

SECRETARY OF TRANSPORTATION ANDREW H. CARD, JR.  
AMERICAN ROAD AND TRANSPORTATION BUILDERS ASSOCIATION  
WASHINGTON, D.C.  
APRIL 7, 1992

## TRANSPORTATION GETTING LITTLE PRESS

- Recent article in the **Washington Post** (April 7, 1992) said national news "missing the transportation story." Even the writer missed the point.

## ISTEA: KEY ELEMENTS

- ISTEA bolsters intermodalism ... greater opportunities for private sector involvement ... provides the governors unprecedented flexibility.
- In total, our capital grants programs have obligated almost \$10 billion.

## GETTING MONEY OUT OF THE PIPELINE

- Almost \$7 billion of that has been invested under the Federal-aid highway program -- translates into more than 400,000 jobs. Beyond this, \$10 billion more are available for states to obligate this year.
- In regard to transit projects, have obligated more than \$1.4 billion in formula grants -- 60 percent of this FY.
- AIP has obligated over \$500 million. Also new PFC program to give local communities authority to fund

airport improvements -- 6 approved (Savannah; Muscle Shoals, Ala.; Las Vegas; Huntsville, Ala.; Springfield, Ill.; Minneapolis/ St. Paul). Processing 35 more.

### REGULATORY REFORM

- The Labor Department has given contractors/builders greater flexibility to hire semi-skilled "helpers" for federally funded construction projects.
- Trucking Deregulation -- designed to reduce regulatory burdens, improve efficiency, establish more flexible pricing, and permit carriers to serve larger areas and carry more commodities.
- Now take questions.

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OPENING STATEMENT OF THE HONORABLE ANDREW H. CARD, JR.  
SECRETARY OF TRANSPORTATION  
BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION  
WASHINGTON, D.C.  
APRIL 9, 1992

Mr. Chairman and Members of the Subcommittee, it is an honor to make my first appearance before this Committee. I thank you for the invitation to be here today--outside of the normal cycle.

I am also grateful to have the opportunity to pay tribute to Chairman Lehman and the Ranking Minority member, Mr. Coughlin. Mr. Chairman, I admire the leadership you have given this Subcommittee for ten years, the longest tenure of any chairman of this Subcommittee. Both you and Mr. Coughlin have championed the importance to this country of transportation programs and investments. In the face of tight budget constraints, necessary to control and reduce the Federal deficit, you have succeeded in providing balanced, growth budgets for DOT. The Department applauds you both. I also want to recognize the fine professional staff of the Subcommittee and pledge my support to continue the tradition of a good working relationship between this Subcommittee and the Department.

Deputy Secretary Jim Busey will present our Office of the Secretary budget request. As introduction to his testimony, I would like to highlight my top priorities for the Department and say a few words about the role of the Office of the Secretary.

My efforts at the Department will focus on promoting safety, accessibility and efficiency in our transportation system. I know that I have the firm commitment of the dedicated men and women of DOT in support of this mission.

One of my key priorities is the implementation of the landmark surface transportation act, the Intermodal Surface Transportation Efficiency Act--ISTEA. Swift and efficient action on our part to implement ISTEA will help rebuild our transportation infrastructure, which is so key to our Nation's economy and competitiveness. We are working with State and local governments to ensure the smooth flow of Federal dollars into transportation projects--which support so many jobs--and to encourage intermodal planning to produce the most appropriate solutions to transportation needs.



Allow me to highlight the results of our efforts so far. States have obligated 40.1 percent of Federal-aid highway funds available for obligation this year. Dollars obligated exceed last year's experience--\$6.86 billion versus \$6.64 billion a year ago. In the transit area, \$1.43 billion in formula grants has been obligated to date, compared to \$1.03 billion a year ago. We are tracking these grant programs on a weekly basis. I have used this information to write and call Governors and local officials to offer our help to move projects along.

Multimodal and intermodal transportation planning is critical to meeting the challenges of the new law. We've provided guidance to the field offices to ensure smooth implementation of the flexibility provisions in ISTEA that allow certain funds to be used for either highway or transit projects. Within DOT, we are placing greater emphasis on intermodal planning and consultation. The Office of the Secretary has a particular role here, as you know, and the Office of Intermodalism, called for in ISTEA, will help enhance this role. We must continually identify intermodal opportunities and assess and learn from our intermodal experiences. In addition, the new Bureau of Transportation Statistics will be important in this effort.

A central mission of DOT is to uphold and ensure the safety of our transportation system, and I intend to build and improve on our safety records. For example, the gains made in highway safety--the all-time low rate in 1991 of 1.9 fatalities per 100 million vehicle miles travelled--must be continued. One of my priorities is to advance the rules implementing the Omnibus Transportation Employee Testing Act of 1991, to help improve the safety of our transportation system.

Reauthorization of our aviation programs is another key priority of mine this year. The Administration's proposal, which was recently introduced, advances many important principles of the National Transportation Policy. It calls for investment in infrastructure, improved intermodal connections and greater reliance on user fees. It also proposes stronger partnerships with state and local governments, improved technology and sensitivity to the environment. In keeping with the intermodal emphasis I mentioned earlier, we have recommended that Airport Improvement grant funds be available for intermodal projects that directly improve access to airports. I am pleased that the reauthorization bill, just reported out by the Aviation Subcommittee of the House Public Works Committee, includes many of our provisions.



I also want to ensure a balanced implementation of our regulatory responsibilities. DOT has taken very seriously the 90-day moratorium and regulatory review called for by President Bush. We published a notice in the Federal Register seeking public comment and, in addition to reviewing the comments we have received, we are conducting a thorough review of DOT regulations. I have met with the senior officials in charge of this effort to review our progress and personally conveyed the importance of this project.

I want to spend a few moments on the Office of the Secretary. My view of the role of the Office of the Secretary is to set and lead the basic agenda for the Department with the longer term view in mind. The OST role is also to provide support for the operating administrations as they advance their individual missions, and to foster intermodalism throughout the Department. From a budget perspective, we are proposing to invest in training and automation to enhance the capability and productivity of DOT employees as well as improvements to ensure the management integrity of our programs. Our FY 1993 budget request for OST reflects this emphasis.

Mr. Chairman, as you and I have discussed, there are a few organizational changes I have in mind. One of the first changes I plan is to create an office of industry affairs under the Assistant Secretary for Public Affairs, which will build on the activities previously located in Governmental Affairs. In my view, this change is important because it will allow the Office of Governmental Affairs to target its efforts on serving governmental groups--both Congress and representatives of State and local governments. Furthermore, our relations with industry groups can be integrated into a larger, strategic communications effort when situated in the Office of Public Affairs. As noted before, I am moving forward with the Office of Intermodalism and establishing a separate unit, the Bureau of Transportation Statistics as provided in ISTEA. We will report back to you shortly as we finalize plans for these new offices.

Mr. Chairman and members of the Subcommittee, I will do my best to ensure that the Department and the Subcommittee continue in the spirit of communication and cooperation. I hope we can count on the Subcommittee's support as we go forward.

Thank you for the opportunity to join you today.



*Leaven*

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SECRETARY OF TRANSPORTATION ANDREW H. CARD, JR.  
NATIONAL CONFERENCE OF LT. GOVERNORS  
APRIL 10, 1992  
WASHINGTON, D.C.

