



U.S. Department of  
Transportation

# News:

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STATEMENT BY SECRETARY OF TRANSPORTATION  
ANDREW H. CARD JR.  
ON U.S. SUPREME COURT'S AIRLINE ADVERTISING DECISION

June 1, 1992

This decision allows us to maintain a consistent and vigorous enforcement policy to protect the rights of consumers. At the same time it guarantees the airlines a uniform policy toward regulation of advertising.



SECRETARY OF TRANSPORTATION ANDREW H. CARD, JR.  
NATIONAL INDUSTRIAL TRANSPORTATION LEAGUE  
JUNE 3, 1992  
WASHINGTON, D.C.

Thank you very much. This is my first appearance before the NIT League. But I am sure it will not be our last meeting as we work together to build a more efficient transportation system. At a ceremony commemorating the 25th anniversary of the Department of Transportation last month, I described Alan Boyd, the first Secretary of Transportation, as the George Washington of transportation. And certainly the NIT League qualifies as the Continental Congress of deregulation. When Alan Boyd was Secretary in the late 60s, the NIT League was already fighting for regulatory reform -- before the ICC, the FMC, the CAB and any one else who would listen.

**NIT LEAGUE FIRST ON DEREGULATION**

You were among the first to see the value of economic deregulation. At the beginning of the 1980s, you used the powerful forces of deregulation to fuel progress, not only for yourselves, but for the American people. Then, during the decade, that progress was threatened by a movement to re-regulate. Each time, you fought shoulder to shoulder with the Department of Transportation to defeat the naysayers who would have turned back the clock.



Like you in the NIT League, we in the Bush Administration, believe in free enterprise. And we're doing all we can to defend it. We're also doing all we can to expand it.

President Bush has already taken specific steps to remove the regulatory roadblocks to growth in transportation and throughout the economy. And the NIT League, with leaders like Jim Bartley, John Buchanan, Bill McCurdy, Dave Torrey and many others, have demonstrated both the vision and the wisdom we need to finish the job.

Today I will focus on three issues that warrant immediate attention: trucking deregulation, maritime reform and the railroad labor situation.

#### TRUCKING DEREGULATION

Partial deregulation of the motor carrier industry has worked at the federal level the past 12 years. Benefits to shippers and consumers exceed \$15 billion per year -- and that by conservative estimates. And it has worked in the states that have deregulated their trucking industries.

But the remaining regulation of trucking at the state and federal levels is a drag on the national economy.



Trucking deregulation must happen -- sooner rather than later. The smooth and efficient operation of our market economy demands it. We are no longer competing exclusively in state and local markets. We are competing in a world economy. We cannot afford the costs and inefficiency of these parochial regulations.

Almost everyone now agrees that the federal reforms of the 1980s did not go far enough. They left in place too many barriers, especially at the state level.

Frito-Lay ships its product from a Mississippi plant to San Antonio, even though its Lubbock, Texas, plant is 200 miles closer. It saves \$95 a truckload by this circuitous routing -- the result of artificially inflated Texas intrastate rates.

Procter and Gamble finds it cheaper to ship Crisco 600 miles from Tennessee to Tyler, Texas, than to ship from its plant in Dallas, only 80 miles away.

And you all know the money-back guarantee offered by Federal Express on its overnight service. But did you know Federal Express can't offer it in California? California regulators have even asked the U.S. Supreme Court to affirm their power to prohibit it.

These examples might be funny if the effect weren't so serious.



Our legislation would remove essentially all remaining economic regulation of trucking. I intend to push for it hard, and continue pushing for it. I hope we will have your support.

#### SHIPPER UNDERCHARGE

One immediate problem of enormous proportion -- the "shipper undercharge" problem -- is really part of our strategy for trucking deregulation.

Unfortunately, the general public doesn't specialize in arcane transportation law and can't possibly understand it. They wouldn't believe it. A contract isn't a contract. A bill properly paid and "receipted" can come back to haunt the shipper with additional bills for a balance due of hundreds of thousands of dollars over and above the agreed-upon amount.

The undercharge problem is an outrage. At first, it was the problem of negotiated rates that for one reason or another were not filed.

Now with the Transcon case, the problem has expanded to rates that were properly filed, but a court has ruled them illegal -- even though the proper authorities, the ICC, had approved them. Business acting in good faith simply can't operate under these unreasonable conditions.



Moreover, it simply doesn't make sense that an obligation of the carrier should cause shippers to pay. To spend untold time and dollars watching the tariffs and making sure all the "i's" are dotted properly is an unreasonable requirement to place on shippers.

We want to solve this problem now. We -- the Administration and the NIT League -- have both submitted proposals. You have bent over backwards to compromise -- to pay substantial sums simply because of an outdated requirement to file tariffs. Any solution must address that requirement or the undercharge issue will be a recurrent nightmare. Our approval does it by eliminating the requirement altogether. We say: "It is not enough to solve yesterday's problem. Let's fix it so it can never be repeated."

The shipper undercharge problem has been with us for over six years. Enough is enough. Congress should act on the undercharge issue this year.

#### MARITIME REFORM

In addition to our concerns about the competitiveness and health of the trucking industry, we are equally concerned about the future of ocean shipping.



The U.S.-flag merchant marine historically has played a critical role in supporting our nation in times of emergency -- a role that the industry was called upon to fill again during Desert Storm.

And equally importantly, the U.S.-flag industry contributes significantly to our country's economic security in an era characterized by fierce international competition.

So from two perspectives -- national security and economic security -- we find it important to preserve the U.S. flag fleet. Yet, today, we are in danger of losing that fleet.

Since becoming Secretary, I have spent a considerable amount of my time on maritime issues -- chairing the White House Policy Coordinating Group on commercial maritime initiatives, and meeting with interested groups such as shippers. We are exploring policy options across the full spectrum -- from the way we build ships and crew them, to the economic regulations that govern their operation, to the subsidy programs that have supported them.



The time has come to think about government's relationship with the merchant marine in new ways. For example, perhaps it is time we stopped thinking about current and prospective payments to our liner industry as government subsidy. Maybe we need to begin to think in part of a "contingency fee." That is to say an "insurance policy" to ensure the immediate availability of reliable vessels and crews in times of national emergency. Such view could free us to restructure government's relationship with the industry in a way that truly gives the taxpayer the greatest return on the dollar.

Our working group report will be finished quite soon and submitted to President Bush. Maritime reform is my goal and I intend to work hard to make it a reality.

#### RAILROAD LABOR

Finally, coming right down the tracks is an additional challenge. Three weeks from today we could face a work stoppage in our railroad industry. Labor and management have agreed that there can be no strike or lockout until June 24.



I hope that the Presidential Emergency Board reports, which were released last Thursday, can form the basis for negotiations that will lead to an equitable resolution of the rail-labor disputes. Now is the time for steady, measured negotiations. The Administration will be closely monitoring the situation, and is prepared to work with the industry, railway labor and the Congress in any appropriate way to deal with this matter.

#### CONCLUSION

The three issues we've covered here are like transportation itself, filled with challenges and potentials. The road ahead, of course, won't be easy. Gains in maritime reform will be as difficult today as they were 20 years ago. The path to trucking deregulation -- including an end to shipper undercharges -- will be equally rocky. But with the support of the NIT League, I have every confidence we will succeed. I look forward to working with you.

# # #



Holbrook High School Commencement Address  
Andrew H. Card, Jr.  
Holbrook, Massachusetts  
June 6, 1992

Superintendent Spillane, Principle Sweeney, Reverend Smothers, Reverend St. Cyr [SAINT SEER], friends and family of this distinguished Class of '92, and deserving graduates.

I am truly honored to be here today. I've had the privilege of traveling around this country -- and, in fact, the world -- but there's nothing like coming home.

Especially when home brings you back in touch with so many family and friends -- friends in the truest sense of the word. So, I am delighted to be back home.



I remember 27 years ago sitting <sup>in</sup> Holbrook High School's ~~football field~~ <sup>gym (It was a rainy day)</sup> in my cap and gown. I was very proud -- in fact, still am very proud -- to be part of the graduating class of 1965. At the time, we thought we were very special -- on top of the world.

The fact that we felt this way had a lot to do with people like John Spillane, who was our class advisor. It had a lot to do with teachers who cared about us, gave us a sense of self-worth and self-respect. Many of them are still here.

I remember well our class motto. "We are NOT born for ourselves." It's a motto that ~~almost got lost in the~~ <sup>resistance</sup> ~~country during the 1980s, but it~~ couldn't be more relevant



today. We are NOT born for ourselves. It will always hold true.

So, the people of Holbrook -- our teachers, our parents, our fellow students and others -- helped <sup>our</sup> ~~my~~ class to see beyond ourselves. They helped shape our sense of pride in our role, our school and this town.

I am really proud of my class -- <sup>the</sup> the class of '65." And I ~~am~~ <sup>know</sup> ~~but~~ there is a lot of pride in this class of '92!

*Like me*

You, too, have had help along the way. You have teachers who care about you at Holbrook High. People like your own class advisor, Fred Perrone [Pair-O-NEY], teachers like the former vice president of my class, Mrs. Andrea Cosindas.



They and so many others made certain not only that you are well educated, but well schooled in lessons of character. You are well prepared, in the words of your own class motto, to "Follow your dreams."

\* \* \*



o Even in your wildest dreams four years ago, it would have been almost impossible to imagine how dramatically the world around us would change.

o Who would have dreamt that in the last four years you spent at Holbrook:

-- the ugly wall that divided Germany would be crushed, its pieces sold as novelties.

-- Poland would be free . . . *Lech Walesa*  
*Eastern Europe would be open to the world - the iron curtain literally*

-- The Soviet Union would collapse . . . . *set up*  
*you entered HHS* *torn down*

-- The whole of the Western hemisphere *has* would become democratic, with but one exception -- Cuba.

o I have been fortunate, blessed really, to see firsthand some of these breathtaking changes, to meet some of those responsible for them.

*the Pope, Lech Walesa, Gorbachev, Thatcher, Major, Miasowa, Roh Tae Wo, Mandela, Popes, Presidents, PMs, Kings, Queens*



from Moscow to  
Bagin  
Singapore  
Melbourne  
Cairo  
Riyadh

-- Been to every continent except Antarctica.

lunch w/ healy  
free market in Budapest

-- Yeltsin Popes, Presidents, Kings, Queens  
Primenisters

-- previous meeting

-- host at upcoming meeting

o

In so many these places I have said with pride: I'm  
from Holbrook.

o Holbrook is a special place. It's special, first because  
it is ours.

-- does not have pretensions

-- <sup>values</sup> ~~has~~ real families

-- <sup>appreciates</sup> ~~real~~ friends

-- <sup>has real</sup> a sense of community

\* \* \*



- o Every graduation speaker is expected to give some advice, so I won't resist the urge to trumpet a few of my own thoughts.

I say trumpet advisedly: Some would say I've blown hot air consistently over the years since I played trumpet for the Holbrook High band!

- o <sup>IN THE WORDS OF THE</sup> Great trumpeter Wynton Marsalis: *the only justification for looking down on anyone is that you are going to stop and pick them up.*

- o My boss, <sup>PRESIDENT</sup> George Bush, calls doing that being a "point of light."



- o There are many, many such points of light around us here in Holbrook:

- Herb Tucker

- Frank Leonard

- Hanette Wholander

- Skippy Graziano

*Class of '92*

*Town like  
Music/spots*

*For yourselves  
& those who  
follow*

THE LIST IS ENDLESS.

- o This town is special. And, whether you like it or not, you're now and forever a special part of it.

- o I'd like to end with two stories that reinforce for me the importance of lending a hand, getting involved, of following your dreams.

- Havel

- Grandmother



SECRETARY OF TRANSPORTATION ANDREW H. CARD, JR.  
WORCESTER AREA CHAMBER OF COMMERCE  
JUNE 12, 1992  
WORCESTER, MASSACHUSETTS

It's great to be back. I'm not here to talk about transportation. I am here to attend the Olympic Boxing Trials at the Worcester Centrum. A lot of people don't know this about me, I used to be a boxer. They called me Kid Canvass. My career was cut short by a serious hand injury. The referee stepped on it.

Seriously, it's a pleasure to be back in Central Massachusetts, and particularly here in the City of Worcester. You in this -- the largest Chamber of Commerce in New England -- are the business people who really move our economy.

While serving in the Massachusetts legislature, I learned a tremendous amount about this great city. Working in Washington, D.C., has made me realize what a unique community you have in terms of transportation planning. And the local economic benefits are tremendous.

WHAT TRANSPORTATION MEANS TO WORCESTER

Most everyone outside Massachusetts has heard of the "Port" of Worcester. All the double stack trains from the West Coast unload their cargo here. Then the trucks fan out all across New England.



