

Remarks by
Deputy Secretary of Transportation Mortimer Downey
for
Representative John J. Duncan's
Town Hall Meeting
June 1, 1999
7 to 9 pm
West High School
Knoxville, Tennessee

Thank you, Congressman Duncan, for inviting me to address your constituents about how the Department of Transportation is addressing Y2K issues.

Before I get into the issue, however, I just want to commend the creators of the Knoxville homepage on the Internet for recognizing the importance of transportation. The first sentence notes that the Knoxville region is "at the crossroads of three major interstates: I-75, I-40, and I-81 as well as an international waterway. That sounds like my kind of place!

Because transportation is so important to people here in Knoxville and throughout the country, the Department is working hard and smart to ensure that our planes, trains and buses will operate as usual on January 1, 2000 and in the new millennium. We are doing that by thoroughly checking, testing and repairing our own air traffic control and other computer systems to ensure they are Y2K ready.

We are also reaching out to state and local officials and to the transportation industry, encouraging them to make sure their systems are ready as well. That is the only way we can avoid errors or delays and function well together.

Speaking of local officials, we met with transportation officials from the Knoxville area earlier today to discuss Y2K and other issues. (Could say something more about the meeting)

For our DOT systems, we have set a deadline of June 30 - less than one month from now - to complete all repairs on our "critical systems" - the computers that operate our air traffic control and other systems critical to transportation safety and reliability. We expect that after June 30, only non-critical systems will still need repair.

What does the term "Y2K Ready or Compliant" mean to you, the citizens of the Knoxville, Tennessee region? Well, it means that the computers that control our airplanes and ships will work correctly and that they will operate as safely as they had before the Year 2000. This means that any computer the Department of Transportation owns will recognize the year 2000 and that our systems will operate normally.

On the other hand, we can't promise there will be no problems whatsoever with any computer system on New Year's Eve of 2000 or the days or weeks after. But, we certainly don't think there is any reason to panic. While there may be some delays, we do not anticipate any major glitches on or after the New Year. If you continue to have questions after this Meeting, you can call the Y2K Hotline at 1-888-USA-4Y2K (888-872-4925).

President Clinton has made Y2K compliance a priority and created a government-wide leadership Council -- the President's Council on Year 2000 Conversion -- and an office to ensure that our nation's computers work as well on January 1, 2000 as they do today.

DOT often receives inquiries about Y2K, and one of the first questions people have is about their automobiles. American manufacturers who have answered our inquiries have determined that there are no date-dependent computer chips in their products. And, we are working with local highway and state officials to assure that traffic lights are not all blinking red to greet the new year.

Others ask us if subways and buses will be affected by Y2K. Our answer is that it depends on the system of each transit agency. Although there is no universal answer, most control systems for bus and train systems are not date-dependent, so there is probably no need to be concerned. The Federal Transit Administration has participated in many meetings and workshops with the transit industry to help prepare buses and subways for Y2K. However, some transit riders may experience disruptions in service if those providers have not adequately prepared for Y2K.

American airlines, aircraft manufacturers and airports are all working hard. Boeing, for example, has identified and fixed a limited number of date-dependent navigation systems in its aircraft.

The airlines have successfully transitioned their reservations systems, and the airports are working on their safety and customer service systems -- generally against a June 30 deadline. To the extent that we have concerns, they generally relate to international flight, and these system upgrades are being by the

International Civil Aviation Organization (ICAO) and the International Air Transport Association (IATA). We will be issuing status reports later in the year.

We are also working through the Coast Guard and our Research and Special Programs Administration to assure the flow of critical commodities, especially the petroleum and natural gas to fuel our transportation system. International standards adopted by the International Maritime Organization are bringing ships into compliance so that they can operate safely, and our inspectors are working with the oil companies on compliance in the pipeline operating systems.

We will continue our work and our outreach efforts to ensure that the nation's transportation system will operate safely on January 1, 2000 and into the next century.

Now, I would like to report briefly on where the Department is with respect to Y2K readiness. Currently 93 percent of the Department's 606 mission-critical systems are Y2K compliant, including all of the systems operated by 12 of our 14 administrations.

Our progress will continue, and I am confident that we are on our way to 100 percent compliance well before the end of the year.

I'm particularly pleased with the progress of the FAA, where 94 percent of all Federal Aviation Administration (FAA) systems -- 370 of their 422 mission-critical systems -- are Y2K compliant. The FAA was able to accomplish this monumental task of implementing the changes -- some 6,000 computer program modifications -- because each of its 33 System Management Offices has about 200 technical personnel and their first priority is making all mission-critical systems Y2k compliant.

The only systems projected to be incomplete after June are six which belong to the U.S. Coast Guard. The Coast Guard has completed work on 84 percent of its systems -- 62 of 74 mission-critical systems.

We have been reaching out to our international partners -- in meetings and technical exchanges with foreign transportation officials from such countries as France, Japan, Korea, Canada, Mexico, and Russia. I was in Poland last month for a meeting with transportation ministers of the European Community in which Y2K readiness was discussed. Our Secretary of Transportation Rodney Slater has also raised the Y2K readiness issue with our counterparts in Europe, Latin America and Africa.

This past March, the maritime community met in London to look at the Y2K implications for such issues as safe shipping and business continuity. The U.S.

Coast Guard is working with the International Maritime Organization on this meeting to help that critical component of our global economy prepare for the coming year. We want to be sure that the global supply of commodities like fuel for your cars and buses continues to flow.

Even with the confidence we have, the Department's operating administrations are currently developing and testing contingency plans to ensure that vital services will continue to operate during the Year 2000 changeover and beyond. We will be part of a government-wide mobilization to monitor activity in all transportation systems with dedicated staff in each modal operation center.

Incidentally, on New Year's Eve, our dedicated FAA Administrator Jane Garvey will be flying across America on a commercial carrier in perfect safety on New Year's eve. At the same time, I'll be in the Y2K Information Center making sure the surface modes are up to FAA's standards.

We are committed to a successful effort and will keep the Congress and you, the public, advised of any significant developments in the coming weeks.

We recognize our responsibility to you -- the traveling public -- to ensure a smooth transition to the new millennium.

Thank you, and I will be glad to address your questions about Y2K and transportation.

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The DOT Flagship Initiatives and their Significance for ONE DOT

Remarks by

Deputy Secretary of Transportation Mortimer Downey

Before the

Executive Leadership Conference

June 2, 1999

Renaissance Hotel

999 9th Street

Washington, DC

Thank you, Melissa (Allen), and good morning everyone. It's great to see so many of you here for this important session -- a day to focus on our priorities and our missions in the coming years.

As our population grows and ages, as our economy grows and becomes more global, and as technology plays a larger role in meeting our transportation needs, employees of the Department of Transportation can't just react -- powerful as these forces might be. What we need to do is anticipate the nation's changing needs and respond with effective solutions. The ONE DOT strategy will help us in creating a stronger and more effective organization "leading the way to transportation excellence in the 21st century."

For the past two years under Secretary Slater, we have had a series of workshops and team building exercises -- with a widening participation -- to help us define what our priorities are and to promote a more collaborative effort in meeting those priorities -- in short, ONE DOT. ONE DOT is a management strategy that encourages our Operating Administrations (OAs) -- what we think of as "the modes" -- to "work better together" to serve our nation's transportation needs.

We want our nation's transportation systems (the real modes) to be as closely linked as possible -- to work together intermodally to move people and deliver products to market. So, it makes sense that we collaborate across modes to solve problems and achieve our goals for a safer, more efficient and effective transportation system.

At the same time, ONE DOT does not ignore the unique responsibilities, histories and strengths of your organizations. They are an important part of DOT's structure and culture. But, as Jolene illustrated in her talk earlier this morning, working together and learning from each other can lead to success. (May want to say a few words referring to her ONE DOT success story)

At our Leadership Conference in February, we established a consensus list of Flagship Initiatives -- or priority goals -- that are highly visible to our stakeholders, the public and the Congress -- they are the "to-do" list that we must accomplish by January 2001. There are two-

year Agendas for each of our 5 strategic goals -- listing key activities -- which we call Flagship Initiatives -- that will be up there on our radar screens throughout 1999 and 2000.

The Flagship Initiatives were not selected by a few leaders and the Office of the Secretary, but were chosen based on a thorough and inclusive review process involving staff from all of the modes. Three broad criteria were applied to determine which ones should be given priority for achieving our goals:

- 1) There had to be a key deliverable in the next two years.
- 2) The outcome is highly visible
- 3) Failure to achieve the outcome would reflect negatively on DOT.

I have one further comment on the 3rd criteria: Failure to achieve our goals for highly visible projects could negatively impact our credibility and our ability to pursue other, less visible goals in the future. So, while we must strive to achieve all of our goals in the next two years, it is important that we put extra time and effort into achieving our Flagship Initiatives.

Most, but not all, of the Initiatives are intermodal. Let's look at some examples of the Flagships we have chosen.

The Department's most important strategic goal is safety. Our goal is to reduce, ultimately to eliminate transportation-related deaths, injuries and property damage.

Under our Two-Year Agenda for Safety Strategic Goals, one Flagship we have identified is to have in place 1000 Safe Communities by Fiscal Year 2000. To do that, we will work with community leaders to promote the enactment of tougher laws against aggressive and drunk driving, make railroad crossings safer, eliminate bicycle and pedestrian conflicts with motor vehicles, and improve safety for vulnerable groups such as the elderly, children and people with disabilities. We also seek to incorporate Livable Communities into one Safe and Livable Communities umbrella.

The Safe and Livable Communities Flagship is the responsibility of NHTSA, OST Policy, FTA, FHWA, FRA, RSPA, and the Office of Inspector General. This one is obviously intermodal!

We are making progress toward achieving a safer transportation system, according to an early reporting of 1998 figures from our Fatalities Analysis Reporting System (FARS). Overall, highway fatalities decreased 1.3 percent, from 42,013 in 1997 to 41,480 in 1998. The number of crash-related injuries declined by 4.4 percent from 3.399 million in 1997 to 3.251 million in 1998.

Last week, Secretary Slater and Federal Highway Administrator Kenneth Wykle announced a safety action plan to promote improved truck and commercial vehicle safety. The

plan combines stronger enforcement, tougher penalties, new regulations, advanced technology and education and research to reduce the number of deaths on the nation's highways associated with commercial vehicles. Additionally, they announced a long-term goal of reducing these fatalities by 50 percent over the next ten years by bringing together government, safety and industry representatives. Together, they will develop answers to the tough questions of: How do we produce better vehicles with better drivers? How do we get drivers and companies with bad records off the roads?

This commercial vehicle action plan will call on the resources of the Federal Highway Administration (FHWA), the National Highway Traffic Safety Administration (NHTSA), the Research and Special Programs Administration (RSPA), which administers the hazardous materials program; the Federal Railroad Administration (FRA), the Federal Transit Administration (FTA), and the Bureau of Transportation Statistics (BTS).

Some of the key components of the immediate safety action plan announced last week include:

- New rules providing the authority to shut down unfit carriers;
- Disqualification of drivers who disregard railroad grade crossing warnings from driving commercial vehicles; and
- A new rulemaking on the number of training hours drivers must complete to be licensed. Work on the rulemaking will begin immediately, and the department will involve all interested and affected parties in the process.

Increasing the use of seat belts and other restraints such as child safety seats are extremely important items on DOT's Safety Agenda. One Flagship Initiative -- in fact one of the most highly endorsed at our recent retreat -- is to reduce fatalities and injuries through outreach and education such as the Buckle Up America campaign as well as through stronger seat belt laws and enforcement initiatives.

