

**TESTIMONY OF RODNEY E. SLATER**

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**HEARING**  
BEFORE THE  
**COMMITTEE ON**  
**ENVIRONMENT AND PUBLIC WORKS**  
**UNITED STATES SENATE**

ONE HUNDRED FIFTH CONGRESS

FIRST SESSION

NOMINATED TO BE SECRETARY OF TRANSPORTATION

—————  
JANUARY 31, 1997  
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## TESTIMONY OF RODNEY E. SLATER

FRIDAY, JANUARY 31, 1997

U.S. SENATE,  
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,  
*Washington, DC.*

The committee met, pursuant to notice, at 9:30 a.m. in room 406, Senate Dirksen Building, Hon. John H. Chafee (chairman of the committee) presiding.

Present: Senators Chafee, Warner, Smith, Kempthorne, Hutchinson, Sessions, Baucus, Moynihan, Lautenberg, Graham, Lieberman, and Wyden.

Senator CHAFEE. Will the committee please come to order?

This is an informational hearing to receive testimony from Mr. Rodney Slater, who has been nominated by the President to be Secretary of the Department of Transportation.

We're delighted that a Member of this committee, Senator Hutchinson, is here to introduce Mr. Slater to the committee and I am going to withhold on my opening statement until Senator Hutchinson completes his introduction.

Senator we welcome you here and proceed.

### OPENING STATEMENT OF HON. TIM HUTCHINSON, U.S. SENATOR FROM THE STATE OF ARKANSAS

Senator HUTCHINSON. Thank you, Mr. Chairman.

I'll say this morning again how glad I am to be able to serve with you on this committee after serving on the Committee on Transportation and Infrastructure in the House.

I'm extremely pleased to have the opportunity to introduce somebody I admire and respect, and somebody who has been a good friend over the years. I'm glad I can call him a friend.

Rodney Slater is the President's nominee for Secretary of the Department of Transportation. I'm sure you may know that Senator Bumpers, Senator Warner, Congressman Hutchinson, my brother, and Congressman Marion Berry, and I introduced Rodney on Wednesday before the Senate Commerce Committee, where Rodney was presented as the nominee of the President. I am pleased to note that the hearing on Wednesday went smoothly and I'm confident that today's hearing will strike a similar tone.

As special as Wednesday was, today is even more of a pleasure for me to be able to introduce Rodney to the committee on which I am privileged to serve.

I've known Rodney since the 1980's when I was first elected to the Arkansas State Legislature and Rodney was the executive assistant for then-Governor Clinton. From the very beginning of our

relationship, I've had the deepest respect for Rodney on both a personal and professional level.

Professionally, I think there is no question that Rodney is qualified to become the Secretary of Transportation. Before coming to Washington, Rodney served for 6 years as commissioner and later as chairman of the Arkansas State Highway Commission. During this time, Rodney, without hesitation, tackled the great challenge of improving the infrastructure of the highway system in a poor, rural State that has many infrastructural needs.

The last 4 years, he has served as Administrator of the Federal Highway Administration where he's faced the challenge of implementing ISTEA. The experience with national and local transportation needs, as well as his expertise in the intricacies of ISTEA, give me the utmost confidence in Rodney Slater.

I look forward to working with a Secretary Transportation with such valuable and worthwhile experience. I'm especially glad for his background in surface transportation, though I know he will be fair and even-handed in dealing with all modes of transportation.

On a personal note, I cannot overemphasize my esteem for Rodney and the courage he's shown in overcoming the difficulties associated with growing up in a region the country, the delta of Arkansas, that is one of the most impoverished areas of the Nation. In overcoming those obstacles, he has become, I think, a tremendous role model to the young people of America.

Another one of the great things about Rodney, which I noted on Wednesday, is commitment to his family and their commitment to him. Nobody could question that commitment after Wednesday when so many of his family came out for the Commerce Committee hearing.

A Republican said, "No way I could vote against Rodney Slater after you canonized him." Well, I couldn't canonize him, but I think he is a great role model.

Another example of Rodney's love for his family came yesterday when, despite all his obligations Rodney found time to walk his young daughter, Bridgette, to school.

This type of commitment to family and profession encourages me. I want to reiterate my comments from Wednesday, that I have no hesitancy at all in giving my total support for Rodney Slater as Secretary of the Department of Transportation. I'm glad to introduce him to the committee today.

Senator CHAFEE. Thank you very much, Senator Hutchinson. That's a very, very favorable endorsement of Mr. Slater.

We, as you know, on this committee have gotten to know Mr. Slater over the past 4 years in his said capacity as Administrator of the Federal Highway Administration.

We'll excuse you, Senator, and welcome you to the dais. Again, we want to say how glad we are that you are a Member of this committee.

Now, again, I welcome you, Mr. Slater. I don't believe you have your family here today, do you?

Mr. SLATER. They aren't here at present, but I think that my wife and daughter may try to arrive later this morning.

Senator CHAFEE. Well, if they do show up, if you'd let us know, I know the Members of the committee would be very glad to welcome the members of your family.

Mr. SLATER. Thank you.

**OPENING STATEMENT OF HON. JOHN H. CHAFEE,  
U.S. SENATOR FROM THE STATE OF RHODE ISLAND**

Senator CHAFEE. The purpose of today's hearing is to receive testimony from Rodney Slater, the President's nominee to be Secretary of the Department of Transportation. This committee does not have responsibility for reporting out this nomination. However, we have jurisdiction over many key transportation issues, including the reauthorization of the Intermodal Surface Transportation Efficiency Act, which is among the priorities of the committee this year.

Mr. Slater has a distinguished record of service, as Senator Hutchison outlined. As Federal Highway Administrator, you've worked tirelessly to meet the Nation's complex and almost endless transportation needs. I am confident that you will continue that excellent work as Secretary of Transportation.

Four years ago when you appeared before this committee as the President's nominee for the Federal Highway Administration, Congress has just passed ISTEA the previous year or so. I guess it was just a year earlier in 1991.

During that hearing, we focused on the critical role the Federal Highway Administration would play in carrying out the new law. To that end, in your testimony, you pledged that the Federal Highway Administration would carry out five key themes identified by then Secretary Peña.

They were, No. 1, strengthening the role of transportation in supporting the economy; No. 2, supporting transportation safety; No. 3, building linkages between transportation and the environment and environmental policy; No. 4, advancing American technology and expertise; and No. 5, fostering intermodalism.

These were and continue to be laudable goals that must be preserved as we move forward in enacting the second ISTEA. It is a crucial time for the Nation's transportation system. Regrettably, not everyone has such a global view as you do of transportation's role. Some Members want to go backwards, in my judgment, and return the program to solely a highway program. Others simply want to give the program back to the States.

I think it is important that you protect, not only the key Federal role in ISTEA, but also the broad perspective needed to guide the Nation's transportation system into the next century. What was once simply a highway program is now a program not only for building roads and bridges, but also for enhancing our mobility, our safety and the environment in which we live, work, and play.

So, Mr. Slater, we welcome you here and Senator Baucus, do you have a statement?

**OPENING STATEMENT OF HON. MAX BAUCUS, U.S. SENATOR  
FROM THE STATE OF MONTANA**

Senator BAUCUS. Thank you very much, Mr. Chairman.

Mr. Slater, I join the chairman of our committee and all of us here in welcoming you. We look forward to working with you in a very constructive, industrious, and fruitful tenure as Secretary of Transportation. You will be working with all the committees in the Congress and certainly with this one, on transportation issues.

Mr. Chairman, I am very pleased that we are holding this informational hearing. The more hearings we have in which we speak with the Secretary and his staff, the more likely we will reach an accommodation that is in the country's best interests. We should have a good number of meetings, whether they're formal or informal.

Mr. Chairman, as you may know, Rodney Slater is only the second Federal Highway Administrator to be nominated as Secretary of Transportation. The first was John Volpe from Massachusetts. We all know Mr. Slater's individual accomplishments as Highway Administrator. He is most deserving to the Secretary of Transportation.

Mr. Chairman and Mr. Secretary-to-be, one of the priorities of this committee and the Congress will be the reauthorization of the Intermodal Surface Transportation Efficiency Act, otherwise known as ISTEA, which expires on September 30, 1997.

There will be plenty of time to debate the merits of that legislation, but at this point, Mr. Chairman, I'd like to make a few brief comments.

First, we all know the funding formulas will be contentious, will be difficult. I recognize that ISTEA's formulas must be debated and where appropriate, they must be changed, but I ask my colleagues to keep in mind that we are one Nation.

We are not 50 separate nations, we the United States of America. We all come from States with diverse transportation needs—that is true—but our goal should be to craft a reauthorization bill that is worthy of this country as we move into the next century.

In addition to formulas, there are several important policy decisions that must be taken. First and foremost will be the overall level of funding. With the help of my colleague, Senator Warner from Virginia, we've been able to gather a letter with 57 signatures to the chairman of the Budget Committee, Senator Dominici. Mr. Secretary, the letter urges him to make room in the budget resolution for an increase in transportation spending. Let's remember, these funds come directly from the users of the transportation system and should be available to meet their needs.

We must also discuss the impact of transportation on the environment and the use of Highway Trust Fund dollars for Amtrak and other modes of transportation—big issues. Furthermore, we will examine the relationship between the States and local officials when it comes to transportation planning, and the balance between urban and rural interests in developing and applying new transportation technologies.

We've a lot of ground to cover. I'm encouraged that Senator Warner is already scheduling hearings so that we can begin our work.

All of us want a well-maintained, efficient and safe transportation system for our constituents and for our country. We will find that balance, but only if we work together and stay focused on the big picture.

ISTEA was a landmark bill, due in large part to the vision of the Senator from New York, Senator Moynihan. Now we have the opportunity to extend that vision into the next century.

I look forward to working with you, Mr. Chairman, and with you, Mr. Secretary-designate, with Senator Warner and my colleagues to achieve that goal.

Senator CHAFEE. Thank you, Senator, and you are quite right in giving great credit to the senior Senator from New York, Senator Moynihan. He was the lead player on that in 1991. I was pleased to be able to give him a hand, but he was the one that had the overall vision.

Senator Warner.

**OPENING STATEMENT OF HON. JOHN W. WARNER,  
U.S. SENATOR FROM THE COMMONWEALTH OF VIRGINIA**

Senator WARNER. Thank you, Mr. Chairman.

I would like to say that I had the privilege of introducing the nominee before the Commerce Committee, one of the events in the life of a Senator one does not forget. Thank you for that.

I'd note the presence of his wife and family who have arrived, I believe.

Senator CHAFEE. Yes, Mr. Slater. Why don't you introduce your family to us?

Mr. SLATER. Mr. Chairman, it's my pleasure and honor to introduce my wonderful wife, Cassandra Wilkins, and our beautiful daughter, Bridgette Josette Wilkins Slater.

Senator CHAFEE. If Bridgette can stick this out, she's a real champ.

[Laughter.]

Senator BAUCUS. That's a wonderful name. What's her full name again?

Mr. SLATER. Bridgette Josette Wilkins Slater. She's named after her grandmother and great grandmother.

Senator CHAFEE. That's nice. Well, we welcome you both here, Mrs. Slater, and your lovely daughter.

Senator WARNER. I listened very carefully as the distinguished Member from the State of Montana set forth the issues.

I would like to say, on a personal basis, how pleased I am with our two new Members, Senators Hutchison and Sessions, and I look forward to working with them.

Senator CHAFEE. Then we've got another Member who isn't here, Senator Allard.

Senator WARNER. Yes.

Senator CHAFEE. Well, with that laudable example of brevity, next in order of appearance is Senator Hutchinson, who has already had some words but you're entitled to some more, but don't feel compelled.

[Laughter.]

Senator HUTCHINSON. With that admonition, I'll resist the temptation to speak and I hope I will have an opportunity to ask some questions.

Senator CHAFEE. You certainly will, that's the purpose of it.

Senator Kempthorne.



**OPENING STATEMENT OF HON. DIRK KEMPTHORNE,  
U.S. SENATOR FROM THE STATE OF IDAHO**

Senator KEMPTHORNE. Mr. Chairman, thank you very much. I, too, will make my opening statement as part of the record.

I would like to say though that I greet Rodney Slater's nomination to the Secretary of Transportation with great enthusiasm. I'm a great admirer of yours, Mr. Slater. I've watched you in 4 years. You have brought great honor and distinction to the performance; you were a practitioner of practical government in the State of Arkansas; you've now brought it to the Federal level, to which I think all of the States are grateful to you. I think you'll make an outstanding Secretary of Transportation.

I also would like to acknowledge Cassandra. The team that you have, because when we had some terrible flooding in Idaho on a Saturday that I needed to reach you, I called you home, spoke to Cassandra, who promptly got the message to you, so that's the support that you get from your family.

Bridgette Josette, the beautiful young lady there, it's good that your family is here because with all the duties you have as the Secretary of Transportation, and all that we require of you, we also want you to continue your role as father and husband. That's critical.

Mr. SLATER. Thank you.

Senator KEMPTHORNE. Thank you.

[The prepared statement of Senator Kempthorne follows:]

STATEMENT OF HON. DIRK KEMPTHORNE, U.S. SENATOR FROM THE STATE OF IDAHO

Thank you, Mr. Chairman.

Good morning, Mr. Slater, and welcome.

I have very much enjoyed our relationship the past four years in your capacity as Administrator of the Federal Highway Administration. There have been two particular situations where you and your staff have done outstanding work on behalf of the Northwest and Idaho in particular. These incidents involved two serious flooding events that caused considerable damage to Federal aid highways in my state which necessitated a rapid and efficient Federal response in terms of Federal Highways personnel and emergency financial assistance. The response of your agency and your personal involvement in these disasters was terrific. It is very apparent to me that your prior experience in highway administration at the state level in Arkansas has served you well in Washington, DC. The highway users of this country have certainly benefited from your common sense approach to solving problems and developing policy. I wish that every appointee that came before the Senate for confirmation was as well suited for their position as you are. I am confident that the type of professional which has distinguished your tenure as Administrator of the Federal Highways Administration will continue in your role as Secretary of the Department of Transport.

Senator CHAFEE. Thank you, Senator.

Senator Wyden.

**OPENING STATEMENT OF HON. RON WYDEN, U.S. SENATOR  
FROM THE STATE OF OREGON**

Senator WYDEN. Mr. Chairman, I have the drift with respect to brevity and let me say this issue is of such importance to my State, I just wanted to make a couple of very quick comments.

Most specifically, Mr. Chairman and colleagues, this issue of transportation is always framed as a question of economics versus environmental protection. The notion is, of course, that if you're

going to have a booming economy, you've got to take the pollution, the traffic, the sprawl, all of the negative kind of consequences.

What we have shown in Oregon is that it doesn't have to be that way. We have shown that you can do both, that you can have "big league" quality of life, "big league" transportation systems, and also preserve your environment.

The key to all this, and what I'm especially interested in exploring with our future Secretary, and I say that with great anticipation, is making sure the States have the flexibility to use the dollars in the most cost-effective way. Often in Washington, DC, we put the States in these kinds of straightjackets. The States don't have the flexibility to show that they can, in fact, have a significant economic growth and protect the natural treasures as well as their communities.

ISTEA reauthorization will be extraordinarily important bill. We all know that we're on the balanced budget path, but we've got to figure out a way to make a handful of key investments while still staying on that path. Transportation, in my view, is one of those key investments.

Mr. Chairman and colleagues, I very much look forward to working on a bipartisan basis with respect to this issue that is of critical importance to my State.

Let me also join Senator Kempthorne in saying I remember what Mr. Slater did in terms of responsiveness during the horrible floods we had in the West, and I think we'll get that same kind of approach when he's confirmed.

I yield, Mr. Chairman.

Senator CHAFEE. Thank you.

Senator Sessions.

**OPENING STATEMENT OF HON. JEFF SESSIONS, U.S. SENATOR  
FROM THE STATE OF ALABAMA**

Senator SESSIONS. Mr. Chairman, I'm delighted to be here today. Mr. Slater, you have a great reputation among the transportation people in Alabama. They feel like you've been responsive to them. I know you've been to Alabama probably more than 10 times in your capacity and leadership here.

I enjoyed our meeting yesterday. We can communicate. I don't know if it's the accent or maybe it's just the way you're direct and honest and answer questions. I think we'll have an outstanding relationship and I look forward to supporting and working with you.

Just a couple of concerns for the State. We are one of the top three in the country, as being a donor State. We have a substantially heavier contribution to the Trust Fund than we receive in benefits. We have some serious needs in terms of completing our interstate system and some other highway systems that we'll be talking to you about.

We all want to work together for the best policy of this Nation, but I think it is important that States like Mr. Inhofe's State which is also in that top donor State category. So we will be talking about that.

I also had the opportunity to mention to you our concern about keeping the interstates from being seriously compromised because of construction during a hurricane and natural disasters. We some-

times had 4-hour delays, and people sat with the hurricane bearing down on them because construction had narrowed the road to one lane. Somehow, we need, at least in the hurricane season, to perhaps think of ways to correct this. I know the State primarily works on that.

Also, I would be concerned about I think a comment you made about being in a post-interstate era. I think I'd like to learn more about that.

I am delighted to see you today and to have the opportunity to talk with you and tell you how much our people in Alabama have appreciated working with you.

Senator CHAFEE. Thank you very much, Senator.  
Senator Smith.

**OPENING STATEMENT OF HON. ROBERT SMITH, U.S. SENATOR  
FROM THE STATE OF NEW HAMPSHIRE**

Senator SMITH. Thank you, Mr. Chairman. I will also submit my statement for the record.

Let me say, Mr. Slater, I apologize to you for having to change our meeting the other day. I think we are meeting on Tuesday. It was something you'd understand. I had a parent-teacher conference, and it was a positive meeting, but I didn't want to miss it.

I too want to say that I look forward to supporting you at the time of the vote and look forward to conversing with you here as this hearing goes on.

I just want to say one thing, Mr. Chairman. You know, it's interesting. It doesn't very often happen that someone from your State who works in a particular area with a Federal official would send in a letter and ask specifically that I support that nominee. This is the case here where the State of New Hampshire Transportation Department Commissioner, Leon Kenison, has written a letter and I just want to quote one paragraph and yield.

In that Kenison letter, he says:

Mr. Slater has gained the respect and admiration of the transportation community. His accessibility and responsiveness are uncommon traits in those of national leadership, and it is these characteristics that have made it a pleasure to engage with the Federal agency that reflects Mr. Slater's leadership.

I'm certain Mr. Slater has the ability to lead the Transportation Department as effectively as he has the Federal Highway Administration. It is without reservation that I extend my support for Mr. Slater's nomination.

I know Mr. Kenison very well and he doesn't do those things for just anybody, so I think that's a great tribute.

Mr. SLATER. Thank you, Senator.

Senator SMITH. Thank you, Mr. Chairman.

[The prepared statement of Senator Smith follows:]

**STATEMENT OF HON. ROBERT SMITH, U.S. SENATOR FROM THE STATE  
OF NEW HAMPSHIRE**

Thank you, Mr. Chairman, for holding this hearing today on the nomination of Rodney Slater to be the next Secretary of Transportation. I first want to welcome Administrator Slater before our committee this morning and lend my support for his nomination.

Mr. Slater is no stranger to this committee; and if confirmed, I'm certain we will be calling on him again for his advice and counsel as we move forward with ISTEAs reauthorization. I have no doubt that Mr. Slater is eminently qualified for the posi-

tion and has earned the respect of his colleagues, both at the Federal and State level of government. In fact, I would like to paraphrase from a letter I received from Mr. Leon Kenison, Commissioner of the New Hampshire Department of Transportation, and ask for it to be entered into the record. In the letter, Commissioner Kenison writes:

Mr. Slater has gained the respect and admiration of the transportation community. [His] accessibility and responsiveness are uncommon traits in those of national leadership \* \* \* and it is these characteristics that have made it a pleasure to engage with the federal agency that reflects Mr. Slater's leadership. I'm certain Mr. Slater has the ability to lead the Transportation Department as effectively as he has the Federal Highway Administration. It is without reservation that [I extend my support for Mr. Slater's nomination.]

