



U.S. Department of
Transportation

News:

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

FOR IMMEDIATE RELEASE
Tuesday, April 5, 1994

DOT 49-94
Contact: Bill Mosley
Tel.: (202) 366-5571

DOT, CITING LORENZO'S INFLUENCE,
REJECTS ATX APPLICATION

The Department of Transportation today rejected the application of ATX, Inc. to operate as an air carrier, citing the past safety and regulatory compliance problems experienced by airlines run by Frank Lorenzo, the former chairman of the Texas Air Corp.

In its final decision, the department said that the record fails to demonstrate that Lorenzo, who is the principal owner of ATX, has sufficient commitment to safety or to comply with legal requirements.

Both Eastern Air Lines and Continental Airlines, while they were owned by Texas Air and controlled by Lorenzo, experienced operational, maintenance and labor-related problems that were among the most serious in the history of U.S. aviation, the department said. These problems resulted in an extraordinary level of federal oversight to ensure the public's protection, DOT added.

In order to determine whether a company is fit to operate as an air carrier, the department reviews three areas: (1) whether the company will have the managerial skills and technical ability to conduct such operations; (2) whether it will have access to sufficient resources to begin and continue operations without posing undue risk to consumers; and (3) whether it will comply with the law and the regulations imposed by federal and state agencies. DOT must also determine whether the company is a U.S. citizen.

In an order signed by Acting Assistant Secretary for Aviation and International Affairs Patrick V. Murphy, the department said that while ATX has adequate financing and meets the citizenship requirements, managerial competence and compliance disposition are lacking. Under Lorenzo, the department said, Eastern and Continental repeatedly failed to prevent and correct maintenance and operational problems that compromised safety, adopted policies and programs that inhibited the carriers' ability to resolve safety-related problems, and failed to obey laws designed to ensure compliance with safety standards.

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The department's Federal Aviation Administration found repeated violations of maintenance regulations at Eastern during inspections held in 1986-88, as did the Department of Defense. FAA also found that the carrier's pilots were pressured to fly aircraft that needed maintenance, and that mechanics were pressured to perform maintenance inadequately, in order to meet on-time departure goals. In February 1991, Eastern pleaded guilty to improper maintenance and falsification of records that occurred in large part during Lorenzo's tenure, and paid a fine of \$3.5 million. FAA also found deficiencies in Continental's maintenance and training during this period.

DOT added that both Continental and Eastern had consumer complaint records that were among the worst in the industry during Lorenzo's tenure at the carriers.

While ATX has maintained that Lorenzo would not be involved in the day-to-day operations of the company, the department noted that he founded the company in April 1991, provided the initial financing, was initially the majority stockholder, hired the company's president, Stephen Kolski, and was involved in the hiring of other key personnel. Among ATX's directors, only Lorenzo and Kolski have airline experience.

ATX, then called Friendship Airlines, Inc. filed an application on March 29, 1993 to provide domestic scheduled air service from the Baltimore/Washington area. On April 29, the department announced a formal investigation of the company's fitness, to be heard by an administrative law judge (ALJ). On Dec. 22, after a public hearing and numerous submissions by ATX and parties opposing the company's certification, ALJ Robert L. Barton Jr. recommended that the company be found unfit, in part because of Lorenzo's involvement.

On March 29, 1994, the department, in response to ATX's allegations that the review process had been biased, offered to conduct a new proceeding. ATX had charged that, because an attorney on the DOT Public Counsel staff has a brother who is a member of the Airline Pilots Association, which opposed the ATX's application, the proceeding had been prejudiced against the company. The department, while rejecting the charges of bias, nevertheless offered to hold a new hearing in order to assure against even an appearance of impropriety.

The department asked ATX whether the company would waive the statutory deadline of April 5 so that a new hearing could be conducted. On March 31, ATX announced that it would not waive the deadline.

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U.S. Department of
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News:

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

FOR IMMEDIATE RELEASE
Wednesday, April 6, 1994

DOT 50-94
Contact: Bill Mosley
Tel.: (202) 366-5571

DOT ISSUES MONTHLY AIR
TRAVEL CONSUMER REPORT

The rate of flight delays, mishandled bags and complaints about airline service declined in February compared to the previous month, the Department of Transportation reported today.

According to the department's monthly Air Travel Consumer Report, the 10 largest U.S. airlines posted a 73.8 percent on-time arrival rate in February, an improvement over January's 70.5 percent showing. The airlines recorded a 76.9 percent on-time performance in February 1993. In compiling the data, delays caused by mechanical problems are not counted.

The airlines had a mishandled baggage rate of 6.55 reports per 1,000 passengers in February, down from January's 7.82 and February 1993's 6.60.

The department received 658 complaints about airline service in February, almost 12 percent fewer than January's 745 but well above February 1993's total of 451.

