



U.S. Department of
Transportation

News:

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

FOR IMMEDIATE RELEASE
Wednesday, January 4, 1995

DOT 01-95
Contact: Bill Mosley
Tel.: (202) 366-5571

DOT ISSUES MONTHLY
AIR TRAVEL CONSUMER REPORT

The Department of Transportation today issued its monthly Air Travel Consumer Report, which contains information about airline on-time arrivals, mishandled baggage and consumer complaints for November 1994.

The 10 largest U.S. carriers posted an 80.8 percent on-time arrival record in November, down from both October's 85.9 percent mark and November 1993's 81.2 percent. In compiling the data, delays caused by mechanical problems are not counted, but will be starting with the report covering January 1995.

The airlines reported a mishandled baggage rate of 5.28 complaints per 1,000 passengers in November, not as good as October's 4.70 mark but an improvement over November 1993's 5.34.

Consumers filed 486 complaints with the department about airline service in November, a decrease from both October's total of 548 and November 1993's 502.

Consumers may file their complaints with 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
Transportation

News:

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

FOR IMMEDIATE RELEASE
Wednesday, January 4, 1995

DOT 02-95
Contact: Sam Vass
Tel.: (202) 366-2009

DOT'S INSPECTOR GENERAL SEMIANNUAL REPORT SHOWS RECOMMENDED SAVINGS OF \$328 MILLION

A semiannual report of the Department of Transportation's Office of Inspector General (OIG) shows recommended savings totaling \$328 million, management commitments to save another \$224.5 million and completed investigations that resulted in fines, restitutions, recoveries and cost avoidances totaling \$10.4 million.

The six-month report for the period ending Sept. 30, 1994, shows that the OIG issued or processed 446 audit reports. These reports recommended savings totaling \$328 million which includes \$280.6 million in funds to be put to better use, \$7.7 million of unsupported costs, and questioned costs of \$39.6 million. The OIG also made 338 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 \$26.2 million and to more effectively use resources valued at \$198.3 million, for projected savings of \$224.5 million.

Audits also identified programs and operations that worked well throughout the DOT. Operating administrations implemented adequate procedures to ensure grantees provided required drug-free workplace certifications and maintained a drug-free workplace awareness program. The U.S. Coast Guard Supply Center at Curtis Bay, Md., provided adequate quality assurance and review processes to ensure compliance with federal procurement requirements for inspections and cost estimates. The Federal Highway Administration provided sufficient monitoring to ensure nine noise abatement projects in California were justified and cost effective, and the Federal Transit Administration followed prescribed federal procedures in selecting projects for cooperative agreements.

The Office of Assistant Inspector General for Inspections and Evaluations continued to achieve significant results, completing 19 projects. Twenty-six percent of the office's work load during this reporting period was in response to congressional requests. One of the most significant reviews was in response to a request from the Director, Office of Commercial Space Transportation, for an assessment of the office's operations. As a result, recommendations were made to revise licensing regulations, reorganize the office and streamline the application and review processes.

Investigations completed by the OIG resulted in 68 indictments, 73 convictions and \$10.4 million in fines, court-ordered restitutions, administrative recoveries and cost avoidances.

The OIG has continued to review numerous allegations of suspected unapproved parts in the aviation industry. Investigative activities in the areas of motor fuel excise tax evasion continued to remain a top priority with increased activity in that area. The OIG also increased investigative activity to ensure environmental compliance by aggressively pursuing those who do not follow existing laws and regulations in the transportation of hazardous materials.

The OIG supports the goals set forth in the DOT Strategic Plan to "Tie America Together" with a safe, technologically advanced and efficient transportation system that promotes economic growth and international competitiveness and contributes to a healthy and secure environment.

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**U.S. Department of
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Office of the Secretary
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400 Seventh St., S.W.
Washington, D.C. 20590

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U.S. Department of
Transportation

News:

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

FOR IMMEDIATE RELEASE
Friday, January 6, 1995

DOT 03-95
Contact: Elaine Matrigali
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PEÑA OUTLINES IMPACT OF SCIENCE AND TECHNOLOGY ON TRANSPORTATION

Citing public and private sector technology investments as critical to assuring continuing transportation improvement, Secretary of Transportation Federico Peña today outlined how DOT is working to bring about important changes in transportation over the next 20 years.

Peña's comments were made in written testimony sent to the Committee on Science of the U.S. House of Representatives.

The Secretary pointed out that technological development is one of the core goals in the Strategic Plan the department developed last year. "The vision articulated in that plan is of a seamless intermodal transportation system that effectively ties America together and links it to the world," he stated. "Innovations in technology will deliver safer, cheaper and more efficient transportation in the 21st century."

The Secretary stated that he was particularly concerned that the expected growth in travel over the next 20 years implies a dramatically higher number of total road and air fatalities by 2015. "I do not believe the American people will accept this prospect, and I certainly do not," he emphasized.

In his testimony, Peña told the committee that . . . efficiency and effectiveness of transportation is a critical need for U.S. manufacturers if they are to compete effectively in expanding global markets now being stimulated by trade agreements such as GATT and NAFTA.

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The testimony addressed the application of information technologies such as sophisticated communications, satellite-based navigation and computers and how it is dramatically affecting transportation.

". . . the government has a broad responsibility not only to ensure the safety of any new technologies used in transportation . . . but also to identify and stimulate innovations that serve primarily to improve safety, such as vehicle collision avoidance," the Secretary said.

Peña pointed out that transportation decisions must address a "steadily widening range of considerations, including environmental and safety impacts; economic effects for various segments of the population; national energy and petroleum consumption; land use and living patterns; international agreements; global competitiveness and balance of payments; and appropriate roles of each involved party."

In conclusion, the Secretary brought the committee up-to-date on plans for a major restructuring of the Department of Transportation. It will include corporatization of the air traffic control functions and consolidation of the department's 10 separate operating administrations . . . in addition to streamlining the way we do business and a significant downsizing.

He assured the committee that special attention was being given on how best to position the department . . . to continue to serve as a technology steward and stimulus for the entire transportation enterprise.

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News:

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

FOR IMMEDIATE RELEASE
Friday, January 13, 1995

DOT 04-95
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DOT MOVES AHEAD WITH RESTRUCTURING

Moving forward on plans to cut the Transportation Department bureaucracy in half, Secretary Frederico Peña today announced a series of outreach workshops in five cities around the nation. The January workshops will solicit input from state and local officials, transportation industry members and the public on various proposals to restructure the 104,000 employee department.

The meetings will be held in Atlanta, Ga., Cambridge, Mass., Fort Worth, Texas, Seattle, Wash., and Chicago, Ill.

On Dec. 19, 1994, at a White House press conference, Secretary Peña outlined a reorganization of the department that will reduce the number of employees by fifty percent, consolidate ten agencies into three components and streamline 30 funding programs into three targeted programs.

Also, the Secretary said that outreach meetings would be held to obtain suggestions from interested individuals on how best to meet these goals. The restructuring is expected to save more than \$6.7 billion in budget outlays over five years.

Since then, the department has embarked on an ambitious program to meet the Feb. 6 deadline for submitting its budget to Congress. At that time, Secretary Peña also will offer a proposed plan for a restructured DOT.

The options currently under consideration include reorganizing around the core missions of safety and investment; or around the surface, aviation and maritime missions. Either scenario would retain the Coast Guard as a separate entity within the department.

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Cities hosting the outreach meetings are:

- Jan. 17 FAA Building
 1701 Columbia Avenue
 College Park, GA 30337
 Tel.: (404) 305-5000

- Jan. 17 Volpe Center
 55 Broadway, Kendall Square
 Cambridge, Mass. 02142
 Tel.: (617) 494-2331

- Jan. 20 FAA Regional Office
 1601 Lind Ave., S.W.
 Renton, Wash. 98055
 Tel.: (206) 227-2001

- Jan. 20 FAA Southwest Region
 2601 Meacham Blvd.
 Ft. Worth, Texas 76137-4298
 Tel.: (817) 222-4531

- Jan. 20 Harold Washington Library
 400 South State Street
 Chicago, Ill. 60603
 Tel.: (312) 353-2789

Individuals interested in participating should call ahead to make the necessary arrangements. Ideas expressed in the outreach sessions will be forwarded to the task force working groups for consideration.

A second round of meetings will be scheduled in February to solicit information on developing the legislative proposal which will be submitted on March 17.

Deputy Secretary Mortimer Downey, named by Secretary Peña to head the reorganization, has chartered five working groups -- Organization, Budget, Program Design, Air Traffic and Outreach/Legislation -- to design the restructured DOT. Deputy Chief of Staff Katherine Archuleta is coordinating the work groups.

The group chairs are:

- o Organization -- Associate Deputy Secretary and Director of the Office of Intermodalism Michael P. Huerta and Deputy Assistant Secretary for Transportation Policy Janno N. Lieber;

- o Budget -- Deputy Assistant Secretary for Budget and Programs Eugene A. Conti Jr.;
- o Program Design -- Deputy Federal Highway Administrator Jane F. Garvey;
- o Air Traffic -- Assistant Secretary for Transportation Policy Frank E. Kruesi and Associate Administrator for Air Traffic Services Monte B. Belger; and
- o Outreach/Legislation -- Deputy Assistant Secretary for Governmental Affairs John C. Horsley and Director of the Office of Congressional Affairs Regina A. Sullivan.

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News:

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FOR IMMEDIATE RELEASE
Wednesday, January 18, 1995

DOT 06-95
Contact: Bill Mosley
Tel.: (202) 366-5571

DOT PROPOSES DISCLOSURE REQUIREMENT FOR CHANGE-OF-PLANE FLIGHTS

As part of a continuing effort to improve air travel information available to consumers, Secretary of Transportation Federico Peña today proposed that airlines and ticket agents be required to notify passengers about any change of planes when they book a trip with a single flight number.

The proposal would require carriers to notify consumers when they book transportation on a flight with a single number that there will be a change of planes. It also would require that written notice of the changes be provided at the time of sale.

"Too often consumers book flights without being told that they will be changing planes," Secretary Peña said. "Many assume that a service with a single flight number is a non-stop or direct flight when in fact it may require a change of planes. While a number of airlines find that such flights enable them to offer superior service at lower cost, many passengers, given a choice, would prefer a flight that requires no change of planes. This requirement will assure that they have the information needed to make that choice."

The new rule would apply to both flights using a single number in which passengers change from one plane to another, and those involving transfers between multiple flights and a single plane, often called "funnel flights."

In proposing the new rule, the department denied a petition by American Airlines to ban funnel flights. DOT said that the proposed rule would reduce passenger confusion and not harm competition while enabling consumers to make well-informed decisions when purchasing air transportation.

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Comments on the proposed rule are due 60 days after publication in the Federal Register, and replies to comments are due 90 days after publication.

Other recent actions by DOT to provide better air travel information for consumers include:

- a rule requiring tour operators to have a substantial number of tickets to sports or entertainment events on hand or under contract before advertising an air tour that includes such a ticket;
- a rule requiring airlines to include in their monthly on-time reports flights delayed or canceled because of mechanical reasons;
- proposed rules requiring that airlines and travel agents provide full disclosure about code-sharing arrangements;
- issuance of a list of countries that require flights to be sprayed with insecticides, and announcing an upcoming proposal to require passengers to be notified when they are flying to a country that requires spraying; and
- the release of a comprehensive revision of the department's brochure Fly-Rights, a summary of consumer information for air travelers.