These words of support are particularly noteworthy coming from the head of a State agency. I believe that Administrator Slater's experience at the State level of government has been instrumental in his understanding of the cooperative relationship that must exist between all levels of government. If there's anything that I would like to impress upon you as Transportation Secretary is to not forget that our States are the primary implementors of much of our federal highway policies and should be given the maximum flexibility in carrying them out.

There are several issues of importance to New Hampshire, such as providing adequate funding for small States; the Bridge Rehabilitation program; reducing bureaucracy and Federal mandates; and continued funding for recreational trails and scenic byways. While there will be differences among the various States on the issue of funding, I believe the appropriate role for the Administration will be to advise and counsel the Congress in as unbiased a manner as possible on what is best for the nation as a whole.

With that, I will conclude by congratulating Mr. Slater on his nomination, and I look forward to working with him in the future on the various transportation issues before our committee.

Thank you, Mr. Chairman.

JAN-30-97 THU 5:25 PM NH DEPT OF TRANS

FAX NO. 6032713914

LEON S. KENISON  
COMMISSIONERTHE STATE OF NEW HAMPSHIRE  
DEPARTMENT OF TRANSPORTATION

December 16, 1996

The Honorable William J. Clinton  
1600 Pennsylvania Avenue NW  
Washington, D.C. 20500

Dear President Clinton:

This is to extend my support of the Honorable Rodney Slater as Secretary of the U.S. Department of Transportation.

As Administrator of the Federal Highway Administration Mr. Slater has gained the respect and admiration of the transportation community. His distinguished service during recent years has proven his dedication to betterment of the mission to enhance the movement of people and goods within and beyond our national boundaries.

Mr. Slater's accessibility and responsiveness are uncommon traits in those of national leadership and it is these characteristics combined with aptitudes of reasonableness and fairness that have made it a pleasure to engage with the federal agency that reflects Mr. Slater's leadership.

As the leader of a state transportation agency the tone of the state/federal relationship is vital to accomplishing our public obligation and duty. I'm certain Mr. Slater has the ability to lead the Transportation Department as effectively as he has the Federal Highway Administration. It is without reservation that my support is extended in support of Mr. Slater's nomination.

Sincerely,

A handwritten signature in cursive script, appearing to read "Leon S. Kenison".

Leon S. Kenison, P.E.  
Commissioner

LSK/km

cc: Governor Elect Jeanne Shaheen  
Senator Robert C. Smith  
Senator Judd Gregg

Senator CHAFEE. Thank you, Senator Smith.  
Senator Lautenberg.

**OPENING STATEMENT OF HON. FRANK R. LAUTENBERG,  
U.S. SENATOR FROM THE STATE OF NEW JERSEY**

Senator LAUTENBERG. Thanks very much, Mr. Chairman.  
I will be brief, and ask that my full statement be included in the record.

Rodney Slater and I have gotten to know each other during his tenure as FHWA Administrator. It was always a pleasure to have an opportunity to discuss problems with him, get the responses that were positive; we couldn't always agree, even though he knows that New Jersey needs more money than anybody else in the whole wide world for transportation, but we always did have an amiable but serious discussion. So you come here very well equipped, I think, to assume the job.

I wonder whether your family thinks your last name has been changed to designate, Secretary-designate, but I see now, hearing Senator Kempthorne and others describe assets not typically revealed over telephone conversations, but your family, I think, you could probably get unanimous consent right and move on and take the job.

We are facing some serious problems, the renewal of ISTEA—the author sits here with us now—that's going to be a critical issue. Mr. Slater and I have had a chance to discuss not simply the task of monitoring the department, but making sure that all the parts are working.

I hope that he will be able to be an advocate for appropriate spending for transportation in our budget. The share that transportation plays in creating economic development is significant. Transportation generates 20 percent of our GNP and every billion dollars invested in our transportation system yields more than 25,000 construction-related jobs.

So we would ask that you be an advocate, that you remind those in the White House that investments in transportation help keep America competitive, create the jobs, help revitalize cities, and that we need desperately that investment.

I would ask, Mr. Secretary-designate, one other thing. That is the focus on safety, which you and I discussed in a private meeting before, be enhanced. We have not had a particularly good year in 1996—aviation safety, increases in drunk driving, highway accidents, some of them of enormous proportion, and we have to continue to provide the resources, but provide the seriousness which goes with the enforcement of safety rules.

I, for one, and I know that I speak for a few of us here, don't want to see an expansion of triple trucks on our narrow roads in our populated areas. Safety factors—and I'm not asking you for a commitment here and now, but among the things you have to be thinking about, safety has to be one of the most important.

So we wish you well. There is no doubt in my mind that confirmation is coming soon and that we will have a chance to get together and get to work.

Thank you very much, Mr. Chairman. My whole statement, I hope, will be included.

[The prepared statement of Senator Lautenberg follows:]

STATEMENT OF HON. FRANK R. LAUTENBERG, U.S. SENATOR FROM THE  
STATE OF NEW JERSEY

Good morning, and welcome Administrator Slater, I'm very glad to be here to lend my support for your nomination to be the next Secretary of Transportation.

Your qualifications for this job are very strong. As the current Federal Highway Administrator, you have overseen a \$20 billion U.S. Highway System and a nationwide work force of 3,500. In that capacity, you've dramatically transformed FHA policies and programs to better serve the people and industries who rely on our highway system. And you've also been a strong advocate for the advancement of women and minorities.

If confirmed, you will play a critical role in ensuring that our nation makes much-needed investments in our transportation infrastructure. And I know you share my commitment to that goal. As you well understand, transportation generates 20 percent of our GNP, and every \$1 billion invested in our transportation system yields more than 25,000 construction-related jobs.

Investment in transportation is also necessary to keep us internationally competitive. Americans spend more than 1.6 million hours a day stuck in traffic, at a cost to U.S. businesses of about 40 billion per year. That's a burden our economy simply cannot afford.

By reducing congestion, improving air quality and enhancing safety, effective transportation systems also improve our overall quality of life.

This year we are facing renewed debate on the importance of transportation as we discuss the authorization of ISTEA. ISTEA is bold and innovative legislation that is helping to manage traffic growth, ensure access to jobs, and sustain our environment for future generations. It has improved planning and flexibility, emphasized local decisionmaking, and encouraged new technology.

Now we need to extend ISTEA, to meet the transportation and economic challenges of the 21st century. We need to build on the legislation's innovative intermodal system. We should continue to promote state and local flexibility. We should use technology, or so-called Intelligent Transportation Systems, to increase our capacity and efficiency. And we must maintain ISTEA's commitment to promoting safety.

As we develop so-called "ISTEA Two", we need to remember that the choices we make will directly affect the lives of millions of ordinary Americans. Our decisions will affect where and how we live. Where we work. How we'll get there. And how long it will take.

In many cases, our choices also will be a matter of life and death for thousands of Americans. And we shouldn't forget that. We will be deciding the safety of our roads, our rails, and our air travel.

Unfortunately, over the past two years, safe often has taken a back seat to other considerations. We have lost our national speed limit. We have lost our motorcycle helmet and seatbelt laws. And, meanwhile, the problem of drunk driving has worsened. In my view, it's long past time that we made safe top priority. Administrator Slater, I strongly urge you to take on this challenge in your new position.

We also need your help to ensure that transportation is adequately funded in the years ahead. In the coming months, Congress and the Administration will be working together to balance the budget. As ranking member of the Budget Committee, I'll continue to fight to ensure that our budget reflects the importance of transportation funding, especially when it comes to ISTEA reauthorization. I look forward to working closely with you in this effort.

Administrator Slater, you have many formidable challenges before you, and I am fully confident that you are up to the task. I know you will be a Transportation Secretary who will work to maintain our infrastructure, to preserve ISTEA, to enhance safety, and to ensure adequate funding for our transportation needs. I look forward to working closely with you to ensure that all Americans can travel safely and efficiently as we move into the 21st Century.

Senator CHAFEE. Thank you.  
Senator Lieberman.

**OPENING STATEMENT OF HON. JOSEPH I. LIEBERMAN,  
U.S. SENATOR FROM THE STATE OF CONNECTICUT**

Senator LIEBERMAN. Thank you, Mr. Chairman.

Mr. Slater, good morning. You're on a roll and I'm not going to stop it.

You're extraordinarily well-qualified for this position, both by your recent experience in the Federal Government and in the State government as well. I must say, I was particularly struck and impressed by Senator Kempthorne's endorsement of practical government in Arkansas this morning. This, I found, to be good news. The truth is, you had some great practical experience under a pretty good Governor in that State.

Mr. SLATER. Yes.

Senator LIEBERMAN. Everybody has mentioned ISTEA because it will be the focus of our efforts here in this session of Congress. ISTEA was a revolutionary law brought to us by Senator Moynihan's leadership. It shows you can be both an intellect and a revolutionary. Of course some of the great revolutionaries of history have been intellects. This was a revolutionary law, which I think we can be pleased and proud to say, 5 years later, has worked, so that the effort that we'll focus on is building on the success of ISTEA with your help and your leadership.

It strikes me also that one of the extraordinary internal results of the ISTEA effort occurred in this committee; in that year Senators coming from all over the country and from all sorts of political and ideological persuasions, were almost totally unified in support of ISTEA. A real consensus was built around a bold new idea. That doesn't always happen here.

It's my hope here at the outset that with the continuing leadership of Senator Moynihan, with the leadership of Senator Chafee and Senator Baucus, that we can emerge with the same kind of unity and keep this successful program moving forward.

I thank you and I look forward to working with you.

Senator CHAFEE. Thank you, Senator.

Senator Moynihan, your ears should be burning. Everybody had kind things to say about what you did in 1991 on the ISTEA legislation. I remember it very clearly, as do all the Members of the committee who were present, so we welcome you.

**OPENING STATEMENT OF HON. DANIEL PATRICK MOYNIHAN,  
U.S. SENATOR FROM THE STATE OF NEW YORK**

Senator MOYNIHAN. Mr. Chairman, think it's more properly said what we did as a committee. Senator Lieberman made the point—an important one—as you have repeatedly made welcoming our two new Senators, that much more often than not we have been a bipartisan committee; very rarely have we had partisan votes. We haven't always had unanimous votes. I hope we can continue in that mode.

We have in Mr. Slater someone who has faithfully pursued the ISTEA principles, the intermodalism and the efficiency. He practices the idea that in transportation there is no such thing as a "freeway"—one pays for everything and tries to get the most from what one pays.

I'm looking forward to Mr. Slater's comments on the financing of infrastructure. In the ISTEA legislation, we created a commission to promote investment in America's infrastructure. Mr. Flanagan was the chairman and came up with an important idea. I believe



you mean to offer us some thoughts on this matter and I look forward to them very much.

Senator CHAFEE. Thank you, Senator.

Finally, last but not least, Senator Graham.

**OPENING STATEMENT OF HON. BOB GRAHAM, U.S. SENATOR  
FROM THE STATE OF FLORIDA**

Senator GRAHAM. Mr. Chairman, I had an opportunity to spend some time with Mr. Slater recently. I was impressed with his preparation and qualities to assume this important position.

As has been said, this is an important year with the reauthorization of the Nation's basic surface transportation law. We are fortunate to have Mr. Slater providing us with the Administration's leadership on that important issue.

I look forward to his statement and with more enthusiasm, look forward to working with him.

Senator CHAFEE. All right. Now, Mr. Slater, you'll have an opportunity to make a statement. Let me say, after the ringing endorsements you've gotten from this group so far, all you can do is go downhill, I think.

[Laughter.]

Senator CHAFEE. I notice your statement is 17 pages, so I would ask that you summarize it because what we're going to do here is we've got 12 Senators and as soon as you're through, we're going to give everybody a chance to ask questions, following the early bird rule which I had announced sometime ago, that's the way the committee is going to handle things.

I'm going to restrict each of the questioners to 5 minutes, but before we do that, we want you, and if you would, summarize your statement, I'd appreciate it, Mr. Slater. Go to it.

**STATEMENT OF HON. RODNEY E. SLATER, SECRETARY-  
DESIGNATE, DEPARTMENT OF TRANSPORTATION**

Mr. SLATER. Thank you, Mr. Chairman, Senator Baucus, and Members of the committee.

Thank you for inviting me to be here with you today to talk about the future of transportation in the Nation. Let me say, as an aside, that I very much appreciate the kind words of introduction by my State Senator, Senator Hutchinson, and also 2 days ago by Senator Warner as he spoke on my behalf before the Senate Commerce Committee.

This committee plays a vital role in keeping our transportation network operating smoothly. It is an honor to appear before you today as Federal Highway Administrator. I underscore that because I have had this honor on many occasions in the past, but now I also come before you as the President's nominee for Secretary of Transportation, and I am honored in that regard as well.

I recall fondly and very specifically, May 19, 1993 when I came before this committee 4 years ago for confirmation as the head of the Federal Highway Administration. While it is true that you do not have the responsibility for confirming the President's nomination of me as Secretary of Transportation, I would say this and would say it without equivocation, that without your support 4

years ago, I would not be here with the opportunity to assume even higher responsibility. For that, I thank you.

I am today, humbled by the trust that the President has again placed in me and I thank you for your trust 4 years ago serving as my confirming Senate committee to the position of Federal Highway Administrator. I know too that there are many people and organizations, across the country who have placed trust in me as well as Federal Highway Administrator and who now speak words in support of my nomination as Secretary of the Department of Transportation.

I am determined to continue to pay back this investment in trust placed in me by this committee, first and foremost, the Congress as a whole, the transportation community, the President of the United States and, I might add, my loyal family.

In this brief statement, I would like to talk to you about some of our accomplishments over the last 4 years and my vision and the values that will guide me as I work with you in preparing the Nation's Intermodal Transportation System for the challenges of the 21st Century.

I have submitted, as you noted, Mr. Chairman, a written statement that outlines these accomplishments and this vision in greater detail, so my remarks here will merely summarize them.

I view transportation as central to the life of this great Nation. President Clinton, in his second inaugural address, illustrated the role of transportation, though not speaking to it directly, but he spoke of the significance of the evolution as it relates to the history of the Nation and there you find a thread dealing with transportation.

He said, "We began the 19th Century with a choice, to spread our Nation from coast to coast. We began the 20th Century with a choice, to harness the industrial revolution to our values of free enterprise, conservation, and human decency." In the 21st Century, transportation will remain as central as it was in the 19th Century, allowing us to spread our Nation from coast to coast; and in the 20th Century, allowing us to harness the industrial revolution to our values of free enterprise, conservation, and human decency.

The President, in speaking of the 21st Century and the role that transportation will play noted it in this way, again not speaking specifically of transportation but the thread is there. He said, "We have, in this century, the opportunity to unleash the limitless potential of all our people."

I've said time and time again that transportation is about more than concrete, asphalt, and steel, it's about people. Their access to opportunity, their pursuit of happiness.

Our intermodal transportation network, like the United States as a whole, is far more than the sum total of its parts. I might note, Senator Baucus, that you spoke to that issue very well in your introductory remarks. It affects every aspect of our lives as Americans, all Americans, day in and day out.

What I want to do is close my remarks with a focus on ISTEA because I think it speaks to the very essence of the challenge before us as we really try to prepare for the transportation challenges of the 21st Century.

Let me mention that it will not only be one of my objectives to make safety a priority, safety will be our highest priority, Senator Lautenberg, and I know that is an interest of all of you Members of this great committee.

Also, the role of transportation and its relation to our economy and to our quality of life will be second only to a focus on safety. As has been noted earlier, transportation does represent some 17 to 20 percent of the gross domestic product of our country. It is vital to our economy.

Finally, there will be again and again, a demonstration of a commonsense approach to government in solving the problems of the American people. We have tried to respond with care and dispatch to natural disasters; we have changed rules and regulations to make it easier for States to do the work they do best; we have brought innovative financing to the fore to make it possible to leverage resources of the private sector; we have tried to evolve as you have challenged us to evolve with this very revolutionary, as you have noted, piece of legislation.

So let me move then to a brief discussion about it and the important role it will play as the centerpiece of any transportation philosophy that moves us to the post-interstate era.

At the Department as with this committee, we have very, very important work ahead of us in vital areas, but perhaps nothing we do in 1997 will affect the American people more than the reauthorization of the Intermodal Surface Transportation Efficiency Act of 1991. So let me offer a few comments in that regard.

First, I commend this committee for its role in shaping the post-interstate era through the passage of ISTEA. It took courage and it took vision to really bring together the will, the focus and the vision of a then-Democratic Congress, but also in a bipartisan way with Republican Members, to work with a Republican President to shake up the system, if you will, and to start afresh and to turn from proven paths.

I was not here at the creation of ISTEA, I was serving at the State level but watching very carefully the challenge that would be put before us.

One of the accomplishments I'm most proud of in these past 4 years is the honor and the privilege of having had the occasion to lead an agency with skills and with understanding, and yes, with the capacity to change in changing times, to help build new relationships to establish a new balance, a new balance that ISTEA called for.

The poet, Robert Frost, has written, "Two roads diverged in a wood and I, I took the road less traveled by and that has made all the difference." By taking the path of ISTEA, the path that in 1991 was less traveled by, this committee and its counterpart in the House, the Transportation and Infrastructure Committee, have indeed made all the difference.

We, in the Federal Highway Administration, and all of the members of the DOT family, along with all of our partners in the public and private sectors, have enjoyed the opportunity that we have had to make your vision a reality.

ISTEA is about choice, about choice. Senator Wyden said, "Give the States the opportunity to make decisions, to demonstrate that

we can invest in infrastructure and still improve and enhance the environment.” Well, ISTEA is about choice, about local decision-making, ISTEA is about protecting the environment, ISTEA is about all forms of surface transportation and it’s not, as you have well noted, a highway bill. It deals with renewed emphasis on bicycling and walking, about enhancing the vision to include national scenic byways.

Chairman Chafee, I was most pleased that you joined us a few weeks ago in the Indian Treaty Room as we paid tribute, Senator Sessions, to the Selma to Montgomery route that is now an all-American road and speaks to the very essence of what being an American is all about.

ISTEA is also about harnessing technology and serving a new century with technology. Senator Lautenberg, as the father of ITS, you know exactly what we mean here. ITS technology is Intelligent Transportation Systems, high speed rail and I do believe that we, in casting a wide net for the future, Senator, can deal with the issue of magnetic levitation. We talked about that yesterday.

In 1997, we approach reauthorization with diverse transportation communities coming together in one voice, and the voice says, “don’t discard that which is working well,” and I’m here today to say, we do not intend to do that.

Let me close my remarks by saying this, we have a unique opportunity as we approach a new millennium to chart a course that can lead us—well, as the golden spike led us, as the Wright Brothers at Kitty Hawk led us. We are only limited by our dreams and our will to follow through on those dreams.

If confirmed by the Senate as the Secretary of Transportation, I will be serving in a new role, yes, but I want to assure all of you that I will take a very strong and active role in working with you on behalf of the President to enact a reauthorization legislation that really speaks to the future demands of transportation as we approach the 21st Century.

I’d like to say, Senator Warner, it is my hope that this new vision can meet the goals you outlined last September in making your comments about the importance of this piece of legislation. I want us to complete the process by September 30, 1997. I am confident that we can do that working together.

It is an honor to sit before you, it is an honor to really work toward enhancing a piece of legislation that has clearly demonstrated that the Federal Government has a role to play in balancing regional interests so that each State benefits in taking the lead in technological advances and safety, in ensuring that transportation achieves national goals as well as responding to State and local interests in doing what Thomas Jefferson called upon us to do, “To establish a union of sentiment that holds this great Nation together.” I am pleased that we will have the opportunity to do just that as we work toward the reauthorization of a most important piece of legislation.

Thank you.

Senator CHAFEE. Thank you very much for a very fine statement, Mr. Slater.