One of the most highly visible Flagships for DOT, which falls under our Two-Year Agenda for Mobility, is the 2002 Olympics. How well the athletes and the spectators are able to travel in and out as well as within Salt Lake and the Olympic Village will reflect on DOT's performance and credibility as an organization. The national and international media will be there to report on transportation issues during the Games, so we need to keep that visibility factor in mind in achieving our goals for this Flagship.

It's important that we do well in accomplishing the Flagships we have chosen in the next two years because we will gain more support to achieve other equally important, but less visible goals and projects.

I am happy to report that we are making progress with our 2002 Olympic Games Flagship. Last week, Secretary Slater announced the award of \$69.5 million in Federal Transit Authority (FTA) funds for the Utah Transit Authority for the continued construction of the Salt Lake North-South light rail project. The Utah Transit Authority is constructing a 15-mile light rail transit (LRT) extension between downtown Salt Lake City and suburban areas to the south.

These dollars will enable UTA to continue the construction of the line, structures and the stations, and to purchase 23 new LRT cars. The North-South LRT will help the Salt Lake region handle the expected growth over the next 20 years and plans to serve 14,000 daily riders when it opens for service in December 2000. The North-South LRT line projects at least 23,000 daily riders by the year 2010. The \$69.5 million award brings the total federal dollars awarded for this project to \$199.5 million.

Our population is growing and expected to almost double by the middle of the 21st century. That means more people will be using our transportation system and, therefore, more congestion. But, we could change that scenario if we change the way we think about transportation and invest in a system that relieves congestion and saves people time and frustration.

Two Flagship Initiatives under the Two-Year Agenda for Mobility would help to increase mobility through investments in high-speed rail and public transit. And, I am happy to report that we are well on our way to making high-speed rail a reality in the Northeast Corridor.

By the end of 1999, Amtrak will begin high-speed rail service between New York City and Boston and New York and Washington, DC. The new service will make it possible to travel between New York and Washington and New York and Boston in less than 3 hours. We are also promoting high-speed rail corridor development on the West Coast, the Midwest and throughout the United States.

The third of our five strategic goals I want to talk about today is something that virtually all Americans are – or should be -- concerned about -- our environment. As part of our Two-Year Agenda for the Human and Natural Environment, we will strive to protect and enhance communities and the natural environment affected by transportation.

Earlier this month, we announced 35 proposals totaling \$13.1 million that will receive funding under an innovative initiative called the Transportation and Community and System Preservation Pilot program (TCSP), which promotes the Clinton/Gore Livability Initiative.

The Initiative rests on the principle that local citizens know best how to grow and shape their communities. Land development and infrastructure decisions are best made at the local level.

This unique program, for the first time, provides communities with the comprehensive tools and resources they need to preserve green spaces, ease traffic congestion, promote regional cooperation, improve schools, and enhance economic competitiveness. The TCSP program will

fund the planning and implementation of transportation strategies in urban, suburban and rural areas which promote efficient transportation, a healthy environment, and access to jobs, services and places of business.

The demand for Federal partnership in this bold effort is overwhelming. During the time we were taking applications -- a period of just a few weeks -- we received 524 requests for almost \$400 million. So, we have asked the Congress to expand this program in the future. The FHWA, FTA, FRA, and OST-Policy are the divisions responsible for ensuring that the TCSP program achieves the goal of making communities more livable.

Economic prosperity and growth is a major factor in making our communities more livable, and these are the goals of our Agenda for Economic Growth and Trade. One key outcome we want to achieve with these Flagships are to increase economic development and growth through transportation infrastructure investments. Another goal is to create a seamless, multimodal movements of people and goods.

We have dozens of other Flagship Initiatives under each of our 5 Strategic Goals, and they all have two things in common:

- 1) They are the projects or activities that must be accomplished within the next two years; and
- 2) The American public will judge our success, or failure, as a Department by how well we accomplish them.

I think you all know that it will take strong and decisive leadership to meet our strategic goals and our Flagship Initiatives. This does mean leadership on the part of the modal administrators or their deputies only, but leadership on the part of employees throughout the Department at all levels. We need to capitalize on the talents and ideas of all of our employees. It is people, and not just a few people, who are going to get the jobs done.

Our Corporate Management Strategies will structure DOT in a way that will help us to achieve our goals. For example, we continue to revitalize our employee development system to ensure that learning and development activities support both our organizational goals and individual career goals. Employee development will emphasize management development and rotational assignments to further the ONE DOT perspective.

In the coming years, we will continue to focus on diversity and capitalizing on the talents of all employees, whether they be black, yellow, red or of any other race, religion or ethnic background. Just as the private sector has, we must see the value and the benefits of celebrating diversity in the workplace.

I believe that **we have what it takes** to accomplish the Flagship Initiatives and more. We know:

- **Where we are going** -- we have our vision, our strategic goals and a timeline for the priorities (the Flagship Initiatives)
- **What we will stand for when we achieve our goals** -- for example, we will stand for a proactive and vigilant agency when it comes to safety; and
- **The values and methods by which we can accomplish our tasks** -- and one method that will help us is the ONE DOT management strategy.

By putting our minds and our resources together in the coming months and years, I think you will be amazed what you can accomplish. And, I am looking forward to seeing the results.

Thank you.

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Remarks Given by Deputy Secretary Mortimer Downey
The Role of Fatigue in Driving
News Conference
 Thursday, June 3, 1999, 10 am

Thank you, Dr. Martinez and welcome, Dr. Kiley, Ms. Militello (MILL-A-TELL-O) and Mr. Williams.

Today, we hope to shine a spotlight on what is becoming a serious problem on our nation's roads and highways – driving fatigue. Data from our National Highway Traffic Safety Administration (NHTSA) indicate that in recent years, there have been about 56,000 crashes annually in which driver fatigue was cited as a factor by police. These crashes result in a yearly average of at least 40,000 nonfatal injuries and 1,550 fatalities.

The research for the Report found that younger people – ages 16 to 29, especially males – were particularly at risk from driving fatigue. Shift workers are even more at risk, getting between 4 to 6 hours of sleep per day. So, these two groups will be the focus of the Department's initiative to combat driving fatigue.

The major point of today's **Report to Congress** and its recommendations is, as Dr. Martinez said, that these crashes are predictable and preventable. As our culture moves further towards a 24-hour, 7-day-a-week operation and the numbers of shift workers and teens continues to climb, the problem could worsen if we don't take actions now.

Safety is the Department of Transportation's highest priority, and we seek partners who share our concerns. In this case, we found real experts to work with at the National Center for Sleep Disorders Research (NCSDR) at the National Institutes of Health (NIH), as well as the private sector, and academia.

I commend Dr. Martinez and the staff at NHTSA and Dr. Kiley and his staff at the Center for their thorough work on the Report to Congress. Collaboration on complex issues like this one is a key to success. The information you have gathered and analyzed gives us real insight into the physiology and the behavioral aspects of the problem of driving fatigue as well as the countermeasures to reduce the risks.

Information is one of the keys to solving the driving fatigue problem. To prevent driving fatigue and its consequences, Americans need information on approaches that can reduce their risks. For that reason, NHTSA and the Center for Sleep Disorders developed education and information materials and have launched a public information campaign to combat fatigue-related vehicle crashes.

The Congress has been a major supporter of our efforts, and I want to thank them for their leadership in providing \$2 million for our efforts in research and education.

The bottom line solution to preventing driving fatigue is more sleep. To function well, human beings need to get 6 to 8 hours of sleep per night, every night. Employees, employers, the medical community and anyone who travels on our nation's roads and highways needs to know that driving fatigue is a real risk, and a risk that can be reduced through simple measures.

Making transportation safer is our top priority here at DOT. That is why we will continue our work to prevent fatigue-related crashes through education and awareness.

Thank you -- and now let me turn the microphone back to NHTSA Administrator, Dr. Ricardo Martinez.

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Speech

Transportation Solutions and the Federal Role
Remarks by
Deputy Secretary of Transportation Mortimer Downey
Traffic Congestion: A Global Perspective
New Strategies for Moving People and Goods in the 21st Century
An MIT Conference sponsored with the Ford Motor Company
Wong Auditorium in Tang Center
MIT Campus, Cambridge, MA
June 9, 1999
12 noon

Thank you, Dan (Daniel Roos, Associate Dean for Engineering Systems), and good Afternoon. It is great to be back in Cambridge.

We are fortunate not only to hold this conference in the region's leading financial, governmental and transportation hub, but we are also fortunate to have the MIT Cooperative Mobility Program (CMP) as a key player in thinking about the consequences of the transportation system we have inflicted on ourselves.

The Clinton Administration and the U.S. Department of Transportation are in agreement with the Cooperative Mobility Program's vision that the sustainable, multimodal transportation system is the measure of success. Just as Dr. Roos' book, *The Machine that Changed the World*, influenced the way automobiles are manufactured in the U.S., I believe that we can put our innovative ideas, our research, and our resources together to change and greatly improve the way our transportation systems operate. And, I believe we can do this without sacrificing either mobility or our environment.

Traffic congestion and air quality are becoming major challenges that require solutions not only for our largest metropolitan areas, but for mid-size cities as well. Cities that were once considered the most-desired places to live or for businesses to locate to – place like Atlanta, Denver, or Milwaukee – are now seeking ways to unclog their increasingly congested roadways and regain their quality of life.

Daily congestion begins earlier and lasts longer for many Americans, and weekend traffic problems on major interstates that once peaked in July and August now persist from May until October.

Our highway and our rail systems are fragile and in need of modernization and improvement. For example, last week, rush-hour train riders in Washington, DC could not get home due to storm-related signal problems in Florida. We have a 60's vintage interchange called the "mixing bowl," that has been the site of numerous fatal – and avoidable – crashes, including last week's rollover of a truck loaded with black explosive powder for fireworks. Construction has begun to fix the problem, but it will take several years to complete.

Last winter, just before the holidays, a person threatening to jump off the Wilson Bridge between Virginia and Maryland illustrated just how many thousands of travelers are dependent on fragile transport links. The man was saved after jumping, but many people were stuck in traffic for an entire evening, missing child care and other appointments and frankly seemed ready to jump in after him.

Overseas, congestion in cities and air quality are becoming major challenges as we enter the 21st century.

Are we at a critical juncture where congestion is disrupting personal mobility, the movement of freight, the economic productivity of cities, and the environment? I think the answer is a resounding "YES."

Because they are so key to the economy and to people's lives, elected officials are focusing increasingly on transportation issues. Last Spring, Governor Roy Barnes of Georgia created the Georgia Regional Transportation Authority, which will have sweeping power over all transportation projects in more than a dozen counties. Some refer to the new entity as "Give Roy Total Authority." Georgia stands to lose federal highway funds if it does not improve its air quality, but more importantly, it has lost its cachet as part of the progressive New South.

Solving our nation's -- and the world's -- traffic congestion problems will require action on multiple fronts, such as:

- Considering land use and environmental issues, as well as public opinion, before planning transportation projects;
- Investing in rail modernization and equipment upgrades that will make rail travel and shipping more attractive.
- Investing in public transportation, including transit, light rail, buses and water taxis -- not just for major metropolitan areas, but for mid-size cities as well. Today, we're announcing a new initiative for Bus Rapid Transit on dedicated rights-of-way in order to get development underway faster.
- Using ITS and new technologies to ease traffic congestion is part of the solution; and so are
- Employment strategies, such as the alternative work schedule and telecommuting as well as economic strategies like Commuter Choice and value pricing.

While building or expanding highways is called for in some parts of the country, doing so is definitely NOT the only answer everywhere. In metro areas across the nation, we are finding

that if you widen the roads, the drivers will come and cause more gridlock. Motorists switch from other routes expecting to save time or abandon mass transit for their cars.