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FOR IMMEDIATE RELEASE
Wednesday, January 18, 1995

DOT 07-95
Contact: Bill Mosley
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CONSUMERS CAUTIONED ON SUPER BOWL AIR TRAVEL TICKET SCAMS

Air travelers going to Super Bowl XXIX this year should be aware that not all tour packages include a ticket or tickets to the Jan. 29 game in Miami.

U.S. Department of Transportation consumer protection rules require that an operator marketing a Super Bowl air package that includes game tickets must have the tickets in hand or have a written contract for the tickets before the operator does any advertising.

The department today cautioned travelers that if a game ticket is not specifically mentioned in newspaper advertisements or other solicitation material or listed as a tour feature, the ticket is probably not included.

The department's Aviation Consumer Protection Division says that in the past some advertisements for Super Bowl travel packages did not appear to include tickets. If such an advertisement does not state whether or not a game ticket is included, consumers should ask about it. If a travel agent or other tour representative states that a game ticket is included, the consumer should require at the time of purchase that the game ticket be presented or a written confirmation for the ticket be provided.

Starting last December, the rules covering Super Bowl tours were extended to all air tours organized for the purpose of attending any sporting, social, religious, educational, cultural, political or other event of a special nature and limited duration, and for which admission to the event is advertised as part of the tour. These "Truth in Ticketing" rules covered air tours to college bowl games played this past season. The department is aware of no problems with availability of game tickets from tour operators for these games.

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The department's Aviation Consumer Protection Division has been monitoring Super Bowl transportation activities covered by these rules, as well as issuing consumer advisories, for over a decade. As a result, with a few exceptions there has been no evidence of misrepresentation by Super Bowl charter operators in recent years concerning the availability and inclusion in the tour package of game tickets or other features.

Nevertheless, before purchasing a Super Bowl package, consumers should:

- o Read carefully the tour brochure and any other solicitation material.

- o Consider paying by credit card, where possible, which provides some degree of protection under fair credit practice laws.

Additional consumer protections apply to Super Bowl packages involving public charter flights.

- o If a charter tour is supposed to include a game ticket and you do not receive one, you are entitled to a full refund of the entire package price when you return.

- o If the operator makes a major change in the tour -- such as changing the flight's departure or arrival city for either the departure or return date, substituting a hotel not named in the solicitation material or the operator-participant contract, or increasing the price by more than 10 percent -- you may cancel and get a full refund.

- o Less than 10 days before departure, no price increases are permitted and the Super Bowl tour may not be canceled except for causes that make it physically impossible to operate it.

- o You are required to sign and are entitled to have a copy of a detailed operator-participant contract.

Scheduled and charter flights have check-in time limits. Consumers are advised to arrive well ahead of the scheduled time. DOT advises passengers to consult with their travel agents, charter operator or airline for the actual check-in deadlines.

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News:

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FOR IMMEDIATE RELEASE
Thursday, January 19, 1995

DOT 08-95
Contact: Bill Mosley
Tel.: (202) 366-5571

DOT PROPOSES PASSENGER NOTICE IF FLIGHT IS TO BE SPRAYED WITH INSECTICIDE

Secretary of Transportation Federico Peña, noting that seven countries have responded to his request to stop requiring the routine spraying of insecticide aboard aircraft while passengers are aboard, today announced a proposal that would assure that passengers are notified if the country to which they are traveling requires such spraying.

The countries that have dropped or are planning to drop the requirement for spraying with passengers on board are Mexico, Jamaica, El Salvador, Chile, Cape Verde, St. Lucia and Belize.

"The countries that have responded to our request include popular tourist destinations visited by millions of U.S. travelers each year," Secretary Peña said. He noted that Mexico's decision to halt the spraying of passengers will benefit the more than 10 million passengers who travel to Mexico annually. "Our initiative to halt pesticide spraying means that these travelers will no longer be subjected to direct exposure to pesticides," he said.

"However, as long as there are countries that still require spraying, we believe that passengers should be notified so that they can use this information when making their travel plans," the Secretary added. "We will continue to work with the State Department and international organizations to bring about a complete halt to this practice."

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Last March, Secretary Peña wrote to countries around the world to determine which ones required the spraying of insecticide on arriving flights and asking them to reconsider the practice. In July, he released a list of countries that required spraying and promised to begin rulemaking to provide consumers notice that specific flights were subject to spraying. Use of these approaches has resulted in prompt international response without cost to the American public, the Secretary said.

Countries still requiring spraying with passengers on board are Argentina, Antigua & Barbuda, Barbados, Congo, Costa Rica, Dominican Republic, Grenada, India, Kenya, Kiribati, Madagascar, Mauritius, Mozambique, New Caledonia, Nicaragua, Seychelles, Trinidad & Tobago and Yemen. Australia, New Zealand, Jamaica, Panama and Fiji require planes to be sprayed, but allow airlines to do so when the plane is empty. Some other countries require spraying on flights coming from countries affected by malaria, yellow fever and other contagious diseases.

The notice of proposed rulemaking (NPRM) announced today would require U.S. and foreign carriers and travel agents to notify persons before they buy tickets if the country to which they are traveling requires the spraying of insecticide on the aircraft while passengers are on board. The ticket agent, if asked, also would be required to provide the name of the insecticide used. The rule would apply only to the initial outbound flight segment from the United States.

The issue of spraying will be discussed at a meeting of the International Civil Aviation Organization in April. The department also will sponsor a World Health Organization symposium in October on the subject.

Comment on the NPRM is due 60 days after its publication in the Federal Register.

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Washington, D.C. 20590

FOR IMMEDIATE RELEASE

Monday, January 23, 1995

DOT 09-95

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**PEÑA PUTS TRAVELERS FIRST;
STEPS UP CONSUMER PROTECTION FOR AIRLINE PASSENGERS**

U.S. Secretary of Transportation Federico Peña today announced "Travelers First," a comprehensive initiative to ensure top-quality service and fair treatment for airline passengers. The new initiative includes closer scrutiny of airline advertising, the first-ever intensive review of airline frequent flyer programs and heightened oversight of airline scheduling and booking.

In addition to handling individual consumer complaints, the new consumer affairs office will have a significantly expanded ability to undertake on-site investigations of air carriers and systematic reviews of airline advertising and other consumer practices.

"From new truth-in-ticketing requirements and increased compensation for lost bags to more non-smoking international flights and better service to Canada, we have been delivering real benefits to travelers over the last two years," Peña said. "'Travelers First' is the next step, addressing a range of concerns and frustrations I've been hearing about as I travel around the country.

"Travelers expect to be treated fairly when they deal with airlines. Consumers expect seats to be available at advertised prices. They expect seats to be available in the frequent flyer programs in which they participate. They expect to be able to get on flights when they have confirmed reservations. And consumers with disabilities expect adequate assistance and access," Peña said.

(more)

In a letter to the heads of all U.S. airlines in December, Peña strongly emphasized his desire to work together cooperatively to achieve greater customer satisfaction with airline service. In the letter from the Secretary and in subsequent meetings with DOT officials and airline consumer representatives, the DOT has said it will:

- enhance and strengthen oversight of airline advertising, particularly promotions for "two-for-one" fares and "50 percent off" fares; whether a reasonable number of seats are available for advertised fares; and adequate disclosures about restrictions;
- ensure that tour operators of charters properly safeguard consumer funds;
- heighten scrutiny of airline scheduling that is unrealistic and overbooking when passengers cannot be accommodated;
- require, for the first time, airlines to disclose restrictions and limitations on the use of frequent flyer awards; and
- reaffirm airlines' responsibilities for compliance with rules providing for access for travelers with disabilities, particularly those with wheelchairs.

Consistent with the new initiative, the department has begun an extensive review of airline advertising, examining more than 200 ads since December 1, 1994, to assure adequacy, accuracy and availability of seats.

Secretary Peña said DOT has moved the Office of Consumer Protection (formerly named the Office of Consumer Affairs) into the enforcement division of the General Counsel's Office, which will allow for more coordination and better use of resources for enforcement actions. "We are not creating new regulations, but carefully focusing our mission and resources where we can do the greatest good for airlines and passengers," said Peña.

"These actions are consistent with a more aggressive consumer protection policy that we have adopted over the last two years," said the Secretary. Specifically, Peña cited the following accomplishments:

- "Truth-in-ticketing" regulations to protect sports and entertainment fans from unscrupulous air tour operators that promise, then fail to deliver or increase the price of special event tickets;
- a proposed increase in the limit on compensation consumers can collect when airlines lose or damage their baggage;

(more)

- warning consumers about foreign governments that do not provide adequate safety oversight for their airlines;
- proposed new rules requiring that airlines and travel agents provide full disclosure about code-sharing arrangements when passengers book a flight;
- an agreement signed by the United States, Canada and Australia to ban smoking on flights among the three countries, a first step toward the goal of banning smoking on all international flights by 1996;
- publishing a list of countries that require flights to be sprayed with insecticide, along with a proposal to require passengers to be notified when they are flying to a country that requires spraying;
- taking steps to protect low-cost, new start carriers from predatory or other anti-competitive practices; and
- helping to prevent disruption to the traveling public by promoting greater collaboration between airline management and workers in labor disputes, as illustrated by DOT's facilitation of negotiations at American Airlines, Northwest Airlines, United Airlines and USAir.

The DOT is charged with enforcing the federal government's aviation consumer protection requirements which generally prohibit unfair and deceptive practices. These requirements derive from Title 49 of the U.S. Code and prohibit, among other things, deceptive advertising.

For further information, consumers may call the DOT consumer hotline at (202) 366-2220.

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News:

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

FOR IMMEDIATE RELEASE
Tuesday, January 24, 1995

DOT 10-95
Contact: Bill Mosley
Tel.: (202) 366-5571

DOT GRANTS IMMUNITY FOR SMOKING BAN TALKS

In another step toward smoke-free skies, Secretary of Transportation Federico Peña today announced that the Department of Transportation has granted antitrust immunity to eight U.S. and foreign airlines to discuss a mutual ban on smoking on transatlantic flights.

"We are pleased to be able to assist these carriers in substantially increasing the number of smoke-free international flights," the Secretary said. "These discussions, following on last November's agreement between the United States, Canada and Australia to ban smoking on flights operated among the three countries by their carriers, put us closer to our goal of banning smoking on all international flights.

"I am committed to the goal of achieving smoke-free travel in all modes of public transportation," the Secretary added. "The department will continue to seek ways to move toward smoke-free skies in order to enhance safety and reduce health risks."

The carriers to participate in the discussions are American Airlines, Continental Airlines, Northwest Airlines, Trans World Airlines, United Airlines, USAir, British Airways and KLM Royal Dutch Airlines.

He noted that the International Civil Aviation Organization has set a goal of prohibiting smoking on all international flights by July 1, 1996.

Secretary Peña noted that a number of international airlines have recently taken it upon themselves to ban smoking on some or all of their flights. He praised Delta Air Lines for recently banning smoking on all of its international services. A number of foreign carriers have sharply reduced their number of smoking flights, including Lufthansa German Airlines, Singapore Airlines, Air New Zealand and British West Indies Airlines, he added.

Smoking is already prohibited on all U.S. domestic flights except for those over six hours to or from Alaska or Hawaii.