Now, we’re going to have 5 minutes of questions from each Senator and I’m going to be pretty strict. The lights will go on and

when the red comes, that means one's time is up. If everybody can adhere to that, then everybody will get a chance. We've got a wonderful turnout of Senators here today and I want to make sure everybody gets an opportunity.

If the lights will start, Mr. Slater, I just put great store in what you said about ISTEA, that it is an intermodal surface transportation act; it's not a highway bill. I hope that you and the Administration are going to come forward with a renewal and reauthorization of ISTEA. I would greatly hope that legislation incorporates what you have said concerning the words of ISTEA. Is that going to be the way you're going to operate?

Mr. SLATER. Mr. Chairman, you have that commitment, yes, sir.

Senator CHAFEE. Because it isn't just pouring concrete, it isn't just widening, adding more and more lanes. Senator Moynihan and I, and others, in 1991 worked on this and there are wonderful things that can be done.

It also involves choice. As you know, in ISTEA, there is a part dealing with enhancements and the local communities have done outstanding things in connection with the enhancement legislation.

Senator Roth has asked me to address the question of Amtrak. Are you going to be dealing with Amtrak in the ISTEA legislation?

Mr. SLATER. Yes, sir, we will, Mr. Chairman. It is our belief that a nationwide passenger rail system is essential to meeting the transportation demands of the 21st Century. We do have to deal with the very difficult, thorny, yet important issue of funding for Amtrak. Hopefully, we will, at some point, be able to achieve our goal of ensuring that Amtrak is self-sustaining.

Senator CHAFEE. You touched on the safety issues. When we did the National Highway System legislation, I was pummeled on the floor, I don't think I prevailed on any of the safety measures and they were in the Act, as you recall. They were in the ISTEA legislation, the motorcycle helmet legislation, for example.

However, the seatbelt did survive. I think at that point, I was batting about .091, so that pulled up my average somewhat.

Now, I notice that DOT had a goal of 75 percent of occupants with safety belts. First of all, could you just briefly touch on the efficacy, as you see it, of seatbelts, and second, what can we do, particularly in connection to increase their usage, particularly in connection with light trucks?

Mr. SLATER. Yes. Let me just say, Senator, your point is well taken about the general issue of safety as relates to the NHS bill. While the bill was a major achievement, being able to identify really 4 percent of the road system in the country that would carry over 40 to 45 percent of all the traffic in the country, 75 percent of the truck traffic, 80 percent of the tourist traffic, that was quite an undertaking and it resulted from considerable cooperation between the Federal, State, and local governments with some participation by the private sector. So it was a good thing.

We did unveil our proposal for the NHS at Union Station so as to underscore its importance not only as a highway system, but as the tie that binds all of the modes of transportation. As you know, we followed up rather expeditiously with the various intermodal connections.

Your point is well taken that the bill did include a lot of safety provisions that we, in the Administration, found very, very troubling. We joined you and other Members of the committee in making our positions clear in that regard.

I think, as the writer would say, we came from battle with our heads bloodied but unbowed because we made a commitment to renew our focus on safety.

There was the success of securing the provision as relates to safety belts, its continued use. Right now, the national average for the use is about 68 percent. We do have a commitment to go up into the 1970's. I'd like to say, Mr. Chairman, that we're also looking at a major initiative that would have a goal of 90 percent usage.

Senator CHAFEE. One final question because it's going to turn red in a minute. Quickly, the Administration will send up legislation. When do you foresee that?

Mr. SLATER. We hope to have it ready around the end of February, but when we unveil our budget in the next few days, you'll see a general outline as relates to some of the financing provisions.

Senator CHAFEE. Good. Thank you very much.

Senator Baucus.

Senator MOYNIHAN. Mr. Chairman, could I suggest the committee might informally agree that the Chairman gets an extra 5 minutes?

Senator BAUCUS. That's a good idea.

Senator CHAFEE. That's wonderful except I want to get reelected chairman.

[Laughter.]

Senator CHAFEE. Senator Baucus.

Senator BAUCUS. Thank you, Mr. Chairman.

Mr. Slater, I wonder if you could comment on your efforts and the prospects of increasing the budget levels for transportation compared to what's going to be in the President's budget?

Mr. SLATER. Yes. Well, as I noted earlier, second only to safety as the highest priority, will be the issue of focusing on the importance of transportation to the economy and trying to get the greatest infrastructure investment commitment possible.

I am pleased that we were able to raise the level of investment in infrastructure about 20 percent across the board during the last 4 years and we did that with the aid and the assistance of the Congress. Prior to 1993, the average had been \$21.1 billion. From 1993 to 1997, it's \$25.5 billion.

It is our hope that we will be able to maintain that level even though there is the stronger commitment, not only now by the President to cut the deficit in half, as was the commitment the first 4 years, but to actually balance the budget by the year 2002.

The President has made it clear that as we cut, we should also invest in those things that enhance the economy, enhance our quality of life, and that build for the future. Transportation and infrastructure is clearly one of those.

Senator BAUCUS. The numbers just on highway, excluding transit?

Mr. SLATER. Excluding transit, the figure has been about \$20 billion, about 20 percent more than the previous 4 years.

Senator BAUCUS. You wouldn't be adverse to this committee passing legislation that would increase that amount, would you?

Mr. SLATER. Let me just say that clearly this committee has played a very important role in that regard in the past. I'm a team player when it comes to the President's team and I know that the President has the dual challenge of trying to balance the budget and keep focus on those priorities that he has first and foremost, but he works with the Congress as we've seen in the past budgets over the years.

Just the other day, Senator, you were instrumental in getting the signatures of practically all interested Members of the Senate on a letter addressing the funding issue.

Senator BAUCUS. We want to work with the Administration too, but as you know, there are 57 signatures on that letter and I think that's a pretty good indication of where the Senate is on this issue.

Mr. SLATER. It's a very good indication.

Senator BAUCUS. On funding formulas, clearly we're one country and we're clearly a country with different needs and purposes. When the Administration sends its proposal to the Congress, I'd just like to remind the Secretary that it has to be certainly cognizant of the west insofar as that's the part of the country with lots of Federal land. In my State of Montana, it's about 30 percent. I think Nevada—and Senator Reid can speak to this better than I—it's like 90 some percent. Utah, I think it's around 60 percent. It's Federal land we're talking about here.

Mr. SLATER. I understand.

Senator BAUCUS. Therefore there is a need for any highway bill to recognize that.

Second, these are parts of the country where we don't have any ability to raise revenue for ourselves. My State of Montana has the second highest State gasoline tax. We're trying to do our best but we can't have toll roads because there are no people to pay for a toll, not enough frequency.

I very much remind you to be sure that any bill recognizes not only the northeast, the west and south, but also those particular points of view.

Mr. SLATER. Sure.

Senator BAUCUS. I might also add that the current intelligent transportation system budget of \$250 million is very inadequate with respect to rural intelligent transportation technology. With all due deference to my very good friend from New Jersey, there's a category as an expenditure and a grant, and they call it rural technology in New Jersey.

I might point out that I'm sure there are rural corners in New Jersey, even though the population density of New Jersey is over 1,000 people per square mile, whereas in Montana, it's about 6 people per square. There's rural and there's rural and the real rural is west of the 100th meridian where it doesn't rain. It's not east of the 100th meridian where it does rain.

Rainfall here is about 50 inches a year in Washington, DC. In Montana, the average precipitation is about 15 inches. That's everything, snow, rain. That's the main reason why there's vast differences among towns, because there is no water.

Mr. SLATER. Sure.

Senator BAUCUS. So, I'd like you to look at that.

The other issues which I don't have time to mention, but which I will submit to you in writing, include the Department's view on essential transportation service.

Mr. SLATER. Very supportive of that, sir.

Senator BAUCUS. I know and appreciate that. Second, on weather systems, FAA is reducing human personnel in weather and it's causing huge problems, and beyond that, trust fund issues and NAFTA, trucking as well as control tower at Gallatin Field.

Thank you.

Senator CHAFEE. Thank you, Senator.

Senator Hutchison.

Mr. SLATER. Mr. Chairman, may I speak briefly to one point that Senator Baucus raised?

Senator CHAFEE. Very briefly.

Mr. SLATER. Very briefly. Dealing with the issue of the West, we have most of our dynamic growth in the country occurring in the Southeast and the West and clearly, if transportation is going to speak to the overall health and well-being of the economy of the Nation, those points that you raise have to be taken into account when we decide how the formula is to operate. Your points are well taken.

You also challenged me at the first hearing I had before the committee, to get out of Washington, to visit all parts of the country. I did that, I've been to Montana a number of times and I was pleased that Senator Sessions also mentioned that I've been to Alabama.

Senator BAUCUS. I want to compliment the about-to-be Secretary. It's true, he's traveled all over this country and has been to my State several times. I very much appreciate that.

Mr. SLATER. Thank you, Senator.

Senator CHAFEE. Well, we've got a little dispute here, so Senator Hutchison, if you can retreat a bit.

Senator Warner.

Senator WARNER. I yield to Senator Hutchison.

Senator HUTCHISON. Thank you, Mr. Chairman.

Mr. Slater, I appreciated your comment and we're so proud of you in Arkansas. I'm delighted at the great leadership you're giving in this area. I especially appreciated your comments that there is few, if any, pieces of legislation that this Congress, this Senate will deal with that's going to touch more lives, more Americans than the reauthorization of the ISTEA bill. Every American is impacted by transportation, so it's critically important.

I appreciated Senator Baucus and his remarks that this is a United States and this committee has been noted, both on the House side and our parallel committee, with bipartisanship and working together.

In order to produce a bill that will have that kind of bipartisan spirit and unit, we're going to have to have fairness. We're such a diverse committee and we're such a diverse country—the West, Arkansas where mass transit is almost unknown, and the Northeast. For us to maintain that kind of consensus and unanimity, there's going to have to be a prevailing spirit of fairness among the various regions represented.



The funding level has been referred to and I want to add my voice to what Senator Baucus and others have said on the importance of having sufficient funding for ISTEA, that this is an investment, that there are few parts of the budget that we can get a greater return for all Americans than having adequate funding for ISTEA, increased funding for ISTEA.

The formula goes right to the fairness and I'm anxious to see what the Administration will propose. States like Arkansas that are rural, where people travel a long ways to get to work—there's no State you're more familiar with. Arkansas is experiencing great growth and it's not just a highway bill, but in Arkansas, highways are critical to facilitate the growth that we're experiencing.

With the passage of NAFTA, the increased trade that NAFTA represents, what we do on surface transportation in Arkansas is going to be critical to the future economic growth and prosperity, the opportunities that are afforded the people of my State. So I'm going to be very interested and very concerned about what we do on that formula.

Arkansas is a donor State, we travel a long ways, we buy a lot of gas, we pay a lot of gas taxes, and we don't get it back, I'm afraid, oftentimes.

Let me pose three questions as I conclude and give you an opportunity to respond. Can we expect an Administration proposal reflecting changes in the funding formula from the 1991 passage of ISTEA? What would you suggest to ensure that rural States like Arkansas will be on equal footing with larger, more populous States? What are your plans to ensure that Amtrak services are provided for rural communities and it not just be a northeast corridor kind of service?

Mr. SLATER. Let me start with the last question first and work backwards. Clearly, I believe that Amtrak should be a national system. We have to work with State and local governments to ensure the funding for that, but the Federal Government should be a partner in that process as well. We should all work to get Amtrak to a point where it is self-sufficient. I think the staff there is doing an excellent job under the leadership of Tom Downs and I believe we can get there.

Senator HUTCHISON. Mr. Slater, they're wanting to shut down.

Mr. SLATER. I understand. We've got to move on it quickly and I am hopeful that I will soon have the opportunity to join firsthand in many of the activities underway at the Department as Secretary and I will commit to do that upon confirmation if I'm so honored to be confirmed.

As relates to the issue of fairness in the formulas, that really speaks to the first question as well, clearly we would like to ensure that there is a sense of fairness in the process. If there isn't, then the process breaks down.

This is a United States. Jefferson talked about a union of sentiment; that's exactly what we have to find. You were able to find it as a committee during ISTEA and the deliberations then. It's been evident in the Transportation and Infrastructure Committee as well, which is made up of diverse interests.

We can get there but everyone has to come to the table really being guided as Lincoln would say, "by the better angels of our na-

ture" if we hope to make it work for us. I think we can do that. This is an issue that is too important for us not to be successful. We must be successful.

Senator CHAFEE. Thank you very much.

Senator HUTCHISON. Thank you, Mr. Chairman. Thank you, Mr. Warner.

Senator CHAFEE. Senator Warner.

Senator WARNER. I think I'm going to have to say we're moving around here with too many softball questions and answers. I want to tighten this up.

Let's get down to the question of formula. Do you think that formula should be revised in such a way as to reflect current data as opposed to so much of the archaic data now being used?

Mr. SLATER. Yes.

Senator WARNER. That's a clear answer. On the question of the budget, we in Congress think more money should be put into the highway section. Have you advocated that in your budget discussions with your President and others?

Mr. SLATER. We have.

Senator WARNER. Now, on the issue of who is going to be spokesman on the question of ISTEA and its many ramifications, clearly other departments and agencies of the Federal Government have a voice but I'm concerned that within the Environmental Protection Agency, there seems to be a voice or two saying they're going to be the dominant spokesman.

I think this committee and, indeed, the Senate as a whole would want you, as Secretary of Transportation, to be the principal spokesman for the President on ISTEA. Are you prepared to say that's the way it's going to be?

Mr. SLATER. ISTEA is a transportation bill. It is only appropriate for the Secretary of Transportation to be a lead voice in that regard.

Senator WARNER. Thank you. That's a clear answer.

Now, on the issue of safety, all of us are very concerned about the recent reports on drunk driving. We have to apply our wisdom and see what we can do to help. Could you specifically say how you'd deal with the drunk driving increases, particularly among teenagers?

Mr. SLATER. Exactly. Let me just say that while there were some battles lost in the effort to secure the passage of the National Highway System, we did retain the seatbelt law, but, Mr. Chairman, we also added a provision that deals with zero tolerance, a very tough provision. It deals specifically with teenagers. We want to move forth aggressively to work with the States, to fully implement that provision.

We also have discovered that, while we have made a lot of advancements on the safety front with improvements to the vehicle, improvements to the roadway, the transportation system itself, the issue of behavior is one that needs significant attention, whether that's a motor carrier operator, whether that's a Metro driver, that's where we want to focus.

Senator WARNER. Are you going to come up with a specific set of recommendations on this on behalf of the President?

Mr. SLATER. Yes, we will.

Senator WARNER. Now, the Highway Trust Fund is designed on the user-pay principle?

Mr. SLATER. Yes.

Senator WARNER. Yet, there is considerable effort to try and bring in other beneficiaries, namely the Amtrak. How do you wish to deal with that issue because I'm concerned if we stray from user-pay principle, it will weaken the whole concept of the trust fund. I lean to keeping it as pure as we can. Where do you stand on that issue?

Mr. SLATER. Well, I think we should keep it as pure as we can, but I do raise for the committee's consideration the fact that we were able to add transit as a recipient of trust fund dollars some time ago and we have significantly improved our transit system as a result of that.

We also have many individuals who may use their automobiles for one purpose, resulting in the deposit of resources in the trust fund through that activity—using their cars and the like—but who may use Amtrak for other purposes. So I do think we have to be sensitive to those factors as we answer this question. I'm open to any advice the committee would have to offer in that regard.

Senator WARNER. That's a diplomatic answer but I lean toward purity.

Mr. SLATER. OK. I understand.

Senator WARNER. Mr. Chairman, I asked my questions, direct answers, and I'm under my time to accommodate you.

Senator CHAFEE. Thank you very much, Senator.

Senator Kempthorne.

Senator KEMPTHORNE. Mr. Chairman, thank you very much.

Mr. Slater, I appreciate that you've stated that safety is the highest priority.

Mr. SLATER. Yes, sir.

Senator KEMPTHORNE. So I want to talk about a safety issue that is the highest priority today in your department. It is critical, and that is airbags in automobiles. Why do I say that, because we currently have a Federal standard that is killing children.

In March 1996, a hearing was held before the Commerce Committee in which the Administrator of the National Highway Traffic Safety Administration within the Department of Transportation stated, "We have investigated 15 crashes since the late 1980's in which a child has been fatally injured by a passenger side airbag." Ten months later, Mr. Slater, the same committee, same topic, only it was 32 dead children, 10 months later, based on a standard that the Department of Transportation has predicted will kill more children than it will save.

One of those kids was an Idaho child, 1 year old. The day before last Thanksgiving when that little 1-year-old baby, whose mother was in a minor fender bender, that baby was decapitated. Seasoned police officers that responded to that scene were traumatized by what they saw.

During that Commerce hearing, which they gave me the courtesy of sitting in on and asking questions on January 9, 1997, I asked the Administrator, Dr. Martinez, if he would issue a proposed rule change calling for the elimination of the unbelted test standard for airbags.

As you know, we currently have a standard that is based upon saving an adult male who has chosen to not wear his seatbelt, even though in 49 States it's the law that you wear your seatbelt. In order to save the father, we are running the risk of losing the child.

The National Transportation Safety Board supports what I have suggested, which is to eliminate that unbelted standard and go to a belted standard that will still then save the life of the adult, but not cause the death of the child.

Dr. Martinez stated that he believed at that time that he did not have the authority to unilaterally change the unbelted standard. I told him that I disagreed with him. I informed him that Majority Counsel for the Commerce Committee believed that Dr. Martinez did, indeed, have the authority to go forward with that proposal. Dr. Martinez said, in response to my question, and I quote from the transcript, "Mr. Kempthorne, if I have the legal authority to do that, I will do it."

I have in my possession now an opinion from the law firm of Myer, Brown & Platt, and in this opinion, it states, and I'll just read a concluding remark, "Nothing in the ISTEA or the codified Vehicle Safety Act explicitly or implicitly constrains NHTSA's authority to repeal the unbelted compliance test for certification with MSVSS 208."

I will have delivered to you today an opinion from the Congressional Research Service, American Law Division, Counsel of Jurisdiction supporting that opinion.

Mr. Slater, in light of the legal authority and opposition to what NHTSA is contending, would you, as the Secretary of Transportation, ensure that your department will go forward with a proposed rule change so that we can seek public comment as to whether that is the solution?

Mr. SLATER. Let me answer the question this way, if I may, Senator. First of all, I'd like to commend you and Members of the Commerce Committee, in particular, for providing the hearing and the opportunity to have this issue aired openly as it should be.

I don't think any of us relish the thought of having in place rules and regulations that create a situation like the one that you've just mentioned. I know I personally don't. I've got a 3½-year-old daughter that all of you can see and I know there are other parents around the country who have the same kinds of concerns. I also frankly feel for the families that have lost loved ones because we don't have a clear answer on this issue.

Let me make this assurance to you and commitment to you. I will deal forthrightly with our legal counsel, legal staff, to assess from our perspective the validity of the opinions that you just stated and that we will move on this issue in a most expeditious fashion.

I will meet with Mr. Martinez, who I believe now has done really a good job as the head of NHTSA, but clearly this is a matter on which there is disagreement, but I will meet with him forthrightly and we will come to a conclusion in dealing with this matter, I think, Senator, in a way that you will be pleased with. I make that commitment.

Let me say I make that commitment also with the understanding that I still have to be confirmed. I've been nominated, I have to be

confirmed before I am actually the Secretary of Transportation, but I make that commitment here today if I am so honored to be confirmed by the Senate.

Senator MOYNIHAN. Mr. Chairman, may I make a brief statement off the record?

Senator CHAFEE. Brief.

[Brief statement by Senator Moynihan off the record.]

Senator KEMPTHORNE. I appreciate that, Mr. Slater.

Again, Mr. Chairman, I would just reiterate currently we have a Federal standard that must be complied with which our own Government predicts will kill children and it has happened too many times. It has to stop.