While the Federal government is an important player in resolving our congestion and other transportation problems, we cannot do it alone. We need the state, county and local governments, the academic community, and the private sector to work with us in sharing project costs and in making the most of the decisions.

ITS and the Potential of Technology

The Department of Transportation has a clear strategy for improving transportation safety and relieving traffic congestion. Our challenge is to look ahead into the new century and consider how we can maximize the use of technology to build and operate safer, more efficient transportation systems. Developing Intelligent Transportation Systems (ITS) and the application of technology are important parts of our strategy.

Technology can help us manage our transportation systems, improving the reliability of travel times, avoiding or reducing delays from congestion, and enhancing user satisfaction and quality of life. Over the years, technology has also demonstrated its usefulness by enhancing the crash-worthiness of vehicles. Today, state-of-the-art technology presents great potential for augmenting human performance to avoid crashes altogether, further improving transportation safety, and indirectly reducing congestion that occurs as a consequence of crashes.

More than three years ago, then-Secretary Peña set a goal of having an integrated ITS infrastructure deployed across the nation in 75 metropolitan areas within a decade. Today we've made real progress: 36 metropolitan areas report having a medium or high level of ITS deployment. In the next several years, we will concentrate — in cooperation with ITS America — on learning lessons from the deployments and bringing the remaining 39 metropolitan areas up to significant levels of integrated ITS infrastructure. This success has brought us to a place where data collected can be shared with travelers via telephone.

On March 8, 1999, during announcement of his goals for "livability," Vice President Gore announced DOT's petition to the Federal Communications Commission (FCC) for a three-digit nationwide traveler information phone number (similar to 411 or 911). FCC approval of this petition would establish one easily remembered number which travelers can call from anywhere in the country for current route- and mode-specific traffic information.

In the Northeast Corridor alone, the one traveler information number would replace a couple of dozen different numbers now in use between New York and Washington, DC.

Transportation for the 21st Century (TEA-21)

Currently, the United States is enjoying the benefits of a strong economy, which is having a positive impact on our efforts to rejuvenate and upgrade our nation's transportation infrastructure. We are playing a role in this, largely through TEA-21 -- the law which celebrates its first birthday today. I'd like to spend some time on how that bill is working for transportation solutions that make good sense.

President Clinton and Vice President Gore understand the connection between upgrading our transportation infrastructure and growing our economy. They made a pledge to rebuild America, and they are doing it. The Transportation Equity Act, also known as "TEA-21," is just one of many ways they are keeping their promise.

On June 9, 1998 -- one year ago today -- President Clinton signed this historic law, and I believe we have been aggressive in implementing all of its provisions quickly. TEA-21 guaranteed a record \$198 billion of surface transportation investment while protecting our commitment to a balanced budget. TEA-21 expands core highway programs. The budget negotiations with Congress left the door open for up to \$20 billion in additional investment as part of the annual budget process over its six-year life. We think that's a fair deal: it fulfills our commitment to the balanced budget and to other national priorities, even as we achieve record-level transportation investments.

The law gives states and localities greater flexibility in using federal funds for transportation. TEA-21 provides a record \$1.3 billion to develop and deploy advanced Intelligent Transportation Systems. So, while we do not think that high tech is the only answer for the new century, we know that we should invest in R&D and use it to our advantage in transportation. We are attempting to fix one of the drawbacks of TEA-21, which shifted the focus of this R&D too far away from the Federal labs and the national issues and too much into a fragmented set of state funded programs.

This historic legislation reflects President Clinton's view that transportation is about more than just concrete, asphalt and steel. It is about people and about providing them with the opportunity to lead safer, healthier and more fulfilling lives.

Its record investment is balanced: there's \$42 billion authorized for transit, including \$18 billion for transit formula funding. That is a 50 percent increase over the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) for the core program, the backbone of our commitment to urban and rural transit systems.

We also have \$19 billion for major capital grants, new starts, fixed guideway modernization, and bus. The opportunities for transit aren't limited to the traditional, dedicated funding programs. We want transit to participate fully in other initiatives, such as Intelligent

Transportation Systems, and innovative finance, which has a new credit assistance program for major construction projects.

TEA-21 established a \$500 million program to help invest in clean-fuel buses as an important clean air strategy. For the first time, we have a transit counterpart to the highways enhancements program, dedicated funding for the low-cost, high-benefit projects to help communities improve their quality of life and to build stronger, broad-based support for investment.

TEA-21 expands opportunity for all Americans. Following the President's call, it creates a five-year, \$750 million program to improve transportation for lower-income workers and those making the transition from the dependence of welfare rolls to the independence of payrolls. People can't go to work if they can't get to work, and this will help them. Recent announcements have been made of the first year's grants to 179 projects in 42 states.

TEA-21 creates new ways to help pay for transportation improvements. Just last week, DOT announced the availability of \$70.6 million in funding under the new credit assistance program, known as the Transportation Infrastructure Finance and Innovation Act, or TIFIA. The goal of TIFIA is to leverage Federal funds with private capital through targeted credit assistance to revenue-generating projects.

This Federal credit program was inspired by a \$400 million loan for California's Alameda Corridor rail project, which we made at a budgetary cost of just \$59 million, a set-aside amount pegged to the risk factor. The \$400 million federal loan was the factor that capped a total \$2 billion funding package -- one that's now in place -- making the entire project viable.

TIFIA offers a way to pay for similar, large projects of national significance. These projects, trade corridors, border crossings, and freight facilities, often cross jurisdictions or traditional modal boundaries, and sometimes have trouble accessing capital markets despite their value. The fact is that many such projects, like toll roads, have revenue sources which could be tapped to underwrite their costs.

Last month, Secretary Slater announced that nearly \$124 million in grants would be provided for 55 projects under the National Corridor Planning and Development and the Coordinated Border Infrastructure programs. These grants will be critical in continuing the ever-increasing trade we enjoy with Canada and Mexico under the North American Free Trade Agreement. This program will provide up to \$140 million each year over the remaining four fiscal years (2000-2003) of TEA-21, for a total of \$700 million.

TEA-21 is also a significant safety bill. It protects Americans' lives through campaigns to promote seat belt and child safety seat use, to fight drunk driving, to make highway-rail grade crossings safer, and to prevent pipeline accidents. It strengthens proven strategies to protect

public health and the environment, expanding programs to improve air quality and creating a program to develop clean, fuel-efficient trucks.

TEA-21 will help to streamline the environmental review process without losing its important protections. The law establishes a process to coordinate Federal agency involvement in major highway and transit projects with the goals of identifying decision points and potential conflicts as early as possible, integrating the National Environmental Policy Act (NEPA) process as early as possible, encouraging the full and early participation of all relevant agencies, and establishing coordinated time schedules for agencies to act on a project. Used right, this process can move us towards sustainable solutions. The environmental streamlining provision:

- 1) provides the U.S. DOT the option of entering into memoranda of understanding(MOUs) or memoranda of agreements(MOAs) with Federal or State agencies;
- 2) establishes a dispute resolution process;
- 3) allows States the option of including their environmental reviews in the coordinated environmental review process; and it
- 4) authorizes the U.S. DOT to approve State DOT requests to reimburse Federal agencies for expenses associated with meeting expedited time frames.

TEA-21 expands opportunity for all Americans. It helps those moving from welfare to work, it preserves a strong Disadvantaged Business Enterprise program, and it maintains protections for transportation workers.

We're proud of TEA-21. Besides its record levels of investment and its emphasis on improving safety, environmental protection, and fostering safety, it extends, and expands, the principles of intermodalism first set forth in ISTEA. Those principles are really a common-sense version of the realities of today's transportation world, where multiple modes and transfers are common both for passengers and for freight.

TEA-21 carries forward the ideal that we need to promote the best and most efficient form of transportation for each segment of a trip, helping people and products get to their destinations as safely, as quickly, as conveniently, and as economically as possible.

Earlier this month, Secretary Slater announced 35 proposals totaling \$13.1 million that will receive funding under an innovative initiative called the Transportation and Community and System Preservation Pilot program (TCSP), which promotes the Clinton Administration's livability initiative.

The initiative rests on the bedrock principle that local citizens know best how to grow and shape their communities. Land development and infrastructure decisions are best made at the local level.

This unique program, for the first time, provides communities with the comprehensive tools and resources they need to preserve green spaces, ease traffic congestion, promote regional cooperation, improve schools, and enhance economic competitiveness. In short, to reclaim their communities -- for themselves and the future.

The Livability Initiative recognizes that different communities face different circumstances and it provides resources so that they can plan and achieve their individual community vision.

In the same way, our TCSP program recognizes that each community has its own unique development and preservation needs. It also recognizes that transportation must be a vital partner in local communities' efforts to achieve their hopes and aspirations for the future.

The TCSP program will fund the planning and implementation of transportation strategies in urban, suburban and rural areas which promote efficient transportation, a healthy environment, and access to jobs, services and places of business.

The demand for Federal partnership in this bold effort is overwhelming. During the time we were taking applications -- a period of just a few weeks -- we received 524 requests for almost \$400 million. There were many thoughtful, forward-looking and innovative projects that we were simply unable to fund.

This year's \$13 million program is set to increase to \$25 million next year. But that's not enough. We believe even more money is needed for Federal government to become partners with the many communities who have expressed a desire to link transportation to livability. That's why, as part of Vice President Gore's livability agenda, we have called for an increase to \$50 million. With that amount, we won't be able to fund all of the worthy projects but it will help.

This year, we have selected 35 projects in 28 states to receive funding. Amid very tough competition, these projects reflect the broad range of innovative strategies that local communities proposed, including transit oriented development, traffic calming initiatives, community development, brownfields restoration, efficient freight transport, and planning tools and modeling.

TCSP is a program that relies on the communities of America. The initiative for these proposals, the ideas, the concepts and even the implementation, come from the many communities across our nation that are preparing for the 21st century and are thinking in terms of livability.

Conclusion

Today, we have a safer, more efficient transportation system, but we know the 21st century will bring new challenges that will require new and innovative actions.

People are debating whether or not we should expand 6-lane roads or bridges to 12 lanes – or whether or not we should save more green space for future generations – or whether or not we should invest more in mass transit.

Transportation is an extremely vital issue for the new millennium and is gaining more attention than ever. Not only does traffic congestion cost commuters billions of dollars, but is undoubtedly affecting the quality of life for many.

In 1992, President-elect Clinton pledged to rebuild America's infrastructure. He has made good on that pledge by supporting TEA-21. And, Vice President Gore is also committed to improving our transportation systems for all Americans. But, they and we will need your input – and insight – to get the job done well.

Thank you for inviting me, and I look forward to hearing about the success stories that this conference is sharing.

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Friday, June 11, 1999
11 - 12:15 am

**American Bar Association
Forum on Air and Space
Global and Domestic Competition, Regulation, Markets and the Law
Hotel Inter-Continental
Chicago, Illinois**

Talking Points

- In February of this year, the Clinton Administration sent the FAA Reauthorization Act of 1999 to Congress. The legislation represents a serious proposal our last effort at meeting the critical challenges facing our aviation system and to prepare America for the 21st Century.
- The need to act now is clear. Six years of economic growth under President Clinton's leadership is producing unprecedented demands on our aviation system. Last year, U.S. airlines carried over 600 million people -- in 10 years, FAA projections suggest that over 1 billion passengers per year will travel by air -- or at least that many would like to fly.
- But, without National Airspace System (NAS) Modernization and increased effort on the part of both the public and private sectors, the gridlock predicted more than 16 months ago by Norm Mineta and the National Civil Aviation Review Commission could becoming a reality.
- In 1997, for example, about 245,000 air carrier flights were delayed 15 minutes, 22 percent due to terminal volume -- more planes on the runway than can be handled efficiently. We estimate that these delays cost the airlines more than \$32 million.