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News:

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

FOR IMMEDIATE RELEASE
Thursday, January 26, 1995

DOT 12-95
Contact: Bill Mosley
Tel.: (202) 366-5571

**CONTINENTAL TO PAY COMPROMISE PENALTY,
DISTRIBUTE COUPONS OVER INACCURATE ADS**

Continental Airlines has agreed to pay a compromise penalty of \$38,000 and distribute a minimum of 60,000 discount travel coupons to passengers traveling between Florida and New York under terms of a consent order related to the airline's failure to disclose certain fuel surcharges in its fare advertising, Secretary of Transportation Federico Peña announced today.

"Part of our new 'Travelers First' initiative is closer scrutiny of airline advertisements," Secretary of Transportation Federico Peña said. "Consumers expect seats to be available at the advertised price, and we will review airline ads closely and take quick action if they do not comply with our rules.

"In line with our emphasis on directly helping consumers, we are using for the first time the distribution of coupons to travelers as a substitute for additional civil penalties against a major carrier," the Secretary added. "This will provide compensation directly to travelers, which we believe serves the public better than litigation or additional fines."

Continental, which said that the \$2 fuel surcharge was inadvertently imposed due to a clerical error, will make the coupons available at its ticket offices in Florida and the New York metropolitan area. The coupons may be used to obtain a \$20 roundtrip or \$10 one-way discount on any published Continental fare of more than \$75 one-way or \$150 roundtrip except during certain holiday periods. A special effort will be made to provide the coupons to those who were assessed the surcharge during the July to November 1994 travel period covered by the ads.

The department said that Continental advertised one-way midweek fares of \$79 and one-way weekend fares of \$99 from New York-area airports to nine Florida cities without mentioning the fuel surcharge. This violated the department's regulations requiring that any airline price advertising must state the entire price to be paid, the department said.

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Washington, D.C. 20590

FOR IMMEDIATE RELEASE
Wednesday, February 1, 1995

DOT 15-95
Contact: Bill Mosley
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MISHANDLED BAGS DOWN, COMPLAINTS UP IN 1994

The nation's largest airlines improved their baggage handling performance in 1994, but customer complaints about airline service increased almost 16 percent, the Department of Transportation reported today.

According to the department's monthly Air Travel Consumer Report, consumers filed 6,943 complaints with DOT last year, up from 1993's record low of 5,989. However, the department received only 390 complaints last December, down from November's 486 and December 1993's 472.

The nation's 10 largest airlines posted a mishandled baggage rate of 5.33 complaints per 1,000 passengers in 1994, an improvement over 1993's rate of 5.60. December's rate was 6.72, not as good as either November's 5.28 or December 1993's 6.54.

The carriers posted an on-time arrival mark of 81.5 percent in 1994, almost identical to 1993's rate of 81.6. December's on-time percentage was 79.3, not as good as November's 80.8 but an improvement over December 1993's 78.6. In compiling the data, delays caused by mechanical problems were not counted.

Consumers may file their complaints with the Aviation Consumer Protection Division, U.S. Department of Transportation, C-75, 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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FOR IMMEDIATE RELEASE
Wednesday, February 1, 1995

DOT 16-95
Contact: Bill Mosley
Tel.: (202) 366-5571

DOT ISSUES POLICY ON AIRPORT
FEES, SETS RULES FOR DISPUTES

The Department of Transportation today announced its policy on new or increased fees that airports can collect from airlines and other users and established rules for handling complaints about the fees.

The policy applies to rates and charges imposed on all airport users, although only air carriers will be authorized to file complaints using the expedited procedures announced today.

Secretary of Transportation Federico Peña said the policy, which is organized into five general principles, will form the basis for evaluating any complaints about or challenges to airport rates and fees.

"The first principle of this policy restates our preference for direct local negotiation between airports and their users whenever possible," Secretary Peña said. "Adversarial proceedings are no substitute for prompt and productive talks between the affected parties.

"However, when negotiation fails, we are prepared to take a more active role in disputes over airport fees," the Secretary added.

The policy's other principles state that:

- Rates, fees and charges to airport users must be fair and reasonable.
- Unjustly discriminatory rates and charges will be prohibited.

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- Airport owners must adopt a fee structure that makes the airport as self-sustaining as possible.
- Airport owners may spend revenue generated by the airport only for purposes allowed by law.

The policy generally requires airports to value facilities based on their original construction cost, rather than their current value which often is much higher. However, airports may use other methods if they do not result in revenues that exceed costs and are consistently applied for similar facilities. If an airport uses one of these alternative methods, it has the burden of justifying its decision if challenged by an air carrier.

While the policy is effective immediately, the department will accept further comment on it for 90 days.

The department also issued a rule setting procedures for the Office of the Secretary's handling of complaints about airport fees. The department will hear two kinds of cases under the procedures: complaints by air carriers, and requests by airports for a determination of whether its fees are reasonable. Once an airport imposes a new or increased fee, airlines will have 60 days to file complaints with the department. When a carrier files a complaint, other airlines wishing to file their own complaints against the same airport must do so within seven days.

The department will determine within 30 days whether a complaint constitutes a significant dispute. If found significant, the complaint will be assigned to a DOT administrative law judge for a hearing. The judge will have 60 days to issue a recommended decision, after which the department's final decision must be issued within 120 days.

A proposed policy statement and procedural rule was released by the department for public comment last June in response to the Federal Aviation Authorization Act of 1994.

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**U.S. Department of
Transportation**

Office of the Secretary
of Transportation

400 Seventh St., S.W.
Washington, D.C. 20590

Official Business
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U.S. Department of
Transportation

News:

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

FOR IMMEDIATE RELEASE
Wednesday, February 1, 1995

DOT 17-95
Contact: Bill Adams
Tel.: (202) 366-5580

PEÑA URGES TRANSPORTATION COMPANIES TO SUPPORT MEXICAN FINANCIAL INITIATIVE

Secretary of Transportation Federico Peña today urged U.S. transportation companies operating in Mexico to support President Clinton's initiative to help steady the Mexican economy.

This week, the President put together a financial aid package totaling almost \$50 billion to help Mexico restructure its debt in order to resolve its current financial problems.

The package consisted of \$20 billion in existing funds from the Economic Stabilization Fund, \$17.5 billion from the International Monetary Fund and \$10 billion from the Bank for International Stabilization. The funds will be used to facilitate the restructuring of Mexico's short-term debt into longer maturities.

"As our third-largest trading partner and as our Southern neighbor, the United States has an unassailable interest in a stable and vibrant Mexico," the Secretary said in a letter to airline, railroad and trucking companies. "Millions of American jobs and the health of hundreds of American industries depend on cross-border trade and expanding exports encouraged under the North American Free Trade Agreement."

Secretary Peña urged the companies to add their voices to those supporting the President's initiative. "As the President and congressional leaders said this week, 'We must act now in order to protect American jobs, prevent an increased flow of illegal immigrants across our borders, ensure stability in this hemisphere, and encourage reform in emerging markets around the world,'" the Secretary said.

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U.S. Department of
Transportation

News:

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

FOR IMMEDIATE RELEASE
Thursday, February 2, 1995

DOT 18-95
Contact: Bill Schulz
Tel.: (202) 366-4531

PEÑA SAYS BOLD AND COMPREHENSIVE PLAN WILL CONSOLIDATE AND STREAMLINE DEPARTMENT

In a bold and comprehensive reorganization designed to streamline operations, increase efficiency and upgrade service to customers, Secretary of Transportation Federico Peña today said that the Department of Transportation's ten agencies will be consolidated into three: the Federal Aviation Administration (FAA), U.S. Coast Guard and a new Intermodal Transportation Administration.

The decision follows more than a month of intense departmental analysis and consultation with Congress, state and local authorities and the public on whether to consolidate along the lines announced today, or, alternatively, to divide the department according to its three key missions of safety, infrastructure investment and Coast Guard.

"Six weeks ago, I stood beside the President and pledged an acceleration of our plans to reinvent the Department of Transportation while maintaining our commitment to building our nation's infrastructure and ensuring the safety of the traveling public," said Peña. "This consolidation delivers on that pledge to build bridges, not bureaucracy, and move people, not paper."

Secretary Peña said that the consolidation structure was chosen because it fosters intermodalism, streamlines programs and eliminates duplicative functions; while also preserving customer linkages, strengthening connections between safety programs, infrastructure funding and construction activities, and supporting the flexible funding programs the department is developing.

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The Secretary noted that over the last twenty years the department has operated as a giant, but unwieldy holding company while numerous plans for consolidation have been pondered, but never implemented.

"What makes this plan ripe for success is that the Clinton Administration began the effort to reinvent government two years ago and the American people have strongly supported our efforts," said Secretary Peña. "As the transportation systems in this nation are becoming increasingly integrated and seamless, this department is also integrating its functions to stimulate and support these changes."

Currently, the DOT is comprised of 10 individual agencies with jurisdiction over highways, mass transit, traffic safety, aviation, passenger and freight rail, maritime shipping, pipelines, transportation statistics, and waterway safety and national defense.

Under the restructuring plan:

-- The Intermodal Transportation Administration will combine the functions of a majority of the agencies in a single dynamic, streamlined and fully integrated agency.

-- The FAA will maintain jurisdiction over aviation safety, regulation and certification, while its air traffic control operations will become an independent governmental corporation.

-- The Coast Guard will maintain authority over maritime navigation, communication and safety standards.

"A single intermodal administration will provide enormous benefits for our customers," said Peña. "Additionally, by keeping safety and infrastructure components together we will be able to assure that safety is factored into all of our investment and funding decisions."

By consolidating these agencies into three, a variety of efficiencies and cost savings will be realized, helping the department to reach budget cutback targets. These include:

-- Combining and streamlining numerous functions such as procurement, administration, and personnel and training.

-- Consolidating regional structures and offices to maximize "one-stop shopping" and facilitating better relationships with state and local governments. Currently, there are different field structures for each of the department's operating agencies.

-- Unifying activities within the department such as highway safety and hazardous materials transportation, both currently shared by three different agencies.

The agencies to be consolidated in the Intermodal Transportation Administration currently direct 94% of the department's national infrastructure investments. This structure will facilitate merger of the approximately 30 grant, loan and subsidy programs announced in December.

Secretary Peña also affirmed that the Administration will move forward with a formal legislative proposal later this month to recast the air traffic control (ATC) operations of the Federal Aviation Administration as an independent governmental corporation.

Under the Secretary's leadership to date, the DOT has already eliminated 4,000 positions, for an annual savings of \$250 million. Under the plan, total current DOT employment of approximately 105,000 will be cut by nearly 50% through the transfer off government payroll of 40,000 positions -- chiefly through the corporatization of ATC -- and through elimination of more than 7,000 other civilian and military positions. The streamlined department will realize \$6.4 billion in budget outlay reductions over the next five years.

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U.S. Department of
Transportation

News:

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

FOR IMMEDIATE RELEASE
Thursday, February 2, 1995

DOT 19-95
Contact: Bill Mosley
Tel.: (202) 366-5571

DOT ANNOUNCES PLANS TO APPROVE
DELTA-VIRGIN CODE SHARE AND NEW
U.S. SERVICE TO LONDON, BIRMINGHAM

The Department of Transportation today announced that it is preparing an order approving the application of Delta Air Lines and Virgin Atlantic Airways to offer services, on a codeshare basis, between seven U.S. cities and London.