But few people outside of Massachusetts realize that your excellent central location and transportation connections make this area the heart of New England.

The new biotechnology research park puts Worcester on the cutting edge of a new technology with as much potential as the computer industry had in earlier decades. Your Worcester Centrum gained national attention as host for the NCAA basketball tournament. U Mass Medical Center and your consortium of 10 colleges and universities are the crown jewels of Worcester. These enterprises thrive on good transportation.

**SPEECH THEME: INTERMODALISM AND DEREGULATION**

Today, I will focus on two Bush Administration initiatives -- intermodalism and trucking deregulation.

Intermodalism is more than the train-truck interchange you see at the distribution center here. It's concentrating on moving goods and people in the safest, most efficient way, irrespective of mode. The 21st century demands that we use all modes of transportation -- mass transit where mass transit fits the need, highways where highways are needed, trains, and airplanes, barges and boats.



Worcester's plan for the Central Massachusetts Transportation Projects is intermodal and it directly strengthens the economy of New England.

The I-290 Ramp System -- linking downtown Worcester directly to Interstate-290 -- will significantly enhance downtown development. The productivity gains are expected to be very substantial.

Speaking of productivity, I don't know how anyone could expect to operate the biggest freight distribution center in New England with trucks bottlenecked on a two-lane highway. The Route 146/Massachusetts Turnpike Connector project is long past due.

Federal Highway Administration officials have been working with the Massachusetts Turnpike Authority and the Commonwealth to move this project along as quickly as possible. The project should qualify for National Highway System funds. Shippers -- and therefore, consumers -- all over New England will benefit from removal of this three-mile bottleneck.

Your plans for an intermodal transportation passenger center are outstanding -- right on target. Don't let anything derail these plans because they are the tie that binds.



The MBTA Commuter Rail Extension from Boston to Worcester is a forward thinking brand of intermodalism. It will mean as much to the economy of Worcester as any other project. That's why Governor Weld is interested in this project and so am I. We both recognize the importance of moving passengers as well as freight in the most efficient manner possible.

And finally, the \$13 million airport terminal is being built with state, federal and local funds. But there's more to building an airport than the terminal itself. Airports are complex undertakings. As we all know, airports require local effort as well as FAA involvement, and we are ready to work with you in making Worcester airport one of the finest. The Worcester airport has applied for authority to use the passenger facility charge to raise \$2.3 million for runways and taxiways. The FAA will rule on that application by July 28.

#### ISTEA

Now, let's turn to Washington for a moment. Last December President Bush signed the revolutionary Intermodal Surface Transportation Efficiency Act -- ISTEA, for short.

The act authorizes \$151 billion over its six-year life. But ISTEA is much more than a big dollar figure. ISTEA



forces us to think intermodally -- to focus our resources on delivery of service in surface transportation broadly, rather than in a single mode of transportation.

In every way ISTEA encourages the kind of intermodal planning that you here today have been doing for years.

The act provides flexibility for a state to use up to 69 percent of its highway funds on mass transit if that's what it takes to meet the needs of the residents of that state.

ISTEA gives state governments and regional planning offices a much greater say in the kind of transportation we will have in the 21st century. It reaches out to the private sector to try to involve private enterprise at every possible turn.

ISTEA immediately opened the door for \$11 billion in federal highway and transit obligations this fiscal year. These monies are to be used by state and local governments solely to rebuild and maintain our transportation system. The President also ordered us at DOT to expedite the release of these dollars as quickly as possible -- in order to support some 600,000 jobs this fiscal year.



## WHAT ISTEA MEANS FOR MASSACHUSETTS & WORCESTER

Here's what ISTEA means for Massachusetts. The act allocates over \$5 billion for Massachusetts for the next six years.

As of June 4, Massachusetts had obligated just over 50 percent of the \$692 million apportioned to the Commonwealth this year.

Let's bring it even closer to home. What does ISTEA do for the city of Worcester? It authorizes the creation of a National Highway System. The final map for the NHS has to be approved by Congress, but the system will include many of Worcester's existing principal arterial routes. The balance of your streets that are now eligible for federal-aid will be eligible for Surface Transportation Funds.

Although Worcester doesn't yet meet federal standards under the Clean Air Act, the good news is that ISTEA created a special category of funds to help such areas comply. It's called the Congestion Mitigation and Air Quality Improvement Program. Massachusetts received \$34 million from that fund this year.



ISTEA recognizes what you in Worcester already know: For our economy to grow and compete internationally in the 21st century we must build an intermodal transportation system, and do it now.

#### TRUCKING DEREGULATION

And we cannot have a seamless transportation system until we break down the remaining regulatory barriers to our trucking industry. Just as we are forging the important links between modes of transportation, we must remove the remaining economic regulation on trucking. Anyone in this audience who has a relationship with the "Port" of Worcester no doubt would agree. Shippers and carriers alike stand to gain from further trucking deregulation.

One of my first official acts as Secretary of Transportation was to take the Administration's trucking deregulation bill to the Hill and tell the Congress: enough is enough. It's time to act.

Partial deregulation of the motor carrier industry has worked at the federal level the past 12 years. Benefits to shippers and consumers exceed \$15 billion per year -- and that by conservative estimates. And it has worked in the states that have deregulated their trucking industries.



But the remaining regulation of trucking at the state and federal levels is a drag on our national economy. For example, in Massachusetts, state regulation of trucking costs the Massachusetts economy between \$144 and \$189 million a year.

Trucking deregulation must happen -- sooner rather than later. The smooth and efficient operation of our market economy demands it. We are no longer competing exclusively in state and local markets. We are competing in a world economy. We simply cannot afford the costs and inefficiency of these parochial regulations.

Almost everyone now agrees that the federal reforms of the 1980s did not go far enough. They left in place too many barriers, especially at the state level.

The Administration's legislation would remove essentially all remaining federal and state economic regulation of interstate trucking operators, but with no reduction of safety regulation. I intend to push for it as hard as I can, and I hope I have your support.

#### CONCLUSION

So, ladies and gentlemen, let me emphasize that we want to work with you. We will continue to promote intermodalism. We will continue to cut needless



regulation, and to bring the private sector into government operations. You in the private sector have brought revolutionary change to Worcester in recent years.

President Bush is pushing five reforms that will continue that revolution in Worcester and the nation. The President is carrying revolutionary change to education, health care, world trade, and our legal and legislative systems. And with you as partners, that revolution will succeed.

# # #



SECRETARY OF TRANSPORTATION ANDREW H. CARD, JR.  
ANNOUNCEMENT OF OLD COLONY RECORD OF DECISION  
JUNE 12, 1992  
BOSTON, MASSACHUSETTS

- It's great to be back in my home state with Lieutenant Governor Cellucci to make this important announcement.
- A very significant part of President Bush's effort to get our economy moving again is to build as quickly as possible a seamless transportation system.
  - Intermodal transportation -- mass transit where mass transit fits the local need, highways where highways are needed to make our economy more efficient and productive. That's what I mean by seamless transportation.
- Nothing revitalizes a city, or gives new birth to an entire region, as much as transportation. It creates jobs in construction and related industries. It supports the total regional economy -- 2,000 new jobs in the case of the Old Colony project.
- Transportation has a long term impact on jobs and productivity. In the case of the Old Colony project, it will reduce congestion on the Southeast Expressway and eliminate over 1,000 peak period automobile trips from heavily traveled roads each morning and each evening.



- This project is an environmental project as well. It will make possible a cleaner environment while at the same time creating jobs -- not losing them.
- This project will contribute to clean air objectives for the Boston region. And it shows that Massachusetts is delivering on the commitments made at the time of the Central Artery improvements decision. Those commitments were to proceed with an ambitious transit improvement program for the region.
  - This is the kind of progress that will make Massachusetts even more attractive to industry, and lead to more economic growth and more jobs.
- As a native of Massachusetts, I know personally the importance of mass transportation.
- Our forefathers recognized it when they built extensive passenger railroad service in Southeastern Massachusetts in the mid-19th century.
  - In 1945, rail service spread along all three of what became the Old Colony lines. When the Southeast Expressway opened in 1959, Old Colony was closed.



- In transportation, this is a new day and we have a new way.
  - That new way is to move people and goods in the most economical, safest and efficient way possible. That clearly means revival of the Old Colony Railroad.
- It is well known that the Old Colony project is among Governor Weld's and Paul Cellucci's highest priorities, and I'm delighted you have chosen to move forward with it.
- I'm here today to announce a Federal Transit Administration "Record of Decision" to participate in the Old Colony Rail restoration.
- This opens the pipeline for federal funds to begin flowing to cover part of the \$478 million cost of the project.
- Let me say in that regard: the MBTA has done its homework. It has meticulously worked the environmental and other pre-construction issues. It has presented a project I am proud to support.
- The project will make my trips between my hometown of Holbrook and Boston a lot easier.



- So, I am happy to announce this record of decision. This gives a green light to the Old Colony Rail Restoration and the people of the 26 Southeastern Massachusetts communities it will serve.
- Thank you very much. And good luck.

# # #



1.14

SECRETARY OF TRANSPORTATION ANDREW H. CARD, JR.  
HINE JUNIOR HIGH SCHOOL COMMENCEMENT  
JUNE 15, 1992  
WASHINGTON, D.C.

OPENING

- Princess Whitfield, congratulations on the national acclaim you have won for yourself and for this school. Your spirit -- the now famous Hine spirit -- has made this school something very special.
- Congratulations to the parents who have worked and sacrificed so that their children could have a better life.
- And to every member of the faculty, let me say "a job well done." When your students reach the age of 50, and look back, they may not remember one high school teacher, or one college professor.  
-- But they will remember each of your names because you've gave them the foundation for all that is to come.
- Finally, congratulations to the entire student body of Hine Junior High School. Yours is a "School of Excellence" because you have worked to make it so.



- The DOT employees in the audience have worked closely with you in the "Partnership in Education" program. And they are justifiably proud of this moment.

-- Now, on behalf of all 106,000 employees of DOT, I say "we are all very, very proud to be associated with Hine Junior High School."

- You might be the "Thrill on Capitol Hill," but where I work -- Hine is also "The Inspiration of Transportation."
- Commencement day belongs to the graduating seniors. This is your hour. It's a time to look back at all you've accomplished here at this Blue Ribbon School. It's also a day to look ahead.

THEME -- YES, I CAN

- Chicago Bulls star Michael Jordan told a group of young people recently "it's important to keep your eyes on the prize."
- "Often," he said, "we believe others when they say we can't do something, or we can't have something in our lives. We must believe in ourselves and say, yes I can."



- What the Chicago Bulls star was saying, in a sense was that we've all been blessed with God given talents, and no matter what your talent is, find it and use it.
- Michael Jordan knows -- as you will learn -- that in America you only need a couple of lucky breaks in life to be successful. By lucky breaks, I'm not talking about winning the lottery. I'm talking about the breaks you make for yourselves.
- No one can sit around waiting for lucky breaks to come along. This is the way you make them happen. Work hard and prepare yourselves. Develop your talents and abilities. So when your breaks come along, you will recognize them and be ready to seize them.
- And those breaks will come to each of you.
- Hine has given you the first opportunity to develop your own talents -- to prove you can.
  - Valedictorian **Morgan Woods** has proven he can excel as a scholar.
  - Salutatorian **Kisha Richardson** know the thrill in a talent for speaking and writing.
  - **Samuel Capies (Cap-ees)**, knows he is an excellent band leader.



- **Shamara Bullock** can afford to believe in a God-given ability to sing, as can all the members of the choral group who performed so magnificently at my swearing in ceremony.
- **Waseem Baig (Baag)** has confidence in his athletic prowess.
- And **La Kiesha Proctor** is someone who has succeeded against heavy odds.
- Each of you receiving a diploma here today already has excelled in many ways. Hine was your proving ground. Your diploma says "yes, I can." This has been the first step toward a good life.

#### THE NEXT STEP

- The next step is graduating from high school. Don't let anything stand in the way of it. Nothing!
- And don't stop with a high school diploma. Go on to higher education. I'm not saying college is meant for everyone. I'm not saying you have to enroll the day you finish high school.
- Many prospective employers will offer educational opportunities.



- Simply make some form of higher education a part of your long term plan and don't take "no" for an answer.
- Use the Michael Jordan philosophy -- keep your eyes on the prize. And in this case your prize is your future.
- If you have problems and don't know how to get to where you want to go in higher education, don't be afraid to ask someone. And ask someone else. And keep ON asking until you find the help you need. It is out there.
- But the first thing you have to do is finish high school. Take life one step at a time.
- And all of you truly can succeed. Every student here is able to excel at something. Find your God given talent and develop it. Any institution of higher learning would be honored to present you with a diploma.