- The potential for gridlock – and the lost productivity, the high costs and the safety risks associated with it – makes it critical that Congress enact the legislation and underscores the importance of FAA's moving ahead with modernization.
- This program is not just technology – although it is technology-based. What our legislation calls for is a change in how the environment is structured that will allow the FAA to succeed and the industry to thrive in a competitive and efficient manner.

Some of what we've proposed includes:

- A seven- percent increase in aviation safety funding, dedicating \$1 billion in the FY 2000 budget to continue to make the world's safest system ever safer.
- A Performance-Based Organization for Air Traffic Control services, funded by user fees, to ensure a steady, reliable revenue stream for system modernization. If we all agree on the need for modernization, the size and kind of system required, then we ought to be able to agree on a way to pay for it.
- Expansion of airport capacity with a record level of investment over five years through a combination of increases in Airport Improvement Program funding and increased Passenger Facility Charge (PFC) authority.
- Increased access and competition to make sure that all communities share in the benefits of deregulation. The proposal would, over five years, eliminate the High Density Rule at LaGuardia and Kennedy International airports in New York and O'Hare International in Chicago.
- End the slot restrictions for quieter regional jets at LaGuardia, Kennedy and O'Hare airports in 2000. Additionally, certain large airports seeking a maximum PFC would be required to report on their efforts to increase competition.

- Better air service to rural communities, including a grant program to attract new air service and new authority to improve interlining arrangements.
- Increased protections for disabled passengers to ensure that the nation's primary long-distance transportation service remains accessible to all Americans.
- New whistleblower protections for government and industry aviation workers eliminating the fear of retribution for exposing safety and other violations.
- Continued improvement in the assistance provided to families of passengers in the event of an aviation disaster.
- The House is expected to bring FAA reauthorization up for a vote next week. The timing of Senate action is less certain, but we anticipate a vote soon. Once passed, achieving compromise between the two bodies will certainly take several weeks. But, we hope to have a final bill for President Clinton to sign before Aug. 6, the current extension date.

Long-term financing for the FAA

- Congress enacted very fundamental, very beneficial personnel and procurement tools for the FAA in 1995. The payoff from these reforms is beginning to show in FAA performance.
- Attracting and keeping skilled employees, streamlining procurement, and focusing our aviation research have all followed from that. But we have not yet achieved a stable, sustaining funding path for the FAA that permits it to grow as we know it must.
- The FAA requires major capital investments if it is going to meet the future demand for domestic air travel. The FAA is unique among government agencies because it provides 365 days of air traffic control service in this rapidly expanding global economy.

- We believe the FAA should be funded and budgeted in a way that reflects operating responsibilities. At the same time, we respect the need to live within the budget process – the price of maintaining a public agency structure for FAA, which is what we heard in earlier debates.
- Given these realities, the first step to putting the FAA on an assured funding path that keeps pace with aviation growth is to shift away from general-fund support to full reliance on funding from users, whether in the form of excise taxes or new user charges.
- Anything short of that means an uphill and reliably unsuccessful effort just at a time when so much needs to be done.

NAS Modernization

- The National Airspace System (NAS) includes more than 18,300 airports, 21 air route traffic control centers, 197 terminal radar approach control facilities and over 460 airport traffic control towers. It is the most complex and the busiest aviation system in the world.
- But, to maintain this status, we must continue to invest in our aviation infrastructure – upgrading and replenishing computers, radar, communications systems, and other vital National Airspace System components – not on a one-shot basis, but on a continuous basis that allows new technology to be introduced and performance to be improved.
- Unfortunately, we have not made those investments. Since 1992, the funds spent on FAA’s capital investments have decreased 20 percent. When accounting for the level of NAS investment, we had no useful way of predicting the level of spending. This has not allowed the agency to invest adequately in modernizing air traffic control equipment and systems.

- To ensure that we can continue to fly passengers and goods safely and reliably, we have made plans to modernize the system. Based on input from the aviation community, we have developed the architecture – or plan – to do that.
- There are two major goals of NAS modernization:
 - 1) Ensure that our air traffic control systems are able to meet future demand and are easier and more cost-effective to operate and maintain; and
 - 2) Replace old systems with new ones that offer enhanced communications capability and other benefits.
- And if we are doing this right, the NAS will be modernized in terms of how the customer is served. For too long, the focus has been on FAA needs rather than industry needs – this change is key to a successful performance-based organization.
- To keep modernization on track, \$2.3 billion, 11 percent above last year, is proposed for FAA's Fiscal Year 2000 facilities and equipment budget.
- Aviation is a vital part of our everyday lives and will continue to be a critical and driving force for our economic well-being and quality of life in the next century.
- We at DOT are committed to working with members of Congress to pass legislation that responds to the aviation challenges we will encounter in coming years and in the coming century -- and to working with industry to implement that legislation.
- We need legislation to ensure that our aviation system continues to support the unprecedented growth our nation has enjoyed.
- Thank you, and I look forward to discussing these and other issues with you during the session.

Monday, June 14, 1999
11:30 am - 2:30 pm

Eno Transportation Foundation, Inc.'s
Seminar Series on Global Warming
The University Club, Governor's Room
1135 Sixteenth Street, NW
Washington, DC

Informal Remarks

Thank you, Damian (Kulash, President and CEO, Eno Foundation), and the Eno Transportation Foundation for hosting this monthly seminar series on transportation and global warming issues. I'm so glad I was able to attend the first meeting today because I think the issue of global warming is important to everyone on the planet -- particularly those who are concerned about the well-being of future generations.

I also commend Eno for bringing together organizations like the World Bank, the Urban Land Institute, the American Public Transit Association, Federal agencies and many others interested and involved in the issue of global warming. We at the Department of Transportation take the issue of global warming very seriously. And, apparently so do you. It's an issue that has brought together many respected scientists and leaders like yourselves, in meetings like this, to discuss the data and the projections.

While we're not in a position to make precise predictions about the causes of global warming -- yet -- we have enough evidence to know that human activities are already adversely affecting our planet. For example, we have more respiratory illness in and around major cities.

With our world's population expected to almost double by the middle of the 21st century, it's timely to consider the effects that growth and development will have on our environment. We have an opportunity in the coming years to do the research and to understand the potential effects of climate change and, from that information, take sensible, preventive steps before we're moved to a point of no return.

That is exactly what President Clinton proposed very early in his Administration with the Climate Change Action Plan. He has supported research and activities that are based on credible science, are market-oriented and common sense, and that often involve global participation.

Because transportation accounts for more than 25 percent of our nation's greenhouse gas emissions, DOT has been working with many organizations represented here today to find ways to reduce those emissions. Last Spring, we inaugurated the Center for Climate Change and Environmental Forecasting, which will help us coordinate transportation-related climate change issues with a broader view than in our individual agencies and programs. The Center will develop the tools and expertise needed to determine the impact of emerging technologies and demographic trends on transportation. This information will be used to support the Secretary in making strategic decisions.

The Department of Transportation, the Department of Energy, and many other Federal agencies are working with the private sector to further our knowledge of global warming and climate change. And, we look forward to working with you on a better understanding of transportation policy implications and common sense solutions.

Thank you, and I look forward to the presentations.

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DRAFT

**TALKING POINTS FOR DELIVERY
DEPUTY SECRETARY OF TRANSPORTATION
MORTIMER L. DOWNEY
ONEDOT STRATEGIC PLAN KICKOFF MEETING
JUNE 15, 1999
10AM
ROOM 10234 NASSIF BUILDING**

(Dani will call the group to order. Gene Conti will welcome everyone and introduce you. Please encourage questions and discussion at the conclusion of your remarks. The meeting is scheduled to continue until 11:30.)

I. Introductions

- Thank you, Gene for the introduction
- And, let me take this opportunity to thank you publicly for agreeing to incorporate strategic planning into DOT's policy office.
- The Secretary and I have given considerable thought to the organizational placement of a Department level strategic planning function – and we believe that the OST Policy Office is the best location
- In terms of DOT's implementation of the Government Performance and Results Act – this means that primary responsibility for the strategic plan will reside in Policy and primary responsibility for the performance plan will reside in the Budget office / and both of these offices have a stake in a good outcome for the Department.
- This ~~decision~~ doesn't mean that the Secretary and I will be any less

involved than we have been in the past but only that we too are thinking about how best to ensure the continuity of strategic planning beyond our tenure. *Success*

- It is a pleasure to welcome everyone here today as we begin our summer seminars that will lead up to a new strategic plan for the years 2000 through 2005. *Department*

2001(?)

- I want to welcome all the new comers to our ONE DOT strategic planning team -- I think you will enjoy this experience and you will learn a lot about transportation and the Department -- I understand that some of you are principals and others are alternates. In the spirit of ONE DOT, we know that team-work produces better results and we value and need all of your ideas

- I see that many of you who put together the best strategic plan and the best performance plan in government are going to be involved in ~~updating our plan~~ *again* and I am pleased that you are here working as ONE DOT again to do even better this time!

♂ As Secretary Slater is fond of saying we *should* can move "From strength to strength."

♂ *So* I will be talking today about areas where I think we can improve

Roles and Responsibilities

- But first let me say a few words about this process and your role in the process

♂ We will once again use a collaborative process to produce the new plan. We have spent the last 3 years responding to requests from other agencies and departments about our process ~~and have~~ come away from these

and what made it work. we've

discussions more convinced that our collaborative, process is a good one – *yes, it's*
time consuming *yes*. but meaningful and having the immeasurable
advantage of producing buy-in or consensus of opinion and general
agreement on how we should proceed.

✧ Because the process involves deliberations it produces a common
understanding and consensus positions that every^{one}body embraces or at
minimum, can live with.

✧ In the long run, having this buy-in means that, as an organization, we
will have a much better chance of implementing the plan than we
would if the plan were written by a small number of people off line. – *we have*
seen much as we turned strategy into performance plans and into specific IT goals

✧ You are here to represent your mode's unique transportation interests – *in the*
last 4 years you have the most responsibility to the DOT
as well as those of the Department as a whole.

- Together, as a ONE DOT team, you will write the new strategic plan – *so*
bring your lap tops to these meetings – bring your knowledge and
your perspective – take the initiative to research areas that you think
need analysis – suggest to Gene and Dani issues that we should be
looking at – if I know Dani she will ^{mean} say “that’s a good idea, go ahead” – *why don't you*
and pull together what you need and present it to the group for
discussion.
- Finally, the most important part of your role is communication-up and
down the line with your management about how the plan is shaping
up. We are going to produce a good first draft by the end of the
calendar year. – *but it only will be a good draft if it is getting*
informed criticism across the Dept.
- You must open a channel of communication with your ^{own}management to
keep them thoroughly informed of the substance and schedule ~~for the~~
~~plan~~. You should bring back to the group their suggestions and ideas
for improving the plan. You should know what they can live with
and what they can't. As drafts are produced, you should make sure

they get a copy to read and you should brief them on it, ^{let's be sure there are} there should ~~be~~ no surprises.

Overview of the summer seminar series

- Today we begin the Summer Seminars, this is a series of discussions that amount to a review of our last strategic plan and an evaluation of how we might improve it
- ✧ During these summer months you will be hearing feedback from some of our ^{key} ~~most influential~~ stakeholders, OMB, the GAO, our IG and Congressional staffers on our existing plan and ideas about issues we should take into consideration as we go forward
- ✧ I ~~see that~~ the schedule for the summer seminars also includes a critical review of our performance plan. What were our best performance or outcome measures? Which were most useful to our managers? Where do we need better data?
- ^{And} Program evaluation is ~~also~~ on the agenda. In our last strategic plan, we said we would evaluate six programs by the end of FY 1999 and another seven by the end of FY 2000. What are the results of those evaluations? The GPRA statute explicitly states that the plan shall contain "... a description of the program evaluations used in establishing or revising general goals and objectives, with a schedule for future program evaluations."
- In our 1997-2002 plan, we ^{had the very task - provide} ~~provided only~~ the schedule for future program evaluations. Now we are on the hook to show how the evaluations we said we would conduct ^{are being} ~~have been~~ used to revise our goals.