The department also announced that it would approve new services by American Airlines between Chicago and Birmingham, England and Tower Air between New York and London's Stansted Airport.

Together, these new services will afford passengers easier access and greater choice when traveling between the United States and the United Kingdom. The department emphasized that its approval involves no additional route authority for Virgin Atlantic.

American will offer the only nonstop service between the U.S. and Birmingham. This will permit substantially improved access for those traveling between much of the U.S. and the British midlands region by eliminating the need to make connections at London. Tower Air service to London's Stansted Airport will be the only U.S. scheduled airline service to that airport. Stansted service will offer greater convenience to passengers traveling to the northern region of greater London, as well as an alternative to London's other commercial airports, Heathrow and Gatwick.

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In announcing its intention to approve these new services, the department reaffirmed its larger objective to liberalize substantially the overall U.S.-U.K. aviation relationship. Secretary of Transportation Federico Peña stated that "although the services that we are prepared to approve will afford greater convenience to the traveling public, as well as increased choices for consumers in this market, I intend to continue to press for changes in our bilateral agreement with the U.K. that will eliminate restrictions on all airlines and allow travelers to enjoy the full benefits of competition."

Delta plans to purchase blocks of seats on existing Virgin Atlantic flights to Heathrow from New York, Los Angeles, Newark, N.J., and San Francisco and to Gatwick from Miami, Boston and Orlando, Fla. Delta will sell those seats directly to travelers in its own name, and price them independently of Virgin Atlantic.

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Transportation

News:

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

FOR IMMEDIATE RELEASE

Monday, February 6, 1995

DOT 20-95

Contact: Richard Mintz
(202) 366-4570
Bill Adams
(202) 366-5580

**DOT "Steps Up to the Plate" With 1996 Budget,
Moves Ahead with Restructuring, Retains Focus on Safety, Investment**

Building on last week's announcements on innovative financing and departmental reorganization, Transportation Secretary Federico Peña today presented the Department of Transportation (DOT) fiscal year 1996 budget, which he called "a hefty downpayment" on the total of \$6.4 billion in cuts committed for deficit reduction, tax relief and government streamlining envisioned in President Clinton's Middle Class Bill of Rights.

In proposing a \$36.9 billion FY 96 budget, down from \$38.9 billion in FY 1995, Peña said, "The DOT is stepping up to the plate, taking our share of the responsibility for cost-cutting. Through reinvention, I am preserving and in many areas increasing DOT's ability to enhance safety, to stimulate public and private investment in transportation and to uphold our national security responsibilities."

Reinvention

In addition to the focus on safety, the budget proposal consolidates funding programs, provides greater decision-making authority for the states and localities and cuts the bureaucracy in half by 1997 with the creation of a separate air traffic control. As announced last week, the ten modal administrations will be consolidated into three, reflecting intermodal, air and Coast Guard operations.

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Peña said, "Last week, I announced the most sweeping restructuring in this Department's 28 year history. In the year since the launching of the reinventing effort, we have undertaken an unprecedented review of all of DOT's operations, seeking ways to serve the American people better and to save tax dollars. Today, with President Clinton's submission to Congress of the FY 1996 DOT budget, we are acting to consolidate our funding programs in ways that will reinforce and reflect the new, streamlined DOT, focusing on the twin missions of travellers safety and infrastructure investment."

The proposed budget reflects the accelerated streamlining effort begun two years ago, and also the vision the Secretary espoused in his December 19 departmental restructuring statement of "building bridges, not bureaucracy; picking real priorities, not pork; moving people, not paper; and, above all, ensuring traveller safety."

He said, "From a base of 109,600 military and civilian employees just two years ago, we have already cut more than 4,700 as of Oct. 1, 1994. By Oct. 1, 1996, we will reduce full-time positions by 3,000 more - taking us two thirds of the way toward our 1999 target of a 12 percent civilian personnel downsizing. Compared to 1993, this year's budget also reduces military employees by 1,700. With the transfer of 40,000 air traffic personnel to an independent corporation, we will have reduced DOT's civilian workforce by well over 50 percent."

"In fact, our ATC (Air Traffic Control) reform proposal is an excellent example of reinventing and downsizing government and we urge this Congress to act on it with dispatch." Peña said he will unveil a legislative proposal to corporatize ATC and will testify before Congress on the issue on February 14. The proposal was not included in the FY 1996 budget because it would not go into effect until FY 1997.

DOT is reducing operating assistance to AMTRAK by \$122 million and to transit systems by \$210 million and is eliminating Local Rail Freight Assistance and Essential Air Service funding. Peña said, "We are continuing our commitment to AMTRAK and its restructuring while cutting costs."

Peña said research and technology funding totals \$956 million and includes \$356 million for Intelligent Transportation Systems funding, \$68 million for high speed rail technology and \$113 million in funding for developing Global Positioning Systems for transportation use.

Safety

At today's budget briefing, Peña said, "The safety of the travelling public is this Department's highest priority, and our most solemn duty. Together with our restructuring, this budget will enable us to perform that duty even more effectively."

The safety program will total \$2.1 billion, including a 20 percent increase in safety grants to states, totalling \$347 million.

Safety staffing is also up. The number of Federal Aviation Administration (FAA) standards and certification inspectors increases by 253 over the FY 1995 request, for a total workforce of 3,315 by the end of FY 1996, 19 percent above FY 1994 levels. All other inspection staff in other areas are sustained at current levels.

The \$5.1 million request for railroad safety is a seven percent increase over FY 1995 and funds technology to help inspectors do their jobs more efficiently.

"In addition," said Peña, "the safety set-aside, which is part of a new Unified Grant Program, will direct more dollars specifically to safety efforts agreed to by the states. Further, the reorganization of DOT itself reinforces our commitment to safety because each of our three core units, the Federal Aviation Administration (FAA), the new Federal Intermodal Administration and the Coast Guard, will now have a specific safety office reporting directly to the administrator.

"In short, this budget reflects a continued, indeed enhanced, commitment to the key federal responsibility of saving lives and ensuring the safety of the travelling public.

"We will make no compromises."

Investment

Peña said funding for infrastructure will be reduced by \$2.3 billion, "a cut we will largely make up through program simplification and innovative financing techniques." Our 30 separate capital grant programs will be consolidated in a new \$24.4 billion Unified Transportation Infrastructure Investment Program (UTIIP), which accounts for over two-thirds of the budget. This is designed to give greater flexibility and discretion to state and local decisionmakers.

Peña said, "This Unified Transportation Infrastructure Investment Program proposes no new taxes. It will be funded through a new transportation trust fund, supported by existing revenue sources such as motor fuel and passenger ticket taxes."

UTIIP consists of two parts: \$21.65 billion for state and locally initiated activities, and \$2.74 billion for federal activities.

State and local activities include:

\$10 billion for the Unified Grant Program, to be provided directly to states and localities to enable them to decide which investments best meet their needs. This program will have maximum flexibility and a minimal number of set-asides or performance measures for states to achieve;

\$2 billion for State Infrastructure Banks, to stretch taxpayer dollars by "leveraging" federal seed money in partnership with local governments and private business;

\$8 billion for the National Highway System, the 159,000 miles of strategic critical roadways designated jointly by state and federal authorities;

\$500 million for Transit Operating Assistance. DOT proposes that transit authorities be allowed to use capital funds for asset maintenance as a way to adjust to the reduction;

\$1.14 billion to honor existing commitments for airport letters of intent and to cover commitments to full-funding agreements for new transit starts and obligations to the Washington Metropolitan Area Transit Authority.

Federal activities within the UTIIP include:

\$1 billion in federal discretionary funds, to be used directly to finance projects of regional and national significance that states, or even groups of states, cannot coordinate or finance without federal help;

\$442 million for the Federal Lands highway program, which includes public access roads to and within the National Forest System, the National Park System and Native American Reservations;

\$750 million for AMTRAK operating and capital programs, including \$100 million to support AMTRAK's current restructuring, \$235 million for the Northeast Corridor improvements projects and \$50 million to complete the federal commitment to the renovation of New York's Penn Station;

Administrative costs and surface transportation research and development, totalling \$509 million, including \$356 million for Intelligent Transportation Systems, and \$42 million for transit research.

The three central elements within UTIIP are the Unified Grant Program, State Infrastructure Banks and Federal Discretionary Funds.

The vast bulk of the \$10 billion Unified Grant Program will be available for investment in whatever transportation improvements states and localities believe are most needed.

The proposed State Infrastructure Banks (SIB) take the principle of local choice even further. On Jan. 30, 1995, DOT announced the first round results of the new Partnership for Transportation Investment, nearly \$2 billion worth of transportation projects, which were made possible only by the use of creative finance and the application of maximum flexibility in federal rules. Many involved some private sector partnership or relief from rigid federal rules governing the use of funds. The SIBs, with federal seed money of \$2 billion provided annually, are designed to institutionalize this kind of initiative.

Peña said, "We are asking Congress to join us in breaking with business-as-usual in opening up new opportunities for private investment in transportation, and in empowering states and localities. We can achieve all three of these goals by approving the SIB proposal."

The third element of UTIP involves \$1 billion for federal discretionary funds targeted at strategic projects of national significance that states cannot launch without federal assistance.

"We believe it is essential to retain a discretionary fund at the federal level in order to advance national projects that might otherwise be stymied by the lack of adequate local resources or by the inability of multiple jurisdictions to coordinate their investments without federal support."

National Security

A new maritime security program is proposed to support national security. In exchange for payments over a ten-year period, participating vessels will be available to the Department of Defense (DOD) to help meet sealift requirements. The budget also proposes to increase funding for the maintenance and operation of the Ready Reserve Force (RRF) from \$150 million to \$289 million. An additional \$70 million is budgeted for RRF fleet acquisitions. Although the RRF funds will now be budgeted in the Department of Defense (DOD), the Maritime Administration (MARAD) will continue to manage the program.

For Coast Guard, DOT proposes a funding level of \$3.74 billion, 2.1 percent above FY 1995. Operating funds at \$2.62 billion, essentially a freeze at FY 1995 levels, will provide for operation and maintenance of a wide range of multi-mission vessels, aircraft, shore units and aids to navigation that allow the Coast Guard to maintain safety on America's waterways.

Continued funding at current level for Title XI loan guarantees for shipbuilding will help finance modern ships and shipyards and keep current our shipbuilding capacity.

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U.S. Department of
Transportation

News:

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

FOR IMMEDIATE RELEASE

Tuesday, February 7, 1995

DOT 21-95

Contact: Bill Adams

Tel.: (202) 366-5580

SECRETARY PEÑA PRESENTS
DOT BUDGET TO CONGRESS

Secretary of Transportation Federico Peña today presented to Congress the Department of Transportation's budget proposal for fiscal year 1996, saying it will keep DOT "at the cutting edge of the President's effort to create a leaner, more effective government."

In testimony before the House Appropriations Subcommittee on Transportation, the Secretary said that the \$36.9 billion budget proposal, which is \$2 billion less than the budget enacted for fiscal 1995, stressed "delivering essential services that Americans need, stimulating public and private investment in transportation, ensuring the safety of our transportation system and upholding our national security responsibilities."

The budget proposes to consolidate funding programs, provide greater decision-making authority for the states and localities and reduce total civilian employment by more than 6,000 than were included in the fiscal 1993 enacted budget. The creation of a separate air traffic control corporation will remove about 40,000 employees from the payroll of the department's Federal Aviation Administration (FAA), Secretary Peña said. Under the department's reorganization plan, the ten modal administrations will be consolidated into three, reflecting intermodal, air and Coast Guard operations.