#### THE NEXT STEP-DREAM BIG

- Look constantly ahead. Always look beyond the next goal to the next ... and the next. And remember the prayer of Michelangelo -- the Italian painter, not the Ninja Turtle. Michelangelo said, "Lord, grant that I may always desire more than I can accomplish."



- A lot of work and some pain comes with big dreams. The worst pain comes when you look back and realize your dreams were too small.
- Now -- when you are filled with that special spirit of this occasion -- now is the time to dream big -- and match those dreams with equal measures of determination.
- If you combine dreams with determination, you will succeed.

#### CONCLUSION

- Finally, always carry some of the Hine spirit around with you. There is nothing like it in all of Washington, probably not in all the world.
- The Department of Transportation has been deeply touched by the Hine spirit. It is precious beyond measure. And it's all yours. Yours to use as a springboard to further success. Yours to draw on when you need it.
- Good luck graduates. God bless you...and God bless this great school.

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1.11

"What Makes A Leader?"

Secretary of Transportation Andrew H. Card, Jr.

West Springfield High Commencement  
Springfield, Virginia

Tuesday, June 16, 1992

Opening Comments

Thank you, Ramsey [Ramsey Gregg, Class President]...friends  
and family of the distinguished Class of '92...members of the faculty  
and administrative staff of West Springfield High...and <sup>MOST OF ALL</sup> deserving  
graduates....

It's a real pleasure to be re-united with a school that's meant a  
great deal to the Card family. When my wife and I were  
contemplating our move from the Boston area to the Washington area,  
this was in 1983, we had two daughters in high school, and we  
wanted to find a high-quality high school down here for them.



Like parents everywhere, we wanted a school that would give our children every opportunity to grow as individuals. We decided to move to West Springfield based on reports about its high school.

Our own public school experience had provided exceptional education. And this has made us believe America's public schools are one of its enduring strengths.

The thing that I remember most about my own public school education is the opportunity provided to every student. Teachers, students, parents and members of the community provided the toil, the resources, the dedication, and the persistence to keep the desire to learn alive. If we lose that -- if even a small group of parents, teachers, citizens or students decide schools are not worth the effort, not worth the personal involvement -- then our places of learning *will* begin to crack and weaken. We can't afford to allow that to happen.



Like most of you, my family found what we were looking for at West Springfield High -- enthusiastic teachers, lots of creative energy, discipline and dedication and lots of learning taking place. I'm proud to remember when our daughters enrolled...and even prouder to recall their graduations -- Tabetha in 1986, Rachel in 1987.

*Ter Madrigha*

*Cheerleader  
Cynnae*

So, it's not entirely coincidental that I'm here tonight. I want to say thank you to the school that has so enthusiastically committed itself to teaching our children -- successfully, I might add, because both of my daughters went on to college and are pursuing careers.

No Sheltered Life



But beyond my personal attachment to your fine institution, I have given considerable thought to what I wanted to say to this Class of '92. I am not an expert about the future and will refrain from making predictions about what the world will look like even a few years from now. *none could have predicted... and* As for the past four years... I expect there have been times when it has not been easy to continue to do what you know you had to do. I expect the future will pose similarly difficult choices.

But you have been well prepared. Your experiences go beyond book learning. Having been a parent of three teenage students -- my son will enter his senior year this September -- I know that high school has not sheltered you from many realities of life.



These realities include competition -- and a growing complexity of life that can be refreshing, rewarding, challenging -- as well as occasionally ego-bruising and, yes, sometimes even cruel.

Like many high school students all across America, you have had to deal with social realities such as inequality, racial tension, and violence. You have probably seen prejudice and small-mindedness; and maybe you have even had to endure criticism and controversy.

Without exception, you have met routinely with temptation: the temptation to break the rules, the temptation to exceed life's safe speed limits.

I know West Springfield High has not pampered you. It has not sheltered you from the way things really can be. While you have honed your educational skills -- you have also seen the rigors of reality.



The result is that you have been exposed to a world that offers risk and opportunity, joy and sorrow, good and bad. You have been exposed to right and wrong. Deep in your heart, I feel certain you always knew the difference between the two.

Now you are going out into this complex world -- and must make many decisions that will impact your success. At almost every turn you must decide which you will be -- a follower, or a leader. I want to focus on leadership this evening, because I want each of you to become a leader in some way. So



## Leadership Qualities

To me, leaders exhibit three essential qualities: character, courage, and compassion.

By character, I really mean ethics -- high ethical standards. Ethics is my foundation of leadership.

The philosopher and psychologist William James said that the goal of education is to teach you to know a good person when you see one. I would add that another goal is to become such a person.

*a good person.*

My definition of ethics is not complicated. An ethical person knows what is right and does it. An ethical person is somebody who questions whether something is wrong, one who avoids even that which might appear wrong. My personal test is, does it feel right in the core of my being? If it does not, it's time to do some soul searching.



When a person has <sup>character</sup> ethics ~~and~~ character, he or she will not bow easily to peer pressure in making decisions.

As a leader who makes ethical decisions, you will earn the trust and respect of others.

What does this mean for your daily living. You notice I didn't say "real life." My daughters hated when people said, "When you get into the 'real world'" as if the world they lived in was unreal. Ethics in daily living means keeping your word. It means being honest, to yourself and to others. Some examples that come to mind are paying your taxes...telling the cashier that you've been undercharged...caring for your children...and being faithful when you get married.



Ethics in daily living means standing up for values that add majesty to our society -- values such as equality, liberty and justice. To me, this is what having character is all about.

Secondly, I think leaders also need courage -- the courage to act. Leaders do not shy away from the tough decisions...they MAKE them.

If I can digress here, when I was Deputy Chief of Staff at the White House, I watched President Bush make tough, timely decisions every day. He did so frequently with prayer -- and always with America's best interest at heart. I might add here that I feel most U.S. presidents had America's best interests at heart, although I admit my bias: I think our President is a real leader, and I think we need to value the people in our country -- of all political persuasions -- who work to make it better.



No one party has a monopoly on courage and presidential leadership. I can think, for example, of President Kennedy's courage when the cold war threatened to turn hot over the Cuban missile crisis. And I'm sure you each have other examples you could share.

Think about it...a true leader usually finds sitting out on a limb more comfortable than sitting on the fence. Robert Kennedy gave sound advice: "Only those who dare to fail greatly, ever succeed greatly. Strong leaders dare to make courageous decisions." "



My advice to you, then, is to face the unknown with courage.

You may be asking yourself at this time, How am I going to finance higher education? Do I have what it takes to complete college, or military training, or my next job? ~~But~~ you will never know <sup>what you can do</sup> until you have the courage to try. Success is what comes from combining dreams with determined action. Dreaming alone doesn't cut it. The challenge is to keep setting your sights a little higher and a little higher. Before you know it, you'll be on top of the world.

*Have the courage to make decisions with your life.*

And finally, leadership is about compassion. Let me tell you <sup>a</sup> ~~two~~ stories. ~~The first is~~ about President Bush. A mother who had lost a son in Panama wrote the President -- wanting to speak with the person who sent her son into combat.



The President certainly could have taken the easy way out. He could have had someone write a polite letter for him, or he could have written it himself. He chose instead the direct and most difficult route -- the route of compassion. I was with the President when he met with that soldier's mother in Ohio. I will never forget that meeting; none of us present that day will.

tears  
 anger  
 pride  
 patriotism  
true compassion

[RELATE STORY]

But compassion knows no rank. Let me tell you another story, which I related a few weeks ago to the Coast Guard Academy's graduating Class of '92. I'm happy to have the opportunity to repeat it.



During my first week as Secretary of Transportation, I visited the Coast Guard in Guantanamo. The Coast Guard is a very valuable facet of America's transportation network, and a part of the U.S. Department of Transportation.

While in Guantanamo, I heard about the crews of the Steadfast and Confidence -- two of the cutters that have been providing a crowded place of safety to hundreds of Haitian migrants.



These were families that for the most part left Haiti with next to nothing. And the ones who suffered the most were the children.

When they were first transferred to the U.S. ships, they were hungry and frightened. Although it was crowded, many felt all alone.

When the boats docked at Guantanamo Bay, scores of seamen -- these are not the officers, but the enlisted men and women, made a beeline for the Exchange. Except they didn't use their paychecks, which weren't big by any means, on themselves.

Almost to a person, they loaded up with toys, with candy and gum, with Coast Guard t-shirts, and with various other gifts they thought might make the lives of the children they had just met a little more comfortable. Then they returned to the boats immediately, with these simple offerings to help drive away fear and loneliness.



A leader never loses his or her capacity to care. Certainly everyone has the opportunity to care -- each and every day. The leaders I've known never let the rigors of the job or the stresses of life put blinders on their hearts. There's always enough time in the day to reach out to someone who needs help. And when you do -- you become a leader.

Leadership, then, is looking beyond yourself and reaching out to those in need...it is showing concern for the greater good through ethical actions...and it is having the courage to do what may be personally painful but deeply rewarding.



*offices*

These are my simple lessons. Character. Courage. Compassion.

For me, they form the bedrock of leadership. Applied by each of you, they will enrich your lives. Applied by enough people, they will change the world in miraculous ways.

*yetts in**Finally participat  
Grandmother**We have what the rest  
of the world  
wants.*

As I said, I know first hand the quality of education you have received. Make the most of it. By your actions and your decisions -- be a leader. America needs them. America needs each of you.

May the future be good to you -- and may you be good to the future.

Good luck to you all, and I join your parents, friends and teachers in wishing you great success in the years ahead.



SECRETARY OF TRANSPORTATION ANDREW H. CARD, JR.  
AIR & SPACE MUSEUM RECEPTION FOR  
RUSSIAN PRESIDENT BORIS YELTSIN  
JUNE 16, 1992  
WASHINGTON, D.C.

President Yeltsin, on behalf of President Bush and the Department of Transportation, it is an honor for me to welcome you to the National Air and Space Museum. In the brief time we have had to tour this magnificent museum, we have walked through more than 100 years of history of flight -- from man's first tentative steps above the treetops in hot air balloons to his conquest of space.

It is perhaps ironic that, in reaching out for the stars, the people of Earth are drawn closer together. For when viewed from the vantage of the farthest reaches of the universe, it is clear that Earth herself is but a single space ship that we all must share.

Here on Earth, transportation is the thread that binds nations and economies together. It makes possible the multitude of business, cultural, and social exchanges that enrich all peoples' lives.



The transportation challenges the United States and Russia confront have much in common. We are both heavily populated, continent-spanning nations whose transportation systems must bridge vast expanses of time and distance.

As the Russia-United States political and economic relationship evolves, so does our transportation relationship. And today, to make that relationship work, our two countries are cooperating more closely than ever before -- in air and shipping service, in air traffic control ventures, in the introduction of new intermodal freight services, and in space, science and exploration.

To discuss these and other important issues, in the past year my Department has had the pleasure of hosting your Minister of Transport, Mr. Efimov, and -- just yesterday -- your Deputy Minister of Transport, Mr. Bevzenko. I look forward to our cooperative efforts growing in the years ahead.

President Yeltsin, I hope you have enjoyed our Air and Space Museum, and will similarly enjoy meeting some of the key executives of our transportation and commercial space industries during this brief reception in your honor.

# # # #



SECRETARY OF TRANSPORTATION ANDREW H. CARD, JR.  
DOT FELLOWS  
JUNE 16, 1992  
WASHINGTON, D.C.

- You wouldn't be in this group if you weren't the cream of the crop in DOT mid-level management.
- You wouldn't be here if you didn't have a real commitment to government service, and the desire to use your skills to help the government work better.
- The National Transportation Policy said it and I couldn't agree more: the place to start to make government work better is with mid-level management.
- One of the visions of what we bureaucratically call NTP Phase 2 was to bring together some mid-level managers in a structured environment -- to have you work together as a team -- sharing ideas -- promoting intermodalism -- studying management styles.
- David Osborne and Ted Gaebler, in the popular book *Reinventing Government*, talked a lot about change; about a government that is steering rather than rowing; about results-oriented government; competitive government; customer driven government; enterprising government; and anticipatory government.



- It's no secret that the American people are angry at government. They are angry at governments that spend more but deliver less. They are frustrated with bureaucracies, and tired of having taxes raised and services cut while problems go unsolved.
- But the government that people are angry at was invented over 50 years ago.
- America has long since outgrown that government. This is a new day and a new way.
- President Bush is pushing five reforms that will give us the kind of change we need to meet today's needs. The President is carrying revolutionary change to education, health care, world trade, and our legal and legislative systems.
- But the real change will come from you. You are the ones who have to strain your brains, use what you've gained in this year of fellowship and make change work.
- So let me leave you with these thoughts.
  - Always maintain the highest standards of ethics in dealing with the public. One of my first acts as Secretary of Transportation was to emphasize ethics. The public deserves ethical behavior. Our conscience demands it. President Bush's example...