Improving our Strategies

- Finally, let me say a few words about our strategies
- This is an area where I am challenging you to do better

✧ The nature of the transportation business makes it very important to look far into the future to set the framework for our decisions.

✧ Although ^{we all wish to speed up the process,} ~~we'd like to speed up the projects a bit,~~ we recognize that it ^{does} takes years to arrange financing, to plan and to build the transportation infrastructure -- the ports, bridges and airports -- our nation needs.

✧ It takes years for investments in R&T to bear fruit ...

✧ ^{It takes years to get Congress to reach the good, solid ideas like FAA reform}

✧ We have spent the past several months building four, future scenarios that, taken together, encompass the full range of challenges and opportunities that we in the transportation sector will face in the next several years through 2028.

✧ Scenarios are ^{not fixed descriptors of a predicted future - they're} management tools ^{that} organizations ^{can} use to help them avoid ^{less} errors in linear forecasting.

To broad the range of possible futures, we have

^{Inherent in} One scenario ~~has~~ ^{is} a booming global economy, while another has a stagnant U.S. economy (Never!) -- much like Japan has today.

- Another scenario deals with a potential future of protectionism inside the walls of a hemispheric free trade zone, while another scenario explores the consequences of global warming and an international agreement to lower greenhouse gas emissions significantly.

^{We need to} ✧ ~~I want you to~~ use these scenarios to design solid strategies that will be effective no matter how the 21st century unfolds.

Looking into the future is not without peril

- Indeed, some famous people have made predictions that are interesting in retrospect:

*Wow! These
be the same
people who
were here
a few weeks
ago?*

- David Sarnoff's associates in response to his urgings for investment in the radio in the 1920s: "The wireless music box has no imaginable commercial value. Who would pay for a message sent to nobody in particular?"
- More recently, Tom Watson CEO of IBM in 1943: "There is a world market for about five computers "
- Bill Gates in 1981: "640K ought to be enough for anybody."
- And last, Ken Olson, President and founder of DEC in 1977 " There is no reason anyone would want a computer in their home"

- Now I want you to review the strategy sections of our strategic and performance plans critically.
- Webster's says that a strategy is the science and art of employing the political, economic, psychological, and military forces of a nation or group of nations to afford the maximum support to adopted policies in peace or war.
- Lets rephrase that where nation is DOT and group of nations is our operating administrations and our adopted policies are our goals
- GPRA says strategic plans should contain " ... a description of how the goals and objectives are to be achieved including a description of the operational processes, skills and technology, and the human, capital, information and other resources needed to meet those goals and

objectives.

- In our last plan the strategy section was arguably the weakest section in the plan. And before I go on with this critique, I want you to know that Dani developed these examples, so, we are of one mind when it comes to improving the strategy section of the plan.
- In our last plan, we did not distinguish between major strategic thrusts and minor tactics. For example, under safety we had both a very broad research strategy and a very specific research strategy.
- The broad strategy was "Advance transportation research exploring causes of and countermeasures for transportation incidents in all modes."
- The specific strategy was "emphasize research in human performance and behavior such a biomechanics and lifetime driver learning"
- No other research was mentioned under safety.
- This is not to say that the strategies we presented were not valid in achieving our goals but that they were not clustered under a broad category of safety research nor were they linked to particular problems.

✧ Today we have a DOT R&D strategic plan and we should be able to demonstrate better how our research strategies help us achieve our goals.

- Some of our strategies were too general: under safety again "Improve the delivery of services through better communications with our customers." Pabulum. Vacuous.

- In summary, I think if you read the old plan critically, you will see opportunities for improvement yourselves. For example, there is not

Safety goal -
strategies - enforcement
partnership
research
grants
etc

mix

Try again on this section - it's not getting across to us - it's not for June 5.

much discussion of the grants we provide; nor is there much ink devoted regulatory strategies.

- Generally, the strategies should be directed toward problems that keep us from achieving our goals.
 - Under any single goal, the strategies should be complementary and should produce a cumulative or building block effect. Each strategy should take us closer to the goal.
- ✂ Milestones, benchmarks and timetables are also appropriate to include. I think the NASA handout is a good example of how to weave strategies, over a time-line toward the achievement of goals.
- ✂ I think it will be a challenge for you to improve our strategies but the result of your work will make the Department more effective – strategies will muster our resources against our goals
- ✂ We are asking you to consider how the transportation system might look based on our scenarios of the future and what DOT's goals and strategies should be.
- ✂ I would be happy to take your questions.

– __ I hope you enjoy yourselves, I am confident that we will move toward a better DOT plan.

(Please encourage questions from the audience)

7.15

Tuesday, June 15, 1999
10 - 11:30 am

Deputy Secretary of Transportation
Mortimer L. Downey
ONEDOT STRATEGIC PLAN KICKOFF MEETING
ROOM 10234 NASSIF BUILDING

Talking Points

(Note: Dani will call the group to order. Gene Conti will welcome everyone and introduce you. Please encourage questions and discussion at the conclusion of your informal remarks. About 30-40 people: the ONE DOT strategic planning team, their alternates, and possibly several of their managers.)

- Thank you, Gene for the introduction
- And, let me take this opportunity to thank you publicly for agreeing to incorporate strategic planning into DOT's policy office.
- After considerable thought, the Secretary and I felt that the the OST Policy Office is the best location to handle the Department's strategic planning function.
- The primary responsibility for the strategic plan will reside in Policy and primary responsibility for the performance plan will reside in the Budget office – and both of these offices have a stake in a good outcome for the Department.

- This doesn't mean that the Secretary and I will be any less involved than we have been in the past but only that we too are thinking about how best to ensure the success of strategic planning beyond our tenure.
- It is a pleasure to welcome everyone here today as we begin our summer seminars that will lead up to a new Departmental strategic plan for the years 2000 through 2005.
- I want to welcome all the new comers to our ONE DOT strategic planning team -- I think you will enjoy this experience and you will learn a lot about transportation and the Department -- I understand that some of you are principals and others are alternates. In the spirit of ONE DOT, we know that team-work produces better results and we value and need all of your ideas
- I see that many of you who put together the best strategic plan and the best performance plan in government are going to be involved again and I am pleased that you are here working as ONE DOT again to do even better this time!
- As Secretary Slater is fond of saying we should move from strength to strength."
- So, I will talk to you today about areas we want to improve.

Roles and Responsibilities

- But first let me say a few words about this process and your role in the process.

- We will once again use a collaborative process to produce the new plan. We have spent the last 3 years responding to requests from other agencies and departments about our process and what made it work. We've come away from these discussions more convinced that our collaborative, process is a good one – yes, it's time consuming. But meaningful and having the immeasurable advantage of producing buy-in and general agreement and consensus on how we should proceed.
- Because the process involves deliberations it produces a common understanding and consensus positions that everyone embraces or at minimum, can live with.
- In the long run, having this buy-in means that, as an organization, we will have a much better chance of implementing the plan than we would if the plan were written by a small number of people off line -- we've seen that as we turned strategy into performance ideas and into specific Flagship Initiatives.
- You are here to represent your mode's unique transportation interests – but you also have a responsibility to think about the Department as a whole.
- Together, as a ONE DOT team, you will write the new strategic plan – bring your lap tops to these meetings – bring your knowledge and your perspective – take the initiative to research areas that you think need analysis – suggest to Gene and Dani issues that we should be looking at – if I know Dani she will then say “that's a good idea why don't you go ahead and pull together what you need and present it to the group for discussion.

- Finally, the most important part of your role is communication up and down the line with your management about how the plan is shaping up. We are going to produce a good first draft by the end of the calendar year -- but it will only be a good draft if it gets informed critiquing across the Department.
- You must open a channel of communication with your leadership to keep them thoroughly informed of both substance and schedule. You should bring back to the group their suggestions and ideas for improving the plan. You should know what they can live with and what they can't. As drafts are produced, you should make sure they get a copy to read and you should brief them on it – let's be sure there are no surprises.

Overview of the summer seminar series

- Today we begin the Summer Seminars, this is a series of discussions that amount to a review of our last strategic plan and an evaluation of how we might improve it
- During these summer months you will be hearing feedback from some of our key stakeholders, OMB, the GAO, our IG and Congressional staffers on our existing plan and ideas about issues we should take into consideration as we go forward.
- The schedule for the summer seminars also includes a critical review of our performance plan. What were our best performance or outcome measures? Which were most useful to our managers? Where do we need better data?

- And program evaluation is on the agenda. In our last strategic plan, we said we would evaluate six programs by the end of FY 1999 and another seven by the end of FY 2000. What are the results of those evaluations? The GPRA statute explicitly states that the plan shall contain “.... a description of the program evaluations used in establishing or revising general goals and objectives, with a schedule for future program evaluations.”
- In our 1997-2002 plan, we had the easy task -- provide the schedule for future program evaluations. Now we are on the hook to show how the evaluations we said we would conduct are being used to revise our goals.

Improving our Strategies

- Finally, let me say a few words about our strategies. This is an area where I am challenging you to do better
- The nature of the transportation business makes it very important to look far into the future to set the framework for our decisions.
- Although we'd like to speed up the projects a bit, we recognize that it takes years to arrange financing, to plan and to build the transportation infrastructure -- the ports, bridges and airports -- our nation needs.
- It takes years for investments in R&T to bear fruit ...
- We have spent the past several months building four, future scenarios that, taken together, encompass the full range of challenges and opportunities that we in the transportation sector will face in the next several years through 2028.

- Scenarios are management tools organizations use to help them avoid errors in linear forecasting.
- One scenario has a booming global economy, while another has a stagnant U.S. economy (Never!) -- much like Japan has today.
- Another scenario deals with a potential future of protectionism inside the walls of a hemispheric free trade zone, while another scenario explores the consequences of global warming and an international agreement to lower greenhouse gas emissions significantly.
- I want you to use these scenarios to design solid strategies that will be effective no matter how the 21st century unfolds.
- Looking into the future is not without risk.
- Indeed, some famous people have made predictions that are interesting in retrospect:
 - David Sarnoff's associates in response to his urgings for investment in the radio in the 1920s: "The wireless music box has no imaginable commercial value. Who would pay for a message sent to nobody in particular?"
 - More recently, Tom Watson CEO of IBM in 1943: "There is a world market for about five computers "
 - Bill Gates in 1981: "640K ought to be enough for anybody."
 - And last, Ken Olson, President and founder of DEC in 1977 " There is no reason anyone would want a computer in their home"
- Now I want you to review the strategy sections of our strategic and performance plans critically.

- Webster's says that a strategy is the science and art of employing the political, economic, psychological, and military forces of a nation or group of nations to afford the maximum support to adopted policies in peace or war.
- Lets rephrase that where nation is DOT and group of nations is our operating administrations and our adopted policies are our goals.
- GPRA says strategic plans should contain "... a description of how the goals and objectives are to be achieved including the operational processes, skills and technology, and the human, capital, information and other resources needed to meet those goals and objectives.
- In our last plan, the strategies -- the How -- was arguably the weakest section in the plan. We definitely need to better focus and organize the strategy section of the plan.
- For example, we did not distinguish between major strategic thrusts and minor tactics. Under our Safety goals, the strategies to achieve them were not well-organized under logical categories -- i.e. Enforcement, Partnership, Research, and Grants. And, some strategies need to be include a mix of these actions.
- We need to outline, in detail, a mix of strategies for attaining our safety goals, not just have a laundry list of different tasks or approaches.
- Some of our strategies were too general: under safety again "Improve the delivery of services through better communications with our customers." Meaningless. Vacuous.