- Point out issues where we can work together. 1) Key elements in ISTEA, 2) Safety, 3) Trucking Deregulation.

### ISTEA

- In total, our capital grants programs have obligated almost \$10 billion.
- States have obligated 40% of total federal aid authority.
- Need your help in getting money out of the pipeline and into jobs in each state.
- Here's a chart that shows how each state is doing; updated today.
- Almost \$7 billion invested under Federal-aid highway program -- translates into more than 400,000 jobs.
- Transit projects: have obligated more than \$1.4 billion in formula grants -- 60% of available authority.
- AIP: obligated over \$500 million. Also new PFC program gives local communities authority to fund airport improvements -- 8 approved, processing 33 more.



## **SAFETY**

- 41 states, Puerto Rico and D. C. have safety belt use laws. All states, Puerto Rico and D.C. have child passenger protection laws.
- States have tightened drunk driving laws ... ISTEA provides more for highway safety programs; 5 percent bonus points, a carrot for strong safety states.

## **REGULATORY REFORM**

- Trucking Deregulation - We recently proposed legislation that would end federal economic trucking regulation and prohibit states from economic regulation of interstate motor carriers in intrastate operations.
- State legislatures can still deregulate themselves. Delaware and New Jersey never did regulate. Florida, Arizona, Wisconsin, Maine, Alaska and Vermont, have deregulated since 1980.
- Other 42 states are still regulated...This is a big drag on our domestic economy ... impedes our ability to compete in world markets ... Remaining state regulation costs consumers some \$3 to \$8 billion per year conservatively.

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Q: What happened to  
these remarks?

1

NOA-2

JHA

4.10.92

## Draft Remarks Secretary Card

### Lifesavers

## DECADE OF PROGRESS

Henry Ford once said "History is more or less bunk. It's tradition. We don't want tradition. We want to live in the present and the only history worth a tinker's damn is the history we make today."

Mr. Ford, you're right and you're wrong. Right, if we mistakenly settle for the traditional as the best we can possibly do. Wrong, because the lessons of history contain clear directional markers for our trip into the future--if we but look.



Right, if we stop making salutary new history every day.

Wrong, if we view history as an achievement, rather than a messenger.

This is a historical Lifesavers Conference, the 10th. A time to pause; and a time when constructive reflection seems entirely in order. For me this is Lifesavers 1, my first conference, so I enjoy the special aura of anticipation that accompanies new situations and new experiences.

I bring two sensations to the conference: One is gratitude, because I have the opportunity to become your partner in something which obviously is very big and very important. The second is admiration, that the nation could forge a bond of concern so cohesive and so resilient that the cause of highway safety has worn well during these turbulent 10 years of challenge and experimentation.

One thousand or more of you are here today.....one thousand points of light in the very specialized firmament that is highway safety. One thousand points of determination, and 1,000 points of talent. Best of all--1,000 points of action.



Mr. James O. Mason, assistant secretary for health and head of the U.S. Public Health Service, recently noted that the average life expectancy in America has increased by 25 years in this century alone. That's a 50 percent gain.

And it was recorded during exactly that period when the passenger car was growing in numbers and influence in our economic and social spheres.

Passenger cars brought the sad reality of traffic crashes, and for many years I am sure that traffic crashes may have been holding down the years of life expectancy, because so many of those who died in crashes were the young and the vital. The specter of war always comes to mind as a metaphor for highway crashes, because the consequences are so alike.

But the Lifesavers era, that 10 years since 1982, brought some unusual happenings. I was about to say "unexpected," but that would misrepresent the expectations that the cooperating agencies which sponsor Lifesavers had at the inception.



Some of you were there then; and I am sure your hopes were high that a national focus might indeed achieve gains that states and local agencies operating alone could not attain.

In 1982 that eloquent symbol of status, the highway crash death rate, hung suspended--at a level which had moved only modestly lower during the previous eight consecutive years. In 1983 the rate plummeted sharply; a larger drop in that one year than recorded during the previous eight years combined.

And from that moment on, improvement flourished, nurtured by the Lifesavers network, now reaching out through every state to stimulate, exhort, and assist.

In 1991 the figures startled even us: Traffic deaths down to an estimated 41,350--the lowest figure in 30 years. The death rate at an estimated 1.9 fatalities per 100 million miles of travel, not only the all-time low, but beneath that mystic 2.0 mark--which only a few years ago seemed beyond reach. Now we understand that even 1.0 should not be considered outside of our orbit.

These numbers are the gloss; how the vehicle looks after the behind-the-scenes work of washing, waxing and rubbing. What went

into making these numbers deserves our recall, particularly as we celebrate this historically significant 10th anniversary year of Lifesavers.

For example: Lifesavers focussed on the astute selection of targets, and the careful choice of weapons. Lifesavers mounted the attack on impaired driving, moving on many fronts.

The marching orders were: Make it uncomfortable and unpopular to be a drinking or drugged driver.

Strip away the veneer of sympathy which for so long shielded the alcohol-impaired driver. Take away the things most prized--driver's license, money, freedom, and ultimately--status.

Then, accept another challenge, that of dramatically increasing safety belt use. Convince America with logic and with law. Put child safety seats and safety belts No. 1 on every driver's pre-trip check list.

Espouse belt and safety seat laws in every state; then encourage traffic police to elevate belt law enforcement to senior priority.



And assign special emphasis to the companion legions in the highway safety parade: motorcycle, pedestrian, and bicycle safety among others.

The message of this spectacular decade is that the building blocks have fit together very well. The safety barricade works.

The impact of the drinking driver began to diminish as the legal and enforcement pressures went up. In 1982, five states (and the District of Columbia) removed driver's licenses administratively for alcohol-related driving offenses.

Today 29 states employ this extremely effective technique. In 1982 17 states (and D.C) limited the use of all alcoholic beverages to those age 21 and above. Today that standard is universally observed in America.

Ten years ago 24 states (and D.C.) set a blood alcohol content of .10 as conclusive evidence of being under the influence. A decade later that number has grown to 41 states. And five other states have dropped that permissible blood alcohol level to a maximum of .08.

Reinforcing this tightening noose of strictures is the network of penalties which, like a spider's web, cling and deter. The most recent additions to the penalty agenda are fees or charges assigned to the drunk driver for police, fire and ambulance services made necessary by the subject's misadventures. Confiscation of the drunk driver's vehicle and license plates is another.

The combined net effect scrolls out the favorable numbers. In this Lifesavers Decade, more than 7,500 young lives have been spared by the 21-year minimum drinking age.

The percentage of teenage drivers who were intoxicated and involved in fatal crashes dropped sharply, from 29 percent to 19 percent, the biggest decline of any age bracket.

The overall proportion of traffic deaths involving alcohol decreased from 57 percent as the decade opened, to just under 50 percent now. (slight pause here)

Safety belts were a fad when Lifesavers met for the first time. The 14 percent who wore them in 1982 knew they were right--even if belts had not yet become the style. The 86 percent who didn't wear them simply weren't paying attention.



The first safety belt law became effective in late 1984; use perked up a bit the next year, to 21 percent. As more state laws came on line the use rate grew--to 30, 42, almost 50 percent.

Today, 41 states and the District of Columbia require safety belt use. All of them became believers during the Lifesavers Decade.

The growth curve for child safety seat laws began earlier and achieved 100 percent agreement when the last state signed on in 1985. Another triumph for this Decade of Decision.