Consumers may file their complaints by writing to the Office of Consumer Affairs, U.S. Department of Transportation, I-25, 400 7th St., S.W., Room 10405, Washington, D.C. 20590.

The department reminded consumers who want on-time performance data for specific flights to call their airline ticket offices or their travel agents. This information is available on the computerized reservation systems used by these agents.

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U.S. Department of
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News:

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Washington, D.C. 20590

FOR RELEASE MONDAY
April 18, 1994

DOT 56-94
Contact: Ed O'Hara
Tel.: (202) 366-5571

PEÑA URGES OTHER COUNTRIES NOT TO SPRAY INSECTICIDES ON PASSENGER AIRCRAFT

Concerned about the possible long-term health effects as well as immediate allergic reactions, Secretary of Transportation Federico Peña has urged nations that require the spraying of pesticides on aircraft while passengers are on board to reconsider the practice.

Peña has written to countries around the world to determine which ones require the spraying. It is believed that some two dozen countries currently require such spraying.

"We recognize that obligations to protect public health and agriculture may result in varying disinsection requirements by nations," said Peña in the letter released today. "However, we are now considering various methods of notification of travelers who book flights from the United States to those countries that require spraying, in order that passengers will have a full opportunity to consider their travel options."

The letter asks ministers of transportation to let the U.S. know in 30 days whether their country requires spraying while passengers and crew are on board and if so, what insecticide is used, so that the public can be informed.

The letter says that the United States and most other nations do not require the spraying of aircraft while passengers and crew are on board. The U.S. stopped spraying 15 years ago because of health concerns and the questionable effectiveness of spraying.

Peña said, "We urge those nations that are continuing to spray while passengers and crew are on board...to reconsider their practice" and spray only when the aircraft is not occupied.

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The department said the Environmental Protection Agency is conducting a review of manufacturers' acute-toxicity data to determine whether exposure to aircraft insecticides can pose a significant health hazard.

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News:

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

FOR IMMEDIATE RELEASE

Thursday, April 21, 1994

DOT 57-94

Contact: Luz A. Hopewell

Tel.: (202) 366-1930

DOT INCREASED MINORITY SMALL
BUSINESS AWARDS IN FISCAL YEAR 1993

The Department of Transportation today announced that it provided significantly greater opportunities for minority, disadvantaged and women-owned businesses in fiscal year (FY) 1993.

During FY 1993, more than \$3.6 billion in DOT federal funds were awarded to minority, disadvantaged and women entrepreneurs (DBEs) through the department's procurement program.

DBEs received \$940.7 million -- 23.8 percent -- of the total DOT direct procurements, which includes awards to businesses certified by the Small Business Administration as being small and disadvantaged (8(a) firms) and subcontracts with major DOT prime contractors. This was a significant increase over the FY 1992 figures of \$554.3 million or 15.4 percent.

"I am committed to the small and disadvantaged business program and have taken steps to strengthen participation of minorities and women in DOT's procurement process," Secretary of Transportation Federico Peña said. "I would like DOT's Small and Disadvantaged Business Enterprise program to be a model for the federal government and I have requested that the DOT operating administrations do all in their power to make the small business program even more successful."

DOT has an aggressive policy for reviewing procurements to determine if they can be included in the 8(a) program. Because of this policy, DOT was able to award more than \$577 million -- 14.62 percent -- of its direct procurements to 8(a) companies during FY 1993. This reflects an increase of \$147.3 million over the FY 1992 8(a) awards.

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DOT also has an effective program that encourages DBEs to take advantage of prime contractors' subcontracting opportunities that are available. During FY 1993, small disadvantaged firms received \$95.3 million or 31.46 percent of these subcontracting opportunities, an increase of \$75 million. In addition, women-owned firms received \$71.3 million or 23.54 percent, an increase of \$64.1 million.

DOT's DBE regulations require state and local transportation agencies that receive DOT federal financial assistance to establish DBE goals. Statutes establishing the DBE program in the department's federal-aid highway program, federal transit assistance program and federal airport grant program require, except to the extent the Secretary determines otherwise, that at least 10 percent of the funds authorized for these programs be expended with DBEs. During FY 1993, preliminary data indicates that DBEs received more than \$2.7 billion or 14.37 percent of the highway, transit, air and rail contracts from those DOT-assisted agencies.

Secretary Peña has established pilot bonding and short-term working capital assistance programs in several locations throughout the country to facilitate DBE access to bid, performance and payment bonds and accounts receivable financing to support their transportation-related contracts. This effort paid off recently when contracts were awarded to help repair damaged facilities in California after the recent earthquakes.

DOT is committed to expanding procurement opportunities for minority, disadvantaged and women entrepreneurs to ensure increased participation in all the transportation fields.