- Don't be afraid of change. Don't be afraid to take risks. Top management under Andrew Card will be there for you even if an idea doesn't work out to be as good as we thought it would be. Don't be afraid to invent another way of doing things.
- We all have to pull together to get this government working more efficiently. We are all on the same team.

# # #



1.10  
Andrew H. Card, Jr.  
Secretary of Transportation

Statement Before the Subcommittee on Merchant Marine  
of the Committee on Commerce, Science, and Transportation  
United States Senate

June 17, 1992

INTRODUCTION

Mr. Chairman and Members of the Committee, I am pleased to be here today. When I appeared before you just a few months ago for my confirmation hearing, you strongly emphasized the need to evaluate our Nation's maritime policy. Since that time, along with other members of the Administration, I have been giving maritime issues a great deal of time and attention.

As many of you in this room are well aware, and as I quickly learned, developing a maritime policy is much easier said than done. There have been occasions during this process when I identified with the character from Greek mythology who was condemned to pushing a stone up a hill, only to have it escape near the top, and roll back down, requiring him to start all over again. With your help, I'm convinced that meaningful maritime reform need not be a Sisyphean enterprise.

Operations DESERT SHIELD/DESERT STORM reinforced the importance of reliable sealift for our national security. In total, over 3.2 million short tons of dry cargo and over 6 million tons of petroleum product were delivered through March 10, 1991, the official date of the end of the reinforcement operation. Of the total cargo needed to support allied forces in the Persian Gulf, 95 percent went by sea. Over 80 percent of the dry cargo sealift required for Operations DESERT SHIELD/DESERT STORM was carried on U.S.-flag ships. The Department of Defense (DOD) used not only dedicated vessels, but also U.S.-flag vessels operating in "normal" commercial service.

But today, America's merchant marine is in a state of decline. The privately owned U.S.-flag merchant fleet currently ranks 16th in the world in number of ships with 393 seagoing vessels. Forecasts indicate that by the year 2000 — absent any change in maritime policy — the fleet will shrink to 117 ships, with a carrying capacity of 5.9 million deadweight tons, down from nearly 20 million today.

In 1979, 18 major U.S.-flag liner companies operated in the foreign trades. Today, there are only 6, and these companies operate only 120 vessels. Recently, the two largest U.S.-flag liner operators, American President Lines (APL) and Sea-Land, said they will withdraw their vessels from the U.S. flag starting in 1995 unless reforms are implemented to help U.S.-flag operators compete in world markets.



As the number of ships in the U.S.-flag fleet declines, so does the number of civilian merchant seafarers in the active workforce. In 1960, the U.S. flag fleet supported slightly over 100,000 active seafarers. By 1990, these numbers had dropped to about 27,000 active seafarers. Additionally, no commercial ships for the foreign trades are being built in American shipyards.

Consequently, America must rely on foreign-flag ships and foreign crews to carry the vast majority of its import and export cargoes. In fact, since 1985, foreign-flag ships have carried more than 80 percent of the U.S. oceanborne liner trade, and more than 95 percent of our bulk commodities.

Without reform of our archaic maritime laws, America's foreign trade merchant fleet may be virtually extinct by the year 2000.

The U.S. maritime industry provides a significant benefit to the U.S. economy. Having a strong merchant marine provides jobs and an income stream to the economy. It also supports a maritime infrastructure that includes an educational and training base that is needed for national security. Increasingly, in today's world, our strong maritime companies have been in the forefront of intermodalism, contributing to a strong comparative advantage we hold vis-a-vis our major competitors.

Total revenues earned by the U.S. water transportation industry are nearly \$21 billion. Nearly \$10 billion in revenues are earned from the movement of freight by water. Over \$8 billion in revenues are earned from services incidental to water transportation. More than \$2 billion in revenues are earned from the water transportation of passengers.

The U.S. maritime industry also contributes toward the U.S. Gross Domestic Product. In 1990, it generated over \$12.1 billion in balance of payments receipts. This includes over \$4.2 billion in export freight and charter hire payments to U.S. carriers by foreign entities.

Maritime Review. Shortly after my confirmation, the Department of Transportation undertook a vigorous examination of existing and potential commercial maritime policies and programs. In April, the White House Policy Coordinating Group (PCG) created a Working Group on Maritime Policy that included the heads of 17 departments and agencies. Its purpose was to advise the President on what is needed to meet the requirements of national security sealift capacity while sustaining a viable commercial presence.

As the result of this effort, the Administration will propose legislation and take administrative actions that will set a new course for America's merchant marine, one which will enhance its competitiveness and improve its viability into the 21st Century. Our efforts have been guided by the President's desire to deregulate the industry and to increase its productivity and international competitiveness.



Turning first to the domestic shipping industry, the Jones Act requires that the domestic waterborne commerce of the United States be carried on vessels constructed in the United States, owned by U.S. citizens, and registered under the American flag. The Jones Act has fostered a domestic shipping industry and provided a commercial market for American shipyards. The recent Department of Defense Mobility Requirements Study included a reliance on the Jones Act fleet to provide some of the sealift needed for sustainment shipping in national emergencies. The Administration supports the integrity of the Jones Act.

Several laws require federal agencies to ship a significant portion of Government-generated cargoes on U.S.-flag ships. These laws guarantee the availability of cargo to U.S.-flag ships and, for some operators, make possible their continued existence. Of the agricultural humanitarian aid cargoes alone, the amount carried by U.S. flag operators has declined from 6 million tons in 1987 to a projected 4.6 million tons in 1992, a decline of almost 25 percent. Existing preference cargo requirements should continue to be enforced.

### THE COURSE FOR ACTION

The Administration has reaffirmed that an operating U.S.-flag merchant fleet contributes toward meeting our national defense needs. Regulations that unreasonably inhibit our carriers' operations must be removed. To be successful, our fleet must have flexibility to respond to rapidly changing opportunities and market conditions.

U.S.-flag carriers cannot meet these challenges without the ability to build or buy new, more efficient vessels needed to upgrade and modernize their fleets.

Key Proposals. The Administration proposes the following specific actions:

(1) The Capital Construction Fund (CCF) is a tax-deferral program designed to assist U.S.-flag operators in amassing the capital needed to acquire vessels. The Administration proposes allowing CCF deposits generally to be used to acquire vessels in the worldwide market for operation in international trades. We also propose broadening the list of eligible uses to include lease payments for new vessels, and acquiring U.S.-built vessels for the coastwise and inland waterways trades. To allow for these benefits, no new contributions would be permitted for some specified period of time and the inside buildup of earnings would be taxable.

In providing this flexibility, the Administration in no way intends to limit vessel acquisition to foreign sources.

(2) The Credit Reform Act requires a specific appropriation to cover the risk and administrative costs of new loan guarantee commitments made under the Title XI federal ship financing program. The Administration supports continuation of the Title XI program to help finance construction and reconstruction of vessels in domestic shipyards. The



appropriations request for this loan guarantee program will be determined in and through the annual budget process.

(3) In order further to promote more competitive U.S. shipyards, the Administration will continue to work vigorously toward elimination of subsidies provided by foreign governments to their shipyards. To accomplish this objective, it will engage in bilateral negotiations with shipbuilding nations with a view toward achieving a multilateral agreement as the preferred solution. Where neither elimination of subsidies nor agreements are attained, the Administration will pursue disciplinary measures against countries that subsidize shipyards, which could include an expedited Section 301 action, a GATT (General Agreement on Tariffs and Trade) case under the Subsidies Code, or other feasible approaches. Any sanctions on the procurement of ships would be prospective only and determined at the end of the investigative process. In addition, the Administration will initiate a modest research and development program to promote shipyard productivity and will initiate an export promotion program for U.S. shipyards, subject to annual appropriations review.

(4) The Administration will seek greater flexibility for U.S.-flag carriers to operate more efficiently under cargo preference laws. The requirement that new foreign-built or foreign-registered liner vessels must wait three years to carry preference cargoes after switching to U.S. registry should be eliminated. Foreign-built bulk vessels constructed after the date of enactment of new legislation and registered under the American flag also should be immediately eligible for preference cargoes. In addition, foreign-flag feeder vessels should be eligible in conjunction with U.S.-flag line haul vessels to carry preference cargoes.

(5) The Administration will accelerate efforts to align U.S. ship design and construction and stability standards more closely with accepted international standards, which will reduce costs and significantly enhance carriers' ability to compete internationally.

(6) Current laws impose citizenship tests for ownership and control of U.S.-flag vessels that now benefit from some maritime promotional programs. The Administration proposes relaxing U.S. citizen ownership requirements for maritime promotional programs. This action will allow U.S. ship-owning companies meeting U.S. citizenship requirements to attract more foreign equity capital. It also will make it easier for them to enter into joint ventures with foreign companies.

(7) In addition, currently the U.S. Government must approve the sale or transfer of any U.S.-flag vessel from a citizen to a non-citizen. This restriction, along with the one outlined above, discourages investment in the U.S.-flag fleet. The Administration will, in effect, eliminate the need for Government approval of transfers of vessels that are not militarily useful, except during periods of national emergency. These changes should encourage the acquisition of additional newer tonnage into the U.S.-flag fleet. This enhanced asset mobility will assist in the infusion of capital into the U.S.-flag fleet by both American and foreign investors.



(8) U.S.-flag operators who elect to have non-emergency vessel repair work done by foreign shipyards are presently required to pay a duty of 50 percent on the cost of the work performed. This policy was enacted over 120 years ago to encourage operators to use U.S. shipyards, but it has not worked. The Administration supports, subject to budget offsets, decreasing, then repealing, the ad valorem duty to reduce substantially the cost of vessel maintenance and repair for the U.S.-flag fleet.

(9) Issues of tax treatment of foreign-source income, including Subpart F, and alternative minimum tax are relevant to a number of U.S. multinational businesses, including the maritime industry, and will be considered comprehensively by the Department of Treasury within the upcoming months.

(10) The Administration will continue to work with the Federal Maritime Commission to achieve as much operating flexibility and as many benefits of competition as the 1984 Shipping Act permits, such as: permitting parties to amend "essential terms" of service contracts; permitting global service contracts to be filed with the FMC; ensuring that ocean conferences do not impede an individual carrier's ability to take independent rate actions; and reducing tariff restrictions on non-vessel operating common carriers, including eliminating tariff filing for small business NVOCCs and permitting cargo consolidators greater pricing flexibility. At the conclusion of the FMC's rulemaking on its approximately thirty possible regulatory changes, we will reassess the status of the entire structure and determine whether further changes are warranted.

In addition to this, shippers and carriers must sit down together on ocean shipping issues and seek ways to enhance our ability to move commerce efficiently and cost effectively. I will therefore immediately call for a serious dialogue and will monitor its progress closely.

(11) A number of recommendations encourage increased productivity within both the shipbuilding and ship operating industries. The Administration strongly believes that productivity enhancements, such as those that could be realized through the collective bargaining process, are essential to making our fleet more competitive. We urge maritime labor and management to sit down to assess critically existing work rules with a goal to improving shipboard productivity in line with technological advances in the fleet. The Administration will, for the time being, defer submission of legislation on productivity enhancements in order to allow the collective bargaining process time to address these issues.

Importantly, various benefits from our maritime policy will not be allowed to accrue to those shipyards found by the U.S. Trade Representative to be excessively subsidized.

National Defense Determinations. Several policy decisions directly affect the relationship between the merchant marine and the Department of Defense.

(12) For example, DOD will not pursue any build-and-charter programs for the lease of ships that would be detrimental to U.S. liner operators or distort the market for commercial



ships. DOD will consult with the Maritime Administration to determine the effect on the commercial market of any such program.

(13) In addition, a parallel National Security Council Defense Policy Coordinating Committee review reported to the PCG Working Group that "The Department [of Defense] needs well-trained and reliable crews for both government-owned and commercial ships and depends on the U.S. commercial fleet to provide these crews for government-owned ships." To meet this need, a reserve program may be required to assure that government-owned sealift vessels can be crewed rapidly and reliably in an emergency. The Departments of Transportation and Defense will continue to study such an approach.

(14) For now, persons leaving jobs ashore to crew sealift ships during national emergencies should have reemployment rights similar to those of military reservists who are called to active duty, and we strongly endorse passage of the pending Administration bill to provide such reemployment rights.