And the benefits again shout the importance. More than 25,000 deaths prevented by safety belts; more than 1,300 children under 5 spared by safety seats. Belts alone are saving nearly 5,000 lives per year now.

The falling death rate, and the rewarding decrease in the number of crash deaths obviously are attributable in considerable part to the accumulating gains of these safety measures.

Ten years of Lifesavers could as easily be described as 10 years of lifesaving, because that was both the objective and result. Lifesavers has done the job.

Winston Churchill before his famous years as prime minister sat in the House of Commons. He observed on one occasion that then-prime minister Stanley Baldwin would be judged wrong by history. The puckish Churchill winked and added "I know it will, because I shall write the history."

The Lifesavers community needs no such assist. Because the history already lies revealed, a success story there for the observant.

A few weeks ago a letter published by the Washington Post described in elaborate detail the author's assessment of the highway crash situation.

The author noted that "our roads are becoming a nightmare...", "current fines and penalties for serious violations, including drunk driving, are too minimal to serve as a deterrent....", and "prevention of these needless deaths and injuries will not occur by continued rhetoric but by a serious program of education, enforcement and prosecution."

The writer's recently crystallized concerns about highway safety suggest the potential to become a valuable contributor to the



highway safety program, yet I was troubled that the stunning progress of the past decade had escaped someone who clearly cares.

There is a program, and it is working.

There are dedicated people involved, and they are busy.

There are realistic answers, but they must be applied.

There are some resources, but not enough.

There is growing grass roots commitment, but not enough.

There are loyal partisans at the community level, but not enough.

And there is skilled, intelligent, indomitable leadership. And that, my friends, is what you are: one thousand points of leadership, the people who will take us to tomorrow, and through the next decade, and into the exciting unknowns of the 21st century.

You will decide whether a number of Americans, with every right to greet the new century, won't get to, because they died in a traffic crash instead.

How many of these can we save? Especially given that the tools for saving many are available.

I make two assignments today. One carries the stamp of immediacy. It is the completion of a challenge set forth by President Bush two years ago. And even though I have been on your turf a very short time, I was well aware of this goal long before I joined the Department of Transportation.

The President said he wanted 70 percent of American passenger vehicle occupants buckling up regularly by 1992.

The campaign began in earnest last spring, built on a coalition that included state and local police agencies, government, industry, schools, safety organizations, business. And of course that meant everyone in this room was involved in some fashion.

By early fall, when the state surveys had been tallied, safety belt use in America was touching the 60 percent mark. And holding to it through the winter.

Now, as the last act begins, a massive renewal of the linked enforcement/information campaign that worked superbly in 1991, we know precisely where we are headed and precisely what it takes to get there.



And the leaders come from this room. That is the high priority task of the moment. Please grasp it eagerly, apply energy and the wisdom born of experience, and bring us down to year-end with the 70 percent buckle-up rate a reality.

That effort has my absolute endorsement, backed by my pledge that the Department of Transportation will continue to invest our energy and our people in the cause. And all the resource materials that are within our capacity to provide.

The second assignment is more far-reaching and ultimately more demanding, because the challenge of this second Lifesavers decade is to take charge and move out. You are here because you are leaders in highway safety, and leadership requires boldness, imagination, and historical perspective.

Perhaps that is the crux of Lifesavers 10. This capsule view of history, even though spanning one brief decade, looms much longer in our planning because so much that was so good happened in this 120 months.

We draw strength and renewed resolve. And as leaders you should be drawing reassurance from the lessons of 1982 through

1992. The well we drew from was amply supplied. It certainly has not run dry.

I doubt whether we need to rely on the strategy employed by the mother mouse, as she led her troop of young mice through the field, looking for food. Suddenly appeared a large and ferocious looking cat. Defenseless and with no place to run, mother mouse stood on her hind legs as tall as she could, and said in a loud voice: "BOW WOW WOW WOW WOW!"

The confused cat turned tail and fled. (Pause) Which shows you the value of having a second language. Perhaps we don't need a second language. Simply a vigorous dialogue in the language we know.

Early on April 12, 1945, Vice-President Harry Truman received an urgent summons to the White House, still unaware that President Roosevelt had died in Georgia. He was ushered quickly to Mrs. Roosevelt's sitting room, where she gently told him the news.

The stunned Truman was silent for a moment, then asked if there was anything he could do for Mrs. Roosevelt. She said no, softly adding:



"Is there anything we can do for you? For you are the one who is in trouble now."

History thrust Truman to heights of trust and responsibility he did not expect. A nation's expectations were high, as they always will be for leaders.

The nation holds us to account as leaders of the highway safety effort. Will we reward the national trust? A decade of history says that we will.

But promise must be fulfilled by action. That is the challenge you face for this second decade. Will Lifesavers continue to be LIFE (pause) SAVERS? Only you can provide the answer.

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SECRETARY OF TRANSPORTATION ANDREW H. CARD, JR.  
GRAND OPENING OF HIGH ALTITUDE ASSESSMENT CENTER  
APRIL 13, 1992  
DENVER, COLORADO

- Thank you George Ansell (President, Colorado School of Mines) and Jack McCroskey (Chairman of the Board, Research/Tech. Center) for the invitation.
- We can pass all the legislation we want to improve our nation's air quality, but without the development and commitment from research centers like we are dedicating here today, it would be pointless.
- Joint effort is the cornerstone of this Center. It is a prime example of the cooperation between government, industry and the university community to find solutions to complex pollution problems.
- No federal agency or private corporate can afford to go it alone today. We need to pool our resources -- especially our talent -- to design and construct better engines and fuels to run our thriving transportation system. We at DOT are proud to be a part of this team.



- As an engineer by training, I appreciate the difficult tasks that lay ahead. Finding a cost-effective and efficient engine and fuel to cut pollution emissions will not come easy. But we must tackle this problem now -- there is no time for delay.
- The consequences of pollutants in the air at high altitudes are well known -- witness the "brown cloud" effect in the Rocky Mountain region or the horrible situation facing Mexico City.
- We wish all the engineers, scientists, and others the best of luck. Change starts when someone sees the next step -- it's now up to you to guide us down the path.

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## HUMOR FOR LEGISLATORS

- Your chairman, William Bulger, President of the Senate in my home state, is famous for his annual St. Patrick's Day Breakfast. The Bayside Club in South Boston is always jam packed.
- According to the Boston papers, this year's breakfast was exceptional. The headline read "Corned beef served with spice ... Bulger's breakfast menu has some bite."
- It seems that Billy and his guest, Governor Weld showed they have a future in comedy if politics ever fails them. Billy's pride in his humble Irish beginnings and the Governor's obvious comfort with his Brahmin WASP role made an unlikely duo in comedy or politics.
- Morey Safer of "60 Minutes" was at the breakfast to do a story on Billy. Billy wondered how he would be portrayed. Someone quipped "You'll wish it was 60 seconds." I doubt that ...
- Someone told me Billy is giving out autographed copies of the tape of that breakfast. I would like to have a copy.
- I'm not the first Secretary of Transportation from Massachusetts. Former Massachusetts Governor John Volpe lived at the Watergate during his tenure as



Secretary of Transportation. Someone asked Mrs. Volpe how she liked living in Washington. She said when she and John first married they lived in an apartment over the grocery store. She said the Watergate is nice but it's still an apartment over the grocery store, and I don't know if that's progress in 50 years. Most people from Massachusetts never get too overly impressed with themselves.