DOT proposes to reduce operating assistance to Amtrak by \$122 million and to transit by \$210 million. Slated for elimination are Local Rail Freight Assistance and Essential Air Service funding, Secretary Peña said.

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Secretary Peña said funding for infrastructure will be reduced by \$2.3 billion, to be made up largely through program simplification and innovative financing techniques. The department's 30 separate capital grant programs will be consolidated into a new \$24.4 billion Unified Transportation Infrastructure Investment Program (UTIIP), which accounts for over two-thirds of the budget. UTIIP is designed to give greater flexibility and discretion to state and local decisionmakers, and will fund highway, transit, rail and airport grants, the Secretary said.

State and local activities under UTIIP include \$10 billion for Unified Grant Program, to be provided directly to states and localities to enable them to decide which investments meet their needs. Also included is \$2 billion for State Infrastructure Banks, which will stretch taxpayer dollars by leveraging federal seed money in partnership with local governments and private interests. A total of \$8.4 billion is proposed for Interstate Highways, the National Highway System and roads on federal lands.

The budget proposes to replace separate airport grants with funding allocations through UTIIP, the Secretary said. A funding level of \$6.88 billion is proposed for the remaining FAA programs, compared to \$6.93 billion for these programs enacted in fiscal 1995.

The transportation safety program will total \$2.1 billion, including a 20 percent increase in safety grants to states, totaling \$347 million.

The budget also proposes a new maritime security program to support national security. In exchange for payments over a 10-year period, participating vessels will be available to the Department of Defense (DOD) to help meet sealift requirements. The budget also proposes to increase funding for the maintenance and operation of the Ready Reserve Force (RRF) from \$150 million to \$289 million. An additional \$70 million is budgeted for RRF fleet acquisitions. Although the RRF funds will now be budgeted in DOD, DOT's Maritime Administration will continue to manage the program. Continued funding at current levels for Title XI loans guarantees for shipbuilding will help finance modern ships and shipyards and keep current our shipbuilding capacity, the Secretary said.

DOT proposes \$3.74 billion for the Coast Guard, 2.1 percent above fiscal 1995.

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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, February 8, 1995

DOT 23-95
Contact: Elaine Matrigali
Tel.: (202) 366-5571

DOT RULE TO ESTABLISH LIMIT OF LIABILITY FOR DEEPWATER PORTS

The U.S. Department of Transportation today proposed to establish a limit of liability for deepwater ports in general and for the Louisiana Offshore Oil Port (LOOP) specifically. LOOP is the only U.S. deepwater port in operation at this time.

The Notice of Proposed Rulemaking contains three proposed options within a \$50 million to \$350 million range for LOOP's limit of liability. Under the Oil Pollution Act of 1990, the limit of liability for deepwater ports is \$350 million. However, the limit could be adjusted to a lower amount (but to not less than \$50 million) if the results of a study show that deepwater ports have lower operational and environmental risks than other ports.

The proposed limits do not alter a deepwater port's unlimited liability for spills caused by gross negligence, willful misconduct or violation of certain federal regulations.

Specific liability limits for other, future deepwater ports will be established through separate rulemakings as necessary.

DOT is seeking public comment on the issue of limits of liability for deepwater ports in general and LOOP in particular.

The notice was published in today's Federal Register. For additional information, contact Bob Stein at 202/366-4846.

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U.S. Department of
Transportation

News:

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

FOR IMMEDIATE RELEASE
Thursday, February 9, 1995

DOT 24-95
Contact: Bill Mosley
Tel.: (202) 366-5571

PEÑA SAYS DOT RESTRUCTURING
WILL HELP DEVELOP TRANSPORTATION
FOR TOMORROW

The Department of Transportation's proposed reorganization will help DOT "to meet today's pressures and then move on to develop tomorrow's transportation systems," Secretary of Transportation Federico Peña said today.

In his "State of Transportation" address to the Washington Coast Guard Officers Association, Secretary Peña said a smaller, more efficient DOT "focuses us -- better than any other proposed option -- on what we *must* do: our core missions of safety, investment and national security."

He said the consolidation of ten operating administrations into three -- an Aviation Administration, the Coast Guard, and a new Intermodal Transportation Administration -- will allow the department to cut 3,000 positions in addition to the reduction of 4,700 employees in the past two years. Enactment of DOT's plan to transfer the air traffic control system to an independent corporation will reduce the department's workforce by an additional 40,000. These actions will reduce the number of DOT employees by two-thirds by 1999, he said.

The restructuring "supports our plan to streamline and simplify DOT's funding programs -- something that wouldn't work without consolidating DOT's operating administrations as well," Secretary Peña said.

That consolidation begins with the department's fiscal 1996 budget proposal, which was unveiled Monday, he said. The budget integrates scores of programs into a new United Transportation Infrastructure Investment Program, which will be financed through the existing transportation trust funds.

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"States will be able to use these funds to meet their needs -- without interference by Washington," Secretary Peña said. "For example, states can use this money for mass transit or Amtrak to reduce congestion on crowded roads or at airports -- without the need for budget-busting highway expansions."

In his remarks, the Secretary praised the members of the Coast Guard for their rescue of Haitian and Cuban refugees in the Caribbean during the last two years. For this and their many other achievements, the Coast Guard was awarded the Secretary's Gold Medal for Achievement, the department's highest award.

The Secretary also noted some of DOT's other successes over the past two years in ensuring safety and sustaining the nation's economic security and national defense. In the field of transportation safety, the department has mandated air bags in cars; fought to reduce drunk driving fatalities and launched a major aviation safety initiative, he said. DOT also has revived the U.S. shipbuilding industry with federal loan guarantees and proposed a 10-year plan to support U.S. flag liners, actions that preserve an American merchant marine for sealift capabilities in national emergencies, he added.

He also noted the department's actions on more than 50 recommendations made by a presidential commission to strengthen the aviation industry, initiatives which have helped airlines return to profitability. He added that the department is laying the foundations for the country's long-term competitiveness through such programs as the recently announced Partnership for Transportation Investment, which will produce increased infrastructure investment from state, local and private sources without spending additional federal money.

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U.S. Department of
Transportation

News:

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

FOR IMMEDIATE RELEASE

Monday, February 13, 1995

DOT 26-95

Contact: Bill Schulz
Tel.: 202-366-4570

**PUTTING SAFETY FIRST IS HEART OF CLINTON ADMINISTRATION
PROPOSAL FOR CORPORATE AIR TRAFFIC CONTROL**

Seeking to ensure the safety, efficiency and growth of commercial and private aviation, Secretary of Transportation Federico Peña today outlined the Clinton Administration's proposal to create a governmental corporation responsible for air traffic control.

"We need to do all we can to ensure that the traveling public has the highest level of aviation safety possible," said Secretary Peña. "Unfortunately, as the airlines are projected to carry an additional 300 million passengers annually ten years from now, I cannot feel comfortable that we will be able to provide the level of service that we know today, unless we make major changes in the system."

Secretary Peña will testify tomorrow on the proposal before the House Aviation Subcommittee, the first such hearing held on the House side to consider reforming the system.

ENSURE SAFETY OF THE TRAVELING PUBLIC

"We will never compromise safety, but with the system already at or near capacity, and the prospects for bringing on new technology in a timely manner very questionable, ensuring safety will mean major compromises in efficiency, which in turn will restrict the economic growth of our airline industry," said Secretary Peña.

(more)

"The best alternative to this gridlock is to corporatize air traffic control, and free it of the cumbersome federal procurement, personnel, budget and financial rules that have created a culture of government-as-usual while the rest of the high-tech communications world has undergone a revolution unprecedented in history."

KEY REASONS FOR CORPORATIZATION CITED

In light of the rapid expected growth of airline service, Secretary Peña cited five key reasons corporatization was necessary to enhancing safety:

- A superior ability to procure, install and operate new technologies;
- A greater flexibility to hire highly skilled employees and place them where needed;
- A higher degree of organizational ability to respond quickly to change;
- A better capability to finance major capital programs;
- A greater ability to plan for the future, and actually be able to carry out those plans.

The proposal will create a not-for-profit government corporation -- United States Air Traffic Services (USATS) -- with approximately 41,000 employees, and an anticipated start-up date of Oct. 1, 1997. Oversight of the corporation will rest with an 11-member board of directors including the Secretaries of Transportation and Defense, the USATS Chief Executive Officer and representatives of airlines, general aviation, unions, airports and business.

The USATS Corporation will be fully funded from fees charged to users of the system. The current 10% passenger ticket fee will be divided during the first two years of the corporation, with 8.5% going to USATS, and 1.5% to the aviation trust fund.

The corporation will be able to borrow from private financial institutions, up to a limit of \$15 billion on outstanding debt. This borrowing will be subject to review and disapproval by the Secretary of Transportation. The corporation may establish its own compensation system and enter into collective bargaining with unions. The strike prohibition is maintained in effect, and FAA employees transferring into USATS will have three years' employment and pay protection.

(more)

The Federal Aviation Administration will maintain its critical safety and other regulatory functions, including those over USATS, and remain fully accountable to Congress and the Executive branch. Additionally, the National Transportation Safety Board (NTSB) will retain its present oversight for airline safety.

MUSEUM QUALITY EQUIPMENT JUST ONE PROBLEM

"Today, while the FAA is the global model for regulating safety standards, the rest of the world is turning to corporatization to ensure a safe air traffic control system," said Secretary Peña. "Instead of possessing the tools to do the job, the FAA relies on 500 landing systems between 15 and 30 years old, 400 radars between 15 and 30 years old, and spends almost \$9 million annually on vacuum tubes -- 90 year-old technology -- for computers which deserve museum placement."

Outdated equipment is only rivaled by the inflexibility of federal personnel rules which prevent the rewarding of good work and fully matching resources where they are needed. Additionally, the federal budget, a three-year planning process constrained by spending caps, and, for the FAA, spelled out in 160 line items and balanced against more than a trillion dollars in other priorities, forces the agency to plan for its future without knowing how much money will actually be provided.

THE COMMITMENT TO AVIATION SAFETY IN THE 21ST CENTURY

"Throughout government, the Clinton Administration is examining how it can best serve the American people; challenging old ideas, assumptions and ways of doing business. This is what reinvention is all about," said Secretary Peña. "Today, there exists an overwhelming consensus throughout aviation that the status quo is inadequate, and we've responded with a concrete blueprint for fundamental change to ensure airline passenger safety well into the 21st Century. The challenge is now for all of us -- Congress, pilots, mechanics and carriers -- to forge a consensus that will do just that."

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U.S. Department of
Transportation

News:

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

FOR IMMEDIATE RELEASE
Thursday, March 2, 1995

DOT 35-95
Contact: Bill Adams
Tel.: (202) 366-5580

SECRETARY PEÑA PRESENTS
DOT BUDGET TO SENATE

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State and local activities under UTIIP include a \$10 billion Unified Allocation Grant, to be provided directly to states and localities to enable them to decide which investments meet their needs. Also included is \$2 billion for State Infrastructure Banks, which will stretch taxpayer dollars by leveraging federal seed money in partnership with local governments and private interests. A total of \$8.4 billion is proposed for Interstate Highways, the National Highway System and roads on federal lands.