Senator CHAFEE. It does seem bizarre that this thing can't be straightened out. I concur with Senator Kempthorne, what he said.

Senator KEMPTHORNE. Mr. Chairman, may I just thank Senator Moynihan and you for your comment. Senator Moynihan, just as you have pointed out how things change, when this first was being considered and standards devised, seatbelt usage was at 11 percent; today, it's at 68 percent.

Senator MOYNIHAN. That's what we hoped for.

Senator CHAFEE. Senator Wyden.

Senator WYDEN. Thank you, Mr. Chairman.

Mr. Slater, as you and I discussed, my State was showcased recently in the national media, the *Wall Street Journal* and the *New York Times* came to my hometown and basically said, we're the model for showing that you can have growth and at the same time, prevent some of the pollution and degradation kind of problems you have elsewhere. The key to all of this is really flexibility, flexibility under ISTEA.

My first question to you is, do you have any thoughts on additional ways to promote flexibility under ISTEA, particularly with respect to ways to promote flexibility so that communities can invest in new options which we feel has been one of the keys to the progress we've made?

Mr. SLATER. Senator Wyden, there are clearly more ways that we can be flexible in implementing the provisions of ISTEA. I will say this, though, one thing we're trying to do is encourage States and locales to fully exercise the flexibility they have. We've had significant success and response in that regard.

As we prepare reauthorization proposals, we are looking at new ways that we can encourage that flexibility and local and State decisionmaking processes even more. We'll be in a position to speak more specifically about that with the unveiling of our proposal later in February.

Senator WYDEN. In the same kind of vein, we're very interested in the New Starts Program. We want to have in the metropolitan Portland area a transit system from south north. We've generated a significant amount of local funds to do it. The projections are we'd reduce air pollution by something like 721 tons per year.

Are you a strong supporter of the New Starts Program and outline, if you would, your views on that?

Mr. SLATER. Well, I'm a supporter of the program. I do believe that it serves to enhance the environment, and look forward to working with you and others to improve on its implementation.

Senator WYDEN. Jump with me from the urban area to the rural area just for a second. Here we have a different set of problems. We have communities that are seeing, as a result of wrenching social changes particularly in the environmental area, a situation where they don't have some of the funds for road improvements with their tax base.

What is your position on the Federal Lands Highway Program, one that really makes a difference in the small, rural communities that are undergoing these wrenching changes?

Mr. SLATER. I'm supportive of the program. I think it has a significant application in the west because of the presence of a lot of Federal lands, as noted earlier, which prevents States from taxing the lands in ways that they're able to tax them in other locations where they don't have the Federal character to them.

I think we've had significant success with our Federal Lands Program. I can tell you that one of my key objectives upon becoming Federal Highway Administrator was to visit all of our Federal Lands offices because I think there we have been on the cutting edge when it comes to implementing projects that really take advantage of enhancing the environment. We have a quality staff and we're working in concert with the Department of Interior and our State and local partners and I think we're doing a good job. I'm very supportive of the program.

Senator WYDEN. Last question. On the issue of growth management, we touched on it a bit in the office. What I think is especially exasperating about Federal policy is that we can have communities in States, Senator Chafee's and mine, are examples of States that have really gone out and done some heavy lifting to put in place good road management kind of plans and in effect, we get penalized under Federal policy.

You do it once at the local level in order to satisfy a growth management plan and then you basically don't get any credit for it when you have to comply with a Federal statute. It seems to me we ought to be creating incentives at the Federal level for good, local growth management, not Federal zoning, not something at the Federal level, but incentives for good growth management at the local level.

Do you have any ideas on how ISTEA, in particular, might be used to create incentives for sensible growth management on the local level?

Mr. SLATER. Well, as I mentioned earlier, as relates to goals, safety being the No. 1 priority, and then second, dealing with issues of transportation in such a way as to enhance the economy and our quality of life, you get into these kinds of discussions.

Looking to the local governments to also speak to the heritage and character and culture of the country, speaking to its soul and its heart, we have some fine examples of how resources have been used in that way.

Senator WYDEN. My time is up, Mr. Chairman. Let me just say to my colleagues, and Chairman Chafee has been especially gracious to me, this is an opportunity to create an extraordinary win-win situation, an opportunity to have better growth management on the local level, and a chance to save our businesses time and

money because our businesses, in effect, have to duplicate often at the Federal level what they go through at the local level.

Mr. Chairman, I yield.

Senator CHAFEE. Thank you.

One of the things from ISTEA that has been very successful was the scenic byways and we've used it in our State and Senator Moynihan is very familiar with it, as are many others here, probably a few in your State.

Senator SESSIONS.

Senator SESSIONS. Mr. Chairman, thank you.

I have just one matter that I would like to raise. I think it's important. I had the unfortunate difficulty of having a budget deficit when I became attorney general and we had to terminate the employment of one-third of the people in our office. We reorganized and people chipped in and actually increased the legal productivity of that office.

Bureaucracies, as they grow, become more and more inefficient. I know the President has talked about reinventing government. Let me just ask you, would you make a commitment to honoring the taxpayers of this country by constantly reviewing your entire, overall bureaucratic team to make sure that our people are productively employed in that regard?

Mr. SLATER. Senator, we make that continued commitment. We have actually worked hard to bring common sense strategies and initiatives to government to ensure that we would meet the President's and the Vice President's charge to create a government that works better and costs less.

In that regard, we've actually cut the DOT employment force by about 11,500 employees, in Federal Highway alone, more than 440 or so, and that's across the board. The Coast Guard has engaged in significant restructuring. We have quality legislation now that will allow us to do a lot of significant restructuring as relates to acquisition, personnel reform in the FAA. The same holds true for Maritime. So we are fully in the course of doing exactly as you have encouraged us to do even more and we'd make that commitment.

Senator SESSIONS. It takes leadership from the top or it just won't happen. There is no doubt about that.

Mr. SLATER. There will be that leadership, sir.

Senator SESSIONS. I know you are committed, as you responded to the Chairman, to a broad range of transportation possibilities, but are you committed to improving, strengthening, and expanding the healthy interstate and national highway system as well?

Mr. SLATER. Senator, I am. Let me just say that one of the most significant events that I engaged in in the past year was to celebrate the 40th anniversary of the interstate system with a cross-country road tour. Senator Moynihan, I mention this because last evening, we talked a bit about Lieutenant Colonel Eisenhower's road tour in 1919. Mine actually traced in reverse much of his trip. I started at the Presidio where he ended and traveled across the country ending in Washington at the ellipse.

During the course of that trip, I traveled in the west, Senator Baucus, and saw a lot of the wide, open spaces. I actually met in Wyoming with the head DOTs of a number of the western States

and we talked about many of the issues you raised dealing with formulas and the presence of Federal lands and the like.

Let me say quickly what I did that I think speaks to the essence of the point that Senator Sessions makes. Not only did I see the system as it was, which I think Lieutenant Colonel Eisenhower wanted to do, but you also, in seeing it as it is, think about it as it can be. As I looked at what it is, I saw clearly the most impressive public works project ever undertaken in the history of mankind, but I also saw other things, Senator Moynihan.

I did see where, in certain instances, we really have an opportunity when we go back and reconstruct some of those portions that are in a state of disrepair now, such as I-15 in Salt Lake City, to do it in a way that will actually enhance the environment in which the reconstruction will occur and at the same time, preserve the country's investment in the system that cost us about \$130 billion.

I also met with a group called the I-69 Alliance in Indianapolis, IN and they wanted to talk about the need for the continuation of I-69 that starts at the Blue Water Bridge in Port Huron, MI and extending it all the way to the lower Rio Grande Valley in Texas.

We talked about that. We talked about all of the interstates that come together there, but we also talked about some new improvements that might be made. As you know, that particular project is an NHS high-priority corridor under ISTEA.

Then, finally, I want to say this. In tribute to President Eisenhower in 1919 to not only see what was, but what can be. The people, organizations that have been involved in the creation of the interstate system and there we signed a solemn pledge to work with the Congress to ensure that we maintain our investment in that system.

We also renewed that commitment at the most recent AASHTO meeting where we gathered again. We do want to preserve that system, but we also want to build on it. That doesn't mean more lane miles, it may mean better connections with the rail lines or to transit facilities or to airports and the like, focusing on intermodal connectors, that sort of thing.

We have sought to embrace the kind of vision that led Mr. Eisenhower in 1919 to not only see what was, but what can be.

Senator CHAFEE. I'll turn to the class historian. I believe that later Governor Volpe, then John Volpe, was head of the Federal Highway Administration when the interstate highway system under President Eisenhower was started. Is that right, Senator Moynihan?

Senator MOYNIHAN. Yes, sir.

Senator CHAFEE. I knew you'd have an answer.

Senator Smith.

Senator SMITH. Thank you, Mr. Chairman.

Mr. Slater, there's kind of a difference of opinion between the House and the Senate on demonstration projects. How do you feel about that?

Mr. SLATER. Well, the Administration has taken the position that we are opposed to demonstration projects. Clearly, those resources come off the top and they don't move through the distribution mechanism of the formula that really provides States and locales,



through the planning process, with the freedom of deciding how those resources should be expended. That is the position of the Administration.

Senator SMITH. In the question the Chairman asked earlier, or comments maybe rather than a question, regarding seatbelts, New Hampshire is the only State out of the 50 States that does not have a seatbelt law. However, in its defense, New Hampshire has a compliance rate higher than many of the States who do.

Is it fair to punish a State such as New Hampshire who does not have a mandatory law but has a compliance rate that is higher than say another State, is it fair to punish that State by holding up highway money or forcing the money to be spent on safety issues rather than say a bridge or some other area where the money could be used in perhaps a better way?

Mr. SLATER. Senator, your point about New Hampshire's compliance rate being better than some States that have the mandatory law is correct, but clearly, we have been able to improve across the board, across the Nation as a result of the seatbelt law, enhancing the safety of the traveling public.

I believe, as evidenced by the letter that you read a few minutes ago, that those in New Hampshire with whom we have the privilege and pleasure to work with would agree that we have tried to be fair in working with the State as we deal with the fact that it doesn't have a law and that there are certain Penalties that go along with that.

We have worked with the State as they have demonstrated to us that they have effectively complied with the provisions of the law and we've been able to work through it.

Senator SMITH. Would it be your intention to continue along that vein?

Mr. SLATER. Yes, it would be. Clearly, as I say that, it is a two-way street and we have to find common ground as we work together, but we've had our ups and downs in the past, but we've been able to work through it, and I'm sure we'll be able to do that in the future.

Senator SMITH. Not to belabor it, you've made an honest answer and I appreciate it. I think in the past, we've had situations where we were told—the State was told in order to accept the dollars, you have to spend x number of dollars on safety programs, which they didn't need to spend because the safety programs are already being funded, yet that money could have been used to repair a bridge or some highway or road. We weren't able to do that and we are complying at a higher rate than another State who may not have this problem.

You were reasonable in administering that and hopefully, we can continue along that line.

A final question, you answered Senator Warner on the issue of who would be the lead in terms of a conflict between the EPA and the Transportation Department in the building of a road, and you gave an honest answer, that you felt you should be the lead.

However, there are times, as you know, where things don't flow all that smoothly and not that the environment should not be paramount sometimes, it should be, but there are times when the EPA

does hold up highway projects frankly, in my opinion, without necessarily having good reason to do it.

Do you intend to be aggressive in that debate within the Administration if that should occur in the future?

Mr. SLATER. We've had a good working relationship with the EPA over the last 4 years. They've got a group of dedicated and talented employees there and clearly, the point we try to stress with them is that we have responsibilities as well and the only way to work through the very difficult situations is for everyone to come to the table in a spirit of good faith, working with our partners, and to resolve the issues. We've been able to do a lot of that even in your State, Senator.

Let me close by saying that we have also established a sort of joint transportation working group where we don't just come together when there is a problem, but we also work together sensitizing each other as to the legitimate interests that we represent, and that has proven very successful as well.

Senator CHAFEE. Senator Lautenberg, before you start, I just want to say, Mr. Slater, regrettably, I have a long-time commitment in my office that I just could not change, so I'll have to be leaving, but Senator Smith will be presiding.

We'll go down the list and then anybody who wants other questions, Senator Smith will give that individual an opportunity to a second round.

We will keep the record open. I would ask unanimous consent that the record stay open until 5 p.m. today for written questions. When you receive the written questions, Mr. Slater, I would ask that you get them back promptly to the committee.

Mr. SLATER. Yes, sir, we will. We commit to do that.

Senator CHAFEE. Again, I apologize for having to leave. Senator Lautenberg is next, followed by Senator Moynihan and Senator Graham.

Senator LAUTENBERG. Thank you, Mr. Chairman.

Mr. Slater, in the interest of time, I'll try to ask short questions, so you can give short but specific answers and maybe we can get to a couple of things I'm concerned about.

First among them is the shortage of qualified controllers in the New York-New Jersey metropolitan region. We're down, according to newspaper reports, about 25 percent, talking about almost 100 controllers. That air space is clogged. It's got all the airports in New York, it's got some in Long Island, it's got some in Connecticut, it's got some in New Jersey, and I don't want to suggest to the traveling public that there are unusual risks, but there are certainly unusual delays. It follows on that risks could easily be assumed to be somewhat greater. They do a wonderful job out there.

Well, I've been out there with Secretary Peña and he assured me at the time that he'd be working to resolve the problems. Since then, we have seen some improvement, but more has to be done.

Can you give the public in the area, can you give the citizens in the area some commitment that resolving the air traffic control staffing problem in the New York-New Jersey area will be a high priority?

Mr. SLATER. Senator, it will be a high priority. I would add that I have had a general briefing by the FAA giving me an update on

their progress and you're going to continue to see improvement in that area.

Senator LAUTENBERG. Can I expect to see a staffing plan in the near future? When might we?

Mr. SLATER. In the near future. We'll be in touch with you and we'll give you an update as to where we are in that regard.

Senator LAUTENBERG. I'd appreciate it.

Since 1991, we, the United States, has frozen the operation of LCVs, longer combination vehicles. With ISTEA reauthorization, Lord willing, scheduled this year, I hear renewed talk about the possibility of ending the freeze on LCVs, either entirely or in specific regions or communities throughout the Nation.

Well, there's strong public opposition, as you know, to increasing those truck sizes. Last spring, majorities in both the House and the Senate signed letters to Secretary Peña opposing truck size increases. Can you see any reason to end the LCV freeze?

Mr. SLATER. No.

Senator LAUTENBERG. I assume, that means we'll be able to get your help in maintaining it if that's required?

Mr. SLATER. We plan to continue to follow the clear direction given by Congress.

Senator LAUTENBERG. Last, you know the aviation ticket tax was allowed to expire this last December. Therefore, there won't even be adequate balance to the Aviation Trust Fund to cover the appropriations for this year.

I'm concerned by reports out of IRS this week that the Aviation Trust Fund may actually be between \$1 billion and \$2 billion poorer than originally estimated. That could mean that the trust fund will go bankrupt within the next 8 weeks instead of this summer.

Could you give us some clues as to what action you might take to help alleviate this situation?

Mr. SLATER. Yes. Senator Lautenberg, your question was the first question that I received during my confirmation hearing from Chairman McCain. I committed then to join him and I make the same commitment here to join you, again, if I'm so honored to be confirmed, in making the case to the proper individuals, those who can make a difference here, and to the American people, that we have to move on this issue and we have to do it quickly.

Senator MOYNIHAN. You mean the tax writing?

Mr. SLATER. Yes, sir.

Senator LAUTENBERG. He was looking at you and he spoke to me.

Mr. SLATER. I understand too that based on the recent report in the paper, that our situation is more dire than we originally anticipated, which only underscores the importance of moving on this issue in a most expeditious fashion and I make a commitment, if I am so confirmed by the Senate, that I will be a partner in that process.

I think it is essential to do so because there is no way we can move forward as a department and the FAA as an agency, in implementing the very significant and sweeping personnel reform, acquisition reform, initiatives that you have given them the authority to move on without these resources.

Senator LAUTENBERG. Thank you very much, Mr. Chairman.

Senator BAUCUS. If I might briefly add on to that, Mr. Secretary, I urge you to get this thing solved for the very reasons that Senator Lautenberg indicated. There's analogy here. It's called installment sales of deferred contracts that farmers have used in determining their taxable income.

The IRS, for years, has said that in an installment sales contract, they do not recognize income in the current year when cash is paid in a subsequent year. The IRS, a few months ago, particularly in the State of Washington, changed its mind and began to tell taxpayers they could no longer do that.

All Members of Congress, looked at this as well as the Secretary of Treasury, Bob Rubin. Everyone agrees that this new IRS position is nuts and they, for a long time said—a long time meaning a month or so—that they could not change it; it would take an act of Congress. The taxable year for these people, their returns have to be in by March 1. It's clear Congress cannot act by March 1 to clear it up. We prevailed strenuously on the Administration, and they, administratively reversed themselves, finding a way to clear up this mess.

I urge you and the Administration to work as aggressively and figure out a way to clear up this mess, working with the Congress, so we don't have to go through the usual process of waiting until we get a tax bill. Who knows when that might come up. We can't wait that long. This thing has to be solved right away.

Mr. SLATER. You have the commitment from me to work with all parties to come to that end.

Senator BAUCUS. Thank you.

Mr. SLATER. Safety is in the balance and what better way to demonstrate that it's truly your No. 1 priority.

Senator SMITH [assuming Chair]. Senator Moynihan.

Senator MOYNIHAN. Can I just for Senator Lautenberg, please, my colleague on the Finance Committee says it's caucused. This has to be a tax bill.

Senator BAUCUS. Exactly.

Senator LAUTENBERG. We might have to get an agreement to a tax bill.

Senator BAUCUS. That's what I'm getting at.

Senator MOYNIHAN. Two questions. First, if I could ask, in the forthcoming ISTEAL legislation which you will send us, can we assume that you will maintain the reimbursement program which every State gets something but 47 States contributed a portion to the original interstate system and we agreed that they would be reimbursed last in the ISTEAL, a 15-year program. Can we assume that you will continue it?

Mr. SLATER. We are committed to following through on the commitment that was made in ISTEAL, yes, sir.

Senator MOYNIHAN. Thank you.

Now, a big question and very good news. In the original ISTEAL, we proposed a commission to promote investment in America's infrastructure, Dan Flanagan was chairman; Kay Bailey was a member. We understand that you may be posing a Federal Infrastructure Credit Act. There's a lot of potential here to get resources into infrastructure which, for lack of financing arrangements, we have never done.

Mr. SLATER. We are looking very closely at that and I think you'll be pleased, Senator. Let me just say that we very much appreciate the charge given us in ISTEA to work on innovative financing techniques, much like the one that you've just referenced. I personally, for the record, would like to mention that my deputy administrator, Jane Garvey, along with Louise Stoll, who is the head of budget at DOT, along with Mort Downey and other chief officials within the department, have done an excellent job in this regard.

They've actually, and this is really the point I wish to stress, they have actually engaged the thinking, the expertise of the entire DOT staff, people who were used to doing things a different way, very comfortable with that, but who have now become very, very excited about the potential for this sort of initiative.

I say that to say that we have changed as we have been challenged to change and I'm very, very excited about the potential here.

Senator MOYNIHAN. Tom Downey understands this. He was involved with the financing of the New York City subway system, which worked.

Mr. SLATER. Exactly.

Senator MOYNIHAN. There's a lot of funds out there we can access if we can find a credit system which the Federal Government has been doing for a very long time beginning with the Federal housing.

Thank you.

Senator SMITH. Senator Graham.

Senator GRAHAM. Thank you, Mr. Chairman.

Again, I want to express my admiration for Mr. Slater and the outstanding service that he's rendered in the first term and look forward to an even greater service in this new position in the second Clinton administration.

I have three questions I'd like to ask that cover different areas. One has been alluded to and that is interface between surface transportation and environmental concerns. This committee, which has both sides of that equation in its very title, is obviously concerned with this.