REMARKS FOR SECRETARY OF TRANSPORTATION ANDREW H. CARD, JR.  
MEETING WITH FAA EMPLOYEES  
APRIL 15, 1992  
WASHINGTON, D.C.

Good morning, ladies and gentlemen. I'm glad I could get over here to introduce myself and to meet some of you. Jim Busey tells me you're the best agency in the federal government, so I wanted to come see for myself what he was talking about.

Actually, long before I met Jim Busey, I was aware of the excellent reputation the FAA enjoys. It's one of the major reasons I was excited about taking this job. I knew I would be surrounded by top-flight professionals dedicated to working on some of the most important day-to-day issues facing this country.

For this reason, you are going to enjoy working with General Richards. He also will bring to this job a strong commitment to excellence, a love of aviation and a proven record of successfully running large operations.

Tom Richards is a man who has had a distinguished career in the Air Force, culminating in three years as Deputy Commander in Chief, Headquarters U.S. European Command. A four-star general, he has over 5,000 flight hours and 30 years of experience in flying propeller, single and multi-engine jet aircraft. I am looking forward to having him on the DOT team.



While I'm on this subject, I want to take this opportunity once again to thank Barry Harris for serving as Acting Administrator. We are all grateful to him for the superb job he did pinch-hitting until the President could find a successor to Admiral Busey.

Since coming on board as the new Secretary, I have been reaching out to all segments of the transportation community to try to get my arms around this job. What I see is an industry in transition facing challenges it's never had to face before and at a point where business as usual will no longer carry the day.

I am pleased to see the Department rising to this challenge. The recently-enacted Intermodal Surface Transportation Efficiency Act (ISTEA) is a case in point, if you don't mind me shifting away from aviation issues for a moment. As someone recently noted in The Washington Post, this represents a significant change in transportation legislation that didn't get the fanfare it deserved.



It's a radical departure from those days when no matter what you called it, a surface transportation bill was nothing more than a revised highway bill with a mandate to build more roads. Period. Now with ISTEA, we have the tools to change that -- to look at surface transportation needs from a broader, system perspective.

This represents a new, creative approach to dealing with transportation legislation that really started with the FAA reauthorization package sent to Congress three years ago. And it continues with the follow-on FAA reauthorization package that is now before the Congress.

The first proposal gave us the passenger facility concept and for the first time a national noise policy.

The three-year FAA reauthorization proposal currently before the Congress builds on the earlier package. In the Airport Improvement Program, for instance, airport entitlement funds would be available for the first time to improve access to airports. It also promotes aviation-related planning as part of a broader metropolitan planning effort.



These are quiet but revolutionary changes and they represent the innovative approach we need to deal with the problems and challenges facing us. I will do everything in my power to encourage this creative thinking throughout the Department. It's just a whole new world out there, no longer confined by national boundaries, and we will need to unleash all the creative talent we can to deal with it.

Through it all, of course, FAA's bottom-line challenge will be to keep the skies safe. This mandate has not changed and never will. But how you accomplish this can and must change from time to time. In the regulatory area, for instance, President Bush has asked all federal agencies to review their regulations to see if they are imposing needless regulation that might hamper national economic recovery and unduly burden those we regulate. Later this month, this 90-day review period is up and we'll report back to the President on what we have found.



Even after the 90-day moratorium expires, the challenge remains. What President Bush has asked us to do on a one-shot basis, I want us to adopt as our routine way of doing business. I am pleased to see that the FAA already is operating in this spirit with its Rulemaking Advisory Committee. Though this arrangement, the aviation community gets involved in the rulemaking process from the outset to make sure that rules are realistic and reasonable.

The aviation industry faces a number of stiff challenges. How to help the airline industry recover from the economic downturn and how to revitalize the once-strong general aviation manufacturing industry in this country are two of the biggest challenges.

No doubt about it, these are tough problems but they are not beyond our ability, working together with the industry, to deal with them. Someone has noted that the Chinese word for "crisis" is a combination of the words "problem" and "challenge." So, I look forward to working with you on these critical issues. Now, if I can take some of your questions.

# # # #



SECRETARY OF TRANSPORTATION ANDREW H. CARD JR.  
ASSOCIATION OF INT'L AUTO MANUFACTURERS  
WASHINGTON, D.C.  
APRIL 15, 1992

Thank you ... (acknowledgements).

You must see a lot of crazy things in your business ... Well, as the Secretary of Transportation, a lot of interesting things cross my desk. For example, there was the brief note that British Airways -- the sometime airline of royalty -- was carrying a very special VIP from Saudi Arabia. In this case, the VIP was a Very Important ... Potato. That's right, a thirty-pound spud which was being transported to London. The mission -- to have its size verified by a National Vegetable Society judge in hopes of being proclaimed as the world's biggest potato.

Then there was a report I got on HOV lanes. Included, was a description of why one woman refused to carpool -- though she was the very picture of someone who should. Her comments were unique. She said she quit car pooling -- and I quote -- "because the people I commuted with were total geeks and I loathed every moment I spent with them." So much for the DOT expert who said car pooling reduces stress.

I could go on forever. There are even some travel horror stories that would make the movie "Trains,



Planes and Automobiles," look like a good example of intermodalism.

The point is: expect the unexpected -- or more to the point -- expect change. The world is changing

And so is the world's economic order.

It's a world in which products, markets and even business strategies are merging.

Stock markets know no time zones.

Entire industries make production decisions with virtually no reference to national boundaries. And there is increased competition between companies and increased cooperation among companies.

Look at your industry. Today it's hard to find an automobile company that does not have a joint venture or production arrangement with a foreign competitor. "Made in the World " could replace "Made in Japan or "Made in Germany."

### THE CHALLENGES AHEAD

The automobile industry -- like the world community of nations -- is becoming more interdependent. There now exists a common set of concerns and goals. As a result, your industry will face in the months and years



ahead the collective challenges of trade barriers, pollution, safety, fuel efficiency -- and the economy!

The latest evidence is that the U.S. economy has begun to recover. The Dow just passed 3300 to set a new record. Corporate profits jumped to a 3.4 percent annual rate in the fourth quarter. And businesses plan a 6.5 percent increase in expansion and modernization spending this year.

This good news has been echoed by the Blue Chip Economic Indicators -- which reports the forecasts of the 50 leading economists. They expect growth to top an annual rate of 3 percent during the quarter beginning in July.

As the U.S. economy shows signs of picking up steam, so should vehicle sales. Sales of new cars and light trucks have been up now for four straight months. And consumer confidence seems up.

The trends are up then -- for the economy and car sales. Maybe not as much as we would like them to be ... but in the right direction nevertheless.

### TRADE BARRIERS

International trade contributes to the economy's movement. Trade is the engine of growth for the U.S.



and the global economy -- your industry is a vital contributor.

The President is firmly dedicated to open markets and free trade. He continues to push for a GATT agreement, to knock down trade barriers wherever they exist, and to create a North American Free Trade Agreement to unlock the potential markets of Mexico and Canada.

We need your help in easing restrictions on world trade ... And we need your help to encourage countries around the globe to embrace a more free market approach -- one which will allow for a more level playing field for industry competitors.

#### INCREASED DEMANDS ON INDUSTRY

Even if the world economy expands and more nations embrace free and open markets, selling cars will not be easy. There are still a lot of challenges facing you.