The budget proposes to replace separate airport grants with funding allocations through UTIIP, the Secretary said. A funding level of \$6.88 billion is proposed for the remaining FAA programs, compared to \$6.93 billion for these programs enacted in fiscal 1995.

The transportation safety program will total \$2.1 billion, including a 20 percent increase in safety grants to states, totaling \$347 million.

The budget also proposes a new maritime security program to support national security. In exchange for payments over a 10-year period, participating vessels will be available to the Department of Defense (DOD) to help meet sealift requirements. The budget also proposes to increase funding for the maintenance and operation of the Ready Reserve Force (RRF) from \$150 million to \$289 million. An additional \$70 million is budgeted for RRF fleet acquisitions. Although the RRF funds will now be budgeted in DOD, DOT's Maritime Administration will continue to manage the program. Continued funding at current levels for Title XI loan guarantees for shipbuilding will help finance modern ships and shipyards and keep current our shipbuilding capacity, the Secretary said.

DOT proposes \$3.74 billion for the Coast Guard, 2.1 percent above fiscal 1995.

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U.S. Department of
Transportation

News:

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

FOR IMMEDIATE RELEASE
Thursday, March 2, 1995

DOT 36-95
Contact: Roslyn Kaiser
Tel: (202) 366-5571

PEÑA URGES SWIFT PASSAGE OF NATIONAL HIGHWAY SYSTEM

Declaring that the National Highway System is central to the nation's continued economic vitality, Secretary of Transportation Federico Peña today urged Congress to enact the NHS legislation swiftly.

"I hope the bill will be as straightforward as possible," he said, reiterating the Administration's concern that the legislation not include unnecessary projects. He added, "We oppose the addition of any controversial provisions that would derail the NHS legislation ... failure to pass legislation by Sept. 30 would result in the withholding of \$6 billions of federal dollars from the states and the postponement of critically needed transportation improvements."

In testimony before the Subcommittee on Surface Transportation of the House Transportation and Infrastructure Committee, Secretary Peña voiced strong commitment to the NHS as the cornerstone of our national transportation system. "The NHS," he said, "reflects the department's continued emphasis on the prudent investment of public tax dollars in our nation's infrastructure system. ... it will be comprised largely of routes chosen by the states and localities, as envisioned by Congress when it enacted the landmark surface transportation legislation, the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA)."

Peña continued, "The development of the proposed NHS, submitted to Congress on Dec. 9, 1993, was the culmination of several years' work ... truly a grass roots effort. We looked to the state and local officials to identify major roads ... for they know first-hand which routes best serve their communities and connect them to others. The department's role was to integrate these routes into a unified system that will serve the many diverse transportation needs of the nation.

"As currently proposed, the 160,000-mile NHS comprises just 4 percent of America's nearly 4 million miles of public roads, but it carries more than 40 percent of the nation's highway traffic and about 70 percent of heavy truck traffic." He added, "We recognize that for rural communities, highways serve as economic lifelines, so 74 percent of the proposed NHS is rural mileage."

Emphasizing that the NHS is not a highway construction project, the Secretary pointed out that 98 percent of all roads on the proposed NHS have already been built.

"Through NHS," he said, "we can channel needed improvements to key highways, improving the efficiency and reliability of our transportation system and the many businesses which rely on it for moving their products ...it can help confront the problems of traffic congestion by targeting current and projected bottlenecks.

"In many respects," he explained, "the NHS is an economic tool. It links workers to expanded job opportunities, manufacturers to new markets, and consumers to more products and services fueling our economic competitiveness in the world market. ... as an intermodal connector, it ties America together by providing access to major ports, airports, rail stations, public transportation facilities and international border crossings, greatly increasing the efficiency of our entire transportation system."

Peña stated that, "The economic benefits of the NHS would not end at our nation's borders. Most of the freight moving between the U.S. and Canada and the U.S. and Mexico, moves by truck. Now that the North American Free Trade Agreement (NAFTA) has been adopted, and the largest free trade zone in the world created, trade is accelerating. The NHS will connect U.S. routes with the principal highways of Canada and Mexico, creating a high-performance system spanning most of North America.

He added, "We have also been working with the Mexican government to ensure that Mexican motor carriers are aware of their responsibilities while operating in the U.S. ... While the NAFTA presents us with the opportunity to develop safety standards which are compatible across all three countries ... foreign motor carriers operating in the U.S. must fully comply with our motor carrier safety regulations, including our truck size and weight limits."

Secretary Peña touched on other key elements of ISTEA, reporting that "the flexible funding provisions of ISTEA are a powerful example of the benefits of enabling state and local officials, through the metropolitan planning organizations, to make their own decisions on how to allocate transportation funds. To date more than \$1.4 billion dollars have been transferred from highway to transit projects."

He said that a recently announced DOT initiative, the Partnership for Transportation Investment, made possible 35 new transportation projects in 21 states. This plan uses innovative finance methods to fund nearly \$2 billion in critical transportation projects across the nation without additional federal resources, by cutting red tape and giving states more flexibility to secure investment for highway, rail, transit and other transportation construction.



U.S. Department of
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News:

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

226187
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FOR IMMEDIATE RELEASE

Friday, March 3, 1995

DOT 37-95

Contact: H. Price

Tele: (202) 267-8521

**AVIATION FORECAST SHOWS DRAMATIC GROWTH
IN AIR TRANSPORTATION; PEÑA URGES GOVERNMENT
CORPORATION FOR AIR TRAFFIC CONTROL**

Secretary of Transportation Federico Peña today unveiled a 12-year aviation forecast that shows a dramatic economic revitalization of the U.S. airline industry and over 300 million more air passengers by the year 2006.

To meet this demand, Secretary Peña stressed creation of a government corporation as the safest and most efficient way to manage the nation's air traffic in the 21st century.

"These accomplishments didn't come about by accident. They are part of the most comprehensive aviation strategy developed by any U.S. administration since deregulation. They are proof positive of the commitment that this administration has to assisting the recovery of the entire U.S. aviation industry and to securing all of the opportunities that a vibrant, competitive aviation sector brings to our nation," the Secretary said in remarks prepared for delivery at a Washington, D.C., aviation conference.

Secretary Peña spoke to representatives from airlines, airports, labor and other travel-related sectors at the Federal Aviation Administration's (FAA) Commercial Aviation Forecast Conference. The annual day-long event focused on domestic and international air traffic demands and activity of commercial carriers. The conference coincided with release of the FAA Aviation Forecast -- Fiscal Years 1995-2006. Also speaking at the event was FAA Deputy Administrator Linda Hall Daschle.

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According to the forecast, last year 555 million passengers boarded flights on U.S. carriers, an expansion of more than 8 percent from 1993 and the strongest gain since 1987. The study found that in 1994, airlines reported profits of \$2.6 billion, a \$2.3 billion upturn from 1993. The report also estimates that the number of passengers on large air carriers will grow from 501 million in 1995 to 754.3 million in 2006. The number of commuter passengers is projected to increase from 58.4 million this year to 115.1 over 12 years. The overall commercial aircraft fleet is expected to expand from 6,605 in 1995 to 9,781 in 2006.

At the conference, Secretary Peña and Daschle underlined the current need to make bold new organizational changes in the aviation system to meet future air traffic demands. Both officials stressed the importance of creating a government owned air traffic control corporation, independent of cumbersome federal procurement, personnel, budget and financial rules.

"Over the last 17 years, we have seen how an industry, once freed from government constraints, can flourish. It's time that we keep up with the industry that we regulate, and not hold it back. I urge everyone here to continue to support our efforts to revitalize U.S. aviation, to move toward global free trade in the air. And most of all, I urge you to raise your voices in support of air traffic control reform," the Secretary said.

The administration's proposal to create the U.S. Air Traffic Services (USATS) Corp., would transfer air traffic functions from the FAA to a not-for-profit government corporation funded through user fees. Oversight would rest with an 11-member board of directors including the secretaries of transportation and defense, a chief executive officer and representatives from all facets of aviation. It would be fully accountable to Congress and the executive branch. The remaining FAA and the National Transportation Safety Board (NTSB) would maintain critical safety and regulatory functions over airlines, manufacturers and other areas of air transportation including USATS.

Daschle said, "Like all federal agencies, the FAA faces shrinking budgets and a smaller work force. We can manage with less, but greater flexibility will upgrade our ability to invest in leading-edge technology. As with any well-run business, increased latitude to allocate resources will provide the tools needed to better meet challenges that lie ahead. That's what the air traffic corporation is all about."

To sustain growth and profitability of a safe commercial aviation industry, Secretary Peña and Daschle also stressed the need to strengthen public confidence in air safety. Both officials hailed January's aviation safety conference during which airline representatives and government officials examined the safety priorities of air carriers. As a result of this joint effort, industry and government have initiated a comprehensive safety action plan and expect to complete 104 of the 173 initiatives over the next six months.



U.S. Department of
Transportation

News:

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

EMBARGOED FOR RELEASE
6:30 p.m., March 6, 1995

DOT 40-95
Contact: Bill Mosley
Tel.: (202) 366-5571

SECRETARY PEÑA STRESSES NEED FOR GOVERNMENT SUPPORT OF TECHNOLOGY

The federal government's role in supporting technology development is vital to America's ability to compete in global markets and create good jobs at home, Secretary of Transportation Federico Peña said today.

"Government support of technology is especially important when we face the challenges of a worldwide economy and increasing pressures on our infrastructure and our environment," Secretary Peña said in an address to the "Forum on Future Directions on Transportation Research and Development" in Washington.

The meeting was sponsored by the National Science and Technology Council, the National Academy of Sciences and the Transportation Research Board.

Secretary Peña said that the federal government has three roles in fostering new technologies: as a catalyst, providing seed money and expertise; as a standard setter, creating a "stable, common ground that will encourage new entrants;" and as a facilitator and promoter of technology development, "building new alliances with American industry to advance projects that are in the national interest."

Secretary Peña noted that more than \$1 trillion annually is spent on transportation services and products. "So just a 1 percent improvement in transportation efficiency can save the American economy \$100 billion over a decade," he said.

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He cited the Partnership for a New Generation Vehicle as an example of the government's ability to support private industry. Under this program, the federal government is working with U.S. automakers to develop a commercially viable, virtually pollution-free automobile that is three times more fuel-efficient than today's cars. "It's a target as ambitious as the Apollo space program, and it will have far greater benefits here on Earth by helping to reduce the environmental impacts of transportation," the Secretary said.

Such new technologies can help ease such transportation problems as traffic congestion and pollution which cannot permanently be solved by building more highways or airport runways, the Secretary said. "We can't continue to build our way to swifter traffic flows or cleaner air," he said. "Instead, we must develop ways to better manage existing resources, using technology to move beyond the choices between environmental quality and economic growth."

"America can, and we should, lead the world in new technologies that maximize our use of our existing systems, make our roads and bridges more durable, and make our vehicles safer, quieter and less polluting."

DOT has increased its budget for research over the past two years by over 25 percent, the Secretary said, for a total of \$749 million in 1995. However, he cited a move in Congress to cut the department's research budget. "We understand the need to reduce federal spending if we're going to continue to control the budget deficit and provide the tax relief that middle-class Americans need," he said. But this investment is the "seed corn" of America's economy, he added, and "we've got to sustain it if we're going to benefit in the years to come."