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News:

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Washington, D.C. 20590

FOR IMMEDIATE RELEASE
Tuesday, May 3, 1994

DOT 65-94
Contact: Richard Mintz
Tel.: (202) 366-4570

CLINTON ADMINISTRATION ANNOUNCES PLAN TO PUT AIR TRAFFIC CONTROL IN GOVERNMENT CORPORATION

Standing amid examples of outmoded technology including a 1960's vintage, refrigerator-sized Univac computer with a tenth of the power of current laptops, Vice President Al Gore and U.S. Transportation Secretary Federico Peña today presented the Clinton Administration's proposal to create a new government corporation to operate, maintain and modernize the nation's air traffic control system.

"Today's announcement is good news for the traveling public, for the airlines, and for the controllers and technicians who keep the air traffic control system running," Secretary Peña said. "A new air traffic control corporation will decrease delays and inconvenience for travelers, will reduce costs for the airlines and give the people who run the system the modern technology needed to maintain the highest levels of safety and sustain future aviation growth."

Under the proposal, 38,000 Federal Aviation Administration employees directly involved in providing air traffic control services to airlines and private aircraft would become part of a new Air Traffic Services Corporation. The FAA would continue to exercise safety oversight over the corporation, much as it does now over airplane manufacturers and air carriers. Currently the FAA's air traffic control system directs 165,000 flights a day, servicing 1.4 million travelers.

Secretary Peña said, "The air traffic control system operates safely through the combined efforts of the FAA's work force and system users. But to keep the highest margin of safety with their outdated equipment, controllers must increase the separation between aircraft. This increases delays and imposes large cost penalties on airlines, passengers, cargo shippers, general aviation pilots and other users.

"However, a well-structured federal corporation would be free to purchase technology more flexibly, borrow for long-term capital investments and deploy and reward its workers more effectively."

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Operating as a not-for-profit corporation, ATS would derive its support from fees levied on commercial aviation. User fees would be developed in consultation with system users and will be subject to disapproval by the Secretary of Transportation. The ATS will be able to finance capital improvements by using funds raised in private markets.

An interagency committee that studied the issue at the direction of Secretary Peña found that while the FAA's air traffic control system is "the safest in the world," the agency's ability to achieve timely delivery of advanced technology systems is hampered by government regulations.

The interagency committee concluded that a government corporation, freed from the constraints of the federal budget process, could significantly accelerate air traffic control modernization and investment to deliver large benefits to users in the form of reduced costs.

The Department of Transportation will retain oversight through its membership on the corporation's board of directors and the secretary's authority to disapprove the level of user charges. System users will be represented on the ATS board of directors.

The interagency committee cited government procurement, budget and personnel procedures as problems hampering the FAA. Peña said procurement regulations foster delays and increased costs by adding multiple steps to purchases. The FAA cannot easily deploy controllers to cities where they are most needed or offer incentive pay to its best performers -- the way a federal corporation could.

Last January, when Secretary Peña announced the Administration's initiative to help revitalize the aviation industry, he promised to develop a plan to restructure the air traffic control system that would streamline procurement, simplify the personnel process and provide funding stability. The proposal responds to recommendations of the National Performance Review and the national airline commission.

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News:

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FOR IMMEDIATE RELEASE
Wednesday, May 4, 1994

DOT 67-94
Contact: Roger P. Williams
Tel.: (202) 366-1967

DOT INSPECTOR GENERAL ANNOUNCES
CORRECTION TO PRESS RELEASE

Inspector General A. Mary Schiavo of the U.S. Department of Transportation today announced that a correction has been made to a news release (DOT 12-94) issued on Jan. 28, reporting that Robert Morse of Whitesboro, N.Y. had been sentenced to a 14-month prison term for falsely certifying helicopter parts as being airworthy.

In the release, Morse, President of Morse Aero, Inc., an aircraft repair shop near Utica, N.Y., was alleged to have spliced welded tips on two helicopter blades. According to the Office of Inspector General (OIG), Morse was convicted of seven counts of false statements involving the falsification of helicopter maintenance records on two privately owned helicopters.

Although a helicopter on which Morse installed a blade containing a splice weld near the tip was certified by him as being airworthy, his indictment and conviction pertained to false certifications and neither the indictment nor the evidence at the trial indicated that he personally altered helicopter blades.

Morse's conviction is the latest of 59 individuals and corporations convicted as a result of the OIG's nationwide effort to combat the problem of substandard, counterfeit and bogus parts in the aviation industry. Forty-eight persons have been sentenced to 31-years in prison and fines, restitution and other court payments have totaled \$24 million.

Morse has filed an appeal in the Second Circuit of the U.S. Court of Appeals on his sentence but not on his conviction.

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FOR IMMEDIATE RELEASE
Thursday, May 5, 1994

DOT 68-94
Contact: Bill Mosley
Tel.: (202) 366-5571

DOT MOVES TO PROVIDE CONSUMERS
WITH MORE INFORMATION ON
CODE-SHARING FLIGHTS

In order to assure that consumers have complete information about airline code-sharing arrangements on domestic and international flights, Transportation Secretary Federico Peña today directed the department to draft new rules to improve notification of passengers.