The very means of production, of manufacturing, is changing. Henry Ford's assembly line is being refined globally by small, flexible regimes based on "just-in-time" production. Every year more electronics need to be integrated into the total product package -- to



increase fuel efficiency, to respond to the Clean Act Act, to improve safety. And more and more, you will be moving to "smart cars" using IVHS technology.

But of all the challenges you face, the biggest is the consumer. They are well educated and know exactly what they want -- before they enter the show room. In short, they are becoming ever more demanding.

### SAFETY: A TOP PRIORITY

Quality and safety have taken a front seat along with style and accessories. Consumers are now equally concerned about air bags, roll-bars and anti-lock brakes. But you -- to your credit -- have responded quickly to these demands.

You have listened and are making airbags available in nearly all passenger cars, light trucks and vans by the 1995 model year -- as well as introducing anti-lock brakes and installing lap and shoulder belts in the rear seats of cars.

This quick compliance with consumer needs and wants only confirms what we believe: that ultimately, it's the consumer who dictates change -- not just industry or the government.

I've watched somewhat in amazement how this new technology has played a role in helping bring down this



nation's highway death toll. It's down to its lowest level in 30 years -- even though the number of vehicles on our highways jumped dramatically and the miles traveled have more than doubled.

Yet, even here more needs to be done. In the cause of safety, there is no finish line. We have to get the word out to "buckle up."

#### NEW REGS BOLSTER SAFETY/CLEAN AIR

We also have to make our cars even safer. We are taking a look -- a hard look -- at requiring such safety provisions as ... increased side crash protection for light trucks and vans ... protection against rollover ... and booster seat improvements.

Safety is a top priority for this President. And while all federal rules -- other than those required by the Congress -- have been placed on hold in accord with the President's moratorium, there's no going back. We aren't looking to undo safety requirements.

In fact, it was the President's concern over safety that caused him recently to announce in Detroit that he was not going to require that you equip cars with on-board, canisters. Instead, vapor recovery systems will be required at filling stations -- where they will collect pollutants at the source.



And speaking of clean air requirements, no doubt all of you have heard of the President's innovative "cash-for-clunkers" program. It's an important way to harness the power of free markets to curb air pollution.

The principle behind this program is really quite simple: give more flexibility in meeting clean air standards, while removing high-polluting cars in the process. It's a win-win situation for consumers, industry, the environment.

#### NAS STUDY: POINTS OF AGREEMENT

So far, I've talked about the economy, markets and safety. But I know you also want to hear my response to the long awaited report on automotive fuel economy from the National Academy of Sciences.

It's a comprehensive report and I won't go into all the details-- you lobbyists get paid for doing that and so do a lot of people at DOT. Let me just go over those points of the study which confirm our findings:

- The report confirms what we in the Department have been saying for years: the CAFE process is flawed. To quote from the report: "the CAFE system has serious defects ... it's increasingly at odds with market signals ... it does not present equivalent technical or financial challenges to all manufacturers



... and [it has had the] most severe impact on the full line manufacturers."

- The report also bolsters our belief that there are other and better ways to encourage energy conservation without having to rely solely on fuel economy standards.
- And, I should add, the President **will veto** any CAFE legislation that threatens to destroy the auto industry or cost Americans jobs.
- The report also makes clear the folly of "a" single number for fuel economy. We all know that there can be efficient big cars as well as efficient small cars. And the public has a right to expect cars that suit their specific needs -- of more performance, more comfort, more amenities, and safety
- And that's of particular concern to me. The study supports our claim that **fuel economy achieved at the cost of decreased weight has the potential for decreasing safety**. The study positively confirms our finding -- and the simple laws of physics -- that in car-to-car collisions, large cars are safer than small ones.

Overall, the National Academy of Sciences agrees with us about the relationship between safety and fuel economy. If there is to be increased fuel economy and



improved safety, then all of us must share the cost -- not just the government, or the consumer or the manufacturer alone.

Of course, we don't agree with everything in the study. But there is more to it and you'll hear about it later from us.

### CONCLUSION

In closing ... as I said at the beginning, the world order is rapidly changing. We are all becoming more interdependent and more internationalized as we approach the 21st century.

You are in the front lines of this process.

And you must lend your support to efforts to free markets -- to expand world trade and bring down restrictive trade barriers.

The free market system drives the new world order -- and it is a better world. The President is committed to this goal -- and I know you are too.

Thank you. Have a good evening and a safe trip home.

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SECRETARY OF TRANSPORTATION ANDREW H. CARD, JR.  
ALCOHOL AWARENESS RALLY  
APRIL 16, 1992  
WASHINGTON, D.C.

EVENT: EMPLOYEE RALLY. 3 -5 minutes opening remarks

- We're here today to celebrate "Alcohol Awareness Month." Not really to celebrate but to increase the awareness of the dangers of "demon rum."
- As DOT employees we have a special obligation to draw attention to the problems associated with alcohol abuse -- from ill health to deaths resulting from drunk driving. We've all heard the statistics before -- someone is killed by a drunk driver every 24 minutes. Now is the time to do something about it.
- We need to reach out to those who want help -- and I strongly recommend that those in need seek out assistance through the Employee Assistance Program. Don't be embarrassed -- do it for your family's sake if not your own.
- We also need to keep the bottle out of the hands of minors -- your children. Given that Prom Night will soon be upon us, you parents out there need to sit down with your kids and have a serious talk on the dangers of drinking before it's too late. Kids learn by example.



- Given that FAA employees who occupy important safety positions will soon have to undergo testing for blood-alcohol levels -- refraining from drink in the work place is more necessary than ever. It may cost you your job -- it's that simple.
- For the entire month, you'll hear from us more than you ever wanted on the potential harmful effects of alcohol. Through we may overdo it a bit -- please listen. You need to know the facts. That's why we have the exhibits and displays here today -- it's for all of our benefit.
- In closing, perhaps we should remember Mark Twain's statement -- "Water taken in moderation cannot hurt anybody."

###

SECRETARY OF TRANSPORTATION ANDREW H. CARD, JR.  
GREYHOUND/VORAD PRESS CONFERENCE  
WASHINGTON, D.C.  
APRIL 16, 1992

- Thank you, Paul, for that introduction. And thanks, also, to you, Frank and Jerry, for inviting DOT to share in this historic event.
- Thanks for not asking me to demonstrate the braking system -- I'll take your word for it -- it works.
- The partnership being activated here between Greyhound and VORAD is just the kind of public-private partnership President Bush is calling for today.
- The President knows that we must develop innovative new technologies to meet the challenges of global competition. New transportation technology is a part of our strategy.
- That's why the National Transportation Policy emphasized transportation research and technology, especially in the emerging field of Intelligent Vehicle Highway Systems -- IVHS.
- That's why the Administration recently launched the National Technology Initiative -- to move federally-initiated funding for research and technology from the workbench to the marketplace.
- That's also why the President's 1993 budget request for the Department seeks a 12 percent increase in research and development.