(15) As an additional step, the Administration will review Government procedures for the procurement of ocean transportation by all agencies, military and civilian. We seek to identify areas that can be modified to achieve greater efficiencies and benefits to U.S.-flag ocean carriers and the Government, while not increasing the cost of shipping services to the Government.

**A Contingency Retainer Program.** The Department of Transportation determined that even if the Government were to adopt all these recommendations, the costs of operating U.S.-flag merchant ships would remain higher than those of many foreign-flag competitors. Lower wage rates and direct and indirect subsidies by foreign governments contribute to the disparity.

(16) Therefore, in order to assure the continued operation of American-flag merchant ships, the Administration will propose legislation to create a contingency retainer program for U.S.-flag operators. The program will ensure that ships will remain available to meet national security requirements while also maintaining an American presence in international commercial shipping. To be eligible to participate in this program, an operator would be required to keep the vessel in active commerce under the U.S. flag, commit to improving its productivity and operating efficiency, and make it available in times of emergency. To dovetail with vessel financing timetables, we believe that the government program should extend over a seven-year period. We envision payments for up to 74 vessels beginning at \$2.5 million per ship for the first two years and phasing down to \$1.6 million per ship in the final year.

While we have not yet worked out all the details of the new program, we know that it must return to the taxpayer good value for money spent. The program must contain incentives to encourage efficient, cost conscious operations.



This system of contingency payments would differ significantly from the present operating-differential subsidy (ODS) program. It would not be based on a wage differential. The Administration affirms its previous policy statement that existing ODS contracts will be honored through their remaining terms, but that no new ODS contracts will be signed and current contracts will be allowed to expire. However, we will encourage presently subsidized operators instead to participate in the new program.

The new program will not be encumbered by the operating restrictions that are applied to the ODS program. For example, operators would be able to acquire vessels worldwide (except from shipyards found to be excessively subsidized), operate them anywhere in the foreign trade and in conjunction with foreign-flag feeder vessels. Operators will be free to compete efficiently and flexibly for international cargoes.

### CONCLUSION

In summary, Mr. Chairman, the role of the privately owned American merchant marine remains valid.

I have outlined for you today the elements of a policy that has as its centerpiece an incentive program that significantly contributes toward meeting our national security sealift requirements, keeps ships under the U.S. flag, and makes them more competitive. This program is supplemented by a series of administrative, regulatory and legislative proposals to enhance the competitiveness of the American merchant marine and the efficiency of ocean shipping services.

We will proceed promptly with those actions that can be implemented administratively. We will also submit legislation for our remaining proposals.

Mr. Chairman, I appreciate the opportunity to present the Administration's maritime reform package, and I look forward to working with the Committee in securing the future for America's vital maritime industries. Thank you very much. I will be pleased to respond to any questions you may have.



SECRETARY OF TRANSPORTATION ANDREW H. CARD  
MOTOR VEHICLE MANUFACTURERS ASSOCIATION  
JUNE 19, 1992  
DETROIT, MICHIGAN

It's a great pleasure to join you for your annual meeting. This is the latest stop in what has been a very busy two days here in Detroit. I must say, the time has been very well spent, and I've enjoyed every minute of it.

*Review of Meetings with the Big Three*

Thursday morning, I got a firsthand look at some of the reasons why "Quality is Job One" at Ford.

- Crash test was dramatic demonstration of air bags.
- Test drive showed potential of alternative fuels.

From Ford, we went to Chrysler to talk to Bob Eaton and several of his executives. I got to drive a Dodge Viper over to Chrysler's impressive new Technology Center. Now I really know what they're talking about when they say, "Advantage: Chrysler."

- Technology Center, computer design system are symbolic of U.S. auto industry's future.

This morning, Bob Stempel and his people gave us an excellent briefing and tour of G.M.'s Hamtramck plant.

- Saw Cadillacs and Buicks being produced.



- Took electric car for a spin around test track. It's not an Oldsmobile, but it's one more example of G.M.'s "Power of Intelligent Engineering."

### *Technology to Address U.S. Transportation Needs*

Actually, everything I've seen so far strengthens my conviction that American industry across the board is poised to usher in a new era of intelligent engineering. America has long led the world in technological innovation and expertise, and our motor vehicle industry has been an important pillar in that leadership tradition. Technological innovation in your companies is important to a broad spectrum of U.S. industry, such as Cray and IBM, to name a few.

As a former structural design engineer, I have a definite bias when it comes to keeping America on the cutting edge of technology. There's just no question about it, technological advances are essential to America's success in today's competitive global economy. New technology is critical to achieving important transportation goals -- reducing congestion, enhancing safety, improving energy efficiency, and cleaning up the environment. Last year's historic surface transportation act is helping to advance each of these goals through its support of technological research and commercialization.



A case in point is our Intelligent Vehicle Highway Systems initiative. This public/private venture can help us go a long way toward easing urban congestion and making our roads safer. That's why we'll be providing more than \$600 million in federal funds over the next six years for IVHS research. We're very encouraged by what we're seeing so far.

In March, I was down in Orlando, Florida to help launch the deployment phase of TravTek, the largest IVHS project in the country. We've got excellent private sector partners in General Motors and Triple A, and great public sector partners in the state of Florida and the city of Orlando. We know we can't dictate technological solutions from Washington that will successfully resolve problems faced in the real world. That has to be done by local officials and the private sector. And TravTek is a good example. It's also a good example of how the Administration wants to work with industry in moving U.S. technology forward.

Another example is our Federal Transit Administration's program to advance such transportation technologies as alternative-fueled vehicles.



The motor vehicle industry has been hard at work in developing alternative-fueled vehicles for tomorrow's markets. I salute you for your efforts. Once these technologies become economically viable, they will go a long way toward addressing many of our energy security and environmental challenges. I can assure you that we'll be working expeditiously with you to develop safety standards for these vehicles. We want you to know as much as possible, and as far in advance as possible, just what safety standards we'll be requiring.

The industry's commitment to safety is unprecedented. Of course, the public's interest in safety is also at an all-time high. But your actions show that you're ahead of the curve. You're pushing forward on safety technology as fast as consumers are demanding, and definitely faster than required by government. You're offering air bags on a faster schedule than the law requires, and you are making anti-lock braking systems increasingly available on a wider selection of models. I commend you highly for your efforts, and I'm sure the public does, as well.



## *Rulemaking that Makes Sense*

While the Administration's commitment to safety will remain as strong as ever, we're committed at the same time to rulemaking that makes sense. Too often in the past, the federal government has added to industry's regulatory burden for the sake of making a political point or to appease some special interest. Those days are over -- benefits must justify costs. That means that reasonable solutions with reasonable costs must be found for real problems. We simply cannot allow unnecessary federal regulations to hold industry back.

Of course, that is why President Bush in January ordered a freeze on new federal regulations and a paring down of existing rules. That effort will save American consumers and workers between \$15 to \$20 billion on a yearly basis. That's up to \$300 a year for the average American family. And that's why the President extended his original moratorium for another four months. He's bound and determined to slash the red tape that is choking economic growth through excessive and unnecessary regulation.



I can honestly say that the Department of Transportation is at the forefront of the Administration's efforts in this area. In the National Highway Traffic Safety Administration, and every one of DOT's operating administrations, we've looked at every single regulation with a keen eye as to its usefulness. We're scrapping those that are outdated and no longer necessary. Others, we have either revamped or are in the process of revamping. And for the future -- and there are many rulemakings in the pipeline -- all will be subject to this fundamental test: Is this a rulemaking that makes sense?

### *CAFE*

I know that CAFE is an area of government regulation that this industry is very concerned about. The report by the National Academy of Sciences independently confirms what Detroit and the Administration have been saying for years: The CAFE program is seriously flawed. The study backs up our belief that achievement of energy conservation in the transportation sector cannot rely on fuel economy standards. And it also confirms our findings -- and the simple laws of physics -- that large cars are safer than small ones.

The N.A.S. report exposes the problems of applying a single fuel economy standard to all manufacturers.



We all know there are efficient big cars as well as efficient small cars. And the consumer has a right to choose the size of car that meets his or her needs -- for more space, more performance, more comfort, and enhanced safety. I can assure you that the President will veto any CAFE legislation that threatens to cripple this industry or cost Americans jobs.

The Administration is still looking at long term policy options in light of our experience and the N.A.S. study. Because of the comprehensive nature of that study, we believe we have the information we need to move ahead and formulate policy. I have therefore decided not to proceed with the Phase 2 study of CAFE.

### *Trucking Deregulation*

Trucking is another area where government regulation holds major consequences for your industry. In March, the Administration introduced legislation to eliminate the last vestiges of trucking regulation at both the federal and state levels. The trucking deregulation begun in 1980 has been a huge success, but the remaining regulatory requirements cost U.S. industry and consumers up to \$8 billion a year.



The President is committed to eliminating all state economic regulation of interstate trucking. You should be, too. You have a big stake in lowering your transportation costs. Michigan's economic regulation of trucking costs its own motor vehicles and parts industry up to \$107 million a year. Take all 42 states that continue to regulate trucking, and the U.S. motor vehicles and parts industry pays up to an extra \$565 million a year -- all for nothing! With all the talk about getting an edge on our foreign competition, let me recommend this as a good place to start. I am deeply concerned about the shipping undercharge problem and believe it should be resolved promptly by the Congress as an element of trucking deregulation.

Whether it's the President's moratorium and review or trucking deregulation initiative -- all have one overriding objective: To make the U.S. economy more productive and efficient, and to speed up the recovery. The good news is that the economy is on the upswing. There is now a consensus that we have entered a genuine, sustained recovery. As the New York Times put it yesterday: "Statistical and anecdotal evidence is mounting almost daily that the recovery is gathering momentum."



### *The Impending Rail Strike*

I must, however, speak to a topic of serious concern. It's hard to imagine anything worse that could happen to the economy right now than the possible rail strike next week. And no industry would be hit harder, and faster, than the motor vehicle industry. We know that industries relying on just-in-time inventories would have to begin to cut production almost immediately if hit with a rail strike.

Over the last two days, I've had the opportunity to talk with a number of you specifically about how your companies would be affected. And I know there is no need to drive home just how serious this threatened work stoppage is. It does affect vital industries and jobs across the country. I want to stress the important role you in this room would have to play in a potential crisis. For our part in Washington, we're watching the progress of the negotiations very closely. I have put together a team at the Department of Transportation that is meeting several times daily to assess the situation.

We are hoping that the parties can find an equitable resolution of the rail/labor dispute. John Dingell, who helped work out a swift resolution last year, is also following the labor/management discussions closely.



I met with Congressman Dingell and other congressional leaders on Wednesday about this before coming to Detroit. With the economy on the rebound, it will be extremely unfortunate if this strike occurs. If a work stoppage should occur, it is essential that it be resolved quickly -- we are now a "just-in-time" economy.

### *Conclusion*

I don't want to end on a negative note, however. That would not accurately reflect the current upswing in this industry and its increasing competitiveness.

As I mentioned a moment ago, a prime reason why your industry has become more competitive is its aggressive marketing of safety technology. From our perspective at the Department of Transportation, this makes for a rare case where we can have our cake and eat it, too. Safety and competitiveness -- far from working at cross purposes -- are now actually complementing one another. Of course, advances in safety do not come without cost. And we are fully aware that government regulation at serious odds with market realities will hurt the global competitiveness of U.S. industry.



We must continue working together to develop safety solutions that won't hamper the health of the industry. In the 1970s, relations between industry and our National Highway Traffic Safety Administration too often were hostile and unproductive. Today, I think the mistrust of those days has been replaced with a mutual understanding that is enabling us to move forward more effectively. For example, we're disclosing our long term plans ahead of time. We want to give you adequate time to make changes, hold compliance costs down, and to let us know when you think we're headed in the wrong direction.

In a word, I believe industry and government should work as partners. You can help open our eyes to new approaches to old problems, and we can help pave the way for the commercialization of new technologies, such as electric vehicles and IVHS. In either case, we intend to be fully open with you, and I invite you to be fully open with us. I look forward to such a relationship with you.

Thank you.

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SECRETARY OF TRANSPORTATION ANDREW H. CARD, JR.  
OPENING OF I-526 --THE MARK CLARK EXPRESSWAY  
CHARLESTON, SOUTH CAROLINA  
JUNE 20, 1992

- It's great to be here in my second home state. You can tell by my accent that I'm from Massachusetts. But I spent some wonderful years getting my bachelor's degree in engineering at the University of South Carolina. So I adopted South Carolina as my second home state.
- It's especially good to be here today with Governor Campbell, Senator Thurmond, and Senator Hollings, to open the last major link of the Interstate System in the Palmetto state.
- Charleston today is a sharp contrast to the landscape that existed here less than two years ago, following the devastation by Hurricane Hugo.
  - Since September 1989, Charleston has undergone complete restoration. Such rapid progress reflects the vibrant spirit, determination and will of South Carolinians.
  - Congratulations on coming so far so fast.
- That's what we are trying to do in transportation. Rebuild, restore and expand our infrastructure as quickly as possible.