- We should be able to demonstrate better how our research strategies will help us achieve our Safety and other goals.
- In summary, I think if you read the old plan critically, you will see opportunities for improvement yourselves. For example, there is not much discussion of the grants we provide; nor is there much ink devoted to regulatory strategies.
- Generally, the strategies should be directed toward problems that keep us from achieving our goals.
- Under any single goal, the strategies should be complementary and should produce a cumulative or building block effect. Each strategy should take us closer to the goal.
- Milestones, benchmarks and timetables are also appropriate to include. I think the NASA handout is a good example of how to weave strategies, over a time-line toward the achievement of goals.
- I think it will be a challenge for you to improve our strategies but the result of your work will make the Department more effective – strategies will muster our resources against our goals.
- We are asking you to consider how the transportation system might look based on our scenarios of the future and what DOT's goals and strategies should be.
- I would be happy to take your questions.
- I hope you enjoy yourselves, I am confident that we will move toward a better DOT plan.

**Senior Leadership Team Workshop
U.S. Coast Guard Academy
New London, Connecticut
15 June 1999**

Welcoming Remarks

- Secretary Slater regrets that he could not welcome you here today, but told me that he is confident that this Senior Leadership workshop will be both productive and meaningful.
- Thank you Admiral Loy and Admiral Teeson for inviting us to the Coast Guard Academy and providing us with the opportunity to “immerse” ourselves in the 209 years of Coast Guard culture of teamwork and leadership.
- And, thank you for challenging us – as the Senior Leadership Team of the Department of Transportation – to build on the strengths of our accomplishments toward the visionary and vigilant organization which will lead the way to transportation excellence in the 21st Century.
- I urge you to take advantage of the program the Academy has prepared.
- For almost 2 and ½ years, we have been pursuing our vision for the Department. And, along the way we have transformed the way we work – we have truly become ONE DOT.
- At our first meeting in February 1997, we agreed to collectively embark on this journey of reinventing the way we do business inside the Department, with our transportation constituents, and with the American public.

- In the interim, there has been a series of meetings involving an ever expanding guiding coalition. We have asked the leadership of the Department to:
 - Help set the Department's strategic goals
 - To create scenarios which challenge our thinking about transportation in 2030; and
 - To help establish flagship initiatives that will be the foundation of our accomplishments in the next millennium.
- Together we have accomplished a lot. Just last week, we participated in an event with the President and the Attorney General concerning police and community relations. We were there because we have transformed the way transportation is viewed – it is about more than concrete, asphalt and steel, it is about communities, safety and people.
- Seat belt use and occupant protection – our first flagship under the safety goal – requires us to pursue education and research to reduce fatalities and injuries. It also requires us to acknowledge the challenges and tensions caused by strong enforcement laws and to work within the Department and across the nation with law enforcement and community leaders. This is working better together.
- We have created a decision-making architecture. Our challenge is to continue to provide the leadership which will use that architecture to create a transportation system that is international in reach, intermodal in form, intelligent in character, and inclusive in nature.

- The Coast Guard is providing us an opportunity over the next 24 hours to learn more about the leadership competencies we will need to meet that challenge.
- Thank you all for coming and for participating.

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June 21, 1999
8:30 - 9 am

**Office of Inspector General
Annual Managers' Conference**
at the FHWA Learning Center
Arlington Center Building
4600 N. Fairfax Dr., 7th Floor
Arlington, VA 22203

(Introduction to be made by DOT Inspector General Ken Mead)

Talking Points

- Good morning and thank you, Ken. I'm glad you invited me to your annual Managers Conference because it gives me an opportunity to tell you all how much I appreciate the hard work you do and how much it helps Secretary Slater, me and all of the DOT leadership.
- We are heading into what I believe will be a critical time in terms of building and maintaining our nation's transportation infrastructure.
- Earlier this month, we celebrated the one-year mark in implementing TEA-21, the largest investment in surface transportation in our nation's history.
- Last year, U.S. airlines carried over 600 million people. In 10 years, FAA projections suggest that over 1 billion passengers per year will travel by air -- or at least that many would like to fly. Gridlock, according to the National Civil Aviation Commission, will adversely impact safety and our economy if we don't improve our air traffic control and other aviation systems.

- To avoid gridlock – and the lost productivity, the high costs and the safety risks associated with it -- we are modernizing our National Airspace System. As you probably read in the news last week, the House passed a bill to authorize \$56 billion in spending for the Federal Aviation Administration over the next five years.
- We hope that the Senate will follow suit and approve adequate and reliable funding for the FAA.
- Again, we are at a critical era in transportation history, and we will need the assistance of the Office of the Inspector General to continue the success that we have enjoyed in the past six years together.
- Secretary Slater and I feel that the Inspector General and you -- the OIG Management team -- have been instrumental in making DOT programs work the way they should work for the American people. The insight, the expertise, and the independent view that the IG provides has been invaluable in making the Department's programs more efficient and responsive.
- The independent view of DOT programs that you are able to offer is invaluable. And, I commend you for developing a regular dialogue and collaborative relationship across the Department to identify and help solve problems.
-
- The reports that you produce are excellent -- they are thorough, clear and based on solid auditing techniques and data. Without this independent and competent review of our programs, I do not think DOT would be the respected organization it is today.

- Let me talk about some of OIG's major contributions over the past year (many of which promote the Department's Strategic Goals), for example:
 - Y2K: OIG has been instrumental in ensuring the Department's systems are fully Y2K compliant.
 - Motor Carrier Safety: Comprehensive audit program work as well as indictments and convictions resultant of investigations have aided in the pursuit of improving truck safety.
 - Air Traffic Control Modernization: OIG's work has led to a better understanding of the risks and challenges for satellite navigation.
 - Aviation Security: Audit work in the area of explosives detection systems; better use of high-tech capabilities.
 - Turner-Fairbanks: Investigations have rooted out corruption and abuse while audit work has helped identify and remedy contracting vulnerabilities.
 - Highway Construction Fraud: \$23 million recovery and good jail time in the Palumbo Brothers case in Illinois. In July, the Secretary will present "Find The Good and Praise It" commendations to OIG's Special Agent, the FBI Agent, Illinois DOT officials, and the prosecutor.
 - Suspected Unapproved Parts: In addition to racking up judicial results in this area, OIG has significantly participated in drafting the pending legislation to enact a criminal statute outlawing counterfeit and otherwise bogus aircraft parts.

- I want to take this opportunity to say congratulations on these accomplishments.
- I also want to thank Ken and the OIG management team for their support of, and participation in, One DOT. As most of you know, ONE DOT is a management strategy that encourages our Operating Administrations (OAs) – what we think of as “the modes” -- to “work better together” to serve our nation’s transportation needs.
- We want our nation’s transportation systems (the real modes) to be as closely linked as possible -- to work together intermodally to move people and deliver products to market.
- It makes sense that we collaborate across modes to solve problems and achieve our goals, and I am glad that you have supported this effort.
- Your work over the past years has been responsiveness to both Administration and Congressional priorities. Both branches seek to use taxpayer dollars in a fiscally responsible and law-abiding manner, and you help us to achieve that goal.

The FY 2000 Budget

- I understand that many of you are interested in the my view of the FY 2000 as well as the FY 2001 budgets.
- The record \$50.5 billion FY 2000 budget that we have proposed will help us meet the challenges that a growing population and a booming economy create.

- While we have seen progress in improving safety on our nations roads and highways, we still feel that more can be done to eliminate crashes and fatalities.
- That's why we have proposes raising NHTSA spending by 12 percent, to more than \$400 million, and FHWA safety programs by 6 percent, to almost \$900 million. This includes \$160 million to combat unsafe truckers.
- These expenditures would support other strategies with a proven record of success: safer road designs; incentive grants for tough laws against drunk driving; community-based programs to expand the use of seat belts and child safety seats; and new technologies.
- We are also calling for \$1 billion dollars, a 7 percent increase, to implement aviation safety programs, including the Safer Skies initiative announced last spring. These efforts will augment the modernization of our air traffic control system and make our skies safer, even as the growing economy stimulates growing volumes of air travel.
- These investments will help people get to where they need to go safely and efficiently.
- We can all be proud of DOT accomplishments during the past six years:
 - Roads and bridges are already in better condition and they are performing better in meeting our needs.
 - Amtrak ridership is on the rebound, and transit ridership has seen double-digit growth since President Clinton took office.

- Air travel is at record levels.
- We are ensuring continued mobility as we meet the Year 2000 computer challenge.
- We have aggressively implemented the Americans with Disabilities Act and expanded accessibility to over-the-road buses. As a result, our transportation system is becoming more accessible for all Americans, something that will grow in importance as people live longer in the 21st century.
- The FY 2001 budget will follow very much the same focus as the 2000 proposal, which is ensuring the safety, efficiency and reliability of our nation's transportation system in partnership with state and local governments.
- (Issue areas you would like them to consider.)
- (Issue areas where, notwithstanding the need for OIG to remain independent, the Department would prefer OIG avoid, and why.)
- Again, thank you for inviting me, and I would be glad to answer any questions you may have.

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Remarks by

Deputy Secretary of Transportation Mortimer Downey

Diversity Awareness Session

Nassif Building, Room 2230

June 21, 1999

1:30 - 3:30 pm

Thank you, Maurice (Maurice Bank, DOT's Diversity Advocate), and good morning. I hope you don't mind my interrupting the session for a few minutes to talk to you about how important managing diversity is for the Department of Transportation.

Diversity, to me, means giving people, no matter their race, color, age, gender, religion or national origin, equal opportunity and treatment. Diversity is respect for others' opinions and cultural differences, and it is a process we encourage not just because it is right for people, but because it is right for our organization and its success.

In today's complex world, we need to find innovative ways to do our work more efficiently. One way to do that is to seek out and welcome the different perspectives and ideas that a diverse workforce can offer.

Secretary Slater and I are committed to creating and maintaining a Department of Transportation (DOT) environment where all employees have the opportunity to develop their potential and contribute fully to mission accomplishment.

We will, so long as we are here, move to create a Department that supports and encourages the contributions of all employees and where any tolerance of discrimination or harassment has been eliminated.

Virtually all of the modal administrations are working on managing diversity. Some organizations are creating programs to prepare employees for advancement. They are encouraging employees to suggest innovative methods for accomplishing their jobs more efficiently.

The Office of the Secretary should be there with our colleagues, setting an example within DOT and the government as an organization that values people's differences and encourages personal and professional growth and development. That's why you are all here today -- so that we can begin an assessment of where as an organization we are in terms of achieving the diversity goals that Secretary Slater announced in January of 1998.

We want all of our employees to be a part of ensuring that everyone in OST and at DOT is valued and given a chance to meet their full potential. We are asking our managers and supervisors to support this effort by making employees available for the focus groups and other activities that will be part of this process.

When the assessment is completed, we will share the results with you and implement actions so that all DOT employees who are willing to work hard and use their talents will have an opportunity to grow with the organization.

Most of you probably remember the commercial that stated, "A mind is a terrible thing to waste?" Well, an employee -- especially one who has skills and ideas he or she wants to contribute -- is also a terrible asset to waste. Our employees -- all of them -- are assets, and we need our leaders to support diversity and to recognize people's potential. You do not have to be a manager or supervisor to be a leader.

