperation.

There are a host of interests we have in common.

How can we have a stable world unless we halt the spread of weapons of mass destruction? How can we provide opportunity unless we fight together against those who would plant plastic explosives in the cargo holds of airliners, or smuggle cocaine across borders? We must be close partners to combat these threats.

There's another area we have to coordinate better: humanitarian and development aid.

Nine out of every ten dollars of such aid comes from the United States, the European Commission and the member states of the EU. This is a time of financial constraints for every one of us.

We can't afford to waste a penny of it.

Neither can those we help.

We can and must make sure that those in poverty, those whose lives have been devastated by hunger, those who have suffered drought or tornado -- or war - can receive a helping hand and can see the promise of hope once more.

Fourth, the Clinton Administration will seek to cooperate with Spain and other EU countries on the new challenges and opportunities facing Europe itself. The lesson of this century for the United States is this: when Europe is at risk, so are we.

The countries of Central Europe must become integrated into our transatlantic community. Central Europe must continue the historic transformations that have offered so much hope to so many.

Security.

Economic growth.

Cooperation on global issues.

Partnership on the issues facing Europe itself.

Those are our Administration's premium concerns.

I'd be remiss, though, if I didn't mention two others that have concerned me for the four years I have been the Secretary of Transportation.

What could be more vital to commerce than transportation? To imagine a healthy economy without a sound network of roads, bridges, railways -- and maritime and air routes -- is like imagining a healthy body without veins and arteries.

It is not a system that can be made healthy by government alone. Governments no longer have the necessary capital to invest, not in an era of budget deficits, and fiscal constraints.

And that's why privatization of transportation has grown so explosively over the last decade.

We see this, for example, in Asia, and Latin America. The fact is, though, what has been done is not nearly enough. Too many governments still restrict private investment in domestic transportation.

And so, an important priority for the United States over the next few years will be to see the private sector involvement in transportation increase. We want to see more private investors develop transportation systems. Finance them. Build them. Operate them.

Yes, government should play a catalyzing role in transportation policy and in setting national standards. But we need more private sector participation.

Of course, over the next five years the Spanish government will put into practice its plans to privatize companies in energy, telecommunications, financing -- as well as transportation. We in the United States applaud these moves. We are confident they will benefit consumers, investors, and the entire economy of Spain.

Let me advocate, as well, one move in a specific area: telecommunications.

Telecommunications shares a home along with transportation in the Fomento ministry in Spain and the pairing of these two important sectors is often the case throughout the world. For example, the delegations of each of our countries include individuals drawn from the telecommunications sector.

I want to urge Spain to take two major steps in telecommunications:

- * liberalize completely its telecommunications sector on January 1, 1998

- * remove the 25% limit on foreign investment in Spain's telecommunications sector

While sensitive issues here in Spain, these steps will contribute to a consistent U.S.-EU policy stance, will help open telecom markets around the world, and help the telecommunications industry in both Spain and the United States.

There is another move that can be of great benefit as well.

This one is within the aviation industry.

It involves creating what we call "open skies" agreements around the world.

Let's face it. Governments -- including my own -- have sought to exert too much control in aviation. In fact, under the Chicago Convention there are still over 1000 agreements in force, under which governments seek to tell airlines where they can fly and what they can charge.

This not only runs counter to the interests of airlines and the people they serve -- it runs counter to the interests of their governments.

Look, for example, at the results of the new "open skies" agreement between the United States and Canada. After two years the results have been phenomenal: \$4 billion in new economic activity, and two million new passengers -- passenger growth is five times what it was before the agreement.

There are those who argue that such open agreements hurt the domestic airline industry.

But look at the facts.

There are now 12 "open skies" agreements in Europe. 40% of Europe's aviation market is open to competition.

Yes, in each the United States has an airline larger than any of its competitors. But not a single non-U.S. airline has been driven out of these markets and the additional new economic activity benefits everyone, with more tourist, business, and government travel among all countries.

The walls built around aviation markets promote isolation, inefficiency and economic stagnation. I urge Spain to consider joining the 12 countries in Europe that have signed open skies agreements with the United States. Creating open skies in our countries is a sure way to help keep our economies flying high.

*** PAUSE**

You know, there's a reason we have conferences like these...

No one has a corner on all the best ideas.

That's why people get things done by working together. By being partners.

In the meetings we have had we seek to deepen our partnership. It is a process begun last year and which will continue long after all of us are gone from public life.

For the United states, partnership with Spain is a natural outgrowth of our heritage.

It's often said that the United States is a melting pot. But it is by no means one in which all the ingredients are whipped into one smooth blend, like vanilla pudding. It's more like a paella, with people able to appreciate the various parts of our heritage: English or German or French, Chinese or African, and -- or course -- -- Hispanic.

I see that in my own family.

Growing up in the Pena household, we were taught about Tomás Sánchez and his descendants, not just out of family pride - though there was plenty of that -- but as a reminder of how far back the Hispanic heritage goes in America.

It is an extraordinary history, dating back to the moment, at 2 in the morning, October 12, 1492, when the lookout on Columbus's Pinta shouted out "Tierra! Tierra!"

One of the most distinguished Americans of Spanish origin, born in Madrid, was the philosopher George Santayana, whose most quoted line is: "Those who do not know history are condemned to repeat it."

We of Hispanic ancestry in America know our history -- not just to learn from mistakes but to celebrate its triumphs.

And so I am confident that both this week and in the years ahead, this mission will succeed.

The United States and Spain will work together as partners, as friends.

We will create opportunity and bring hope to both our peoples.

And we will continue the partnership that has enriched our lives for so long, whether a tiny town of settlers along the Rio Grande River two hundred and forty years ago -- or a Spanish satellite, launched from the American Pegasus, continuing the Spanish tradition of exploration as it circles the globe.

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