- When President Bush signed the Intermodal Surface Transportation Efficiency Act last December, he ordered us to get the money into the pipeline to the states right away.
  - We call the historic legislation ISTEA.
  - The President asked us to use the \$155 billion provided by ISTEA, not only to create a revolution in transportation but at the same time jump start our economy.
- Thanks to states like South Carolina, we are succeeding.
  - The new legislation allocates more than \$1.6 billion for South Carolina in FY1992-97.
  - South Carolina has obligated about \$138 million or 56 percent of its FY 1992 Federal Highway Funds.
  - Governor Campbell deserves credit for moving this money into the pipeline.
  - Let me also congratulate Governor Campbell on using the match waiver provisions of ISTEA to ensure that South Carolina takes full part in a national revolution in transportation.



- The match waiver entitles a state to get its allocation without providing matching funds, and pay the match back in later years when the economy will be improved and funds will be more accessible. It only makes smart business sense to use that waiver if you need it to become part of the revolution in transportation.
- It's a new revolution that is already creating jobs; not only jobs in construction and support industries, but jobs from the development that goes with good transportation.
- The Mark Clark Expressway is an outstanding illustration of the connection between transportation, jobs, and economic development.
  - Because of this final link of the expressway across the Cooper River, you can look forward to development of Daniel Island. This will add nearly \$2 billion to the Charleston area tax base over the next 20 to 30 years.
  - For starters, tri-county officials have chosen a 100-acre site on Daniel Island for a proposed military accounting center, which would employ 4,000.



- But that's not all. ISTEA promotes intermodalism -- linking up America.

-- And in that spirit, the State Ports Authority is purchasing 827 acres of Daniel Island for a \$700 million shipping terminal on the Cooper River. So the Mark Clark Expressway becomes an important intermodal link, even as it opens.

- Before I close, let me emphasize how much the national recovery depends upon ISTEA, and continued revitalization of our infrastructure.

- Recently the House Appropriations Subcommittee reduced the fiscal year appropriation level for highway programs in 1993 by \$2 billion below the President's request. This causes considerable concern.

-- You in the states and localities deserve an ongoing even flow of predictable federal funding assistance for transportation needs. When you begin a multi-million dollar project you know it will require several years of uninterrupted work and funding.



- It is inefficient and costly if funding ebbs and flows. The President's budget would continue the flow of funds and not make South Carolina or any other state vulnerable to funding shortfalls. That's how the Act was intended and that's how I hope it continues. Our economy depends on it. Our citizens deserve no less.
- You are making all the right moves in Charleston. Keep moving forward.
  - Thank you very much.

# # #



SECRETARY OF TRANSPORTATION ANDREW CARD

U.S. CONFERENCE OF MAYORS

HOUSTON, TEXAS

MONDAY, JUNE 22, 1992

Draft: 6/19/92 11:30 AM

Thank you Mayor Flynn -- glad to hear from someone else who doesn't have a funny accent. And thank you Mayor Lanier of Houston for hosting this important conference -- I have not yet been to any hometown barbecue, but I hear its a lot like a New England Clam Bake, only with some extra -- a lot of extra -- spice.

I appreciate the time to talk to you this morning at your 60th annual conference of Mayors. There are plenty of familiar faces out in the audience. I see [ *give names* ]. And as I continue to travel around the country -- on business, on regularly scheduled airlines, and on coach fare -- I hope to meet even more of you.

You have already heard from the Administration's quarterback -- Jack Kemp -- now its time to hear from one of its offensive linemen.

As John Kennedy once said, "politics is like football. If you see daylight you go through the hole." And I plan to go right through that hole -- to cut away from the doom and gloom players. To let you know how we are



making a difference in revitalizing America's cities through the building of our nation's transportation network.

My goal today is not a simple one. It is to impress upon you that all of us -- from local to federal public officials -- have to make hard choices when it comes to funding transportation projects. But that we also have a number of tools such as ISTEA and privatization, which enable us -- which empower us -- to do even more.

Our role -- the federal government's role -- is somewhat different from yours as we aim to address all the nation's infrastructure needs -- rather than concentrating just on a handful of special projects for some of the nation's urban areas.

#### MAYORS "READY TO GO LIST"

I bring this latter subject up, of federal responsibility, because I had a chance to go over your "ready to go" list quite carefully -- and it's quite a tall stack of projects.

While many of those projects mentioned would help improve your transportation system or create jobs -- some clearly are not appropriate for federal funding. I have in mind the building of new skyboxes at sports stadiums ... or constructing a new bandstand ... or



doing renovations to the fourth floor of a local courthouse.

These are not bad projects *per se*, only that they do not seem worthy of, or eligible, for federal financial support in a time of tight budget constraints.

Moreover, we are already funding a number of projects on your "wish list," -- but those which help tie the cities together, ease the movement of people and commerce, and provide needed access to transportation for all of our citizens.

We are funding an important intermodal project in Anaheim, California ... we are involved in the rehabilitation of the vital Schenley Park bridges in Pittsburgh, Pennsylvania ... we are making stations and railcars accessible to thousands of disabled citizens in the Philadelphia/ Southern New Jersey area ... and we are doing other important projects you brought to light in your report.

### MAKING HARD CHOICES

Like everyone else here, we too have a wish list -- but again, economic constraints call for some "hard realism," for making some hard choices in deciding where transportation funds should go.



In regard to more federal funding, this past winter, the President's 1993 budget was criticized by some for underfunding ISTEA programs. Yet we thought that \$22.2 billion for programs -- a 3 percent increase over 1992 -- was pretty good given competing priorities.

However, you should know that the House Appropriations Subcommittee last week set funding for ISTEA highway programs in 1993 at about 2 billion dollars less than the President requested.

This should cause you considerable concern for two reasons.

-- First, you and your state DOT partners deserve a predictable and even flow of federal funding for transportation needs.

-- Second, this Congressional attempt to reduce available 1993 highway funding could have a direct impact on transit funding. For as I'll mention in a moment, under ISTEA, you now have the flexibility to use highway funds for transit projects. So fewer highway dollars also means the possibility of fewer dollars for the funding of mass transit.

Even if federal assistance should drop, that doesn't mean we will neglect what needs to be done for our cities. It means that we have to be able to get our



priorities straight. We have to concentrate on putting our resources in those specific programs and projects which show the most promise in moving people and commerce. And that means we may have to leave some of those pet projects behind -- especially many of those "pork barrel" projects earlier earmarked by Congress for ISTEA funding.

### LINKING CITIES TO PEOPLE AND COMMERCE

There is, though, reason to be optimistic. Our nation's transportation system remains the best in the world -- in moving people, goods and services in and out of our urban areas and to the world's markets. And our transportation system is definitely doing its part in revitalizing our nation's urban areas.

There are plenty of examples out there of how the transportation system can help re-energize downtown and surrounding areas -- how it can help bring back civic life and culture and commerce to the city's core.

Just look at Portland Oregon [*Observations on Portland*] or Atlanta, Georgia [*Observations on Atlanta*] or for that matter our host city of Houston --where public-private partnerships have been highly successful, especially in the building the Sam Houston Highway Tollway.



Mayors like [names insert] are making it happen -- they are using their transportation networks as arteries to pump new life back into the heart of the city.

### ISTEA: MAKING IT WORK FOR YOU

If [mayor names] and others can be successful in using their transportation systems to facilitate urban growth, so can you. And today, with the new ISTEA legislation you have even more tools available to work with and a bigger role to play.

With ISTEA, you have a seat at the table in planning for your transportation needs. You now can participate fully in the decisions on how you want your transportation funds to be used -- you help establish the priorities.

With ISTEA you have flexibility in funding projects. Highway funds can now be used for mass transit projects and the other way around.

In fact, we have two recent examples of local governments deciding to use highway dollars for transit projects. Omaha, Nebraska is planning to purchase buses and Sacramento, California wants to use highway funds to reconstruct a bus maintenance facility.

### PRIVATE SECTOR INVOLVEMENT



Finally, with ISTEA, the private sector can now be brought back into building, operating and maintaining our transportation infrastructure.

For the first time ever, federal funds will now be available to combine with the private funds of entrepreneurs who are willing to build or improve roads that motorists want and are willing to pay to use. In both California and Northern Virginia, we are seeing proposals to develop private toll roads.

But more needs to be done to involve the private sector in meeting the transportation needs of the cities. We need to look for more opportunities to privatize a number of federal, state and local transportation assets

As one columnist recently wrote, "today, selling the Brooklyn Bridge no longer seems like a joke." As you are aware, last month the President issued an Executive Order establishing federal support for communities that want to sell or lease locally owned assets -- including roads, bridges and airports -- to the private sector.

Already I've heard from groups that want to buy everything from the Massachusetts Turnpike to the Los Angeles Airport. We, however, want to see privatization used more as a means to create new



airports, roads and other transportation facilities than simply selling those already in existence.

Overall, we encourage you to look closely at the privatization option or the creation of public/private partnerships in the building and the operation of transportation infrastructure and services. It's a sure way for you to secure funding without raising new taxes or spending more federal dollars. No doubt, Bob Lanier and Harris County Judge, John Lindsay, would be pleased to share Houston's success with you.

#### GETTING MONIES OUT OF THE PIPELINE

Of course, the question that I know has been on your minds all along, is what am I specifically doing to make your transportation needs and wants become a reality?

Well for starters, I've been busy working to get those ISTEA dollars -- some \$12 billion in federal highway and transit authorizations this fiscal year -- out of the pipeline. And over 60 percent of this year's highway authority has already been obligated.

We still need to get more of this money out. So I'm standing before you today to make the same commitment I have made to the county officials and to the governors. That is, I will do whatever it takes to get



these monies out to address our nation's transportation needs. Let me know how I can help.

I am also busy encouraging states experiencing financial difficulties to use the temporary matching fund waiver under ISTEA, to move highway projects off the drafting boards and into city construction sites.

And I am working to apply this waiver also for mass transit construction. [*Insert FTA's Advanced Match Initiative here.*]

#### SPECIAL PROGRAMS TARGETING URBAN AREAS

Besides the acceleration of surface transportation funds, we are working on programs to empower neighborhood, civic and community groups to develop businesses to meet the transportation service needs of their communities. This is our portion of the multi-agency "Weed and Seed" effort to rejuvenate targeted inner city areas.

One approach is to support reverse commute services. These services might take the form of subsidized vanpool operations that connect areas of high urban unemployment with potential jobs in adjacent suburban areas.



In addition to getting people to jobs, we are also trying in our own way to help those without work.

We are involved in a three-year demonstration project to provide services for homeless people who congregate in certain transit facilities in New York City, Baltimore and San Francisco. And we are involved in several ongoing and potential job educational programs. In California, for example, through the Los Angeles County Transportation Commission, internally generated funds are providing for job training for 11th and 12th grade students interested in transportation related careers.

#### KEY MISSION: BUILDING INFRASTRUCTURE

As I said at the beginning, our role is less to fund special projects than to build this nation's transportation infrastructure. To make sure that we have the necessary roads, bridges, mass transit networks, and airports, to keep this country competitive in world markets.

In the construction of the Central Artery-Third Harbor Tunnel in Boston ( which will further link the city and the suburbs together) ... in the purchasing of light rail vehicles for the San Francisco Municipal Railway System (which will help carry the more than 239 million passengers a year using the system) ... in the



rehabilitation of runways and construction of roads at Greater Pittsburgh International Airport (which will greatly improve the efficiency of one of our nation's largest airports) ... to name just a few of the major projects we are involved with ... we are investing in our nation's future in a big way.

In particular, we are thinking intermodally -- of creating a seamless transportation system, one that brings all modes of transportation together. I've already mentioned Atlanta, but there are plenty of other examples all across the nation.

In Los Angeles, Interstate 105 -- the Century Freeway Project -- is another prime example of intermodalism at work. The freeway not only improves access between LA area ports and several major interstate highways, but in the median strip is the Green Line -- a new high-tech, driverless mass transit system that will help ease freeway congestion.

I could, of course, continue to read you a laundry list of all the various projects and programs we are involved with, but let me stop here.



## CONCLUSION

In closing, I have talked today about the hard choices that lay ahead for all of us. But by thinking creatively -- using ISTEA to its full advantage, bringing in the private sector in building and operating transportation infrastructure, and joining the modes of transportation together in one seamless system -- you can help boost your city's economy as well as community's well being.