Today's announcement follows a DOT probe ordered by the Secretary that disclosed that 30 percent of all air travelers who book international reservations on a code-shared flight may not be told on which airline they will be flying.

The Secretary announced the action in testimony today before the House Public Works and Transportation Subcommittee on Aviation.

"Air travelers are entitled to know which airlines will be providing the air service they are buying," said Peña. "With the increasing use of code-sharing service in both domestic and international markets, we are concerned that consumers, after making reservations and buying tickets, may to their surprise discover that they will be flying on an airline other than the one they expected."

Code sharing is the practice of one airline advertising and selling the services of another airline as its own. In airline computer reservation systems, travel between two points is listed under one flight code, even though the flight often involves more than one airline. This allows the cooperating carriers to market "seamless" service with respect to airport connections, baggage handling and ticketing.

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Today's action comes after the Secretary directed DOT's Aviation Consumer Affairs and Enforcement offices to investigate the extent to which airlines and travel agents disclose international code-sharing relationships. More than 200 reservation calls to a total of 15 airlines and 20 travel agencies were made. Overall, these companies failed to give adequate information 30 percent of the time and two airlines routinely did not disclose the carrier actually operating the flight.

The Enforcement Office is pursuing corrective action against those companies that failed to provide adequate information. This could involve civil penalties for the most serious offenders and warning letters for others.

"The disclosure rates were unacceptable," Peña said. "New rules are needed to ensure that passengers are informed of the actual carrier they will be using when they receive their tickets and when they call for a reservation, regardless of whether that call is made to an airline or a travel agent or whether the code-sharing carriers are both U.S., both foreign or one of each."

DOT will issue a notice of proposed rulemaking in the next 90 days aimed at significantly improving overall disclosure. Current rules require U.S. airlines to give reasonable and timely notice of code-sharing arrangements, including telling prospective passengers which airline will actually provide the service. Flights by foreign airlines are not covered directly by the current code-share rules; however, DOT has applied those rules to foreign carriers as a condition of approval of code-share arrangements between airlines. DOT's current code-sharing rules also do not apply directly to travel agents although they must refrain from unfair or deceptive consumer practices.

Domestically, major jet carriers sell code-shared flights with smaller commuter airlines to market service to more points. U.S. airlines increasingly now offer code-shared flights with foreign airlines, which allows U.S. carriers to sell flights to more international points. Similarly, code-sharing gives foreign carriers the ability to inform passengers originating overseas about coordinated services to many more U.S. points.

In the last two years, many U.S. carriers have initiated or are planning code-sharing arrangements with foreign airlines including Northwest with Netherlands-based KLM, USAir with British Airways, United with Germany-based Lufthansa, Continental with Air France, and Delta with U.K.-based Virgin Atlantic.

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FOR IMMEDIATE RELEASE
Thursday, May 5, 1994

DOT 69-94
Contact: Bill Mosley
Tel.: (202) 366-5571

AIRLINES IMPROVE ON-TIME, BAGGAGE RECORDS IN MARCH, DOT SAYS

The nation's largest airlines improved their overall on-time performance and baggage handling marks in March, the Department of Transportation said today.

In releasing its monthly Air Travel Consumer Report, the department said that the nation's 10 largest airlines posted an 82.6 percent on-time arrival rate in March, an improvement over both February's 73.8 percent mark and the 73.6 percent rate recorded in March 1993. In compiling the data, delays caused by mechanical problems are not counted.

The carriers had a mishandled baggage rate of 5.39 reports per 1,000 passengers in March, down from February's 6.55 and March 1993's 6.91.

The department received 624 complaints about airline service in March, down from February's 658 but more than the 580 total counted in March 1993.

Consumers may file their complaints by writing to the Office of Consumer Affairs, U.S. Department of Transportation, I-25, 400 7th St., S.W., Room 10405, Washington, D.C. 20590.

The department reminded consumers who want on-time performance data for specific flights to call their airline ticket offices or their travel agents. This information is available on the computerized reservation systems used by these agents.

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U.S. Department of
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News:

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

FOR IMMEDIATE RELEASE
Monday, May 23, 1994

DOT 77-94
Contact: Roger P. Williams
Tel.: (202) 366-1967

INDIANA MAN SENTENCED IN FALSE CERTIFICATION CASE

Inspector General A. Mary Schiavo of the U.S. Department of Transportation today announced that Robert Skaggs Jr. of Henryville, Ind., was sentenced to three-years probation, 100-hours of community service and fined \$600 after pleading guilty to two-counts of making false statements.

Skaggs, an employee of Skaggs Aero, also known as the Franklin Engine Club, overhauled aircraft engines and placed the required Federal Aviation Administration (FAA) "yellow tags" on them to show the repairs had been performed by a FAA-certified mechanic, when, in fact, they had not.