An issue that has come up several times in my State in recent years is the issue of a major transportation project that say started in 1985 and by the early 1990's, substantial funds had been expended on design and construction and land acquisition and at that point, request for a permit is made and the project is denied, often denied for a factor which was knowable in 1985. We have a current situation involving a major enhancement of the highway that connects the mainland to the Florida Keys.

I'm concerned that we can't get a process that brings all of the stakeholders in these major public projects, of which transportation would be a substantial member, to the table at Chapter 1 of their conception, and if there is some fatal flaw in the undertaking, it can be permeated and move on to some other activity.

If it's not fatal, then the obstacles can be identified so that they can be dealt with during the course of design and initial planning, with some expectation that it will make it a permissible project.

The question is, do you have some ideas possibly that might be incorporated in our next surface transportation reauthorization to try to facilitate the relationship between environmental permitting and transportation planning, design, and implementation?

Mr. SLATER. Senator, you speak to an issue that is very, very important in both the transportation planning process and the actual implementation of the plan.

We have had 4 years of quality experience working with EPA, working with the Department of Interior, working with our partners at the State and local level trying to figure out how you streamline the process, how you streamline the various permits required by our department, required by the Corps of Engineers, required by other Federal agencies, State and local agencies as well.

Our reauthorization proposal will reflect our best thinking in that regard. We have argued that issues of environmental interest and concern should be brought into the process at the earliest possible stage, even at the planning level, so that those factors can be taken into account as you move forward with the program.

Even though you spend a considerable amount of money in the planning process and a considerable amount of time, you don't spend anywhere near the kinds of resources you spend when you actually start to act on a plan.

So it's our hope that we will make more of an investment early on and avoid some of the experiences that you mention here, sir.

Senator GRAHAM. I'm pleased to hear that and look forward to drawing on the experience that you've accumulated as we look at this next legislation.

Given my time, I'm going to reduce my number of questions down to two. The second question is of great concern in my State about the potential for a strike at our major commercial aviation carrier, American Airlines.

What is the central role of the Department of Transportation being an intermediary to try to avoid what will be a massive dislocation of our domestic public and a dislocation of one of the major international hubs, particularly serving the Caribbean and Latin America?

Mr. SLATER. Because aviation, as well as all transportation is really so critical to the health and well-being of our economy and our quality of life, there is a unique provision that allows for participation by the Department, by the Administration in these kinds of situations.

We really prefer that the mediation and negotiation process work because that's where it's best handled, but in those very unique and difficult situations, there are provisions that allow participation on the part of the Administration. We generally do not insert ourselves proactively and it's always generally in response to a particular request for involvement.

Senator GRAHAM. I look forward to working with you. I share your hope that this can be resolved, as it should be, by the parties, but there is a party that's not at the negotiating table and that's the public. If need be, I would look forward to your willingness to accept a role in trying to resolve this in the interest of the public.

Mr. SLATER. Yes, sir.

Senator SMITH. Thank you, Senator Graham.

That completes the first round and Mr. Slater, Senator Kempthorne has asked for a couple of followup questions and then we'll be finished.

Senator Kempthorne.

Senator KEMPTHORNE. Mr. Slater, these will be painless and really I've structured them so that a yes or no will be just fine.

Mr. SLATER. All right.

Senator KEMPTHORNE. The Federal Lands Program—and I appreciated your conversation with Senator Baucus where you affirmed it's critical as to regions of our country that have large amounts of highways that are located on Federal-owned lands which are tax exempt. In Idaho, for example, we're at 65 percent federally-owned.

This program, properly operated, is used to maintain the national highway system, so do you support the Federal Lands Program?

Mr. SLATER. I do.

Senator KEMPTHORNE. And you'll work to strengthen it during reauthorization?

Mr. SLATER. I look forward to working with you in that regard, sir.

Senator KEMPTHORNE. An important recreational program within ISTEA is the National Recreational Trails Act, which you and I have talked about. This program is designed to provide recreational opportunities and facilities for hiking, skiing, snowmobiling, horseback riding, bicycling, and four-wheeling for individuals with disabilities, just to name a few.

It's an immensely popular program for which funding has fallen woefully short of the intended amount. As you know, this program is designed to be funded by that portion of the Gas Tax Trust Fund that is attributed solely to offroad vehicle use.

Although the National Recreation Trails Advisory Committee's annual report of 1994 published by the U.S. Department of Transportation estimated that the annual revenues from offroad vehicles to be in the range of \$63 million to \$167 million, the Recreational Trails Act has never, never received the \$30 million annual appropriation called for in ISTEA because of a legislative drafting error.

As you're aware, I've personally pursued this issue for a number of years and through the cooperation of Federal Highways and the Department of Transportation, and your help, we have been able to secure \$15 million in 1996 and 1997.

Will you work with me to develop a legislative solution to this funding problem with the Recreational Trails Act and provide the \$30 million appropriation as provided for in the original ISTEA Program?

Mr. SLATER. Senator, I will if I'm so honored to be confirmed as Secretary of Transportation.

Senator KEMPTHORNE. Good. Then I look forward to working with you because I'm confident that you will be confirmed. You're what we need as Secretary of Transportation.

Mr. SLATER. Thank you.

Senator KEMPTHORNE. I also place a high priority on research and development—Senator Baucus, again, brought this up—to prepare ourselves for the challenges of the next century.

We have several outstanding research facilities across the country that are conducting just these types of research and development programs. Two of those, the most innovative facilities are in Idaho at the National Center for Advanced Transportation Technology at the University of Idaho and the Idaho National Engineering and Environmental Laboratory in Idaho Falls.

Will you place a high personal and departmental priority on research and recommend appropriate funding levels for both urban and rural needs when you are Secretary of Transportation?

Mr. SLATER. Senator, you have that commitment.

Senator KEMPTHORNE. Thank you. Again, when we spoke in the office, you indicated that during the reauthorization process, you would make a concerted effort to solicit and consider input from local and State officials as you develop department priorities for the new ISTEA. Can you be more specific now on how you may accomplish that?

Mr. SLATER. Senator, I'm very pleased that the Department, under the leadership of Secretary Peña, actually engaged in, I believe, 12 to 13 outreach meetings that were regional in nature, where we did engage and interface with State and local officials.

The Federal Highway Administration along with the Federal Transit Administration and NHTSA on many occasions held more than 100 listening sessions with officials across the country, advocates and the like, those interested in transportation.

Then, over the course of 4 years, I have probably been the most traveled Federal Highway Administrator in the history of the agency, going to places across the length and breadth of this country to look, listen and learn and to bring back those insights and then respond. We're going to do more of that as we prepare for the reauthorization process.

I will add that the entire FHWA has joined me in that outreach effort and we've engaged in the most extensive outreach effort in the 104-year history of the agency. It's a fact about which I am very pleased and proud.

Senator KEMPTHORNE. Great. Mr. Slater, again, I appreciate all that you're doing. I hope, too, that you'll have some regional meetings as we've discussed.

I happen to drive a four-wheel drive vehicle and I'm from Idaho; I know what rugged terrain is, but there's sections of 295 and 395 that are challenging. So one of these days after you're confirmed, maybe we'll go have lunch and I'll show you a few stretches of rugged terrain that we can improve upon.

Mr. SLATER. I'd like that. Thank you, sir.

Senator KEMPTHORNE. Thank you.

Senator SMITH. Thank you, Senator Kempthorne.

Mr. Slater, thank you very much for being here this morning and your very candid responses. Thank you, Mrs. Slater for being here, and your daughter.

The hearing is adjourned.

[Whereupon, at 11:27 a.m., the committee was adjourned, to reconvene at the call of the Chair.]

[Mr. Slater's prepared statement and responses to additional questions follow:]



PREPARED STATEMENT OF THE HON. RODNEY E. SLATER, NOMINATED BY THE  
PRESIDENT TO BE THE SECRETARY OF TRANSPORTATION

Mr. Chairman, Senator Baucus, Members of the Committee: I thank you for inviting me here today to talk with you about the future of transportation in the Nation. This committee plays such a vital role in keeping our transportation network operating smoothly that it is an honor for me to have this opportunity to speak to you, not just as Federal Highway Administrator, as in the past, but as the President's nominee for Secretary of Transportation.

I well recall that day, May 19, 1993, when I came before you for confirmation to head what is now a 104-year old agency, the Federal Highway Administration, that has not only performed well each task the Congress has assigned to it, but that has evolved with the changing times. How fortunate I am that President Clinton's trust and the trust of this committee and the Senate gave me the opportunity to be a part of such a tradition of excellence.

I was humbled on December 20, 1996, by the trust the President has again placed in me by putting my name forward for a new service to the American people. Today, sitting before you again, I thank you for your trust in me four years ago, without which I would not be here. I know, too, of the many people and organizations within the transportation community who have placed their trust in me as Federal Highway Administrator and now as the nominee to become the Secretary of Transportation. I can tell you that I am determined to continue paying back the investment of trust placed in me by this committee and the Congress, by the transportation community, by the President, and let me just add, by my family.

I would like to talk with you about what we have accomplished together these past four years, and I would like to discuss my vision for preparing the Nation's intermodal transportation system for the challenges of the 21st century. I will start with a summary that I will elaborate on later in this statement.

I view transportation as vitally important to the life of this Republic. President Clinton, in his Second Inaugural Address, illustrated just how central transportation has been in the history of making this Nation. He said:

We began the 19th century with a choice: to spread our nation from coast to coast. We began the 20th century with a choice: to harness the Industrial Revolution to our values of free enterprise, conservation, and human decency.

In each case, transportation played a key role, whether through pioneer settlers who populated this great continent, the linking of coast to coast by the transcontinental railroad, or the transportation revolutions of the 20th century that have supported not just the strongest economy in the world, not just the strongest military, and not just the strongest Nation, but the hope and dreams of every American for freedom and opportunity.

Transportation will remain central in accomplishing what President Clinton suggested must be our goal as we approach the 21st century, namely "to unleash the limitless potential of all our people, and yes, to form a more perfect union."

Our intermodal transportation network is far more than the sum of its parts because it affects every aspect of the lives of the American people in ways we see, as when we go to work, and ways we don't, as when we make a purchase at a store without wondering how the item got there. A transportation network that serves the greatest economy in the world also helps get a mother to the hospital for the birth of a fragile new life.

To this committee, I can say that we have very important work ahead of us in a variety of areas, but perhaps nothing this committee does in 1997 will have more bearing on the American people than reauthorization of the Intermodal Surface Transportation Efficiency Act of 1991. So let me begin there.

First, I commend this committee for its role in shaping the post-Interstate era through the passage of ISTEA. When President George Bush signed this bill into law on December 18, 1991—I know that some of the Members of this committee were there on that cold, blustery day near Dallas-Fort Worth International Airport—it was widely hailed as a landmark tuning point and as the most important surface transportation legislation since President Dwight D. Eisenhower launched the Interstate System by signing the Federal-Aid Highway Act of 1956. In the 6 years since passage of ISTEA, its promise has been fulfilled, and those who thought it was a landmark were proven correct.

ISTEA was not about business as usual. It was about rocking the boat. So it took courage for what was then a Democratic Congress and a Republican President to shake up the system, to start afresh, to turn from proven paths.

I was not in Washington to help create ISTEA, but one of the accomplishments I am proudest of in these past four years is leading an Agency with the skills, the understanding, and the reputation to work with the State transportation departments, with the metropolitan planning organizations, and with the many interests involved to help build new relationships and establish the new balance that ISTEA called for. As the poet Robert Frost has said:

Two roads diverged in a wood, and I—  
I took the one less traveled by,  
And that has made all the difference

By taking the path of ISTEA, the path that in 1991 was less traveled by, this committee and its counterpart in the House of Representatives, have indeed made all the difference.

The core of ISTEA can be found in the bold goals it established, drafted by Senator Moynihan, beginning with this visionary statement:

It is the policy of the United States to develop a National Intermodal Transportation System that is economically efficient and environmentally sound, provides the foundation for the nation to compete in the global economy, and will move people and goods in an energy efficient manner.

The past six years have demonstrated that this is not a vision of some distant future, but a vision we can attain, in fact are attaining, through the transportation planning process revitalized by ISTEA and by the market forces of competition that are making the transportation industry more productive and efficient.

But ISTEA is about much more than that. It is about choice, with State and local governments having unprecedented flexibility and responsibility in deciding on the mix of projects best suited to meet transportation needs. It is about protecting our environment not only through the choices we make, but the way we implement those choices so that our air, our water, our natural environment, and our communities are enhanced by the needed transportation service we provide. It is about all forms of surface transportation, with renewed emphasis on bicycling and walking, and about expanding the vision to include the national scenic byways and recreational trails that are so important to the soul of the American people. And ISTEA is also about harnessing technology to serve a new century, through intelligent transportation systems, high-speed rail, and magnetic levitation.

In 1997, we see the fruits of our collective labors. We approach reauthorization with a diverse transportation community virtually united in supporting the core concepts embodied in ISTEA. There is room for improvement, but when I see the strong support coming from a wide variety of interests for improving, not discarding, ISTEA, I know we are on the right path.

And I know, too, that we have a unique opportunity, as we approach a new millennium, to, again in the words of the President, “unleash the limitless potential of all our people” and to serve the eternal cause of forming a more perfect union.

If confirmed by the Senate as Secretary of Transportation, I will be serving in a new role in 1997, but I want to assure you that I plan to take a very strong and active leading role in working with you, the President and this Administration to enact reauthorization of ISTEA, to ensure the new legislation builds on the foundation created by ISTEA, and to achieve passage promptly as Subcommittee Chairman Warner indicated in the goals he outlined last September. We all want to avoid the financial disruptions that occurred at critical points in the past while the State transportation departments awaited passage of vitally needed legislation, we must complete reauthorization by September 30, 1997, and I am confident that if we work together we can do so.

Although I was not in Washington while ISTEA was taking shape in the Halls of Congress, I was here for another important milestone, enactment of the National Highway System Designation Act of 1991. For me, this was one of the most important accomplishments of my tenure as Federal Highway Administrator. Perhaps like all good things, it did not come easy, and as you know, it included some provisions, particularly regarding safety, that I know Senator Chafee and other members of this committee wish it did not. I strongly agree.

While the debate over the legislation was at time contentious, there was no debate over the National Highway System itself. There was a broad-based, bipartisan understanding within both Houses of Congress that the National Highway System is the key to creating the intermodal transportation system envisioned by ISTEA. The National Highway System will provide the links that bind all the transportation modes into a single, seamless network pulling together to support economic development.

In the course of this statement, I will discuss my vision of a United States Department of Transportation that not only meets the transportation needs of today and the 21st century, but that helps every American achieve his or her personal goals and that supports the freedoms we so rightly cherish. Let me, first, highlight the key priorities that will guide me, if the Senate sees fit to confirm my nomination.

First, I will continue to make safety and security the highest priority of the Department. Because I believe that nothing is more important, I will strive to raise our current high levels of safety to even greater heights, especially in the face of rapid growth in the use of our transportation network.

Second, I will work with this committee and with Congress to continue strategic investment in our transportation infrastructure, which is vital to not only our economy, but also our quality of life. These strategic investments include ISTEA reauthorization, the reauthorization of several other transportation programs, and enactment of FAA financial reform to complete the work of the Administration and Congress to provide the FAA with the tools and resources it needs. I will also work with Congress and our transportation partners to aggressively implement the legislation enacted to give the Department the tools to reform the FAA acquisition and personnel procedures, to reform our nation's maritime programs, and to enhance the safety of our network of oil and gas pipelines.

And third, I will continue to bring common sense government to the Department of Transportation in order to provide the people we serve with a Department that works better and costs less. I will build on what we have accomplished to encourage more innovative and flexible funding to leverage federal dollars for infrastructure investment, technology use to improve the performance of our transportation system, and transportation policies that are sensitive to environmental concerns.

#### WHAT TRANSPORTATION MEANS TO AMERICA

These past four years, I have had the privilege of serving under a President and a Secretary, Federico Peña, who understand the central importance of transportation and who accomplished much in a relatively short time. I share with the President and with Secretary Peña a basic vision about the role of government and about the role of the Department of Transportation that can be summed up any number of ways, but the President said it best early in his first term: Putting People First.

As mentioned in my introduction, I have a very expansive vision of what transportation means to our society and to our people. I look to history for my guide in seeing how transportation has pulled us together as a Nation, how transportation has sustained our dreams, and how transportation has given us the freedom to enjoy the right, promised by the Declaration of Independence, to "Life, Liberty, and the pursuit of Happiness."

In the 20th century, perhaps no President had a clearer vision, and more historic results from his vision, than President Dwight D. Eisenhower. In a 1955 message to Congress, he provided an eloquent explanation of why the Interstate System was so important. In doing so he echoed the sentiments of Presidents throughout history:

Our unity as a nation is sustained by free communication of thought and by easy transportation of people and goods. The ceaseless flow of information throughout the Republic is matched by individual and commercial movement over a vast system of interconnected highways crisscrossing the country and joining at our national borders with friendly neighbors to the north and south.

To those who think I make too much of transportation, who think that after all it is really just concrete, asphalt, and steel, I refer you to a stretch of road that runs from Selma to Montgomery, Alabama. It's part of U.S. 80, and it carries the same daily traffic—the cars, the trucks, the motorcycles, the RV's, the buses—as any other part of the route or any other stretch of road in America.

But this stretch of highway is different, because it made a difference in the lives of every American. On March 25, 1965, Dr. Martin Luther King, Jr., led a band of marchers across the Edmund Pettus Bridge in Selma to Montgomery, to protest voting restrictions that disenfranchised most African Americans. Four days later in Montgomery, standing on the Capitol grounds, he told his assembled supporters that they had marched for "the realization of the American dream." On August 6, 1965, President Lyndon Johnson signed the legislation that empowered African Americans and all Americans to cast their ballot for the American dream of which Dr. King spoke.

Last September, the Selma-to-Montgomery section of U.S. 80 was designated an All-American Road under our National Scenic Byways Program, not because it is beautiful, for many would argue that it is not; not because it is scenic, for others

would argue that it is not—but because this road, these lanes, symbolize the most beautiful idea of all: the American Dream.

So let me assure you that I think the Federal Government has a strong role to play in transportation by providing a balance among the diverse interests of the States, leadership in advancing technology for a new century, and guidance in ensuring that vital national interests are met.

If confirmed, I look forward to working to achieve the new role the President has outlined: that of a government that empowers each American to fulfill his or her own personal destiny.

#### ACCOMPLISHMENTS: DEPARTMENT OF TRANSPORTATION

I would like to talk to you today about what we have accomplished in the past four years and what I hope to accomplish in the next four years.

Let me say I look forward to Secretary Peña remaining in Washington, so that the American people will continue to have the benefit of his skills, his vision, and his wisdom. He forged a team at the Department of Transportation that is committed to creating the Intermodal transportation system this country will need in the 21st century to support economic growth, to enhance our competitiveness in international marketplaces, and to expand the mobility of the American people.

Recently, in saying farewell to the Department's employees, he described some of the Department's accomplishments he is proudest of, and I will share just a few of them with you. He spoke of:

- Hundreds of thousands of private sector jobs created by strategic infrastructure investment.
- New aviation safety and security regulations that make the skies safer for our families.
- A reinvigorated, stronger transit program.
- A revitalized American shipbuilding industry.
- Innovative livable communities program.
- Success at drug interdiction.
- A pivotal role in dealing humanely and professionally with the massive Cuban and Haitian migration.
- The work we've done to increase the safety of the cars that Americans drive and our efforts to help them drive safely.
- The progress we have made in intelligent transportation systems, high speed rail, and new technologies such as the global positioning system.
- Success in increasing railroad safety, in helping make rail-highway crossing safety a focus of national attention, and building a stronger Amtrak as a vital element of our transportation network.
- Efforts to reach out to minorities and to women to ensure equal opportunity for our partners around the country.
- The building of a new, more diverse leadership within the Department.
- The way DOT answered the Vice President's call to reinvent the Department of Transportation and to streamline operations so it can better serve its customers.
- And the commitment, which I strongly share, to the environment—to cleaning up and preventing oil spills, protecting National Parks, partnering on clean-car technology, and designating National Scenic Byways.