- More than \$600 million in federal funding is authorized for IVHS over the next six years.
- Already, IVHS projects are moving ahead in a variety of applications all across the country.
- Just recently, I was in Orlando, where "Smart Cars" are already at work on a limited basis.
- This is just the beginning.
  - We are going to have more sophisticated collision warning and avoidance systems.
  - We are going to have automatic braking systems that are activated by the collision avoidance system.
  - We are going to have adaptive cruise control systems that assure the vehicle maintains appropriate distances from other vehicles.
  - Eventually, we are going to have "platooning" systems, which will permit a "convoy" type column of vehicles traveling at uniform speeds over the highway.
- All these technologies and many more will make up the IVHS arsenal of the not too distant future.
- We are looking to IVHS to maintain our mobility, control congestion, reduce air pollution, conserve energy and maximize safety.
- VORAD is one good example of this concept at work.
- Here we have an investment in research paying off in a practical application in the marketplace.

- So, today VORAD moves from the laboratory to the streets and highways.
- America will continue to set the pace with these type of projects, as we move into the 21st century.
- Congratulations to Greyhound, VORAD, and Allstate as together they enter into this bold partnership -- we appreciate the opportunity to share in the evaluation of this important venture.

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SECRETARY OF TRANSPORTATION ANDREW H. CARD, JR.  
ALCOHOL AWARENESS RALLY  
APRIL 16, 1992  
WASHINGTON, D.C.

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- We need to reach out to those who want help -- and I strongly recommend that those in need seek out assistance through the Employee Assistance Program. Don't be embarrassed -- do it for your family's sake if not your own.
- We also need to keep the bottle out of the hands of minors -- your children. Given that Prom Night will soon be upon us, you parents out there need to sit down with your kids and have a serious talk on the dangers of drinking before it's too late. Kids learn by example.

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SECRETARY OF TRANSPORTATION ANDREW H. CARD, JR.  
CONSTRUCTION INDUSTRY PRESIDENTS' FORUM  
APRIL 22, 1992  
WASHINGTON, D.C.

## INTRODUCTION

- Arthur Fox -- for years editor of *Engineering News Record*. His work after retirement is as valuable as his journalistic ventures. Important advisor to government and industry policymakers.

## TRANSPORTATION IN THE NEWS

- Two recent articles in newspapers worthy of note to you:
  - ISTE A can't fulfill expectations. Headline of *Wall Street Journal* front page column declares; "Transportation Funds Are Rising, but Effect Won't be Felt Soon." According to writer, new federal law is hobbled by states' financial woes and its own complexity.
  - State's financial troubles confirmed by article in today's *Washington Times*. According to figures given by National Association of Governors -- 35 state governments are facing a revenue shortfall totaling \$5.7 billion this year.

## GETTING MONEY OUT OF THE PIPELINE

- My highest priority is getting this ISTEA money spent: creating jobs ... building nation's infrastructure. Have met with Bill Reilly and Nancy Dorn to create a task force to accelerate the program.
- Even if fiscal health of states is weak, there are still ways to get monies to the states:
  - **Waviers:** Case of Vermont.
  - **Soft Match:** Case of New Jersey.
  - **Public/Private Investment.** Example of the Dulles Toll Road Extension, Virginia.
- About \$7.4 billion (46 percent) of the FY 1992 funding has been obligated. Anticipate actual spending this FY to be \$2 billion -- 15 percent higher than historic 5-year average.
- Individual state obligations levels vary greatly -- from less than 20 percent (Rhode Island) to over 70 percent (Wyoming).
- ISTEA at work in many vital projects. Florida speeding up a \$100 million project to add four lanes to badly congested Buckman Bridge in Jacksonville. Illinois is rebuilding 7.5 miles of dilapidated JFK Expressway. Maryland planning to increase state's commuter rail service through congested Washington suburbs.



- The key to success is state government. Wisconsin Governor Thompson is "go getter" -- Has detailed plan for state transportation development called "Mobility 2000." Need similar efforts by all governors. On my way to Penn. this week.

### NEED YOU HELP

- Thanks to Fox you are the engine that will drive the jobs process. Need your help <sup>is</sup> motivating local and state authorities. Need to get plans off the drawing boards and into the construction sites.
- Need also to be alerted to new concerns/sensitivity toward environment.

### REGULATORY REFORM

- The Labor Department has given contractors/builders greater flexibility to hire semi-skilled "helpers" for federally funded construction projects.
- Trucking Deregulation-- designed to reduce regulatory burdens, improve efficiency, establish more flexible pricing, permit carriers to serve larger areas and carry more commodities.

### WE MUST EMBRACE CHANGE

- President Bush -- "there are five critical ways in which America must change if we are to continue to lead the world..." We must have reform in government ...

education ... legal and health care system ... and expand trade.

- We are coming to a new day -- a new way of doing business. One that will be more efficient because it includes you as our partner.
- Open to questions and comments.

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TRANSPORTATION SECRETARY ANDREW CARD  
U.S. COAST GUARD ACADEMY LUNCH REMARKS  
NEW LONDON, CT  
APRIL 24, 1992

EVENT: Brief 2-3 minute remarks.

- Thank you: Admiral Matteson (Superintendent) ... Cadet First Class Buzzella (Regimental Commander) ... Cadet Corp for invitation.
- **USA Today** has called the Academy the "choosiest school" -- thought that was the Merchant Marine Academy!
- Here to see first hand how the future leaders of tomorrow are trained and educated today.
- I'll be giving a lecture in one of your political science classes. So I've brought along my military assistant -- CDR Brown -- to take the names of any Cadets who fall asleep during my talk.
- We at the Department are well aware of the fine work the Coast Guard is doing -- especially in the Carribean. And I know of the increasing needs of the Academy. We'll see what can be done -- but please no boiler room tours!
- I'll not keep you from your delicious meal any longer -- look forward to meeting with you later.

SECRETARY OF TRANSPORTATION ANDREW CARD

1992 SAVINGS BOND KICKOFF RALLY

APRIL 27, 1992

WASHINGTON D.C.

Event: 3-4 minute opening remarks.

- A warm welcome to our special guests this afternoon -- *Susan King* (Channel 7 news) and *Catalina (Cathy) Villalpando* (Treasurer of the United States) -- the woman who's signature is on every dollar bill.
- Coming from New England I've always been taught that old line that "a penny saved is a dollar earned." But it's true -- small savings put away over time can amount to a great deal.
- And there's no better deal then signing up today for a payroll Savings Bond plan. Payday after payday you save without interruption.
- There are plenty of reasons why investing in Savings Bonds is the right thing to do -- but I'll let our guests today give you the details.
- At DOT we appreciate the value of bonds -- nearly 30 percent of us are already part of the Savings Bond program. But we need to aim higher -- our goal is to shoot for 40 percent. So now we're asking each operating administration to increase the number of new savers by 10 percent. And get current savers to increase their contributions by 20 percent!



- And to help us reach our goal, I'm pleased to be one of the first DOT employees today to sign up for the Savings Bond program. (SIGNING CEREMONY)

- But before I go, I would like Treasurer Villalpando also to sign something -- in this case, one of my dollar bills (SIGNING CEREMONY).

- Thank you all for joining us this morning.

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SECRETARY OF TRANSPORTATION ANDREW H. CARD, JR.  
BUSINESS TRANSPORTATION COUNCIL  
APRIL 29, 1992  
WASHINGTON, D.C.

## ACKNOWLEDGEMENTS

*Richard Bradley* (President, Int'l Downtown Association)  
-- driving force behind the creation of this Council.

*Paul Ehrhardt* (V.P. Aetna Life; Board, Hartford Chamber of Commerce) -- Acting Chair of Council.