Secretary Slater often says, "no employee in DOT or job in DOT is inherently more important than any other." What's also true is that when it comes to an issue like diversity, no one is inherently more responsible for results than another person. This isn't just Maurice Banks' job, or Mort Downey's job or Rodney Slater's job. It's a job for every one of us.

Embracing diversity not only helps us accomplish our missions, but also makes our work environment more positive and interesting.

In the coming decade, as we work to make our transportation systems safe and efficient, I believe that diversity will be one of our greatest strengths in meeting our responsibilities. I **challenge each of you** to make an individual commitment to the assessment we will be conducting over the next several months -- and each of you to be aware of and celebrate diversity.

Thank you for being here today and every day.

**Remarks by
Deputy Secretary of Transportation Mortimer Downey
During a Reception to Celebrate
the Retirement of Dr. John J. Fearnside
Fort Myers Officers Club
Arlington, Virginia
June 23, 1999**

It is a pleasure to be here to pay tribute to Jack Fearnside, who I have known and worked with for more than 25 years. Jack and I met during the Carter Administration when he was chief advisor to then-Deputy Secretary of Transportation Alan Butchman (who will be speaking in a few minutes).

In his years at the Department, Jack gained a lot of insight into the Federal role in transportation -- both the technical and the political. For me, he has been the voice of common sense and insight. I have always valued his opinions on the transportation and technology issues of the day.

When it comes to transportation technologies, Jack is a visionary. He asks the right questions, such as: What are the incentives? Who are the users and what are their needs? What are the costs versus the benefits?

Jack has always been, as Jane noted, particularly helpful to the Department of Transportation in the field of aviation. He has been instrumental in helping the FAA to develop the NAS Architecture plan. We believe the plan will make National Airspace System safer and more efficient for a century that promises increased demand for air transportation.

While Jack has worked primarily in the field of aviation in recent years, he has had ample experience in surface transportation issues. As a matter of fact, Jack Fearnside put ITS on the map. He is one of the 2 or 3 people who “invented” Intelligent Transportation Systems,” and he is one of the founders of the predecessor organization for what is now ITS America.

Today, we see the rewards of Jack’s vision in computerized signs on the highway warning us of blocked lanes or construction delays or in automated toll booths. We would not be enjoying the safety and efficiency benefits of ITS if it weren’t for innovative thinkers like Jack Fearnside.

Jack, we all recognize your life-long record of achievement in the field of transportation, and we will hope that you will continued to stay involved -- on your cell phone in between golf shots of course!

Congratulations on a stellar career in the field of transportation!

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**Spirit of Innovation in Transportation Conference
Next-Generation Cybertechnology, Session II
Chaired by Deputy Secretary of Transportation Mortimer Downey
2-5 PM, Thursday, June 24**

INTRODUCTION TO SESSION AND FIRST PANEL

WELCOME

- I'm pleased to welcome all of you, and especially our distinguished panelists, to this session of the Spirit of Innovation Conference.
- This morning and at the luncheon we heard about the potential that innovative technologies have to transform transportation. Now we have the opportunity to spend the afternoon talking about some existing and potential innovations and what they may mean for 21st century transport.

SESSION TOPIC

- The topic of cybertechnology—information and communications technologies in particular—is absolutely central to many of the changes now occurring in the transportation sector. It is only by taking the fullest advantage of these and other new tools that we will be able to realize the vision which Secretary Slater presented just a short while ago.
- The Department of Transportation and all of the transportation modes are deeply involved in this ongoing revolution. Some of our Departmental activities include modernizing the air traffic control system, moving into the deployment phase of intelligent transportation systems, and fostering the creation of truly intelligent highway vehicles, as well as representing the entire civil sector in achieving effective exploitation of the GPS system.
- In my role as Chair of the National Science and Technology Council Technology Committee, I have been particularly impressed at how much opportunity there is for both government and business to advance through technological innovation and associated new ways of operating and doing business. Many of these opportunities are based on cybertechnology applications. What's evident is that each seeks and will do a better job of capitalizing on these opportunities if we maintain close relations on our mutual efforts.

- This session will have two parts. The first will look at stand-alone or autonomous cybertechnology applications, such as on-board automobile crash-avoidance systems and tools to support cockpit flight crews – which they can do to improve safety and efficiency
- After a short break, we will then turn to an examination of system-level applications, focusing on use of cybertechnologies to support operations management and seamless intermodal movement of goods and people – meeting future demand at a time when system expansion will already be constrained.
- Certainly any of these topics could be the subject of an entire conference, and we only have three hours. But I'm sure that the brief glimpse our panelists will provide you with a new appreciation for the opportunities that are out there.

AGENDA

- (*Agenda Vugraph*) Here's the roadmap for this afternoon's session. I'm afraid we'll have to be firm with our speakers so that we can hear from everyone and still have sufficient time for the discussion periods after each of the panels. For the same reason, I have to ask that you hold your questions and comments until these discussion periods.

<i>Agenda</i>		
2:00 PM	Welcome, Session Purpose, Introductions	Deputy Secretary Downey
2:10	Cybertechnology Overview	William Koff, CSC
2:25	Panel 1 Presentations	Panel Members
3:20	Panel 1 Discussion	All
3:35	Break	
3:45	Introduction of Panel 2	Deputy Secretary Downey
3:50	Panel 2 Presentations	Panel Members
4:45	Panel 2 Discussion	All
5:00	Session Close	

INTRODUCTION OF PANELISTS FOR PANEL 1

- Getting down to business, let me introduce our first panel, which will address stand-alone cybertechnology applications. Biographical notes on all the speakers are contained in your conference handout, so—in the interest of saving time—I will keep my introductions very brief.
- **Brad Parkinson** has been a national leader in the development and implementation of GPS, which has been a fundamental building block in many of the transportation system technologies we'll be talking about. In the US Air Force portion of his career he created and ran the NavStar GPS program office in the critical years from 1972 to 1978. Since 1984 he has been at Stanford University where he now holds an endowed chair. He has received numerous prestigious awards, and currently leads numerous GPS research efforts at Stanford.
- **Jim Wayman** directs the US National Biometric Test Center and teaches at San Jose State University. Formed in 1995, the Test Center was established to advise government agencies on the use of biometric identification devices, and is at the heart of a technology for which applications are rapidly expanding in an era of concern about transportation security.
- **Dave Wohleen** recently became President of Delphi Delco Electronics Systems. He is also Vice President of its parent organization, Delphi Automotive Systems, which is a diversified supplier of automotive components, systems, and modules. Delphi's corporate heritage goes back more than a century. Dave began with General Motors in 1978, and ever since has had a diverse series of assignments that have fitted him well to address opportunities created as the personal motor vehicle meets up with the computer age.
- **Tim Fehr** comes to us from Boeing, where he is vice president of Airplane Systems for Commercial Airplanes. He is responsible for the overall leadership and direction of the Systems group, which includes avionics and electrical, flight, and cabin systems. His career at Boeing began in 1967, and has involved a wide range of engineering and management assignments. I hope this will tell us how Boeing is assuring safe flight post-Y2K.

INTRODUCTION OF OVERVIEW SPEAKER

And to set the tone for this afternoon's session, it is now my pleasure to introduce **Bill Koff**, who will provide an overview and context for both of our panels. Bill is particularly well suited for this role. He is a Vice-President and Chief Technology Officer of CSC Consulting. He is also the chair of Computer Sciences Corporation's Leading Edge Forum, a management committee consisting of the chief technologists from each of CSC's divisions. Bill is a twenty-year career consultant, and has been with CSC for twelve years, working on a wide variety of applications in many diverse industries. I'm looking forward to his remarks.

[Overview Presentation - Bill Koff]

PANEL 1 PRESENTATIONS

- Thank you, Bill. That was very thought-provoking and gets us off to an excellent start.
- **Brad Parkinson** will now tell us about the Global Positioning System--how we've gotten so far already, and where we're going next.

[Parkinson presentation]

- Many transportation functions depend on accurate and trustworthy identification of individuals. **Jim Wayman** is going to describe where we are and where we're going in biometrics.

[Wayman Presentation]

- **Dave Wohleen** is going to bring us up to date on the outlook for major enhancements to the safety, efficiency and user-friendliness of the dominant US mode of transportation--the passenger automobile.

[Wohleen Presentation]

- **Tim Fehr** is here to describe Boeing's perspective on the ongoing evolution of advanced technology for aviation, particularly as experienced by the flight crew in the cockpit.

[Fehr Presentation]

DISCUSSION PERIOD FOR PANEL 1

- I've particularly enjoyed the breadth of the topics we've just heard about. I think we owe the panel a special vote of thanks. *[Leads applause]* Now I'd like to throw it open to the audience to ask the questions and make the comments you've been storing up. Please wait for the microphone so that the tape picks up your question and identify yourself.

[Discussion Period]

CONCLUSION OF PANEL 1

- I'm sorry we have to cut this off, but our time is up. You've been a good audience, and deserve a minute to stretch and get some refreshments before the second panel. But we're running express today, so please keep to the ten minutes we've scheduled for the break. There will be plenty of time for informal discussion after the session and at the reception tonight.

[Break]

SECOND PANEL

TOPIC OF PANEL 2

- Thank you for your promptness in returning. For the second panel, we're changing gears a little. We'll be looking at ways that cybertechnologies are changing the way entire transportation systems are managed and used, including the opportunities that are being created by information technologies. We've long talked about seamless intermodal transportation, and a key element in bring that into being is going to be the application and integration of cybertechnologies. Our panelists are well qualified to broaden our insight into what lies ahead in this area.

INTRODUCTION OF PANELISTS FOR PANEL 2

- **Bob Denaro** is Vice President and Director of Motorola's Telematics Consumer Products. Bob has lead Motorola's development of Intelligent Transportation System products since 1990, focusing on telematics-specific products since 1993. Previously he was Director of Motorola's Position and Navigation Systems Business, and prior to that was Vice President of Trimble Navigation, where he managed the development and deployment of vehicle location and fleet management systems for commercial markets.
- **Al Wallace** teaches in Decision Sciences and Engineering Systems, an interdisciplinary department at Rensselaer Polytechnic Institute. As a researcher and a consultant, Professor Wallace has over 25 years experience in research and development of decision support systems for industry and government. He is the lead author of the recent National Research Council report *Applying Advanced Information Systems to Ports and Waterways Management*.
- **Bohn (pronounced BONE) Crain** joined CSX Corporation in 1989, serving in Alaska for seven years to support construction of a pipeline to move North Slope gas from Prudoe Bay to Valdez. (CSX holds a majority interest in Yukon Pacific, which is promoting construction of the Trans-Alaska Gas System to transport Alaska's North Slope natural gas to Valdez for export to Asian markets.) Since 1996, he has been at corporate headquarters, where one of his current roles is Treasurer of BridgePoint, a CSX enterprise that is advancing Internet technologies that could revolutionize how we look at transportation.

- **Sanjay Srivastava** (pronounced Sri-vas-ta-va) is Director of Business Strategy and Planning for Hewlett Packard's Enterprise Computing Solutions Organization. He is leading the North American roll-out of HP's e-services initiative. He has previously been responsible for various functions in worldwide product marketing in mission-critical computing applications.

PANEL 2 PRESENTATIONS

- We'll begin by hearing from **Bob Denaro**, who will discuss the application of communication and related technologies to consumer products.

[Denaro presentation]

- **Al Wallace** will now talk about the findings of the National Research Council study on applications of maritime advanced information systems.

[Wallace Presentation]

- **Bohn** (pronounced BONE) **Crain** is going to give us the CSX perspective on the application of communication and information technology to provide the shipping community with tools to manage logistics across modes and carriers and achieve seamless global transportation

[Bohn presentation]

- Our final presentation will be by **Sanjay Srivastava** (pronounced Sri-vas-ta-va), who will give us his expectations for Chapter 2 of the Internet, as it evolves from its current role as "web of data" to become a "web of applications".