Judge John Daniel Tinder of the U.S. District Court for the Southern District of Indiana in Indianapolis also ordered that Skaggs not be involved in any aircraft maintenance during his probation period.

Prosecution of the case resulted from an extensive investigation conducted by DOT's Office of Inspector General's Chicago Regional Office and was handled by Assistant U.S. Attorney Christina McKee.

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U.S. Department of
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News:

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

FOR IMMEDIATE RELEASE
Monday, June 6, 1994

DOT 83-94
Contact: Bill Mosley
Tel.: (202) 366-5571

DOT RELEASES MONTHLY
AIR TRAVEL CONSUMER REPORT

The Department of Transportation today released its monthly Air Travel Consumer Report providing information on airline flight delays, mishandled baggage and consumer complaints for April and passengers denied boarding, or bumped, for the first three months of 1994.

According to the report, the 10 largest U.S. airlines posted an 83.0 percent on-time arrival record in April, up slightly from both March's 82.6 percent mark and the 82.9 percent rate recorded in April 1993. In compiling the data, delays caused by mechanical problems are not counted.

The carriers had a mishandled baggage rate of 4.80 reports per 1,000 passengers in April, an improvement over both March's 5.39 and April 1993's 5.17.

The department received 582 complaints about airline service in April, down from March's total of 624 but more than the 544 complaints recorded in April 1993.

U.S. airlines posted an involuntary denied boarding rate of 1.57 bumps per 10,000 passengers during the first three months of 1994, up from both the rate of 1.15 for the previous quarter and the 1.24 mark for the corresponding period of 1993.

Consumers may file their complaints by writing to the Office of Consumer Affairs, U.S. Department of Transportation, I-25, 400 7th St., S.W., Room 10405, Washington, D.C. 20590.

The department reminded consumers who want on-time performance data for specific flights to call their airline ticket offices or their travel agents. This information is available on the computerized reservation systems used by these agents.

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U.S. Department of
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News:

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

FOR RELEASE MONDAY
June 6, 1994

DOT 84-94
Contact: Ed O'Hara
Tel.: (202) 366-5571

POLICY ON FAIR AIRPORT FEES PROPOSED BY DOT

A proposed policy on fair and reasonable rates and charges that airports can collect from airlines and other users was issued Friday by the Department of Transportation and the Federal Aviation Administration.

Secretary of Transportation Federico Peña said the Department is seeking public comment on the proposal, which explains policy on airport practices the Federal Aviation Administration would find consistent with federal requirements.

He said the policy would provide guidance to airport operators and airport users when negotiating rates and charges. The policy would also form the basis for FAA to evaluate any complaints about or challenges of airport rates and fees.

A public meeting to obtain comments from interested parties on the proposed policy will be scheduled in Washington, D.C.

The policy statement urges airport operators and airlines and other users to negotiate rates and fees. "Adversarial proceedings are no substitute for prompt and productive negotiations between directly interested local parties," it says.

However, when necessary, Secretary Peña is prepared to take a more active role in airport-airline disputes over fees and rates. The Secretary and the FAA Administrator have broad authority to review the legality of proposed airport rates and to investigate and take enforcement actions.

The FAA is also proposing procedural regulations explaining how it would handle complaints about airport compliance with federal obligations. When an airport-airline dispute about fees could have a significant adverse impact on the national transportation system, the proposed rules set up an expedited

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process for FAA review. In reviewing user complaint cases, FAA would not determine specific rates, but would determine whether a particular rate was in compliance with requirements.

The policy statement sets forth five key principles and supplemental guidance. The principles address the issues of preference for local negotiation, fair and reasonable rates, unjust discrimination, financial self sufficiency for airports and diversion of airport revenues. They are intended to assist the department in achieving the goal of promoting and maintaining a national aviation system that operates safely and efficiently.

The proposed policy is based on existing laws, regulations, policies and judicial and administrative precedent. As required by federal law, airport sponsors, in exchange for grant funds, agree to follow federal requirements for implementing airport development projects and for operation of the airport.

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U.S. Department of
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News:

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

FOR RELEASE FRIDAY
June 10, 1994

DOT 87-94
Contact: Ed O'Hara
Tel.: (202) 366-5571

PEÑA ORDERS REVIEW OF FAA ACTION ON 757 WAKE TURBULENCE

Secretary of Transportation Federico Peña and FAA Administrator David R. Hinson today directed a review of the FAA's actions regarding wake turbulence associated with the Boeing 757.

"My office will work with the FAA to examine the process and timeliness of the agency's actions in response to safety concerns about 757 wake turbulence. We will also review FAA's response to requests for public disclosure of information about the issue," Peña said.

In May, the FAA issued an interim ruling increasing the required separation from three to four nautical miles between small aircraft following 757 aircraft. This ruling followed FAA's December 1993 advisory to pilots operating under visual flight rules, which require pilots to maintain their own safe separation from the aircraft ahead of them.