- We know you have an enormous stake in efficient transportation: major cost of doing business ... employees/ customers depend on seamless network ... essential for your competitiveness/ economic growth.
- Your cooperation is essential because you ... have valuable information ... provide the engine of growth ... assist in the financing of infrastructure ... provide leadership in problem solving.

## TRANSPORTATION IN THE NEWS

- Two recent articles in newspapers worthy of note to you:
  - Infrastructure long neglected in cities. "Chicago Flood Was Tip of the Iceberg" reports today's *USA Today*. As writer summed up the situation, rebuilding



of roads, bridges, mass transit, etc. "is a case of pay me now or pay me later."

-- ISTEA has not yet fulfilled expectations. Headline of *Wall Street Journal* front page column declares; "Transportation Funds Are Rising, but Effect Won't be Felt Soon." According to writer, new federal law is hobbled by states' financial woes and its own complexity.

#### GETTING MONEY OUT OF THE PIPELINE

- ISTEA is creating revolution in transportation industry. Unprecedented ... flexibility ... opportunities for privatization ... sensitivity to environment.
- Highest priority is getting this ISTEA money spent.
- About \$7.8 billion (47 percent) of the FY 1992 highway funding has been obligated. Anticipate actual spending this FY to be \$15.8 billion -- 15 percent higher than historic 5-year average.
- Individual state obligations levels vary greatly -- from less than 15 percent of available funds (Hawaii) to over 74 percent (Arkansas).
- Even if fiscal health of states is weak, there are still ways to get monies to the states: *Wavers*: 4 approved

--MD, VT, AK, ND. *Public/Private Investment*: Example of the Dulles Toll Road Extension, Virginia.

### ISTEA EXAMPLES

--*Massachusetts "Big Dig"* -- Central Artery-Third Harbor Tunnel. \$1.8 billion obligated/ \$33 million since ISTEA enactment.

--*Florida* speeding up a \$100 million project to add four lanes to badly congested Buckman Bridge in Jacksonville.

--*Illinois* is rebuilding 7.5 miles of dilapidated JFK Expressway.

--*Maryland* planning to increase state's commuter rail service through congested Washington suburbs.

### OPPORTUNITIES FOR PARTNERSHIP

- Goal of Administration to increase partnerships. We must rely more on private investment than in the past -- tap energy of free market system.

- *Infrastructure Financing*. Orange County Freeway Project -- plans to build three freeway segments with combination of public/private funding. (Included is new



toll-collection technology which makes it unnecessary for vehicles to stop and pay toll.)

- *Cooperation to Reduce Peak-Hour Congestion.* ISTEA requires metro areas of over 200,000 people to prepare congestion management plans. The Nuclear Regulatory Commission in Montgomery County, MD to reduce traffic gridlock, developed a comprehensive plan which included flexible work hours, parking restrictions, car pools, transit fare discounts, and a transit shuttle.
- Beyond ISTEA, we are also looking to greater partnerships in advancing transit use with *change in tax code* -- increasing the amount of employer-provided public pass expense that may be excluded from employee's income.

#### PRESIDENT CHANGING AMERICA: REGULATORY REFORM

- Just as we have revolution with ISTEA, the President is proposing other significant changes:
- The *Labor Department* has given contractors/builders greater flexibility to hire semi-skilled "helpers" for federally funded construction projects.

- *Trucking Deregulation* designed to reduce regulatory burdens, improve efficiency, establish more flexible pricing, permit carriers to serve larger areas and carry more commodities. (Fred Smith of *Federal Express* says his company sends packages going from Denton, Texas to Dallas -- a 45 minute drive -- by air via Memphis in order to escape burdensome state regulations.)

## EMBRACING SYSTEMATIC CHANGE

- President's initiatives also bringing about revolutionary change throughout educational, health and legal system. We are not unaware of *frivolous lawsuits*. (Recent examples include: Legal question as to whether a coach class passenger who uses first class toilet could be considered a trespasser. And whether a pregnant woman --driving alone -- could qualify as a "car pool.")
- President also committed to expanding America's business presence abroad. Pushing for GATT agreement and *North America Free Trade Agreement* to unlock potential markets in Canada and Mexico.

## CONCLUSION



- The government can do only so much -- we need your partnership. Partnership in building and operating our transportation system ... in expanding world trade ... in making sure we have schools, health and legal system worthy of great nation.

- I know I can count on your support.

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SECRETARY OF TRANSPORTATION ANDREW H. CARD, JR.  
INTERNATIONAL INTERMODAL EXPOSITION  
APRIL 30, 1992  
ATLANTA, GEORGIA

### **ACKNOWLEDGMENTS**

Thank you, Wayne (Schakelford, Georgia Commissioner of Transportation) for that introduction. It's good to be here with some of the most creative minds in transportation. This exposition itself is a great example of intermodalism. And, according to Federal Railroad Administrator Gil Carmichael, it was originated by Nat Welsh. Nat, now chairman emeritus, is here today. Congratulations to a pioneer in intermodalism.

### **EXCITEMENT**

There is a lot of excitement about intermodalism in this room. I arrived in Atlanta intermodally -- landed at Hartsfield and rode downtown on MARTA. While that's just an example of passenger intermodalism, you here today move America's commerce intermodally.

Intermodalism is not a word familiar to most people. We had a group of high school students in from Russia just the other day, who wanted to hear about the future of transportation. The translator was doing fine until somebody said, "intermodalism." There is no Russian word for intermodalism.



Intermodalism even has a language all to its own. Terms like strad, TOFC (toff-see), cans, mules and pigs all have their own intermodal meanings. Though you have your own special lexicon, it is a lexicon of jobs, of commerce, and a thriving economy to all Americans.

### WHITE PAPER ON INTERMODALISM

I remember talking about intermodalism as a candidate for governor more than 10 years ago. I called it "multimodalism," but it was the same thing. My campaign consisted of me going alone from town to town with a set of white papers, including one on multimodalism -- improving the connections between Logan Airport in Boston, the Massachusetts Bay Transit Authority, and several major highways in and around the area.

But guess how many reporters showed up for a press conference to unveil my multimodalism white paper? You guessed it. That ten year old paper generated more interest at my Senate confirmation hearing than it did originally.



## ISTEA

Today, intermodalism has traveled from obscurity to the title of a revolutionary, new surface transportation bill. The 1987 bill was titled the Surface Transportation Assistance Act. Now we have the 1991 Intermodal Surface Transportation Efficiency Act, known as ISTEA.

Most of all, ISTEA created the opportunity to focus the department on intermodalism.

## OFFICE OF INTERMODALISM

At DOT we have an intermodal working group. Its members represent all modes of transportation at DOT. We meet regularly to plan intermodal solutions to transportation problems.

In the next few weeks we will, in fact, create within my office the new Office of Intermodalism. The director of this office will be a key member of my team.

The director will coordinate intermodal thinking and planning within the Department. And the office will do these four things:

First, it will help develop transportation data -- that will assist in planning for the future, and in marketing.



Second, it will conduct and share research and development in new systems. For example, tracking the movement of goods, coding the contents for containers, and other kinds of systems that will improve efficiency.

Third, it will administer seed grants to the states that are developing "model" intermodal plans and projects. In that regard, this week I am inviting the nation's 50 governors to submit proposals for developing model state plans. We all support intermodalism, but I want the states to give us some new insight into how to make intermodalism work best.