While we stand by ready to help, you must take the first steps.

Thank you, have a good conference.

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SECRETARY OF TRANSPORTATION ANDREW CARD  
RAIL STRIKE REMARKS  
WASHINGTON, D.C. JUNE 25, 1992

I have talked with the President several times and he is very well aware of the ramifications that this strike will have on this nation's economy. He and I agree that it is now the responsibility -- and only the responsibility -- of the Congress to act. They alone can solve it.

Wednesday, in my testimony to Congress I discussed how this strike or work stoppage will affect the nation -- how commuters, factory workers and farmers will all be hurt by the shut down of our essential railway system. The rail system, as you know, is a vital and integral part of our intermodal transportation network -- and a rail stoppage drags down all transportation. That's all the more reason for Congress to step up to the plate.

It's imperative that Congress act. It's time that they acted with finality to resolve this labor-management dispute that's been going on since 1988. It's time that both rail labor and rail management bring this prolonged and painful process to an end.

I will, of course, continue to undertake discussions with labor and management, and with the leadership on both sides of the aisle and in both house of Congress to try to get this situation resolved.



The good news is that there were all night discussions with members from both parties in the House and Senate on legislation to bring this strike to an end. We are optimistic that the House will soon be ready to act on a measure to get the trains running again.

But the House alone doesn't speak for Congress -- the Senate will also have to act and they need to do so quickly. Already, some of our automotive and chemical plants are slowing down production and thinking of laying people off. Already, there are growing stockpiles of agricultural products beginning to rot. Already, we are experiencing a number of backlogs in many of our major ports. And already, we are beginning to see more commuters -- especially those relying on Amtrak services -- affected by the strike.

All of these developments will have a serious impact on our economy if the strike is allowed to continue another 24 hours. And while -- as truckers -- you have been besieged with pleas from worried shippers to take your goods, I'm sure we would all agree that in the long run no one benefits from this crisis. Everyone throughout the transportation industry ultimately loses. So Congress had better act, and it had better act before midnight tonight in order to keep the economy moving.



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SECRETARY OF TRANSPORTATION ANDREW H. CARD, JR.  
50TH ANNIVERSARY OF THE ROAD GANG  
JUNE 25, 1992  
WASHINGTON, D.C.

INTRODUCTION

Thank you, Steve Symms, for that generous introduction. Senator Symms has paid his dues as a longtime proponent of adequate highway funding and innovative legislative programs. He will be sorely missed in the leadership of the Senate Environment and Public Works Committee. It's an honor for me to share the 50th anniversary program with Senator Symms and with all of you.

Thanks also to **John Haifley**, (PRONOUNCED HAF-LEY) current chairman of the Road Gang, and representative of one of its founding members -- the American Automobile Association. John has done an outstanding job in making this Golden Anniversary year one of the Road Gang's most productive.

RAIL STRIKE UPDATE

Before we get into this happy occasion, let me give you an update on an issue of vital concern to all of us in transportation and to our national economy -- the rail strike.



I have talked with the President and he is very well aware of the ramifications that this strike will have on this nation's economy. He and I agree -- that it is now the responsibility of the Congress to act. They alone can solve it.

Yesterday, in my testimony to Congress I discussed how this strike or work stoppage will affect the nation -- how commuters, factory workers and farmers will all be hurt by the shut down of our essential railway system. Rail service, as you know, is a key part of the intermodal transportation network of this nation -- and a rail stoppage drags down all transportation.

Therefore, it is imperative that Congress act -- it is time to finish the round of labor negotiations that began in 1988. It is time that both railroad labor and management bring this prolonged and painful process to an end.

I will, of course, continue to undertake discussions with the leadership of Congress, representatives of both labor and management, and those affected by the outcome of this dispute.

President Bush and I remain committed to a rapid and equitable settlement -- and we all hope Congress will now step up to the plate and solve this impass so the nation can get back to work.



## ROAD GANG HISTORY PARALLELS HIGHWAYS

But this is the Road Gang's day.

In 1942, before the ink was dry on the last line of the map that would become our Interstate Highway System, the Road Gang met here at the Willard Hotel.

Representatives of a handful of organizations saw the potential for linking up America with a network of highways, but I wonder if they even dreamed of the wonderful consequences.

The economic benefits and the sheer joy of mobility that Americans enjoy today as a national birthright are tremendous.

In 1956, when the Interstate Highway Bill was signed into law by President Eisenhower, probably every Road Gang member had a hand either in enacting that law or in implementing it. You have had a very real part in dramatically changing the course of our history forever. The Interstate Highway System has been described as the glue that holds America together. The Road Gang applied the glue.

There is probably more knowledge about our highways in this room than in the rest of the country combined.



I see **Frank Turner**, first Administrator of the Federal Highway Administration, whose name appropriately adorns Turner-Fairbank Highway Research Center in Virginia.

I see **Les Lamm**. In his 30 years in FHWA and its predecessor, the Bureau of Public Roads, he grew to middle age along with the Interstate System. He kept his mind open and embraced new ideas like Intelligent Vehicle Highway Systems, an area in which he is a national leader.

And **Dick Morgan** is here. Dick led FHWA in the 1980s "rebuilding" era and only recently joined the National Asphalt Paving Association.

And **Dean Carlson**, FHWA's current executive director, completes the cycle. Dean will lead us into the era of intermodal efficiency.

#### HIGHWAYS GAIN FROM INTERMODALISM

Intermodalism will require change in the way we think of transportation. It means concentrating our energies on delivering goods and people, rather than on the mode used to accomplish the job. I was recently in Atlanta at the International Intermodal Exposition, one of the best examples of intermodalism in the world. That whole conference focused on change.



But highway people don't have to fear change. Change has always served our highway system for the better and the challenge of intermodalism will benefit highways as well. The value of any mode of transportation -- highway, transit, railroad, planes, ships -- is enhanced if it is a part of a smoothly operating intermodal network.

The Intermodal Surface Transportation Assistance Act -- ISTEA -- as we call it, will allow us to give priority to improved access to major ports, airports, public transportation and other intermodal transportation facilities.

#### WHAT ISTEA DOES

Now, let's look at ISTEA for a moment.

The twin cornerstones of change in ISTEA are the National Highway System -- 155,000 miles of principal highways -- and the Surface Transportation Program -- which allows us flexibility in addressing transportation needs. So-called "highway funds" can now be used for transit if the need arises, and vice versa; that is to say transit monies can be used for funding highway projects, based on state and local priorities.



ISTEA also increases responsibility of states and local communities. It significantly expands their transportation decision-making role makes the federal, state and local partnership even stronger.

ISTEA also allows us to focus substantially greater resources on research and technology -- especially the application of IVHS technology.

I went to Orlando, Florida recently to help launch the most comprehensive IVHS system in the country. Visitors to Disney World, Cape Canaveral and surrounding areas can rent a car with real time navigation and advisory services -- all via electronic display maps and synthesized voice messages. It's an amazing technology which, no doubt, will ease our congestion problems, improve safety and make trips more pleasant.

In addition, ISTEA provides an expanded role for private sector involvement in transportation infrastructure development. Toll roads are springing up all across America. Three in California are well known and the state is planning more. The proposed Dulles Toll Road Extension just outside Washington in Virginia is the best local example.



And, of course, the most exciting development regarding ISTEA is the potential dramatic increase in federal funds -- funds leveraging thousands of jobs and stimulating the economy. The economic benefits accruing from improved accessibility, reduced congestion, and more efficient transportation, will do as much for America today as the Interstate Highway bill did for a previous generation.

#### GETTING MONEY OUT OF THE PIPELINE

When President Bush signed the ISTEA legislation into law last December, he ordered the Department of Transportation to get the money into the pipeline as quickly as possible to create jobs and jump start the economy. As of yesterday federal grant obligations for highways alone were more than \$10.5 billion, or more than 65 percent of the total FY 1992 authority.

Recently the House Appropriations Subcommittee reduced the fiscal year appropriation level for highway programs in 1993 by \$2 billion below the President's request. This causes considerable concern. States and localities deserve an ongoing, even flow of predictable federal funding assistance for transportation needs. When states begin a multi-million dollar project they know it will require several years of uninterrupted work and funding. It is inefficient and costly if funding ebbs and flows.



The President's budget would continue the flow of funds and not make states vulnerable to funding shortfalls.

Growth in transportation investment is essential for improved infrastructure and job creation, and I will work to achieve the President's proposed highway program level for next year.

You may have guessed by now that I'm here to ask you to take on a new assignment.

The scorecard on ISTEA hasn't been completed yet. It's up to you in this room to help make it work. And it's up to you to think intermodally. Highways are -- and always will be -- the centerpiece of American transportation. But highways cannot do it alone. We must link up America. We must provide a seamless transportation system if our economy is to remain competitive in world markets into the 21st century. I ask your help. And I pledge you my own.

Happy Golden Anniversary. And may we all be back here 10 years from now celebrating a national economy riding high on the strength of our intermodal transportation system -- one the Road Gang helped create.

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U.S. Department of  
Transportation

# News:

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SECRETARY OF TRANSPORTATION ANDREW H. CARD, JR.  
AMERICAN TRUCKING ASSOCIATIONS EXECUTIVE COMMITTEE  
JUNE 26, 1992  
ARLINGTON, VIRGINIA

As Secretary of Transportation my highest priority is safety and I am tremendously impressed by the trucking industry's aggressive efforts in highway safety.

The ATA has championed the single Commercial Driver's License. You have also supported random, mandatory drug testing, and increased roadside inspections. And you continue to push for a ban on the sale of alcohol at truck stops, and increased funding for safety research. These outstanding accomplishments are the mark of first class corporate citizens and first class individuals. So I say thank you.

## UPDATE ON RAIL STRIKE

I'm probably the first Secretary of Transportation in history to come before the ATA Executive Committee and start off my talk by talking about railroads. But I'm sure you all join me in a sense of relief in knowing the economy can continue to improve unhampered by a major transportation shutdown. By now it is well known that the President signed legislation at 1:02 a.m. to force an immediate end to the two-day railroad strike. That really is good news for all of us in this room, but more importantly it is good news for America.

The railroad situation was one that challenged not only our economy and not only our seamless transportation network, but it challenged the political process and the ability of government to work. And I am pleased to report that the government did work and they did bring a speedy solution to this process and one that does not impose a settlement on one side or the other, one that allows the collective bargaining process to continue to work.

It's a different kind of solution than the government has been able to achieve in the past and I think it bodes well for our ability to demonstrate to the American people that we can make good things happen by working together in government.



Kudos go to the House and Senate and kudos in particular to Chairman Dingell and Chairman Swift, Congressman Lent, Congressman Ridder, Congressman Eckart who helped to craft a package and move it through the process in tremendous cooperating with the President and the Department of Transportation. We allowed the collective bargaining process to move forward with certainly no excuse for it not to be settled at the bargaining table.

### TRUCKING INDUSTRY'S FUTURE

Now, that's certainly enough said about railroads at a trucking industry meeting.

It's a real pleasure for me to be here this morning to give you my views on the future of your industry and some of the challenges you face in the trucking industry. And I know that ours is a mutual role to keep America competitive in world markets.

Tom and I have talked. And he knows, you will find me to be fair, open. I like to work with people. I like to work with people who want to solve problems. If you have a problem, I really do want to know about it up front. Chances are we can work out our problems if we both know what the challenges are and have the courage to address them.

### TRUCKING DEREGULATION

When Jim Busey, whom I already miss as Deputy Secretary of Transportation, spoke to the ATA Foundation in Key Largo in April, he covered a lot of the specifics of the Intermodal Surface Transportation Efficiency Act. I call it ISTEA. So I'll focus on other issues such as what we can do to ensure the future of the trucking industry -- an industry with an admittedly low profit margin and facing many challenges. Some of them called public relations.

The trucking industry -- like America herself -- has undergone absolutely tremendous change in the past decade. Many of you have harnessed the energies of change to grow and prosper. In spite of all these changes and challenges, the trucking industry worked hard to increase its share of the nation's intercity freight in the 1980s by three times the increases of the 60s and 70s. This is a tribute to your industry's competitive spirit.

But there are still a few elements in the trucking industry focusing too closely on the past -- trying to protect themselves from change. Perhaps there are some who would like to return to a past that was protected from competition. But the reality is the world just doesn't work that way anymore.

As someone once said, "it's hard to drive your truck into the future looking through the rearview mirror." If the trucking industry is to continue to be the leader in moving America's commerce, you must position yourselves to meet the challenges of the 21st century. Those include the challenges posed by the Federal Express decision, the shipper undercharge issue, and the new Interstate Commerce Commission policy that leaves some traditionally protected state markets vulnerable.