[Srivastava presentation]

DISCUSSION PERIOD FOR PANEL 2

- Each of these presentations has expanded my perspective on how these technologies are changing the way transportation is done. I thank all of you very much for your efforts. *[Leads applause]* Now we move once more to the discussion period. Again, please wait for the microphone and identify yourself.

[Discussion Period]

CONCLUSION OF PANEL 2

- Once again we've run out of time before the ideas and enthusiasm have stopped flowing—the sure sign of a successful session. I hate to stop, but there are several important activities left on today's schedule, including viewing the exhibits and enjoying the reception and dinner. Again, I thank all of the speakers and the audience for a most stimulating afternoon.

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Making New York's Transportation System Efficient and Competitive

Remarks by

Deputy Secretary of Transportation Mortimer Downey

Before the

Citizens Budget Commission

Tuesday, June 29, 1999

Grand Hyatt Hotel

Park Avenue and 42nd Street

New York, NY

Good morning, and thank you Diana (Fortuna, CBC President) and Gene (Keilin, CBC Chairman). It's good to be back on familiar territory and on all-too-familiar issues -- issues that are relevant not only here in New York, but around throughout the country -- transportation infrastructure and competitiveness.

This nation would not be the economic powerhouse that it is today without the transportation systems we have invested in over the last half century. Parenthetically, it's likely that a lot more of New York's investment took place earlier in the period (before 1950) than elsewhere in the country. Here, and around the nation, we will not continue to thrive unless we have the vision to plan and invest enough to maintain the systems we have and create new ones that work together efficiently.

At a time when the national economy is showing continuing strength, the New York Metro region is enjoying its own renaissance. But the region's aging infrastructure should make area leaders and citizens less-than-confident about the future. The Government Accounting Standards Board (GASB) was "right on" when it asked municipalities recently to account for the status of their infrastructure as part of their financial reporting. It's a good test to assure that we're not just running down our capital.

Alan Hevesi anticipated the need for such reporting with the recent comptrollers report on the City's capital needs. As cited in the CBC report, he estimated that the Metropolitan Transportation Authority is lacking \$10.7 billion of the \$20.4 billion it needs to achieve a state of good repair for even the Transit Authority systems and facilities. With respect to achieving a state of good repair for highways and related facilities (such as bridges), a total of \$12.2 billion is needed between 1998 to 2007 with a shortfall of \$4 billion.

This should be of real concern for the region. Despite healthy budget surpluses at many levels of government, not enough public money is being allocated to cover the cost of repairing and maintaining all of the region's infrastructure. It is a problem that demands everyone's attention and ideas – public officials at all levels and, of course, commuters and businesses that depend on the region's transportation infrastructure.

I want to commend the Citizens Budget Commission for a timely and insightful study. You used valid criteria and solid data comparing New York's surface transportation systems with its top two domestic competitors, Los Angeles and Chicago. You also considered three of New York's international competitor cities, including London, Tokyo and Paris.

You asked good questions and came up with solid answers and excellent ideas. For example, you note that what makes any city important is the ground transportation that links it to a regional economy and workforce. Without such links, the Big Apple might not be considered the global center that it is today.

Having included important conclusions about the importance of transportation to New York's current competitiveness, the paper looks beyond the present to where you want to be over the next several decades. The Commission raises concerns about operating efficiency and service, funding to maintain existing systems, and the need for expanded or new capacity. I don't think, however, that these are independent issues. Operating effectiveness is highly influenced by capital decisions – both in terms of making the existing system work better and selectively investing to serve changing needs.

The MTA's work since 1982 is a case in point – no question that the system is operating better with new equipment and that the once-controversial investment in metrocard is making it work smarter and more effectively, increasing ridership. At the same time, one has to ask:

Is a system laid out in the early part of the 20th century well-suited to continue service well into the 21st?

The international comparisons, in particular, show systems that are able to make a good state of repair and system expansion their priority, and I think the results will increasingly be clear.

Investment for system capacity will take on greater importance, and the paper suggests wisely that not all of the needs translate into high-cost construction.

A major point it makes is that there are ways we can relieve peak-hour congestion without new or upgraded infrastructure. Pricing policies – such as variable fares and tolls – have been found to be effective but still face severe political hurdles. We also need to continue encouraging employers to offer flexible hours to achieve greater transit system efficiency.

You also found that the transportation systems of our overseas “competitors” tended to be “hybrid” or, as we at DOT like to say, intermodal. In Tokyo, London, and Paris, a rider can leave a commuter rail and make a connection with the rapid rail lines with no new fare payment at a large number of stations. In these cities, commuter rail intersects rapid rail often along its route rather than only at a major terminal. Commuter rail-like services are typically extended into Central Business Districts (CBDs) and serve a distributive function as well.

Today, I am going to challenge you -- the leaders and citizens of the New York region -- to think hard about doing both repair and investment. I want you to envision future needs and potential new capacity that’s consistent with environmental objectives and with emerging regional development and how we could leverage traditional or non-traditional resources, both public and private, to finance it.

I am asking you to think about how we could not only continue bringing this system to a state of good repair and holding it there, but also how we can use and build onto our existing transportation system in a way that improves efficiency. Not one or the other, but a mix that reflects the special importance of transportation in this region.

Despite limited public budgets, I think that the time is here to take a bolder approach in considering how to make the New York region's transportation system competitive into a new century. Wall Street takes risks every day, risks that some of us might question, and those investments have made our American economy the strongest it has ever been. But it's not all ".com" that makes an economy work. We also must be willing to take some risks to improve our transportation system.

We need to consider the transportation needs of the New York metro region in light of expected population, not just in terms of serving commuters today. We need to think about the transportation services that make it possible, as the paper points out, for 3 million people to enter Manhattan every day, for 2 million jobs to be filled with a productive workers and what those "face to face" jobs mean for a vibrant economy -- and for New York's competitive advantage.

The last time I looked, New York is not manufacturing much or generating much income from natural resources. People are New York's major economic asset and it's competitive advantage. How to move them and how to meet future needs ought to be your most important investment decisions.

We need to consider the transportation needs of an aging population and what that will mean for the system. And, we need to consider the projected growth in commerce and how we will ship all of those goods in and out of the region.

The proposed East River tunnel connecting Long Island Railroad to Grand Central station is one example of new capacity now being considered. This is an idea that responds to new development patterns and tries to move it towards the “hybrid.” It would be a godsend for Long Island commuters who work on the East Side. The price tag? Apparently, at least \$3 billion.

Another oft-mentioned project these days is the proposed Second Avenue line on Manhattan’s East Side, fulfilling a 50-year-old promise to relieve overcrowding of the Lexington Avenue line. Commuters on the 4,5, and 6 lines say they have it worse than sardines because at least “Sardines know they’ll get a spot in the can.” The Regional Planning Association suggests that this spine be the basis for extending lines to underserved sections of the Bronx, Queens, adding 250,000 riders a day. The price tag for this project? \$13 billion.

The problem, of course, is money. Where does the money come from to maintain and invest? That is one question that will not be answered today, this week or even this month. Figuring out how to finance new transportation infrastructure will take time. It will also take innovative thinking on the part of many -- public and private sector players. It will take, we at the Department believe, partnerships with the means to tap the underlying values that transportation investments can create.

TEA-21, the Nation and the New York Region

I expect we at the Federal level will be part of that partnership, but the future of our activities and investment over the next few years, at least, is foreshadowed in TEA-21 -- the surface transportation law which celebrated its first birthday on June 9, 1999.

While TEA-21 and the Federal Government are not the answer to filling gaps of the magnitude in the CBC report, they will make a major difference in what can be accomplished in the next 5 years. I'd like to spend a few minutes on how TEA-21 will help make the transportation systems of the nation and of New York more efficient and competitive.

TEA-21 guaranteed a record \$198 billion of surface transportation investment while still protecting our commitment to a balanced budget.

TEA-21 expands core highway programs while maintaining the opportunity (well known and well exercised in New York) to use those funds flexibly. The budget negotiations with Congress left the door open for up to \$20 billion in additional investment as part of the annual budget process over its six-year life, and we are seeking \$1.5 billion in new money this year as a result of increased highway tax receipts. I wish Congress agreed with us that more of the money should go for transit.

The law gives states and localities greater flexibility in using federal funds for transportation. TEA-21 provides a record \$1.3 billion to develop and deploy advanced Intelligent Transportation Systems. So, while we do not think that high tech is not the only answer for the new century, we can use it to our advantage in transportation. There's a lot that can be done with ITS, but New York has a long way to go especially in light of the slow progress on the model deployment project.

Under TEA-21. Infrastructure funding for New York State increases by 35 percent -- to more than \$1.3 billion per year over six years -- compared with the last Federal surface transportation law (ISTEA). New York State will receive an average of \$800 million in transit funding and almost \$850 million for highway construction and repair per year.

This funding did not come easily. New York's Congressional delegation pulled out a major victory during the debate which created TEA-21. The substantial level of funding is justified given the national share of New York's transportation activity, but it is not without controversy.

A current Senate proposal would re-open last year's funding decisions. Capping the Federal transit funding any state can receive at 12.5 percent of the national total amount. This proposal would affect two states, New York and California. If the provision were in place this year (FY 1999), New York would lose \$176 million. The administration has made clear the inequity. Already, New York receives only 16 percent of total Federal transit funding for its 34 percent of all transit trips. We will work to maintain the TEA-21 transit funding agreement.

Perhaps most significantly in the long run, TEA-21 creates new ways to help pay for major transportation improvements. Last month, DOT announced the availability of \$70.6 million in what we call credit support funding that will be leveraged under the new credit assistance program, known as the Transportation Infrastructure Finance and Innovation Act, or TIFIA.

TIFIA will assist in financing up to \$10.6 billion for public and private sponsors of major surface transportation projects of national significance. Financing will come in the form of direct loans, lines of credit, or loan guarantees. The program is designed to fill market gaps and leverage substantial private co-investment by providing supplemental capital.

A good example is the project to expand Penn Station capacity for Amtrak by rebuilding the Farley Post Office into a rail terminal. Its sponsors have applied for \$ () in TIFIA financing to move ahead on the new Penn Station as part of the new Northeast corridor.

TIFIA was inspired by a \$400 million loan for California's Alameda Corridor freight rail project, which we made at a budgetary cost of just \$59 million, a set-aside amount pegged to the risk factor. The \$400 million federal loan was the factor that capped a total \$2 billion funding package -- one that's now in place -- making the entire project viable.

The New York Metropolitan region could benefit greatly from TIFIA, but its leaders in the public and private sector will have to make a strong case and show a lot of creativity to win the financial assistance the program offers.

Conclusion

I encourage you and state and local leaders of the New York Metro region to become familiar with and to take advantage of TEA-21 programs. The challenges that you face in making the New York region's transportation infrastructure more efficient, competitive and suitable for the 21st century means that we will have to work together to find solutions.

The Federal government can help with funding and with capital financing, but we cannot do it all. We are asking our partners in state and local governments and in the private sector to find new ways to fund and finance projects that benefit their citizens and their businesses. It is likely that users will be asked to pay more for using the transportation systems, whether it be rail, transit or air. But I am confident that the capacity exists to finance the projects that are really needed to support strong economies.

Again, I greatly appreciate the work of the Citizens Budget Commission. I have given copies of your paper to senior leaders at the Department. It was well done and will be valuable as we make decisions in how to allocate funding for the New York Metropolitan Region.

Thank you very much, and I look forward to a lively panel discussion.