Secretary Peña also presented the first Secretarial Award for Excellence to QUALCOMM Incorporated of San Diego for OmniTRACS, a mobile communications and vehicle tracking system that the Secretary described as a "milestone in the development of Intelligent Transportation Systems."

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**U.S. Department of
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Office of the Secretary
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400 Seventh St., S.W.
Washington, D.C. 20590

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M-493

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U.S. Department of
Transportation

News:

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

For Immediate Release
Tuesday, March 7, 1995

DOT 41-95
Contact: John F. Fitzpatrick
Tel.: (202) 366-0881

always expect a train



226187
M-493

D 7501 002

DOT Kicks Off Campaign To Reduce Highway-Rail Crashes

Concerned that last year more than 1,100 people were killed or injured at highway-rail crossings and another 1,000 were killed or injured trespassing on rail property, Secretary of Transportation Federico Peña today unveiled a nationwide, multimedia public awareness campaign called *Always Expect a Train*.

The campaign is designed to educate motorists and pedestrians about the fatal consequences of car-train and pedestrian-train collisions.

The *Always Expect a Train* campaign will provide lifesaving messages to the American public and help reduce the number of people who place themselves in deadly contact with trains. It is one component of Secretary Peña's Highway-Rail Safety Action Plan announced June 13, 1994, which consists of educational, engineering and enforcement efforts to reduce highway-rail and railroad trespassing deaths and injuries.

According to Secretary Peña, "Nearly every 90 minutes someone in America is hit by a train. This is simply unacceptable. The *Always Expect A Train* campaign will educate people about the dangers at highway-rail intersections and of trespassing on railroad tracks and equipment. Our goal is to raise the public's awareness, reduce these preventable tragedies and save lives."

The campaign includes public service television and radio commercials and print advertisements in both English and Spanish. Some of the commercials are from the perspective of locomotive engineers who are often the hidden victims. Because trains cannot steer out of the way or stop quickly, engineers can do little to prevent car-train collisions except to apply the brakes and sound the horn.

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More than 50 percent of all car-train collisions occur when motorists disregard warning lights or safety gates. At crossings solely equipped with a railroad crossing or "crossbuck" sign, many motorists are unaware that the sign means the driver must look, listen and yield. The *Always Expect A Train* campaign addresses these issues.

Secretary Peña's Highway-Rail Safety Action Plan is an intermodal project with the joint participation from the department's Federal Railroad Administration, Federal Highway Administration, Federal Transit Administration and National Highway Traffic Safety Administration.

Joining Peña at the news conference were Tom Simpson, President of Operation Lifesaver, Inc.; Edwin Harper, President and CEO of the Association of American Railroads; and Leroy Jones, Legislative Director for the Brotherhood of Locomotive Engineers. In partnership with Operation Lifesaver, the U.S. DOT consulted with railroads and railroad labor to develop the *Always Expect A Train* campaign.

Peña added, "Working with Operation Lifesaver, rail management and labor, and others, we are distributing these public service announcements nationwide. The more people who become aware that they should 'always expect a train,' the more we can reduce these avoidable deaths and injuries."

In addition to the public service announcements sent to television and radio stations and newspapers across the country, a video news release of the news conference and the three television spots are available via satellite on Telstar 302 2V, audio 6.2 & 6.8 on Tuesday, March 7, 1995, from 2:30-3:00 p.m. EST. If there are any problems in obtaining transmission, please call 1-800-666-7882.

Media kits featuring the television, radio and print public service announcements are available in the Federal Railroad Administration's Office of Public Affairs. To obtain copies, please contact (202) 366-0881.

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U.S. Department
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**Federal Railroad
Administration**

400 Seventh St., S.W.
Washington, D.C. 20590

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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,
Tuesday, March 7, 1995

DOT 42-95
Contact: Bill Mosley
Tel.: (202) 366-5571

DOT WILL CONTINUE TO PURSUE
FREE MARKET IN AVIATION,
SECRETARY PEÑA SAYS

The United States will continue to press for a free market in international aviation services in order to benefit travelers, cities, businesses, national economies and air carriers, Secretary of Transportation Federico Peña said today.

In an address to the International Aviation Club in Washington, Secretary Peña pointed to last month's free-market aviation agreement with Canada and the ongoing talks with nine European countries toward free-market accords as evidence that DOT is "taking the lead in what is fast becoming a global movement toward fully open trade in aviation services."

He said the new U.S.-Canada agreement, under which new, expanded air service already has begun, "will prove that this sort of open, competitive aviation accord is the single most cost-effective step that any government can take to stimulate its economy, to create jobs and to enable its citizens to meet the challenges of the 21st century."

Too often, international aviation negotiations focus only on the narrow interests of the air carriers of the respective nations, the Secretary said. "Fortunately for Canada and the United States, we approached our aviation talks with a view to answering the question: 'What's good for Canadian and American cities, for our businesses, for our national economies, for airline consumers -- and for the air carriers of both nations?'" he added.

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Secretary Peña said that the talks with European nations have made rapid progress. Free-market accords with three countries already have been initialed, and talks with the remaining six are planned for later this month and early April. "We would welcome initiatives by other European partners who are interested in working with us to liberalize existing bilaterals - sooner rather than later," the Secretary said.

"We will do anything and everything we can to move forward - never backwards -- toward an open aviation world whose benefits, we believe, far outweigh the costs," the Secretary added.

The administration's efforts to liberalize international aviation are a key component of its implementation of the recommendations of the Commission to Ensure a Strong Competitive Airline Industry, which President Clinton created in 1993. DOT has acted on more than 80 percent of these recommendations, such as encouraging new entrants to the airline industry, working to help resolve labor disputes and promoting employee ownership of airlines -- actions which have helped return U.S. carriers to profitability, Secretary Peña said.

DOT's leading role in the global movement toward open aviation services "fits seamlessly with President Clinton's core economic and trade strategies" including the North American Free Trade Agreement, the General Agreement on Tariffs and Trade and efforts to liberalize trade throughout the Western Hemisphere and the Asia-Pacific region.

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News:

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

FOR IMMEDIATE RELEASE
Friday, March 10, 1995

DOT 45-95
Contact: Bill Mosley
Tel.: (202) 366-5571

NORTHWEST TO BEGIN
DETROIT-LONDON FLIGHTS

The Department of Transportation today granted Northwest Airlines temporary authority to begin flights between Detroit and London, replacing Delta Airlines on the route.

The department's exemption allows Northwest to immediately begin advertising and selling tickets for its new services. DOT also proposed to transfer Delta's certificate for this route to Northwest. The exemption authority will be in effect for one year, or until 90 days after a final decision on a transfer of the certificate.

On Jan. 6, the two carriers asked the department to approve the transfer of the route, which Northwest agreed to purchase from Delta for \$1.6 million. Northwest also asked for an exemption to allow it to advertise the new service immediately.

In its order, the department said consumers will benefit from the transfer due to Northwest's plans to significantly increase service. Northwest plans to offer daily nonstop service and a wealth of connecting flights from its Detroit hub.

Any objections to the certificate transfer are due March 20. Answers to objections are due March 24.

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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, March 13, 1995

DOT 47-95
Contact: Wendy Burt
Tel.: (202) 366-5565
Jim Pinkelman
(202) 366-0660

DOT SEEKS REPEAL OF PRE-EMPLOYMENT ALCOHOL TESTING REQUIREMENT

Highlighting the regulatory reform efforts of the Clinton Administration in the last two years, Secretary of Transportation Federico Peña today announced he would ask Congress to repeal the pre-employment alcohol test requirement for transportation industries regulated by the department, citing it as an example of a misguided rule mandated by Congress.

"Random drug and alcohol testing of transportation employees is an effective tool for ensuring the safety of the traveling public," said Secretary Peña in a speech at the National Truck and Bus Safety Summit in Kansas City, Mo. "But the department agrees with the trucking industry and safety groups such as Mothers Against Drunk Driving that requiring pre-employment alcohol testing is not necessary."

Last December, Secretary Peña granted a four-month delay, from January to May 1995, in pre-employment alcohol testing for the trucking industry, which is subject to a particularly high turn-over rate in the work force. He will now ask Congress to repeal the requirement for transit, aviation and rail workers as well as commercial drivers. Employers who want to continue pre-employment alcohol testing would be able to do so.

According to DOT, the repeal of this rule would save industry an estimated \$28 million annually.

The other alcohol testing requirements would remain in effect. They apply in four situations: reasonable suspicion of the use of alcohol; random testing; after an accident has occurred; and return-to-duty/follow up after a positive test result.

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"A transportation work place free of drug and alcohol misuse is vital to the safety of the traveling public," Secretary Peña said. "That's why we are working in partnership with industry as well as state and local governments to promote effective testing methods."

DOT has rescinded many regulations that are outdated or unreasonably burdensome, said Secretary Peña. At the same time, DOT has issued other regulations, such as one last week requiring anti-lock brakes on heavy vehicles, that will save lives, prevent injuries and be cost-effective.

"The rule on anti-lock brakes is an example of a regulation that makes sense and is supported by industry and the traveling public alike," added Secretary Peña. "Yet it is exactly the kind of regulation that would be impossible to enact if an across-the-board freeze is placed on all regulations." Congress is currently considering such an action in the proposed Regulatory Transition Act of 1995.

"Safety is our number one priority at the Department of Transportation," Secretary Peña said. "Working with our partners in the private sector and state and local government, we are committed to sensible, necessary regulations that protect the American people without unnecessarily burdening business."

The alcohol testing rules were mandated by the Omnibus Transportation Employees Testing Act of 1991. They went into effect Jan. 1, 1995, generally for larger employers. The rules also cover approved alcohol testing devices and specify the procedures that should be followed in using them.

Coordinated by the department's Federal Highway Administration, the three-day National Truck and Bus Safety Summit began today. Some 200 representatives of the trucking and bus industries, federal and other government agencies, safety organizations and others involved in motor carrier and highway safety are participating in a series of concurrent workshops that will culminate in the development and recommendation of safety initiatives.

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News:

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Washington, D.C. 20590

FOR IMMEDIATE RELEASE
Wednesday, March 15, 1995

DOT 50-95
Contact: Bill Mosley
Tel.: (202) 366-5571

ATC CORPORATION NEEDED FOR AVIATION SYSTEM OF TOMORROW, SECRETARY PEÑA SAYS

The current air traffic control (ATC) system lacks the tools to meet the aviation challenges of tomorrow, Secretary of Transportation Federico Peña said today as he renewed his call for a government corporation to manage the nation's airspace.

The department's Federal Aviation Administration (FAA), which currently manages the system, "doesn't have the tools" to keep pace with the growing passenger demand of today's aviation industry, the Secretary said in testimony before the House Appropriations Subcommittee on Transportation.

"When I look at the state of today's system, the difficulty that the FAA faces in trying to adapt to a changing industry, the budget outlook, and that growing passenger demand, I cannot assure the American people or the Congress that we will be able to provide the level of service that we have today, unless we make fundamental changes to our system," Secretary Peña said.

"It is estimated by the airlines that ATC system delays today cost them and their passengers in excess of \$3.6 billion a year," the Secretary added. "These types of losses can mean the difference between an industry that can make ends meet and one that can't."

The FAA is burdened with a procurement system that "makes it virtually impossible to keep pace with new technology," he said. In addition, it has an inflexible personnel system and a budget system that "doesn't allow for long-term planning or timely acquisition."