In short, Secretary Peña leaves behind a strong legacy of accomplishment on which to build America's transportation future. The existing links between the Departments of Energy and Transportation will become even stronger as we work together, based on the bonds of trust that have grown between us.

#### ACCOMPLISHMENTS: FEDERAL HIGHWAY ADMINISTRATION

I want to take a moment, too, to tell you how proud I am of what the Federal Highway Administration has accomplished this past four years. I know Secretary Peña would agree with me that in listing our achievements, we are really complimenting the people who are at the heart of what we do, namely our committed employees.

The Federal Highway Administration is a relatively small organization (fewer every day through attrition—about 3,500 men and women) with a \$20 billion-a-year mission. We accomplish that mission through cooperation with our traditional partners, the State transportation departments and metropolitan planning organizations, and with newer partners who are focused on the environment, bikeways, pedestrian walkways, and other related aspects that add to the beauty and livability of communities across the Nation.

Today, few things touch us in so many ways as the Interstate System. Almost everything we own traveled on the Interstate System at some point before arriving at our home. Our daily routines—going to work, to school, to the store, to church—and the special moments in our families lives—the birth of a baby, a daughters wedding, family vacations—often take us onto this vision in concrete, asphalt, and steel.

I now would like to take a moment to highlight some of the achievements I am proudest of over the past four years.

I have already mentioned the challenge we faced in making the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) work. ISTEA juggled relationships and shifted power among the levels of government. It included many new and complex requirements. It brought new and old partners together in sometimes uneasy alliances. It set ambitious goals that altered our transportation priorities.

As a result, making ISTEA work required partnering, brokering, and a form of “tender loving care” to facilitate the coming together of interests. I am proud that the Federal Highway Administration has the personnel, the resources, and the flexibility to help State and local officials build new relationships for exercising their new responsibility. The sincere attempts by all parties to work within the ISTEA framework strengthened old partnerships, created new ones, and brought us all together in a way that has energized this country’s whole transportation community.

I also would highlight the most extensive outreach effort ever undertaken in the agency’s 104-year history. During my tenure, I led this effort by visiting most of the States and Puerto Rico, as well as working directly with the District of Columbia, meeting with thousands of people who use, construct, maintain, and manage our transportation system. For me, the road tours were perhaps my most important means of outreach. I set out on the first one in April 1994, from Buffalo, New York, to Laredo, Texas, with a goal of looking, listening, and learning—then acting on what I saw.

In recent weeks, there has been much talk about initiatives to help the District of Columbia. I am proud of the role the Federal Highway Administration has played, cooperating with Congress and the President, in helping the District improve its transportation network.

I also am proud of several other accomplishments:

- Working with Congress, we provided record levels of infrastructure investment to help carry out the President’s commitment to “Rebuild America.” Investment increased 21 percent, from an annual average of \$21.1 billion in fiscal years 1990–1993 to an average of \$25.5 billion in fiscal years 1994–1997.
- We cooperated with Congress and our State and local partners to identify routes for the National Highway System, which was designated on November 28, 1995, when the President signed the National Highway System Designation Act of 1995. We also have submitted a report to Congress, called Pulling Together, identifying intermodal connections, including rail, transit, seaport, and airport facilities, to be added to the National Highway System.
- We created innovative financing techniques that leverage federal dollars and stimulate greater investment in infrastructure. As a result, more than \$5 billion worth of projects have moved to construction faster than would otherwise have been possible.
- We promoted innovative contracting techniques, such as design-build, that are helping to transform the contracting process to enhance quality—which is another way of saying service to our customers, the American motorist.
- We worked with the States and the private sector to develop intelligent transportation systems that will help America meet the growing demands of its transportation network at a time when efficiency, rather than expansion, is the key criterion.
- We recommitted the agency to the National Quality Initiative, an historic initiative of longstanding partners who want to promote excellence in all aspects of highway research, design, planning, and construction.
- We launched a variety of life-saving initiatives, including “Sharing the Road—No Zone,” the Red Light Running Prevention Campaign, the Capital Beltway Safety Task Force, the Railroad-Highway Grade Crossing Safety Action Plan, the National Work Zone Safety Program, and the Safety Action Plan.
- We designated the first six All-American Roads and the first 11 National Scenic Byways under the National Scenic Byways Program created by ISTEA.
- We have worked with our partners to ensure that highway transportation projects and programs enhance the communities and the environment through which they pass. Our initiatives include a revised Environmental Policy Statement in 1994, cooperation with the Environmental Protection Agency to ensure that transportation continues to contribute to increasing quality of our air, and initiatives to create one-stop shopping for the environmental reviews that are

so important to the development of any project. We also enhanced environmental sensitivity within the agency by conducting Environmental Leadership Seminars for our top field staff.

- Internationally, we have worked to facilitate trade with Canada and Mexico, for example by taking the lead in harmonizing land transportation standards, while helping other Nations, including South Africa, improve their transportation networks to support economic growth and freedom. Following my 1993 trip to Russia, we have supported democratization of the former Soviet Union by initiating ongoing technical assistance and technology transfer, including private sector involvement.
- We launched a series of actions to improve motor carrier safety in cooperation with our motor carrier partners, including the first ever National Truck and Bus Safety Summit (1995), imposition of drug and alcohol testing of commercial drivers, and completion of the most thorough study ever of driver fatigue and drowsiness. We have seen considerable progress where it counts the most—a decline in fatal crashes involving large trucks, down from 2.7 per 100 million vehicle-miles in 1993 to 2.5 in 1995.
- We participated actively in the Vice President's National Performance Review, which helped us remove or modify numerous regulations, while we streamlined our operations to match them better not only to ISTEA's goals but to the needs of each State.

I'd like to mention just two other items that go directly to the heart of what the Federal Highway Administration is all about. One of my first experiences after taking office in 1993 was the Great Midwestern Floods. It was an eye opener in two respects, the first being the sheer amount of devastation the flooding caused. But secondly, and more importantly, I learned how committed the people of the Federal Highway Administration are to public service, to getting involved, and to being part of the communities in which they live. Our field staff pitched in and did everything possible to help reopen the highway lifelines disrupted by the floods.

I've seen this same spirit time and again, notably in the aftermath of the Northridge Earthquake that rocked the Los Angeles area in 1994 and destroyed several key Interstate links. The people of the Los Angeles area, whose daily routines were scrambled by the earthquake, benefited from close cooperation among the Federal Highway Administration, the Federal Transit Administration, and the California Department of Transportation, through provisions made for temporary service that were needed until highway links were reopened, in record time, paid for 100 percent with federal funds.

In these instances, and in so many others, I have heard from Governors and top State transportation officials that our response to disasters is not just timely and efficient but compassionate—reflecting the highest ideals of government service and Federal-State partnership. I want to give credit to those who've earned it: the people who are the Federal Highway Administration.

The final item is the response to the Oklahoma City bombing, in which we lost 11 members of the Federal Highway Administration family. It's a day none of us will ever forget. But when the survivors were told they could take time off to recover from the emotional shock, they agreed unanimously that what they wanted to do was get back to work as soon as possible. Our administrative staff worked miracles to find new office space and to equip it so our Division Office in Oklahoma was able to reopen within days after the tragedy. This commitment, not just to our mission, but to those who had fallen, was, again, a tribute to the people who are the Federal Highway Administration.

In short, I have been proud to lead a federal agency that has shaped its vision to the times and accomplished each of its missions with distinction. This is an agency well prepared to meet—and master—the uncertainties, challenges, and opportunities of the 21st century.

We have accomplished much, but much remains to be done.

#### LOOKING TO THE DEPARTMENT'S FUTURE

In looking to the future, we in the Department of Transportation must set high goals, must call on all our resources and all our reserves to build exponentially on the foundation created thus far.

In doing so, I can look to a former Secretary with whom I will share a unique distinction. If confirmed, I will be only the second Federal Highway Administrator to serve as Secretary of Transportation. The first was John A. Volpe, who served as the first Federal Highway Administrator from October 1956 to February 1957. In 1969, he was appointed by President Nixon to be the second Secretary of Transportation and served in that post until 1972. For his actions, for his leadership, and

for his vision, Secretary Volpe is regarded by historians as one of the greatest Secretaries the Department of Transportation has had.

One of Secretary Volpe's sayings bears repeating as we look to the future:

I submit that as we live in times of change, we must be the architects of that change or we will most certainly be its victims.

As the President has said, when times change, so government must change. And so, as I look to the next four years, I believe we in the Department of Transportation must set high goals and must be architects of change, but we must also build a new balance in our relations with State and local governments. To do that I will be taking my lead from the President:

- I will be calling on the Department's employees to share their vision of how we can intensify our efforts to accomplish more, much more, to benefit the American people.
- I will be calling on State and local officials to help us build a new balance.
- I will be calling on private organizations to help us.
- And I will be seeking to work with you, the Congress.

Together, with the help of all these groups and individuals, we will intensify our efforts to the highest degree to build the safest, most efficient transportation network possible.

Certainly, in focusing our efforts, a priority for all of us must be legislation that will provide the framework for our 21st century transportation system.

I have already discussed reauthorization of ISTEA, which will be the major transportation initiative to be undertaken by this Congress. In reauthorization, we have the opportunity this year to advance the vision of ISTEA, to strengthen the partnerships that it created, and to put the traveling public first when making investment decisions. We must have a transportation system that is designed around the trips we need to make, not the traditional modes of transportation. We need to think not only of our modal systems, but how they link together.

There are those who call for the Federal Government to abandon its role in surface transportation. As you can tell from what I have said thus far, I reject this idea. As ISTEA has demonstrated, the Federal Government can play, indeed must play, an important role in helping each State in a diverse union create the national network essential to maintain what Thomas Jefferson referred to as a "union of sentiment."

Such calls are often based on disputes over formula distribution of funds, mandates that a State believes are inappropriate, and a view—which I certainly reject—that the Federal Highway Administration is intrusive in State affairs and duplicative of State efforts. These concerns are, legitimately, up for debate. But at a time when Europe, our chief competitor in many markets, is pulling together, we should not be pulling apart, program by program, into a loose confederation of States that lacks the ability to deliver to the American people the benefits that we can only realize as a Nation.

No State lives in isolation—its citizens never traveling outside its borders, its businesses never working with businesses or customers elsewhere. No State ever turns away a tourist from elsewhere. Thus, the challenges before us are national in scope; and the solutions require national involvement. Traffic congestion and bottlenecks in major trade centers, such as Chicago and Los Angeles, not only impose delays on local commuters and regional freight, they also interfere with speedy cargo movements—movements that are essential to maintain our global competitiveness.

Safety is another example of the key role the Federal Government plays. Nothing is more important than safety, for any sudden loss of life or serious injury in a traffic incident is a tragedy that could have been avoided. The cost of such terrible events cannot be measured in dollars alone.

During the 1990's, traffic fatalities are at the lowest levels in 30 years—although the number has increased in the past year or two. I am talking about actual numbers, not fatality rates. In fact, if the fatality rate today were what it was in 1980, we would be losing 65,000 men, women, and children each year, not 41,798, as in 1995. Hundreds of thousands of people are alive today because of safety advances. We attained these reduced levels despite a tripling or more of vehicle miles of travel over that same period.

This safety record did not occur because of the efforts of each State operating on its own. The States played an important role, but it would be incorrect to assume they could have done it on their own. It happened because of agency automotive safety standards that the States could not have imposed; because of improved highway design standards developed by the States but adopted by the Federal Highway Administration for use on projects around the country; and because of the initiatives

of private safety groups that kept pressure on the federal, State, and local governments to address highway safety issues and that educated the public about them.

The Federal Government didn't do it all—and can't. We need the partnership of State and local officials, the cooperation of the auto and trucking industries, and the efforts of public spirited citizens to continue bringing down the toll of tragedy. But the Federal Government can continue to play a vital, catalytic role that we should not weaken—but build on.

We must do more, we will do more to keep safety in the forefront. I trust that reauthorization of ISTEA will give us an opportunity to take new strides forward. But in safety, as in many other areas of surface transportation, complete withdrawal by the Federal Government would be a huge step backward.

The Department will be submitting the President's reauthorization proposals to Congress next month. I will defer discussion of specific elements of reauthorization until that time. But our goal is to work with Congress to build on the success of ISTEA. I am pleased that over the years, surface transportation legislation, for all the controversies surrounding it, has been seen as bipartisan. I am pleased, too, that the authorizing committees reflect this bipartisan spirit. So let me assure you that I plan to reach out to Congress as it builds the surface transportation legislation that will take America into a new millennium.

There is much more to the Department of Transportation than renewing the surface transportation assistance and safety programs represented by ISTEA. I look forward to working on the many challenges facing the aviation and maritime environments. I know we must develop a more stable funding stream for the Federal Aviation Administration to keep pace with aviation growth and to follow the path to longer-term financial reform that was laid out by this committee last year. We must complete a rigorous assessment of what it costs to manage and regulate the aviation system, and how to pay for this system in as fair a way as possible. Finding an adequate, dedicated, stable source of revenue to meet the growth of aviation is one of our greatest challenges. I look forward to working with you, Mr. Chairman, and the members of this committee in meeting the challenge.

The United States also must continue to play a vital role in pursuing more open, competitive aviation markets worldwide, with all the benefits they can bring in terms of increased business, tourism, and economic development. I can assure you that I will use the leverage provided by access to the vast United States market to urge our aviation partners to adopt more open markets—and to ensure expanded access to their markets for United States carriers.

Federal support for transit, like all transportation, is not an end in itself. Ten million people count on transit every day to get to jobs, schools, stores, and health care facilities. Another 25 million use transit less frequently, but on a regular basis. Our urban transportation networks are dependent on a strong transit component, which benefits not only those who use it, but those who don't. But transit is not simply an urban priority. In rural areas, millions of Americans who cannot drive are dependent on transit services to help them meet their basic needs.

The new demands of welfare reform require that workers be able to get to their jobs. This is one of transit's principal roles—providing basic mobility. It is also an opportunity, one we must make available to the 37 million Americans below the poverty line who often cannot afford an automobile.

We have also initiated a new program to assist states and local agencies to define the impacts of mobility, to identify problem areas such as transportation service disconnects, and to develop strategies and solutions. Through the Research and Special Programs Administration, the Department is providing leadership in new technologies and options for meeting the transportation needs of the elderly, as well as transportation tailored to promote rural economic development and mobility in economic empowerment zones.

Always, in all we do, safety must be our highest priority, and we have an unprecedented opportunity to increase safety belt and child safety seat use substantially. Nearly all major safety organizations agree on the need to upgrade and enforce safety belt use laws and to support these laws with intensified public education efforts. The tragic deaths of children resulting from air bag deployments have added increased urgency to these needs. It is now time to change behavior—to get all children and adults properly buckled up, whenever possible with children in the back seat.

Last year, over 17,000 traffic fatalities, and many more injuries, involved alcohol. These crashes, injuries and fatalities are not accidents—they are predictable and preventable. We now have a unique opportunity to reduce this toll. A broad partnership has already been formed—called Partners in Progress—and it has agreed on national goals to reduce dramatically alcohol related traffic fatalities. I will work



with the partnership to implement their strategies, and my personal mission will be to accelerate the pace of reduction.

The Federal Government also has a responsibility to play an effective role in bringing parties together to resolve problems. For example, in the past, railroad labor and management often took opposite sides on many issues—almost reflexively—and rarely talked to each other. The advent of the Railroad Safety Advisory Committee, which has brought all sides together, has proved a successful forum—and a model—for reviewing pending rules and regulations and building consensus.

Over the past decade, we have seen a revitalization of freight rail in this country as market forces have promoted increases in productivity and efficiency. As we look to the 21st century, however, perhaps the most encouraging trend is that thanks to the container/piggyback revolution, we are seeing closer cooperation among traditional competitors—the truckers and the railroaders—than at anytime since World War I. In the 21st century, our intermodal transportation system will benefit by the efficiency that occurs when the mode that can do the job best, gets the job.

As we move America to the next century, we must also recognize that America's interests do not end at our shorelines or our borders. Our interests—and our values—demand that we advance our economic, social, and environmental well-being well beyond our geographic boundaries.

In aviation, government must ensure a free market environment abroad as well as at home. We have already achieved the removal of decades-long restrictions in many European markets and we are moving forward with an initiative to reach open skies agreements with Asian economies.

The maritime programs have at their center the strengthening of our national and economic security. They accomplish this through genuine partnership with other government agencies and absolute reliance on the private sector to accomplish two goals: making our maritime transportation system the most modern, competitive, and efficient in the world and providing strategically critical sea-lift capacity to support our national security needs.

In drug enforcement, alien interdiction, environmental protection, navigation safety and national security missions, the United States Coast Guard plays a key role in advancing our nation's interests. The Coast Guard is widely recognized as one of the most competent and responsive organizations in our government. The Coast Guard responds rapidly and effectively to natural disasters, war, and the need for marine environmental protection. Like any federal activity, it now faces tight budgetary constraints, and I am told it is doing extremely well in its streamlining efforts. We need to ensure it continues to get the resources it needs to get the job done.

A new government for a new century will still need to remain anchored in the traditions and values that made our country great. These values are evident at the Department of Transportation. However, we must not let these same traditions inhibit our ability to adapt. We must commit to a better and more efficient government.

For the St. Lawrence Seaway Development Corporation, the Administration is seeking legislative authority to reconstitute it as a performance-based organization (PBO) consistent with the Vice President's reinvention initiative. The Corporation reflects two of the most important characteristics of a PBO—a focus on customer service and performance based outcomes. As a PBO, the Corporation will be able to adopt additional private sector practices.

We must commit to better and more efficient management of our assets—which are, in fact, the Nation's assets. Our government, and the Department of Transportation, will be proportionately smaller in the next century. And this smaller government will still have to give the American people the tools they need to solve the problems confronting our great Nation.

I look to the 21st century, and I see State and local transportation agencies advancing toward state-of-the-art/state-of-the-practice in all areas, including planning, design, finance, use of new materials, systems management, and construction practices.

I see the Federal Government as a coordinator, working with State and local transportation agencies and with the public to enhance transportation.

I see increasing privatization of transportation systems and more private investment in public transportation facilities.

I see growing acceptance of the need to manage existing transportation systems in an efficient manner.

I see the Modal Administrations within the Department of Transportation helping each mode of transportation do the work it does best—and ensuring that these modes link up into a whole that is greater than the sum of its parts.

I see increased intermodal shipments pulling modes more closely together out of mutual interest, not government intervention.

I see the National Highway System tying the Nation's transportation system into a seamless web of efficiency and safety that supports productivity increases and enhances competitiveness in international marketplaces.

I see safety consciousness continuing to reduce the number of fatalities and injuries from transportation incidents.

I see transportation in the 21st century serving the same role as the Civil Rights Movement of the 1950's—empowering minorities, women, and immigrants to achieve the freedom that is only possible with full mobility.

I see roads without potholes, bridges that can bear the traffic crossing them, highways without congestion.

And I see an America poised to make the 21st century another American century.

Can we achieve this vision? In response I remind you of something Dr. Martin Luther King, Jr., said on that day in Montgomery when he addressed the 1965 Voting Rights Marchers. He said:

The road ahead is not altogether a smooth one. There are no broad highways to lead us easily and inevitably to quick solutions.

For the Department of Transportation, there are no broad highways to easy, quick solutions. But I hope that I can help us reach not just for the easy and the quick, but for the solutions that will make a difference in the long run, for the solutions that appear, but are not really, just beyond our reach.