### FEDERAL EXPRESS LEGAL CASE

The effect of the recent Supreme Court decision is going to let FedEx operate free from state economic regulation. The decision will let FedEx operate not only in California but in eight other western states. Those states will be unable to regulate



the rates, routes, and services of FedEx. And it's a pretty safe bet that other firms will attempt to restructure themselves to try to take advantage of the FedEx ruling.

The less-than-truckload business has been losing part of its market share to the package delivery industry for some time now. In 1970, your LTL carriers handled 81 percent of a \$5 billion LTL market. By 1990, their share was down to 42 percent of a \$34 billion market.

Your LTL carriers have seen their market share increase by only 40 percent in the last decade, while the total LTL market has more than doubled. The reason is deeply rooted in the changes in the markets you are serving.

Deregulation is an ally, and not a foe. Deregulation is the solution, and not the problem. Remove all economic regulations. Create a level playing field. And deregulation will stimulate carriers to adapt their services to meet customers' needs. I have every confidence in the world that the trucking industry -- maybe not every carrier, but the industry itself -- is up to the challenge of a fully competitive marketplace.

### SHIPPER UNDERCHARGE

The undercharge problem is the second issue that demands change. You may have seen the article in The Washington Post on June 16 -- "Law Lets Trucking Firms Raise Rates Retroactively..." The story is not limited to The Washington Post. It's been all over television and certainly a lot of newspapers. The shipper undercharge problem has given the trucking industry a black eye, even though the problem is largely the making of lawyers, accountants or rate sharks.

Many shippers have begun to protect themselves by using contract carriers. Brokers and the big three auto manufacturers, for example, are using contract carriers for just this reason. The carriers having contract authority in this audience may consider this good news. But the rest of you have a problem. If you want a viable common carrier industry something has to change.

The one thing that absolutely has to change is the requirement to file tariffs.

It's not easy to come up with good examples. Every automobile on a dealer's lot has a sticker price in the window. That's reflected as one price. Well, let's say the truth is you go in there and haggle the dealer down before the sale takes place. If every sale price had to be filed with the Interstate Commerce Commission, you would see a very different automobile industry. It's a cumbersome process. And that's kind of the same principle with motor carrier tariffs. Business, industry commerce demand that we simplify the process not make it more difficult.

### ICC POLICY

The third reason for change is the recently announced ICC policy on declaring local moves from warehouses to be interstate transportation instead of intrastate -- if the cargo got to the warehouse from another state.

The Justice Department will back up the ICC action on this issue. This means good news for interstate carriers, but your state affiliated members will lose some of their traditionally protected markets. A mixed blessing perhaps, but good, forward-



looking companies shouldn't need protection. Neither should they need artificially inflated rates to succeed in our competitive markets.

President Bush has spoken out very strongly against unnecessary regulation. He instructed federal agencies to streamline the regulatory process. The President wants to reduce your regulatory burden to the maximum extent possible without affecting safety. And again, I compliment your organization for recognizing that and becoming a partner in the quest for safety.

We've already begun dealing with a big part of these unnecessary regulations through the provisions of the Intermodal Surface Transportation Efficiency Act. As you know, all state vehicle registrations and fuel tax reporting will have to be done through the International Regulatory Plan and the International Fuel Tax Agreement in just a few years, and the ICC is moving very swiftly to do away with the bingo stamps. And we are working with the ICC in that regard. But there's still plenty of regulatory waste remaining.

That's why I'm pushing hard for the Administration's deregulation bill. It would remove essentially all remaining economic regulation of trucking. I ask you, knowing that this audience may be split, to take a second look at our bill.

The trucking industry has moved from strong opposition to deregulation to neutrality. That's a very, very big step. Many of you were bold enough to embrace change. And in many cases, you saw the dividends. Now the time has come to take the next step and actively support complete economic deregulation.

You will notice that I haven't told you trucking deregulation is good for the country. I haven't told you trucking deregulation is good for consumers or shippers or the economy. I've told you three reasons why trucking deregulation is good for the trucking industry. And there are many, many other reasons. But you know trucking deregulation will be best for our country, and best for our ability to compete in global markets.

Remaining economic regulations are costing the industry billions of dollars. All this waste is ridiculous in an industry with a less than two percent profit margin.

Like it or not, the trucking industry will have to find a different way of doing business. In the remainder of this decade some of your markets will dry up. Some will flower. And some whole new markets will develop. Those who try to move forward by looking through the rearview mirror, looking to the past to help them and protect them -- those people are not going to be here 5-10 years from now. Those truckers who will flourish will be the ones who use their heads and satisfy customers, not the public utility commissioners.

You've demonstrated that yours is a creative industry. Truckers are independent thinkers. You are bold, innovative, and very, very competitive. You've shown you are willing to change. The trucking industry has done a magnificent job of productivity and efficiency -- eliminating empty backhauls, for example. Your industry has made just-in-time delivery a reality. You've stepped into the breach many, many times.

It's relatively easy for the Japanese to take a few computers and create just-in-time delivery in a nation with a land mass smaller than California. But to make just-in-time delivery work, coast to coast all across a country as broad as our great land,



this is a feat few industries could accomplish. But you did it. You are changing the way you do business. Now, you are in the process of extending just-in-time delivery to Canada and Mexico.

So I plead with you to take the next smart move. Harness the energies of change for a bigger profit and an even stronger industry. And as you get stronger, you won't regret it. But more significantly America will get stronger. Ours is a challenge to do the best. America has always been that way. And truckers make it possible. So I'm grateful for the role that you have played and more importantly, I look forward to the role you will play to allow America to have just-in-time commerce to beat the world's challengers.





U.S. Department of  
Transportation

# News:

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## ADVANCE PRESS COPY

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SECRETARY OF TRANSPORTATION ANDREW H. CARD  
PROPELLER CLUB OF THE UNITED STATES  
JUNE 29, 1992  
WASHINGTON, D.C.

It's a distinct pleasure, as always, to be able to spend some time with friends from the maritime community. The Propeller Club is one of the great champions of the nation's maritime industry, and your efforts in promoting the U.S.-flag fleet are certainly very important this year.

The U.S. maritime industry has reached a decisive crossroads. Will it survive and prosper, or will it disappear? I believe the comprehensive maritime reform initiative we recently released will enable this industry not only to survive, but will put it on the road to long term recovery.

The decades-old stalemate in Washington on maritime reform reminds me of some of the frustrations Winston Churchill had to face during World War II. Given the demands of the war, Churchill often chose to work far into the night. By contrast, Britain's top army commander, General Bernard Montgomery, kept regular hours and retired early.

One time, the two were conferring in the General's headquarters when Montgomery glanced at his watch at 10:00 p.m. and said with a weary voice, "It's past my bedtime. Why don't we call a halt?" Churchill reluctantly agreed.

When they met again in the morning, the Prime Minister asked the General, "Do you feel rested now?"

"No," Montgomery replied, "I have a headache. I didn't sleep enough."

"I have a headache, too," Churchill declared, "I slept too much."

There are some who would like to keep maritime reform on the shelf a little longer because the headaches of moving forward are just too great. I say, we've



slept long enough. The time to move forward is now. We simply can't wait any longer. The stakes are too high.

### *Importance of the Industry*

The fact is -- as everyone in this room knows -- our current maritime policies are not stopping the decline of the U.S. merchant marine. If we don't take action soon, our foreign trade merchant fleet could be well on its way to extinction by the end of the decade. We've already reached the point where no ships for the foreign trades are being built by American shipyards. And the United States now relies on foreign ships manned by foreign crews to carry the vast majority of our import and export cargoes.

This state of affairs seriously jeopardizes the nation's ability to respond adequately to potential wars or other national emergencies overseas. Operations Desert Shield and Desert Storm sent the message loud and clear that our country's sealift capability is an indispensable pillar of national security.

And yet our merchant fleet continues to decline. We may have the world's largest economy, but our maritime fleet now ranks sixteenth in number of ships.

This country's maritime industry is just too important to our economy, to our national security, and to our international competitiveness to stick with the status quo. And that's why the Bush Administration is now pushing the boldest, most comprehensive maritime initiative in decades.

### *A New Approach for a New Era*

Let me make it clear that our initiative is an integral part of the broader framework of what this Administration is doing in transportation -- and, for that matter, for the economy at large.

It goes back to the President's National Transportation Policy, which he announced early in his second year in office. Not only did the President call for maritime reform in that policy, but he called for something much more. He called on the country to take a new approach to its transportation challenges -- an approach befitting a new era of intensifying competitiveness in a rapidly changing world order. The President's approach is based on the fundamental assumption that America's continued success into the 21st century requires long term strategic thinking.

That approach stresses a return to some basic principles that we embraced in formulating our maritime proposals. I'm talking about such principles as relying on a free market to the maximum extent possible; loosening up Washington's regulatory grip on industry; decentralizing by providing increased flexibility in the use of federal funds; and strengthening partnerships between government and industry and between Washington and state and local governments.

It is also not "industrial policy." As we work to see these proposals enacted into law, I'm certainly not saying that we're out of the woods yet. Far from it. We've still got a lot of work to do -- both in industry and in government -- to see this effort through to the end. But I am hopeful that we will succeed.



### *Emerging Consensus of Support*

I'm very encouraged by the reviews so far. The key principals in the Senate, Senators John Breaux and Trent Lott -- both workhorses for this industry -- have been publicly supportive of our initiative.

The country's two largest shipping lines, APL and Sea-Land, are -- to quote -- "impressed and pleased by the scope and vision" of our program.

The presidents of eight shipboard and two longshore unions had this to say: "On initial review we believe we can fully support the thrust of the initiative."

The *Journal of Commerce* says "Washington finally has produced a workable plan to reform federal maritime policy. . . . After years of gridlock in Washington, it is a welcome start on the road to reform."

Now, is everyone happy, or 100 percent satisfied? Of course not. But with that kind of broad-based support, we know we can say, unequivocally, that we're off to a good start.

### *Strategy for Action*

The centerpiece of our proposal is the Contingency Retainer Program for the international liner trade. It would replace the operating-differential subsidy program, which would be allowed to expire. Under our new program, we would pay operators to keep ships sailing under the American flag in return for making them available during war or a national emergency.

In keeping with the principles I mentioned a moment ago, we want to ease up on the heavy hand of government that weighs down operators in the ODS program. Under the new program, we would allow operators to acquire vessels worldwide. And they could operate them anywhere in the foreign trade and with foreign-flag feeder vessels.

As a result, U.S. carriers in the federal program would be free to compete efficiently and with flexibility for international cargoes.

Frankly, the present system is a disincentive toward greater efforts to control costs and enhance efficiency. It is simply not working in a global market distorted by a wide range of foreign government subsidies and costs of living. The new system addresses this situation by providing incentives to bring costs more in line with market realities.

While it is the centerpiece of our initiative, the contingency retainer program is just one of the 16 proposals that make up our reform package. We also propose to take the following actions:

We want to help U.S.-flag operators obtain modern ships by broadening the use of the Capital Construction Fund. We would continue the Title XI ship financing program to aid the building of ships in American yards. And we would reduce, then eliminate, the 50 percent duty that operators must pay when they use foreign shipyards for routine repairs.



To help American shipyards, the Administration will try to eliminate, through bilateral and multilateral negotiations, excessive subsidies that foreign governments pay their shipyards. We're also seriously exploring means of disciplining countries that subsidize their shipyards. And we are taking steps to prevent excessively subsidized foreign shipyards from benefiting from our maritime programs. The Administration will also initiate a research and development program and an export promotion program for shipyards.

Through other proposals, we seek to encourage new investment in U.S.-flag ships by relaxing citizen ownership requirements and regulations that affect the changing of registries.

Our reform package preserves such longstanding maritime programs as the Jones Act, cargo preference requirements, and the 1984 Shipping Act.

### *Conclusion*

In a word, our proposal charts a new course for America's merchant marine. It was born of the same spirit that produced the eminently successful deregulated transportation markets of the past decade -- in aviation, in rail, and in trucking. Now it's time to apply those same principles to maritime -- in a way tailored to its unique problems.

But our maritime program, as spelled out on paper, can only go so far. It requires all parties involved -- shippers and carriers, labor and management -- to work together to help carry the U.S. flag into the 21st century. Cooperation is the key. All parties must sit down, open up a constructive dialogue, and take a serious look at the realities facing this industry.

At stake is nothing less than the survival of the U.S. maritime industry. But we're aiming at more than mere survival. We want to see this industry again compete on an equal footing in a very complex and challenging global maritime market. We believe it's possible. And with your help, we're committed to making it happen.

Thank you.