"These actions initiated by Administrator Hinson have increased the margin of safety in the system," said Secretary Peña. "But serious questions have been raised regarding the timeliness of the agency's actions over the past several years, preceding this Administration. This review will evaluate whether FAA has the proper procedures in place to ensure that we are apprised of safety concerns at the earliest possible time so that appropriate action can be taken in a timely way.

"The traveling public entrusts its safety to this department. There is no responsibility that Administrator Hinson and I take more seriously," said Peña. "Maintaining that trust and that responsibility is essential."

The Secretary and the Administrator also directed that FAA promptly complete an ongoing review of responses to requests

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for information filed under the Freedom of Information Act.

"The public must be assured the FAA responses to FOIA requests not only comply with applicable law, but reflect the Administration's commitment to open government," Peña said.

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News:

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Washington, D.C. 20590

FOR IMMEDIATE RELEASE
Tuesday, June 14, 1994

DOT 87-94
Contact: Bill Mosley
Tel.: (202) 366-5571

PUBLIC FORUMS TO HELP PLAN HIGH-TECH TRANSPORTATION SYSTEMS

The Department of Transportation announced today that a series of public forums are being held this month to discuss how advanced communications, electronics and computer technologies can best be developed to meet the needs of surface transportation users in the United States.

The forums are co-sponsored by the department and the Intelligent Vehicle Highway Society of America (IVHS AMERICA), a broad-based, non-profit organization that also serves as an advisory committee to DOT.

Forums are planned for Detroit, Hartford, Conn., Arlington, Va., Los Angeles and Houston as part of the ongoing process to develop and utilize "intelligent" technologies for highway and public transit systems. It is expected that up to \$200 billion will be invested in these technologies by public and private organizations over the next 20 years.

"These technologies offer great promise in helping to ease congestion, improve safety and mobility, reduce the environmental harm and energy inefficiencies associated with transportation and increase productivity," said Deputy Transportation Secretary Mort Downey, who will attend the forum in Arlington, Va. "We are seeking broad involvement by all sectors of the public to ensure that needs will be met and priorities will be properly balanced."

At each forum, senior representatives from DOT and IVHS AMERICA will outline the progress of the development and utilization of intelligent vehicle highway systems (IVHS), and direct discussions on what should be included in the National Program Plan now being drafted.

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The dates and locations of the five public forums are:

- o June 20 -- Detroit, Westin Renaissance Center
- o June 22 -- Hartford, Conn., Holiday Inn
- o June 24 -- Arlington, Va., Marriott Crystal Gateway
- o June 27 -- Los Angeles, Renaissance Hotel
- o June 29 -- Houston, Hilton Hobby Airport

These meetings follow a series of forums, also sponsored by DOT and IVHS AMERICA, conducted in April and May on the development of a national "architecture" for IVHS -- how the system will be built and what features it will include.

The forums are free of charge. For registration information, call (202) 484-3483, or write IVHS AMERICA/USDOT at suite 800, 400 Virginia Ave. S.W., Washington, D.C. 20024-2730.

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FOR IMMEDIATE RELEASE
Monday, June 20, 1994

DOT 90-94
Contact: Elaine Matrigali
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THREE DOT NATIONAL SERVICE PROJECTS
CHOSEN FOR FUNDING BY THE CORPORATION
FOR NATIONAL AND COMMUNITY SERVICE

President Clinton today announced that three of the Department of Transportation's National Service Projects were chosen to be funded by the Corporation for National and Community Service (CNCS).

The projects are located in Washington, D.C., Baltimore and Vancouver, Wash. The grants total \$663,705 and include educational awards for 58 young people.

Secretary of Transportation Federico Peña said, "This important initiative addresses the nation's human, educational, environmental and public safety needs through national service. National service and urban youth corps activities can provide benefits for everyone involved - not only the community and the youth, but state agencies as well."

The Washington, D.C. Service Corps will employ 20 young people in the Transit Ambassador program to address the independent living needs of the elderly, people living with AIDS and disabled persons by escorting them to and from their appointments at medical clinics, hospitals, etc., using the D.C. metro bus and subway system. The transit ambassadors will not only assist them, they will also teach them how to use public transportation effectively.

The Baltimore project includes rehabilitation, reclamation and beautification centered in the Sandtown-Winchester community and will fund education awards for 18 corps members. The members will repair sidewalks, construct wheelchair access ramps and plant trees and vegetation in city street medians. Earlier this year, DOT's Federal Highway Administration provided \$250,000 to "kick start" the project.

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In Vancouver, the Washington Service Corps (WSC) will employ 20 young people to rehabilitate, reclaim and beautify transportation-related facilities along the I-5 corridor. Team members will assist in reclamation of the Discovery Trail Project, Pearson Airpark and the Ellen Davis Trail. This project supports national priorities of community revitalization, improving neighborhood environment and crime control. WSC projects have proven to be very worthwhile investments with community benefits typically estimated at three times the project cost.