Down through history, we have seen how a President and a Congress can find common ground to build the transportation network this Nation needs. The Interstate System offers us a model. The vision of the Interstate System began to take place under the Democratic Presidents Franklin D. Roosevelt and Harry S. Truman, but it was only achieved in 1956 when a Republican President, Dwight D. Eisenhower, and a Democratic Congress worked together to enact the needed legislation. In the Congress, the primary leaders were Senator Albert Gore, Sr., of Tennessee, the Vice President's father; Representative George H. Fallon, of Maryland; and Representative Hale Boggs of Louisiana. They, along with Republican leaders such as Senator Prescott Bush of Connecticut, the father of the President who signed ISTEA, found common ground for the benefit of the American people.

President Clinton, in nominating me to succeed Secretary Peña, has given me a new opportunity, subject to Senate confirmation, to serve the American people and to help build the common ground on which we can build a bridge to the 21st century. I look forward to working with the transportation community to build a bridge to the 21st century that will be, as the President said on January 20, "wide enough and strong enough for every American to cross over to a blessed land of new promise."

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#### RESPONSES TO ADDITIONAL QUESTIONS FROM SENATOR CHAFEE

*Question 1.* Indeed, ISTEA made a historic change in our nation's transportation policy. It expanded the surface transportation system by making it more responsive to mobility, efficiency, safety, and environmental concerns. If confirmed as Secretary of Transportation, how will you ensure that the nation builds upon this expansive vision in the next century?

Response. To begin with, I will be guided by this important declaration from the original ISTEA:

It is the policy of the United States to develop a National Intermodal Transportation System that is economically efficient and environmentally sound, provides the foundation for the nation to compete in the global economy, and will move people and goods in an energy efficient manner.

We must all work together for passage of legislation that continues and extends that vision. We need to direct transportation investments to meet the nation's economic, social and environmental objectives. We need flexibility in deciding on the mix of projects best suited to meet our transportation needs. And we must focus on the safety implications of every decision.

We must continue to look ahead, to anticipate the challenges and the opportunities presented by an ever changing global economy, to meet the needs of disadvantaged Americans, and to use the system more efficiently to meet a range of concerns. We will continue working closely with our traditional partners, the States, and the metropolitan areas, and we will build new partnerships, particularly with the users of our surface transportation services. We will continue expanding our vi-

sion to recognize the concerns of our major trading partners and, in particular, the opportunities of strengthening social and economic ties with our neighbors, Canada and Mexico.

Let us commit to preserving and building on ISTEA. It is about protecting our environment not only through the transportation choices we make, but the way we implement those choices so that our air, water, natural environment, and communities are enhanced, not harmed. We need a renewed emphasis on bicycling and walking, along with highways, transit, and rail. We need scenic byways and recreational trails; they are important to the soul of the American people. And a reauthorized ISTEA must harness technology to serve a new century, through intelligent transportation systems, high-speed rail, and magnetic levitation, and other new technologies.

*Question 2.* According to your testimony, President Clinton's leadership has resulted in "record level transportation infrastructure investment." Unfortunately, as much as transportation benefits the economy through the movement of people and goods, it is not without its costs. Congestion, air pollution, injuries and fatalities are among the negative consequences of mobility. If confirmed, how will you work to offset some of the "costs" of moving people and goods?

*Response.* The "costs" of moving people and goods are essentially related to safety and the environment. If confirmed, I pledge that safety will be my very highest priority. This Department will also make environmental considerations a critical part of our decision-making.

I will do all in my power to ensure that DOT's safety programs are adequately funded. Increased authorizations are essential to address vehicle issues such as air bag safety, to address emerging problems such as aggressive drivers, and to support the crashworthiness and crash avoidance activities that will produce benefits into the 21st century.

Since the enactment of the NHS Act, which included the repeal of speed limit and motorcycle helmet laws, DOT has taken strong action. In November 1995, Secretary Peña announced DOT's 10-Point Action Plan to Reduce Highway Injuries and Related Costs—a series of steps responding to the evolving Federal-State partnership. I would like to highlight several of the key initiatives under the Plan, which I am committed to carrying out:

- *Advisory on speed limit:* Immediately following NHS enactment, DOT sent letters to each Governor explaining the impact of speed-related crashes. Included was State-specific historical data on crashes.
- *Proactive programs on speed, crash costs:* Last year, DOT issued "Economic Cost of Motor Vehicle Crashes," and began a study conducted by the National Academy of Sciences on guidance for State and local governments on setting speed limits. FHWA and NHTSA jointly developed a Speed Management Work Plan, initiatives both agencies will implement to provide technical support to States and local governments in their efforts to manage speeds on their roadways.
- *Strengthened Safety Education for Policymakers:* Last June, DOT, the Department of Health and Human Services, the Department of Education, and the Consumer Product Safety Commission jointly sponsored a "Moving Kids Safely Conference" in the Washington, D.C. area. In addition, last fall 10 Regional "Moving Kids Safely Conferences" were sponsored by DOT, which included policy maker discussions.
- *Performance-based systems:* In recognition of the need for States to assess problem areas and develop appropriate programs, DOT has and will continue to aid the States in using traffic crash and cost data as well as assisting in their implementation of Safety Management Systems.
- *Support zero tolerance laws:* Pursuant to the NHS Act, DOT issued a final zero tolerance rule. Since the President called on Congress to make zero tolerance the law of the land, 13 States have enacted such laws: Alabama, Alaska, Connecticut, Florida, Indiana, Kansas, Kentucky, Missouri, New York, North Carolina, Oklahoma, Pennsylvania, and Rhode Island.

One of our biggest challenges is to provide adequate resources to improve safety. The status quo is not sufficient. We must strengthen all our safety efforts, especially our campaigns against drunk driving and for increased use of existing occupant protection systems.

Working within the framework of the State and community highway safety program, there should be new incentives to prevent both drunk and drugged driving, increase the use of safety belts and child safety seats, and encourage the States to improve their highway safety data systems. This will give new momentum to the program at the same time that State and local attention is focused on high priority safety needs.

I also would like to mention two recent Presidential initiatives: "Teen Driver License Drug Test Requirements" and "Increased Use of Safety Belts."

On October 19, 1996, President Clinton directed the Office of National Drug Control Policy (ONDCP) and DOT to recommend measures to meet two goals: (1) reduce the incidence of drug use by teens; and (2) reduce driving under the influence of drugs in general. A task force, led by DOT and ONDCP, which includes representatives from the Departments of Education, Health and Human Services, and Justice, studied the issues involved in meeting these goals. DOT is currently taking the lead in drafting a legislative proposal to implement these recommended measures.

President Clinton, in his December 28, 1996, radio address, said that increased seat belt use nationwide would save thousands of American lives. The President directed DOT to "work with the Congress, the States and other concerned Americans to report back to me with a plan to do just that"—increase seat belt use. This report will be delivered to the President as soon as possible.

Following the Fox River Grove, Illinois, train-school bus crash, Secretary Peña organized a task force to address rail-highway crossing safety issues. Work on this effort is progressing to foster better communications among the States, local governments, and railroads to ensure that a tragedy like this one is not repeated.

Let me now turn to the environment. I intend to implement initiatives to provide environmental leadership and create an even more environmentally conscious Department. Foremost among my specific goals for enhancing the environment is achieving a "no net loss" of wetlands and increasing the number of areas meeting their mobile source emissions requirements. I also intend to continue the Department's commitment to increase and highlight the use of pedestrian and bicycling modes and to meet their safety needs.

I would also like to briefly mention another program: transportation enhancements. This well-received program originated in ISTEA. It not only improves transportation services but creates more livable communities.

ISTEA created the Congestion Mitigation and Air Quality Improvement Program (CMAQ). This program set aside \$6 billion to assist areas in dealing with congestion and transportation-related air pollution. CMAQ has been a success and I will strongly support continuing this important program. Additionally, I will continue to work with the EPA to assist States and metropolitan areas in integrating air quality considerations into their transportation planning activities.

*Question 3.* In your testimony, you pledged to continue to make safety and security the highest priority of the Department.

(A) If confirmed as Secretary, how will you ensure that traffic injury and fatality rates decline in the twenty-first century?

(B) What do you envision the second ISTEA's role will be in ensuring safer travel in this country?

Response. (A) The highway safety problems challenging us today are much more complex than in the past. The easy steps have been taken and their benefits realized. To increase safety, we will need to coordinate efforts with our growing number of partners at the state and community levels, in industry and in other parts of the Federal government.

If, through our behavioral programs, we can increase safety belt use from the current 68 percent level to 85 percent, a level already achieved by some states, we would save an additional 4,200 lives and prevent thousands of serious injuries every year. To accomplish this, we must support and encourage efforts to upgrade and increase enforcement of safety belt and child safety seat laws and to publicize and encourage the public to participate in these safety efforts.

A recently formed, broad partnership, Partners in Progress, is focused on a national goal of reducing alcohol-related traffic fatalities by 11,000 by the year 2005. This effort includes representatives from government, advocacy groups, law enforcement, business, judicial and alcohol beverage groups. They are developing comprehensive and collaborative strategies to make the goal a reality.

(B) The programs under the new ISTEA will play a vital role in improving safety. The threat caused by alcohol and drug impaired drivers, more aggressive and faster driving, increased running of red lights, and a rising disregard of traffic signs all call for a comprehensive multi-modal, multi-disciplinary approach. A similar approach must be followed to increase the level of safety restraints, which are the best protection for occupants in a crash. The ISTEA reauthorization must highlight safety as a national priority and work toward cost beneficial solutions.

Grants to states under the new ISTEA should advance national safety priorities and provide incentives for effective alcohol safety and occupant protection programs. Grants should also provide an incentive to states to increase their data resources so that they can more easily identify their specific safety problems, their program

strengths and weaknesses, and improve their decision making and planning processes.

We also need to revitalize our safety research and development efforts. Our research, development, and demonstration program should focus on air bag safety education and outreach; increased safety belt and child safety seat use; support of partnerships with governors, legislators, and the medical and safety communities; strategies to deter speeding and aggressive driving; injury prevention strategies with new partners in local communities; and a vision for the future of crash trauma care. If confirmed, I will take steps to ensure that needed research focuses on highway improvements to take advantage of new technologies, new materials, and to address our aging infrastructure.

*Question 4.* What are your views on truck size and weight restrictions? Do you think that ISTEA should allow longer and heavier trucks on the road?

Response. Any proposed changes to existing limits need to be carefully considered. On June 14, 1994, in testimony on the House side, I noted that the Federal Highway Administration had not conducted a comprehensive study of truck size and weight in more than thirty years. Accordingly, I directed that such a study be initiated. It is now an expanded, Department-wide study.

In addition to the size and weight study, an important Highway Cost Allocation study is underway. They will both provide needed information to Congress on crucial issues.

*Question 5.* As you know, I strongly supported a provision in the National Highway System Designation Act to add flexibility to road design and enable the states to consider environmental, scenic, historic and other community concerns in road design. I have heard from many parts of the nation, including Rhode Island, that road design issues—and how roads interact with communities—are critical to community well-being. However, we must always keep passenger safety in mind as well. What do you see as your role in encouraging the states to adopt flexible yet safe highway design standards that respond to the needs of people and communities?

Response. The NHS provided additional flexibility in the design process that enables states to consider historic and environmental resources in the decisionmaking process. We view this legislation and our ongoing efforts, as an opportunity to fine-tune a design process that will continue to make a meaningful contribution to community sustainability and traffic service.

We have already taken a leadership role in the development of a companion guide to the AASHTO Green Book, which will identify and highlight flexibility design options for states. We are working cooperatively with AASHTO and others to develop the companion guide and a complementary training course for our field staffs, state and local DOT staffs, and others, so as to improve the collective effort that is critical for effective decisionmaking. I will continue to encourage states to recognize the compatibility of safety and community design concerns in planning and implementing transportation projects.

*Question 6.* The nation has changed a great deal since our Interstate highway system was built forty years ago. The focus has shifted from adding capacity to the highway system to ensuring that the national transportation system functions efficiently. What specific recommendations do you have to ensure that efficiency is the cornerstone of the nation's transportation system?

Response. We are considering several proposals to improve the efficiency of our transportation system.

- To expand on ISTEA's provisions which gave State and local decision makers flexibility in the use of major program funds. This will yield a more efficient program since investments can be made on the basis of transportation needs rather than being restricted to a particular modal project which may not be the best solution to an area's transportation problems.

- Directing more funds to preserving systems of national importance, such as the National Highway System (NHS). This is important in attaining an efficient system because these routes are the most heavily used roads in the nation and because the NHS provides the connections among ports, freight railroads, airports, inland waterways, Amtrak stations, and transit facilities that are necessary for an interconnected national transportation system. Eligibility of the NHS funds could be broadened to encompass improvements to these connecting points.

- Our reauthorization proposal will include steps to ensure that the ITS continues to improve transportation system performance nationwide by focusing on the integration of Intelligent Transportation Infrastructure components. We need to focus our research and technology programs on closing the gap between state of the art and state of the practice so that the most up-to-date technologies and procedures

are incorporated into the transportation systems. We believe that technology application is one of the most cost-effective means of delivering an efficient transportation system.

- We are focused on increasing private-sector involvement in meeting infrastructure financing needs. In this way, the cost-efficiency of projects will receive greater emphasis and a greater variety of financing tools will become available.
- Finally, we are working on measures to streamline our programs, reducing Federal oversight responsibilities while continuing to ensure quality work, focusing on performance, and simplifying Federal requirements. We believe these measures will contribute to a better operating, more efficient program.

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RESPONSES TO ADDITIONAL QUESTIONS BY SENATOR DIRK KEMPTHORNE

*Question 1. Aviation Trust Fund.* How would you, as Secretary of Transportation, bring the feuding airline groups to a consensus on an agreement they can support, which is adequate to fund the Airport Improvement Program and does not alienate AOPA and NBAA (National Business Aircraft Association)?

Response. I believe that Congress has already taken the most important first step in reaching consensus with respect to airport and airway finance when it created the National Civil Aviation Review Commission and directed that it make recommendations on long-term FAA finance. This group, which will represent all segments of aviation, can develop consensus recommendations and submit them in a report to the Secretary of Transportation this September. If confirmed, I will propose a finance proposal based on an analysis of overall recommendations and submit it to Congress.

*Question 2.* FAA is generally acknowledged to operate the premier Air Traffic Control System in the world, yet acquisition problems cause difficulties for the system, and their employees are viewed by outsiders to be "government workers." ATC privatization and FAA reform have been heralded as the cure all for many of these problems. How would you solve this problem?

Response. In 1995, Congress exempted FAA from a number of significant procurement and personnel laws. The FAA has developed, and recently implemented its new acquisition and personnel reform systems. I believe it is important to give the newly established systems sufficient time to work before making additional changes.

The key goals of acquisition reform, embodied in the new Acquisition Management System, are to reduce the time to acquire systems and services, to field new technologies faster, to get the right products to the field at the right time, and to do this at lower cost to both government and industry. FAA's stated objective is "20/50 in 3": 20 percent reduction in cost, 50 percent reduction in time, within 3 years (starting in FY 1996). If successful, the Acquisition Management System will serve as a model for implementation by other government agencies. Because of this potential, and because the system is radically different from the rest of government, the efforts are under scrutiny across government and the aviation community. The FAA will conduct internal evaluations in May 1997 and May 1998 and a formal, external evaluation will be provided to Congress in May 1999.

The key goals of personnel reform are to permit the agency to place employees where they are needed most, and to permit the agency to compete with the private sector when hiring highly skilled people with unique technical backgrounds. Personnel reform was not intended to address a perception of FAA employees as "government workers." Although the personnel rules have changed, FAA employees continue to be Federal Government employees.

*Question 3.* It now appears likely that TWA 800 was an accident caused by some type of catastrophic mechanical failure and not terrorism. Airport security was significantly increased as a result of this accident while it was under investigation (although FAA will not confirm that this is the reason for the increased security). In the summer of 1995 we had a similar increase in security because of the World Trade Center bomber trial (again FAA will not officially confirm that this was the reason). Targets of terrorists, both foreign and domestic, against U.S. interests have been incidents like the World Trade Center bombing in New York City, the bombing of the Oklahoma City Federal Building, the Atlanta Olympic bomb incident and the recent bomb attacks on the women's clinic where family planning and abortions are available. Why is FAA unwilling to return security to previous levels once an investigation is complete, and why are most of FAA's mandatory rules changes issued as emergency amendments which permit little or no input from the people most affected by the rule or regulation change?

Response. The level of security in place at U.S. airports is intended to provide all air transportation passengers and employees with the highest level of safety and security practicable. Oftentimes, there is never just one particular reason for increased security levels. Rather, there are often multiple and ongoing events, or ongoing situations, that combine to create a range of security threats. In order to adequately secure an air transportation system as large and complex as ours, a sufficient level of security must be available and in place at all times.

Concerning public input, the FAA makes every effort to obtain public comment when possible. However, as you know, single events or on-going situations often warrant quick and comprehensive action. In those cases, the government will do what is necessary to maintain security. In the past, passengers have been eager to cooperate with the government to maintain the level of safety and security to which they are accustomed. If confirmed, I hope to work with Congress and all affected parties to achieve the appropriate level of security to meet the perceived threat at any particular time.

*Question 4. Regulatory Oversight.* FAA has a large commitment to prepare regulations, advisory circulars, FAA orders, and standards for all aspects of civil aviation including airways, airlines, air traffic, security and airports. ICAO (International Civil Aviation Organization) also has the task of developing most of these same standards which apply world wide. Why don't we eliminate this duplication of effort in this area and utilize ICAO for uniform world wide standards? After all, Airports Council International coordinates and sits on committees with ICAO regarding airport issues. ATA (Air Transport Association) has membership on these same committees. Wouldn't this be an appropriate area to do more with less by consolidating work product? This would make more money available for other AIP programs, such as capital improvement projects at airports which would not be able to do these types of projects without federal assistance.

Response. I understand that ICAO, through its Convention and Annexes, promulgates International Standards and Recommended Practices (SARPS). The SARPS are intended to ensure that, in the words of Article 37 of the Chicago Convention, "Each contracting State undertakes to collaborate in securing the highest practicable degree on uniformity in regulations, standards, procedures, and organization in relation to aircraft, personnel, airways and auxiliary services in all matters in which such uniformity will facilitate and improve air navigation."

In the Department's view, the SARPS are designed to promote international uniformity of States' regulations and practices and are not intended to take the place of each State's sovereign right and responsibility to regulate its civil aviation environment. The SARPS provide broad guidelines upon which each State is encouraged to develop and implement its own civil aviation regulations. The Convention and 18 Annexes provide guidance through the SARPS but are neither complete nor specific enough to replace the individual regulatory requirements of ICAO's 186 Contracting States.

While States are encouraged to adhere to the SARPS, provision is made for any State to file differences to those SARPS with which the State is unable to comply. The SARPS therefore are not binding, and ICAO has no practical means of enforcing compliance in any case. ICAO does not perform the functions of a regulatory body.

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#### RESPONSES TO ADDITIONAL QUESTIONS FROM SENATOR INHOFE

*Question 1.* I understand that there has been some confusion among the states about the implementation of my "Quality Through Competition" Amendment to the National Highway System Designation Act of 1995 (section 307, S.440, P.L. 104-59). For this reason, I sent a letter to your office dated September 18, 1996, inquiring about the implementation of the about the amendment, which has not received a response. At this time I would like to know

- (a) when I can expect a response to the 9/18/96 letter and
- (b) what that response will be.

Response. I regret that we have not been able to provide a quicker response. Your letter included several requests for detailed information on States' statutes and implementation of the "Quality Through Competition" provisions of the NHS Designation Act. We have requested information from our Division Offices located in each State to help respond to your request. We expect to respond formally in late February or early March.

Around the time of your inquiry, we were developing guidance on the duration of the "opt-out" period during which a State can pass legislation that would relieve it from the requirements of section 307 of the NHS Designation Act. On October 10, 1996, we issued a guidance to our field offices stating that the Section 307 provi-

sions would be effective November 28, 1996, unless replaced by an alternative State process adopted before that date. The only exception is for States that did not convene and adjourn a full, regular legislative session during the 1-year period ending November 28, 1996. The more general provisions relating to the applicability of 23 U.S.C. 112(b)(2) as a whole, which is set forth in 23 U.S.C. 112(b)(2)(B), would continue to apply.