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The administration's proposal would replace the present system with a government corporation, "freed from the federal budget, personnel and procurement systems" to manage the air traffic system, Secretary Peña said. It would be financed by user fees and could finance capital programs as private sector companies can. Safety regulation would remain in the hands of the FAA.

A corporatized ATC system would maintain the highest standards of safety, the Secretary said. A number of other countries, including the United Kingdom, have adopted this structure with good results, he added. In addition, he said "entirely private corporations are entrusted with major aviation safety responsibilities every day," pointing to airlines and aircraft manufacturers.

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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
Tuesday, March 21, 1995

DOT 53-95
Contact: Rasheed Tahir
Tel.: (202) 366-9307

DOT TO HOLD PUBLIC MEETING ON CENTRALIZING/COMPUTERIZING ITS DOCKETS

The U.S. Department of Transportation will host a meeting to provide the public with an opportunity to learn more about the new docket management system being implemented at the department, and to solicit views and questions on it.

The meeting will be held on March 29 from 1:30 p.m. until 4:00 p.m. at the DOT Headquarters Building, 400 Seventh St., S.W., in room 2230. Individuals interested in attending should contact Rasheed Tahir at 202/366-9307 no later than March 27.

Transportation Secretary Federico Peña directed that DOT's Office of the Secretary, the Federal Aviation Administration, Federal Highway Administration, Federal Railroad Administration, Federal Transit Administration, Maritime Administration, National Highway Traffic Safety Administration, Research and Special Programs Administration and the U.S. Coast Guard consolidate their separate paper-based docket facilities into a single, central office and convert to an electronic image-based system.

The change will enable the department to provide better service and access to the public and to government users.

The department plans a phased transition to the new, centralized facility. During the transfer of DOT's docket to the imaging system, hard copies will be maintained in the docket office. Computer work stations will be available to access the information that is electronically stored and the computers will have an easy-to-use interface, thereby allowing the docket staff to be available to help users.

- more -

Ultimately, the public will have on-line access to the docket from outside DOT's docket office. The system will support both Macintosh and IBM compatible equipment and provide an easy-to-use interface with pull-down menus.

Seating at the public meeting will be available on a first-come first-served basis.

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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, March 22, 1995

DOT 54-95
Contact: Chuck Kline
Tel.: (202) 366-5770

OCST ADOPTS COMPREHENSIVE STRATEGIC PLAN

The Office of Commercial Space Transportation (OCST) of the U.S. Department of Transportation has adopted a strategic plan "that brings a new vision and philosophy to commercial space transportation in the United States," according to Office Director Frank C. Weaver.

"The thrust of our strategic plan is to help position the U.S. commercial space transportation industry as the dominant supplier in the global market for launch services over the next decade," Weaver said.

The plan sets forth the opportunities and obstacles OCST must address as it prepares to enter the twenty-first century. It was formulated by OCST staff, based on frequent contacts with space launch providers, payload owners and manufacturers, infrastructure developers, insurers, investors, other federal agencies, and state and local governments.

According to the plan, OCST's vision of a viable U.S. commercial space launch industry is one that:

- o Offers a fleet of launch vehicles and associated infrastructure to meet the needs of a wide spectrum of commercial, military, intelligence and civil government users;
- o Provides capable, operable, reliable, and economical space transportation; and
- o Competes by the turn of the millennium on a fair and equitable basis in the world space launch market with the Chinese, European, Japanese, Russian and other launch providers.

-more-

Among the goals set forth in the OCST Strategic Plan is the successful implementation of the National Space Transportation Policy (NSTP) signed by the President Aug. 5, 1994. The NSTP is designed to facilitate development of new or improved U.S. commercial space launch vehicle technology, encourage establishment of public-private partnerships to construct new or improved infrastructure ensuring the availability of sufficient capacity to accommodate increasing demand for commercial space launches, to develop and monitor agreements to advance fair and equitable international trade in space launches, and to promote commercial applications of space technology, benefiting the nation's economic growth.

Goals also include regulating commercial space launches and the operation of commercial space launch sites, only to the extent necessary, "to ensure compliance with international obligations of the United States and to protect the public health and safety, safety of property, and national security and foreign policy interests of the United States."

The plan concludes by relating its elements to specific strategic goals of the Secretary's strategic plan for the Department of Transportation as a whole.

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News:

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Washington, D.C. 20590

FOR IMMEDIATE RELEASE
Thursday, March 23, 1995

DOT 55-95
Contact: Bill Mosley
Tel.: (202) 366-5571

DAYLIGHT TIME BEGINS SUNDAY,
APRIL 2, FOR MOST AMERICANS

Americans will get an extra hour of daylight in the evening when daylight saving time returns to most of the nation at 2 a.m. Sunday, April 2. Clocks will be set forward one hour.

Under provisions of the Uniform Time Act, daylight saving time is observed from the first Sunday in April to the last Sunday in October. Next fall, the nation will return to standard time on Sunday, Oct. 29.

The federal law does not require any area to observe daylight saving time. But if a state chooses to observe daylight time, it must follow the starting and ending dates set by the law.

In those parts of the country that do not observe daylight time, no resetting of clocks is required. Those states and territories include Arizona, Hawaii, the part of Indiana located in the Eastern Time Zone, Puerto Rico, the Virgin Islands and American Samoa.

Transportation Secretary Federico Peña also reminds Americans to change the batteries in their smoke detectors when they change the time on their clocks.

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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
Friday, March 24, 1995

DOT 56-95
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**PEÑA FULFILLS PLEDGE FOR
UNIFORM SAFETY STANDARDS
FOR ALL COMMERCIAL AIRLINES**

Fulfilling the pledge made to U.S. air passengers 100 days ago, Transportation Secretary Federico Peña and Federal Aviation Administrator (FAA) David Hinson today announced a bold step forward to set "one level of safety" for all scheduled commercial flights on aircraft with 10 or more seats.

The nation's top two aviation officials said the comprehensive new rule proposed by the FAA is unprecedented, requiring all commuter airlines that operate airplanes with 10-30 seats to meet rigorous safety standards equivalent to the major air carriers.

Commending the agency's swift action, President Clinton said, "These new standards are a bold and necessary step forward in improving air safety and an outstanding example of how government can and should work to address the concerns of the American people."

"Whether an airplane has 10 seats or 300 seats, we can assure travelers that every commercial flight will deliver the same high level of safety," Secretary Peña said.

The proposed rule will require commuter airlines to appoint a safety officer and to establish a dispatch system and a carry-on baggage program as well as to standardize their ground deicing program. It will require commuter airline pilots to comply with the same flight and rest requirements as major airlines and it will set duty limits for aircraft maintenance workers. The rule also will require additional passenger safety equipment.

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Secretary Peña said that the proposed rule is a direct response to public concerns about air safety and the tremendous growth of the commuter airline industry since the FAA last revised the regulations 17 years ago. Current FAA forecasts show that commuter travel will more than double by 2006. In the past 20 years, commuter aircraft hours have climbed from 900,000 to more than 2.3 million annually. Commuter departures are up from 1.4 million in 1975 to 3.1 million today.

"The safety record of commuter airlines has improved steadily since 1978, but it still falls short of the major carriers' outstanding record of safety. We need to change that. Setting a uniform safety standard now will ensure maximum passenger safety as the commuter industry continues to grow," Peña said.

In certain cases, airlines that operate aircraft with 10-19 seats will be required to comply with the "functional equivalent" of the rule, which Hinson called a "common-sense approach" that considers the feasibility of implementation, the cost, and the size of airplanes and operators. For example, flight attendants will not be required on airplanes with 10-19 seats, because the small size makes that kind of staffing unnecessary.

The rule will require the carriers to comply with Part 121 of the Federal Aviation Regulations (FAR) with some exceptions. Currently, commuter airlines are regulated by Part 135 of the FAR, which is somewhat less stringent than Part 121.

"Our purpose is to achieve the highest level of safety without imposing unnecessary regulations or costs that do nothing to help us reach that goal," Hinson said. "Part 121 regulations were originally written for airplanes with more than 30 seats. It is essential that we require smaller airplanes to adhere to higher safety standards, but we also must adapt the rules to the realities of these smaller planes and the conditions under which they operate."

On-demand air taxis and commuter airlines operating aircraft with fewer than 10 seats and rotorcraft operations will continue to be regulated by Part 135.

Hinson said that the FAA used a newly streamlined rulemaking process, developed for this project, to cut through bureaucratic barriers and deliver the proposed rule in record time.

"A major regulatory change like the one we're proposing involves a complex series of investigations, analysis and decisions," Hinson said. "The FAA committed 50 people to the job of completing the rule in 100 days -- the shortest time ever for development of a new aviation regulation of this scope -- and their dedication made it happen."

The proposed rule is expected to cost commuter airlines \$275 million over 10 years, but the FAA estimates that the stricter safety requirements may prevent as many as 94 accidents during the same 10 years, at an average estimated savings of \$5.9 million per accident. The cost to passengers is expected to average less than two dollars per one-way ticket -- about \$1.91 per ticket on airplanes with 10-19 seats and \$.68 per ticket on 20-30 seat airplanes.

In addition to this proposed rule, FAA is working on related rules that will cover pilot rest and duty time, training, crew pairing, and the use of simulators for training and crew resource management.

Peña said that legislation is being proposed to provide the FAA authority to change Part 139 of the FAR to enable FAA to raise standards and require certification for small airports served by commuter airlines.

Comments on this notice should be mailed in triplicate to: Federal Aviation Administration, Office of the Chief Counsel, Attention: Rules Docket (AGC-200), docket No. 28154, 800 Independence Ave., S.W., Washington, D.C. 20591. The comment period will last 90 days.

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U.S. Department of
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News:

Office of the Assistant Secretary for Public Affairs
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DOT TO LAUNCH NEW CUSTOMER SERVICE EFFORT

As part of an effort to provide better customer service, the Department of Transportation today announced that some of its public documents are now available electronically.

Beginning today, the Department's press releases, selected speeches by Secretary Federico Peña and other public affairs information can be accessed on the Internet via the World Wide Web (WWW). The DOT WWW server can be reached at: "<http://www.dot.gov>". Customers can reach the public affairs section by selecting the "What's New" button or by selecting the "News Items" link located on the system's home page. DOT's WWW server is compatible with all the major web browsers including NCSA, Mosaic, Spyglass, AirMosaic, Netscape, Tapestry, and Lynx. It has also been optimized for modem access (14.4 kb speeds or better).

Also today, Secretary Peña unveiled the initial phase of the department's new consolidated docket management system. The Department is consolidating its nine separate docket facilities into a single central office, and converting from a paper-based system to an electronic "imaging" system. This will give DOT customers one-stop shopping and more efficient service.

"The increase in the number and complexity of rulemakings and adjudicatory proceedings has generated a growing mountain of paper," Peña said. "This new electronic system will provide users with better and quicker access to information. In the future, the system will eventually permit individuals to perform electronic searches of public records from outside Washington. Electronic docketing is beneficial for the public and it saves the government time and money."

OST Dockets will soon be accessible electronically at special viewing stations located in room PL-401 at the DOT Headquarter's building. DOT headquarters is located at 400-7th Street, S.W., Washington, D.C.

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*An electronic version of this document can be obtained via the World Wide Web at:
<http://www.dot.gov/affairs/index.htm>*