The National and Community Service Trust Act of 1993 focuses on revitalizing public service in communities across the nation in an inter-cabinet relationship. Corps members will be paired with skilled journeymen and laborers to receive job training in street maintenance, road and sidewalk construction, demolition, landscaping and other related skills.

The program is aimed at providing participants with marketable skills, assistance in advancing their educational and career goals and experience in the work place. At the end of their terms of service, participants may receive educational awards from the AmeriCorps program to pay for further education or to pay off student loans.

The grants DOT received today are part of the \$17.3 million AmeriCorps national direct program.

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News:

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

FOR IMMEDIATE RELEASE
Monday, June 20, 1994

DOT 91-94
Contact: Richard Mintz
Tel.: (202) 366-4570

DOT AWARDS LAGUARDIA \$2.5 MILLION TO EXTEND RUNWAY SAFETY OVERRUN

Secretary of Transportation Federico Peña announced today that the Department of Transportation will award \$2.5 million to extend the safety overrun portion of the main runway at New York's LaGuardia Airport. The award will be followed by another installment of \$5.5 million upon final passage by Congress of the multi-year airport improvement legislation.

The project will extend the safety overrun used by pilots who land "long," from 60 ft. to 520 ft. The award is part of a \$23.3 million request for federal funds by the Port Authority of New York and New Jersey to increase the margin of safety at the airport.

"Our number one priority is the safety of the American traveler," Peña said. "This project increases the margin of safety at the LaGuardia runway considerably. Our goal is to promote safe and secure transportation. Extending the safety overrun at LaGuardia Airport is a strategic investment in America's transportation infrastructure that will pay dividends for decades to come."

Construction is expected to begin next month. The overall cost of the project is \$31.2 million. The overrun will be built on a landfill constructed off the runway into Flushing Bay. Under federal regulations, the government could fund up to 75 percent of the project, some \$23 million, through the airport improvement program. The Port Authority of New York and New Jersey will fund the balance.

The DOT, through the FAA's airport improvement program, already has provided more than \$7 million for this project in the past two years, including funds for preparatory engineering design work.

A safety overrun is located at the end of a runway and is not generally used for takeoffs or landings.

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U.S. Department of
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News:

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

FOR RELEASE WEDNESDAY
June 22, 1994

DOT 92-94
Contact: Richard Mintz
Tel.: (202) 366-4570

PEÑA SAYS DOT TAKES STEPS TO PREVENT BARGE-RAIL BRIDGE ACCIDENTS

Based on an action plan developed last year, the Department of Transportation is taking a number of critical safety steps to prevent an accident like the Amtrak Sunset Limited derailment last September, Secretary of Transportation Federico Peña said today.

Noting that the National Transportation Safety Board met yesterday to discuss its findings on the accident, Peña said, "We appreciate the board's thorough investigation of the accident. We will carefully review the findings and recommendations to build upon the safety actions DOT has already undertaken."

The NTSB concluded that the towboat pilot was lost in the fog when his barges hit and displaced the railroad bridge, and that the pilot's failure to use navigational devices and lack of competency in the use of radar caused the accident.

Peña said, "Immediately after the accident, I ordered a full review of barge safety operations as well as a thorough safety analysis of railway-waterway crossings. As a result of that review, DOT has implemented a series of actions." These actions include:

- o The Coast Guard is developing more stringent licensing standards for towing vessel operators and plans to upgrade requirements for towboats to carry radar and other navigational equipment. Proposed rules are expected to be issued late this year or early next year. The Coast Guard has developed a new radar navigation training course for operators.

- o The Coast Guard will soon require improved procedures for the immediate reporting of barge mishaps and collisions.

- o The Coast Guard and Federal Railroad Administration are

(more)

working to improve railroad bridge inspection procedures and damage detection systems.

o The department is working to strengthen the emergency preparedness procedures for passenger trains.

o The Coast Guard is also surveying all bridges under its jurisdiction to determine the adequacy of existing bridge pier protection and lighting systems.

Secretary Peña said, "With the cooperation of the railroad and barge industries, we will continue to be vigilant in our effort to protect the traveling public and assist the efficient movement of interstate commerce."

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News:

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

FOR IMMEDIATE RELEASE
Wednesday, June 22, 1994

DOT 141-94
Contact: James O'Dell
Tel.: (202) 267-6491

SECRETARY PEÑA ANNOUNCES MARITIME POLICY REFORM INITIATIVES

Secretary of Transportation Federico Peña today announced several initiatives that will enhance maritime policy reform and has directed the U.S. Coast Guard to execute a four-point program to that end. This is the third element of the administration's ship building initiative and its proposed maritime security program.

The initiatives involve vessel design compliance programs and the elimination of unnecessary regulations which impede U.S. shipbuilding and operating competitiveness.