And finally, the new office will seek out and break down unnecessary regulatory barriers that stand in the way of an intermodal system.

Let me tell you about the other ways the department has been actively focusing on intermodalism. Here I'm talking about regulatory and maritime reform, and private/public partnerships.

### REGULATORY REFORM

The President announced yesterday a number of major regulatory reforms. Tomorrow I will release more details about DOT's reforms. But let me give you a sneak preview of two.



One concerns the stability rules for seagoing vessels. Current requirements were developed in the 1940s for ships of that period. They have proven to be overly restrictive for today's modern container ships. Modernizing these requirements could increase the revenue of U.S.-flag vessels by up to \$250 million annually, by increasing cargo capacity on certain U.S.-flag vessels by up to eight percent.

Another reform concerns railroad operating practices. The Department of Transportation wants to enable a utility brakeman on the railroad to become a member of several crews during one work day. This would permit railroads to take advantage of smaller train crew sizes that were agreed to in the last round of collective bargaining. The Federal Railroad Administration's "blue signal" rule now bars a number of railroads from the benefit of this agreement. This rule could save the U.S. railroad industry between \$70 and \$80 million annually.

The President's regulatory reform package for transportation includes trucking deregulation. We have already sent to the Congress a trucking deregulation bill that would put an end to the great paper chase at the ICC. It would put an end to the tons of paper filed each year.



It would eliminate the volumes of absurdities now used to determine what is and what is not exempt from tariff.

### DEREGULATION EXAMPLES

For example, this weekend many of you will tune into the Kentucky Derby. Did you know that transportation of riding horses is exempt from ICC tariffs. But race horses are not? You also have to follow the ICC tariff rules to transport rodeo horses.

Transporting exhibit animals such as those shown by 4-H Clubs is exempt from tariff rules, but show horses -- also exhibited -- are not.

While we are following the horse line, let me add that manure, in its natural state, is exempt. You can even dry it and dehydrate it for the garden and still not fall under the ICC tariff requirements. But if you ferment it, watch out. Now you have a regulated commodity, which means you have to shovel paper, as well as the manure.

Our deregulation bill would also eliminate state regulation of interstate trucking.



The latter step alone will save American consumers up to \$8 billion a year, and take us one step closer to a truly efficient transportation system. Economic deregulation of transportation is the cornerstone of a truly efficient, seamless intermodal network.

You do not have to look beyond this audience to see many intermodal success stories sparked by deregulation. Transportation rates are much lower today as a result of efficiencies achieved by deregulation, and a case in point is Don Schneider, who says "The free market will ultimately drive things to their best value."

Mr. Schneider is here today. He was a speaker at this exposition. His Green Bay, Wisconsin, company was doing zero business with Canada and Mexico a couple of years ago. Today, Schneider Transportation moves 800 loads a week between Canada and the U.S., and 100 loads a week between Mexico and the U.S. And can reasonably expect more as the North American Free Trade Agreement grows closer to permitting the free flow of vehicles on our continent.



## MARITIME REFORM

Clearly the role of ports, and the issues of landside access to ports and smooth cargo transfers at ports, are critical to intermodal efficiency. We need to provide for efficient ports in order to sustain our U.S. economy.

At the same time, I must admit my personal bias reflects the hope we also can maintain a good portion of the commerce into our country moving on U.S.-flag merchant vessels.

A great number of things have got to change before we can ensure an efficient and competitive maritime industry. Out-of-date, restrictive measures that hamper our operators' ability to compete internationally must be removed. We need to build a new climate that will make investment in maritime industries an attractive proposition.

I recommended to the President that a Cabinet-level interagency group be pulled together to review maritime policy. He established a Policy Coordinating Group to do just that. It has already begun its very intensive review and we expect to see results by June.



The federal government is not the only driving force behind transportation reform. Under ISTEA, state and local governments have more power than ever before to direct where transportation dollars go, how those dollars are invested, just as the President proposed.

### PRIVATE SECTOR INVOLVEMENT

I'm pleased to report that many state and local governments are running with the ball. Last month, I toured an intermodal facility in Huntsville, Alabama, that the airport authority there is directing. Blair Conrad, the Huntsville airport executive, is here today. Blair was in Oshkosh, Wisconsin, before he went South. Not to frighten the folks here in Atlanta, but Huntsville is developing a new gateway to the Southeast. Aside from rail and truck facilities, a 747 Cargolux flight flies each week between Huntsville and Europe.

Just as importantly, there are new opportunities for private sector involvement and investment in transportation. CALTRANS has four toll road projects that are privately funded.

The private sector was the genesis of the intermodal movement. And the private sector continues to lead the way.



## INTERMODALISM EXAMPLES

UPS just moved its corporate headquarters to Atlanta. There are some UPS people in the audience today. As a result of fully integrated distribution systems such as UPS has, intermodal traffic is the greatest growth area for our transportation industry.

Also Atlanta is the home of the 1996 Olympics in no small measure because of intermodalism. A multi-modal passenger terminal is planned for downtown Atlanta. It will link Amtrak, Greyhound, sight-seeing buses, MARTA and the airport with downtown. Congratulations to Atlanta, the Atlanta Regional Commission and the State of Georgia for taking the first steps toward true intermodal passenger service.

Just last week, I paid a visit to the Port of Philadelphia, where intermodalism has been in practice for a long time. They have one private intermodal container facility and are about to complete construction of a new public facility that will open, we hope, next month. The Canadian Pacific railroad recently purchased 240 miles of track that opens up a gateway between the Port of Philadelphia and Canada.



And last summer, President Bush traveled to Los Angeles to herald one of the latest and best examples of intermodalism at work, the Interstate 105 -- Century Freeway Project. The President stood near a new freeway with an exit ramp to Los Angeles International Airport. That new freeway will also improve access between the LA area ports and several major interstate highways. And in the median strip of that highway is the Green Line -- a new high-tech, driverless mass transit system that will help unclog congestion and clean the air in LA.

### NEW TECHNOLOGY

Earlier I talked about the excitement of intermodal transportation. And there's a lot of exciting technologies out there that will further join the various modes of transportation ever closer together.

As your aware, intermodalism is not limited to connectivity between modes. A satellite system -- Global Positioning System -- that was used to guide our troops, our ships and our airplanes during Operation Desert Storm is now helping guide railroads, aircraft, ships and even trucks here at home.



But the real strength behind the explosive growth in intermodalism has been your focus on meeting consumer needs with hard work and high tech. That's why we've seen so many changes in electronic data interchange, damage prevention, and quality programs.

### CONCLUSION

But what's the driving force behind all this creativity? Competitiveness. The drive to move more goods, damage-free, at less cost.

We at DOT want to increase competitiveness. That's why we're so serious about deregulation, and removing regulatory roadblocks. That's why we're so serious about investing in or commercializing high tech solutions, like Global Positioning System. And that's why we're literally changing our culture and reinventing the way we operate at DOT. But it all began here.

I'm reminded of the theme of our National Transportation Week activities next month, when we also commemorate the 25th birthday of the Department: "The Future Starts Here. " The future really started here, with many of you, the pioneers of a movement that will keep our transportation system the envy of the world.

The President brought us a revolution in surface transportation, the biggest since President Eisenhower launched the Interstate System. He brought the world a revolution in democracy. Now he's going to carry that revolution to education, health care, world trade, and our legal and legislative systems. With you as partners, that revolution will succeed.

Thank you ...

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