Secretary Peña said, "When executed, these programs will neither degrade safety for the crews and passengers of U.S. ships nor diminish the protection afforded to the environment. These critical safety and environmental goals can be achieved while opening new avenues for U.S. ship builders and ship operators to compete on a global scale."

The four-point program would include:

- o Establishing compliance options so that a ship builder or owner could rely on classification society standards, rather than specific Coast Guard regulatory requirements. Classification societies are non-profit organizations that inspect vessels on behalf of flagging nations.

- more -

o Accepting regulatory compliance verification by qualified, responsible classification societies and not only from the American Bureau of Shipping (ABS). ABS is the official classification society of the U.S. government. It inspects U.S. vessels using construction requirements established by the Coast Guard.

o Establishing a model company program whereby the vessels of a company that instituted a rigorous system of quality management would be inspected less frequently by the Coast Guard than is currently provided for by law.

o Establishing a Coast Guard Oversight Program to verify the quality management program of participating shipping companies and classification societies.

Provisions also are included to accept certain items of equipment that have been approved by other governments that have approval systems equivalent to those of the U.S.

"The goal is to make the Coast Guard regulatory inspection and plan review program less burdensome, more efficient and effective for the U.S. maritime industry," Secretary Peña said.

Provisions will be initiated using a voluntary program developed by the Coast Guard in cooperation with the maritime industry.

A pilot program will begin in July to evaluate the alternative compliance. Volunteers are being solicited for the program and six companies have indicated interest in participating using ships whose Certificates of Inspection expire in July, August or September.

Secretary Peña urged the ship building and ship operating communities to become familiar with the initiatives and determine how they may enhance their business plans. He said, "These initiatives, taken together with the administration's other maritime reform initiatives are important steps towards achieving our goal of an internationally competitive U.S. maritime industry."

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News:

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

FOR IMMEDIATE RELEASE
Thursday, June 23, 1994

DOT 93-94
Contact: Sam Vass
Tel.: (202) 366-2009

DOT'S INSPECTOR GENERAL SEMIANNUAL REPORT SHOWS RECOMMENDED SAVINGS OF \$367 MILLION

A semiannual report of the Department of Transportation's Office of Inspector General (OIG) shows recommended savings totaling \$367 million, management commitments to save another \$124.2 million, and fines, restitutions, recoveries and cost avoidances totaling \$5.8 million.

The six-month report for the period ending March 31, 1994, shows that the OIG issued or processed 888 audit reports. These reports recommended savings totaling \$367 million, which includes \$225 million in funds to be put to better use, \$71 million of unsupported costs, and questioned costs of \$71 million. The OIG also made 405 policy and procedural recommendations for improving the department's operations.

In addition, based on audit reports issued during this and prior periods, department managers made decisions to recover questioned costs totaling \$36.1 million and to use resources valued at \$88.1 million more effectively for projected savings of \$124.2 million.

Audits also identified programs and operations throughout the department that worked well. For example, the U.S. Coast Guard strengthened its implementation and enforcement of the Marine Plastic Pollution Research and Control Act of 1987. Similarly, all operating administrations complied with the Office of Management and Budget and with DOT guidance on determining and controlling advisory and assistance services that are contracted out. Over 90 percent of the Federal Aviation Administration's (FAA) safety inspectors did not hold re-employment rights with former aviation industry employers and those who did were not assigned to inspect their former employers.

- more -

The Office of Assistant Inspector General for Inspections and Evaluations continued to achieve significant results by completing 26 projects. One of the most significant reviews addressed growing concerns about the FAA's ability to correct suspected aircraft maintenance and design problems. The OIG found no formal system exists, i.e., adequate documentation, tracking and retrieval systems as well as trend analyses, to ensure that aircraft problems were addressed. Overall, 43 percent of the office's work load during this reporting period was in response to congressional requests.

Investigations completed by the OIG resulted in 68 indictments; 52 convictions; and \$5.8 million in fines, court-ordered restitutions, administrative recoveries and cost avoidances.

While continuing to review numerous allegations of suspected unapproved parts in the aviation industry, motor fuel excise tax evasion and bid rigging, the OIG also took a more proactive investigative approach to ensure environmental compliance by aggressively pursuing those who did not follow existing laws and regulations in the transportation of hazardous materials.

The OIG also completed a number of actions in support of the National Performance Review (NPR) and the DOT Strategic Plan. During this reporting period, the OIG established four employee task forces to help transition the organization into the 21st century. These groups have been instrumental in developing an OIG strategic plan, drafting an employee survey and reducing the OIG's policies and procedures. Similarly, the OIG has also made significant progress in streamlining its administrative functions.

The OIG also is helping to ensure the safety of the traveling public and the environment, and guarding against fraud in the rebuilding of the nation's infrastructure by continuing its oversight of departmental programs undergoing changes as a result of the NPR and the DOT Strategic Plan.

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