We continue to work closely with AASHTO, the States and the American Consulting Engineering Council (ACEC) to develop additional guidance to fully implement the "Quality Through Competition" provisions. We recently convened a national workshop with ACEC and State representatives to discuss the issues and develop implementation recommendation. We expect a Joint AASHTO/ACEC Committee will use the workshop results to help develop procedures for implementing the "Quality Through Competition" provisions.

*Question 2.* I understand that many pipeline-related accidents are caused by third-party damage to pipelines, telecommunications lines, and other types of underground systems. During the consideration of the Pipeline Safety bill last year, this issue was raised as evidence of the need to develop federal legislation for improving the effectiveness of one-call, or "call-before-you-dig," programs throughout the United States. It is my understanding that the Department of Transportation is currently developing one-call legislation. As Transportation Secretary, what approach would you take towards improving the current One Call System?

Response. The Department has recognized that educating the public about safety issues is essential if we are to reduce third party damage to underground structures such as pipelines. The Department is currently considering legislation that would provide leadership on this important safety and environmental issue. In addition, the Department is currently taking the lead in developing a public education campaign. A newly formed team of representative from the oil and gas industry, excavators, insurers, telecommunication, states, public nonprofit groups like One Call Systems International, and one-call centers of various states, has initiated work on a campaign to educate the public on prevention of damage to underground structures.

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#### RESPONSES TO ADDITIONAL QUESTIONS

*Question 1.* EPA has proposed that national ambient air quality standards (NAAQS) for ozone and particulate matter be changed to tighter standards. This new standard will result in hundreds of counties and cities being placed in non-attainment or noncompliance status. Have you considered the implications of this proposal on our national transportation policy?

Response. The Department is interested in the implications of the standards on transportation. We are reviewing the EPA proposals, and the expected inputs. Among transportation concerns are the potential impact on transportation planning, especially in the areas newly classified as nonattainment; the effects of EPA imposition of highway funding sanctions if areas are unable to meet planning requirements; and the likely need for further control on mobile source emissions, especially to reduce particulate emissions from transportation.

ISTEA and the Clean Air Act Amendments (CAAA) of 1990 were both intended to improve air quality. As an example, Congestion Mitigation and Air Quality Improvement program apportionment—are tied to the existing CAAA classification scheme for non-attainment areas and depend on the severity of the pollution problem and the population affected. Any change to the non-attainment area classification, boundaries, or population affected could have an impact on the amount of CMAQ apportionments allocated to each non-attainment area.

The Department is closely analyzing information as it becomes available. Since establishment of the new standards is separate from implementing them under the Clean Air Act, how they will be implemented has not yet been determined. DOT is working with EPA to consider and put in place the most effective implementation strategies based on what we know today regarding the effectiveness of transportation programs to improve air quality.

DOT and EPA will need to enhance their already close working relationship as new non-attainment areas are slated for designation, based on the proposed standards in June 1999.

The Department is participating on EPA's Federal Advisory Committee Act Subcommittee for Ozone, PM and Regional Haze Implementation Programs and several working groups under that Subcommittee. We are also working with EPA to explore some of the transportation-specific implementation issues, including possible development of a transportation working group.



*Question 2.* Your remarks have focused on the importance of our transportation system on moving American products efficiently—particularly as we implement NAFTA and GATT. I agree fully.

I also would like to hear your thoughts, however, on the responsibility of our system to move people.

The Department's own analysis confirms that the performance of our highways continues to decline and traffic congestion is increasing. The 1995 Conditions and Performance Report says:

More travelers, in more areas, during more hours are facing high levels of congestion and delay than at any point in the history of the country.

The result is lost time and lost productivity for American workers.

How can we begin to make progress on this growing problem?

Response. The highway system, and particularly the National Highway System, is the backbone of our Nation's surface transportation system, providing vital intercity and regional transportation to move products, but also providing for personal mobility within and around major metropolitan areas. Urban highway travel demand has grown by over 3.3 percent per year, on average, since 1970. Part of this growth has been due to longer trips within urban areas, part by the increasing travel in lower density suburban areas, part due to "trip chaining" of working parents and others who must deal with medical, shopping, recreational, and other trips in addition to a daily work trip, and part by city residents who must commute longer to jobs now dispersed across a larger landscape.

Many of our metropolitan planning organizations (MPO) are developing aggressive strategies to help curb the growth of urban highways and congestion. These strategies include the deployment of Intelligent Transportation Systems (ITS), providing timely information to travelers on alternate routes with less congestion, the use of higher levels of transit service, better coordination with land use planning and zoning decisions to reduce the reliance on single occupant vehicles, parking cash out programs, offering commuters a choice of parking support or vouchers for transit or other means of commuting, and other innovative strategies that work well in combination. The MPOs in our larger metropolitan areas are programming large investments in transit over the next several years, in anticipation of transit growth in highly congested areas.

Progress will come through these, and other, public and private efforts to:

- (1) offer greater options to travelers;
- (2) provide better and more timely information to travelers; and
- (3) monitor changing conditions on our major NHS urban routes and help States and local decision makers design more effective strategies for dealing with congestion on these routes of greatest national and regional significance.

Congestion can only be successfully addressed by a combination of demand reduction and supply enhancement, either through more efficient use of our existing system, or targeted efforts to add additional capacity. We are doing both.

#### RESPONSES TO ADDITIONAL QUESTIONS FROM SENATOR SESSIONS

*Question 1.* Alabama is currently a "donor" state under 1991 ISTEA formulas. During today's hearing you emphasized a need for fairness in the allocation of ISTEA funds. What are your plans to help make ISTEA allocations fairer for donor states such as Alabama?

Response. The donor-donee issue is a difficult one. There are no easy answers that will satisfy every State, especially if the issue is looked at solely in the terms of donors and donees. We can well understand the position of donor States, who pay more into the Highway Trust Fund than they receive. They might naturally argue that all, or at least a larger portions of their State's contribution to the Highway Trust Fund ought to be returned to the source State.

We can also appreciate the position of the donee States, who, while they may receive more in Federal highway funds than they pay into the Highway Trust Fund, might provide projects necessary in meeting national transportation objectives, such as connectivity.

Rather than approach this issue as simply "donor-donee," and focus on who gets how much of the Federal-aid highway pie, it may be better first to focus on what policies and formulas will give our nation and its citizens the best possible transportation system. As part of its reauthorization effort, DOT is working to make surface transportation formulas as equitable and efficient as possible. This includes addressing the "donor-donee" questions as well as a wide range of other formula issues. But this will be a starting point for the debate. The Department will assist in every way it can to help arrive at an equitable solution.

*Question 2.* During today's hearing, you mentioned the need to constantly appraise the efficiency level of Department of Transportation resources, particularly the use of human resources. What steps do you intend to take to ensure the Department of Transportation operates in the most efficient, cost-effective way possible? What plans do you have to continue the streamlining of the Department and what areas have the greatest need for improvement?

Response. Bringing further efficiency to the operation of the Department and its delivery of services will be one of my highest priorities. Many successes have already been achieved in downsizing staff, following the lead of the National Performance Review. I cited the very significant progress made by the United States Coast Guard in its streamlining efforts, already leading to a reduction in civilian and military positions of over 3,500 positions. This process is not complete in the Coast Guard or elsewhere in the Department, and I promise to keep these streamlining efforts on track. The President's FY 1998 Budget represents the next step in this process.

*Question 3.* Understanding the need to promote and maintain commerce with an improved country-wide infrastructure, what are your plans for improving infrastructure in the Southeast region of the United States?

Response. It is the goal of the Department to provide support towards the improvement of America's transportation system. The successful advancement of this mission entails improvements to transportation efficiency, access, safety, and resulting advancements in commerce and economic development. Just as the goals the Department seeks to support are national in scope, so too is the program administered. The categories of funding the Department distributes to the States, as well as the formulas by which it distributes those funds, are identical for each State. The Department does try to provide as much flexibility as it can to the States in program implementation. Also, there are limited sources of funds for distribution on a discretionary basis to States, such as Alabama, with special transportation needs. Strong economies and transportation networks are needed in every region of the U.S., and we will work to ensure that they are in place in the Southeast and every other region.

*Question 4.* During today's hearing, you mentioned a goal for AMTRAK of complete self-sufficiency. What plans are currently in place and what plans do you have to help achieve this goal?

Response. In 1995, the Department of Transportation and Amtrak's Board of Directors adopted as a goal the elimination of Amtrak's dependence on Federal operating subsidies, while improving service and preserving a National system. The Department's strategy is to restructure Amtrak into a bottom line-oriented corporation with a customer focus, provide adequate capital investment to modernize equipment and facilities, and provide sufficient operating assistance to carry Amtrak through the transition period.

In line with that strategic goal, Amtrak has developed a detailed strategic plan. Amtrak and the Federal Railroad Administration are prepared to provide briefings. In addition, the Administration's legislative proposal for the reauthorization of Amtrak will contain several measures so that Amtrak can function more like a private business and, thus facilitate the accomplishment of this goal.

*Question 5.* According to figures available for the 1992-95 period, Alabama contributes 2.128 percent of the total funds deposited into the highway trust fund, yet is allocated only 1.509 percent of those funds. I understand certain states have large areas of federal land which need to be traversed and smaller population bases from which to draw highway taxes, however, current levels appear unduly burdensome for the state of Alabama. What specific changes will you propose in ISTEA reauthorization language which will help to correct the current situation?

Response. The issue of donor/donee is both contentious and difficult to resolve. As mentioned in our answer to your question number one, we are working to make surface transportation formulas as equitable and efficient as possible. As a part of that effort, we wish to eliminate factors which are either outdated or no longer bear a direct relationship to the affected program category, and consider instead more current factors related to need. Additionally, we wish to move States from the previous apportionment formulas to revised formulas in a fashion that does not abruptly alter annual apportionment levels.

In some cases, these efforts may result in proposing a return of some assured level of Federal funds to the source States; in other cases, it may mean addressing donee State concerns through other means. The details are still being developed. The Department, however, will work throughout the reauthorization process to provide assistance in shaping a solution on the distribution of funds.

*Question 6.* In your written testimony presented to the Committee, you spoke of a “post-interstate era”. Recognizing the need to maintain and expand upon our current interstate highway system, do your comments reflect a shift in priorities regarding the allocation of ISTEA resources? If so, please elaborate on what the priorities might be and how these new priorities would be funded.

Response. Although Interstate construction funding is no longer being made available to the States, the Interstate system is very much a part of the overall Federal-aid highway program. The term “post-Interstate era” really refers to completion of the construction phase of the Interstate. The goal is to maintain condition and performance of the nation’s highway system by focusing on the four major infrastructure programs in Title 23—National Highway System, Interstate Maintenance, Surface Transportation Program, and Bridge.

The Department’s priorities for reauthorization in this post-Interstate era are to build on the central elements of ISTEA and to maintain strong federal leadership to ensure the mobility of people and goods that is essential to a healthy, internationally competitive economy. Highway capital investment needs to keep pace with demands from other parts of the economy that depend on efficient highway transportation. The federal role involves fostering partnerships and providing sufficient flexibility to allow decision makers to make the best investment choices. Increased flexibility will further empower State and local officials to target limited Federal funds to projects that best meet the unique needs of their communities.

*Question 7.* I understand ISTEA collects funds based on a “pay as you go system” realized through a federal gas tax. In theory, this system places the cost of expanding and maintaining the interstate system on those who use the system. Currently, the funds collected by this system are being used for projects well outside scope of the interstate system such as urban rail and freight projects. Why should freight/rail projects be funded by resources collected through a gas tax and not through some other means which would better place the costs of these projects directly on to the beneficiaries?

Response. Reauthorization of ISTEA must be considered in the larger context of surface transportation. Reauthorization should build on the central elements of ISTEA. A part of this is allowing the State’s planning and needs identification process the flexibility to identify those transportation improvements that represent the best investment choice. Increased flexibility will further empower State and local officials to target limited federal funds to projects that best meet the unique needs of their communities; Improvements to other modes often represent the best use of transportation funds within a particular context. Any project decision, however, will be made at the state and local level.

Proceeds from Federal motor fuel taxes can play a role in a truly intermodal context, supplying the best overall transportation solution, promoting efficiency, and answering the mobility needs of our nation.

*Question 8.* Will you please provide the breakdown, in terms of dollars and percent of the total funds allocated by ISTEA for use in subway, passenger rail and freight projects?

Response. Subway—Although ISTEA does not have a specific break-out of funding authorizations for subways, the transit New Starts and Fixed Guideway Modernization programs are frequently used for subway construction or maintenance of existing subways, and together account for \$9.938 billion (6.3 percent of the \$157 billion total ISTEA authorizations).

In addition to these amounts, ISTEA authorized \$16.096 billion in transit Formula Grants, \$324 million for Interstate Transfer-Transit, and \$29.255 billion for the Surface Transportation Program and the Congestion Mitigation and Air Quality program, all of which could conceivably be used for rail transit systems. These amount to 29.1 percent of ISTEA authorizations.

Passenger Rail—ISTEA authorized a total of \$157 billion through fiscal years 1992–97. Of this total, \$809 million (0.5 percent) was authorized for intercity passenger rail projects.

Freight Rail—ISTEA does not authorize a program for freight rail projects.

*Question 9.* Please list the top 5 non-interstate highway priorities currently funded in part or in full by ISTEA allocations including the dollar amount and percent relative to the total amount of funds collected through the gas tax.

Response. The Federal Highway Administration’s strategic goals are as follows:

*Mobility:* Continually improve the public’s access to activities, goods and services through preservation, improvement and expansion of the highway transportation system and enhancement of its operations, efficiency, and intermodal connections.

*Productivity:* Continuously improve the economic efficiency of the nation's transportation system to enhance America's position in the global economy.

*Safety:* Continually decrease the number and severity of highway accidents.

*Human and natural environment:* Protect and enhance the natural environment and communities affected by highway transportation.

*National security:* Improve the Nation's ability to respond to emergencies and natural disasters and enhance national defense mobility.

All of our programs that distribute funding to the States address these goals. These programs include National Highway System, Interstate Maintenance, Surface Transportation, Highway Safety, Bridge Replacement and Rehabilitation, and Congestion Mitigation and Air Quality programs. Funds distributed to the States under the equity provisions of ISTEA—Minimum Allocation, Donor State Bonus, Hold Harmless, and the 90-Percent of Payments Adjustment—also support these goals.

One category of funding, demonstration projects, is less efficient at ensuring that funding is directed at meeting National, or even State, goals. Demonstration project funding directs funds to specific projects without the opportunity for State Departments of Transportation to weigh the value of the demonstration projects relative to other needs.

All of the programs described above are funded from the Highway Account of the Federal Highway Trust Fund. The Trust Fund receives revenues from motor-fuel taxes and other highway-user taxes.

#### RESPONSES TO ADDITIONAL QUESTIONS FROM SENATOR BAUCUS

*Question 1. FAA action to terminate MT weather observers:* Mr. Slater, the Federal Aviation Administration has recently announced its intention to terminate the need for manned weather observers at several Montana airports—these weather observers will be replaced by what are called Automated Surface Observing Systems (ASOS). In other words, there will no longer be humans observing the weather conditions for incoming flights, but only an automated system. These terminations are being undertaken by the FAA to reduce costs.

According to a GAO report in 1995, the automated systems were never intended to be used alone, without human backup. In fact, the GAO states that the automated systems cannot detect freezing rain or windshear conditions, thunderstorms, or tornadoes—conditions that require human verification.

*Question 1a. As GAO recommended, shouldn't human observers supplement these automated systems? Also, did the FAA give adequate notice and seek public input from Montana communities regarding implementation of ASOS?*

I understand the need to be conscious of costs. However, have we reached the point where budgets are driving our decisions? What about the safety of the flying public? Can you assure me that the automated systems have been adequately field tested and can quickly observe changing weather patterns?

We know too well the consequences that weather can have on the safety of air travel. I feel strongly that we should take every step possible to ensure that such tragedies are avoided. I am not convinced that eliminating human weather observers is the right thing to do.

I requested in a January 22 letter to the Department that the FAA Administrator should come to Montana to listen to the concerns of Montana pilots, airport managers and others. Will you see that such a visit is planned?

Response. As I understand it, the GAO report recommended a collaboration with users to rectify the problems associated with ASOS. In November 1994, the FAA and the National Weather Service (NWS) met with executives from 14 national aviation associations concerning surface aviation observation services. These aviation associations represent aviation interests across the country. They reached an agreement that the Federal Government would work with industry to define service standards for surface observations. Over an 18-month period, government and industry met in 10 workshops, resulting in agreement on a four-level service standard for ASOS sites. Airports were rated as A, B, C, or D depending on the occurrence of significant weather, traffic counts, distance to the nearest suitable alternate airport, and critical airport characteristics.

The service standards were published in the Federal Register on June 25, 1996, and public comments were invited. Additionally, the NWS published Weather Service Modernization Criteria in the Federal Register on May 2, 1996. Both notices contained listings of sites and their respective service levels.

ASOS enhancements have been developed to detect freezing rain and thunderstorms. The freezing rain sensors are being deployed and should be complete by mid-1997. Thunderstorm detection sensors are in the process of being tested, with deployment expected soon after completion of the test. Windshear has never been

observable by humans, and manual or automated surface observation tools are not used to detect windshear. Specific detection equipment and pilot training are the tools used to protect aircraft from windshear. Tornadoes are best detected by radar. Deployment of Next Generation Radar (NEXRAD), which is the best available tool for that task, is nearly complete.

The FAA believes ASOS has proven to be reliable. A 6-month meteorological and engineering evaluation of ASOS's performance at 22 locations across the country was sponsored by FAA, NWS and aviation industry representatives ASOS was available more than 99 percent of the time. The evaluation concluded that ASOS was "representative" of weather conditions more than 99 percent of the time. ASOS takes reliable, accurate observations that compare closely to those taken by human observers. The demonstration found that the ASOS is more responsive than humans in some cases. On average, the ASOS matched or slightly exceeded human response.

I do think continuing to work with the affected parties can often lead to a good resolution of problems, and I would expect the FAA to control such an approach in this case. I believe that the appropriate level of FAA official should focus on the specifics of new installations in Montana and elsewhere, and agree that should be a priority of the new FAA management team.

*Question 2. Control Tower at Gallatin Field in Bozeman:* Last year, the FAA announced the termination of the Flight Service Station at Gallatin Field in Bozeman, Montana. This, coupled with the proposed termination of weather observers at the airport as well, there is tremendous concern for airport safety in Bozeman.

The Gallatin Airport Authority has stated it has the resources available to construct, equip and maintain a control tower at Gallatin.

*Question 2a.* Gallatin Field is listed as one of the nation's 50 fastest growing airports in the nation and it is eligible for the FAA's contract tower program. What assurances can you give me that Gallatin Field will be a priority for the FAA's contract tower program?

Response. I am told that the FAA has received an October 1996 request from the Gallatin Field Airport Authority for inclusion in the FAA Contract Tower (FCT) Program. FAA acknowledged the request on October 30, 1996, and an on-site traffic survey is planned for this spring to validate traffic levels at the airport. Once this is done, a benefit/cost analysis will be conducted to determine whether Gallatin Field qualifies as a potential candidate for inclusion in the FCT Program. If it does meet criteria, Gallatin Field will be placed on the candidate list along with other qualifying new start locations.

FAA advises that it is requesting funds for new tower locations in FY 1998. If funding is obtained, qualifying locations will be ranked according to their benefit/cost ratio, and then funding allocated based on available dollars for new starts.

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#### RESPONSES TO ADDITIONAL QUESTIONS FROM SENATOR LIEBERMAN

*Question 1. Outreach:* I understand that one of your priorities has been visiting with local officials, state Departments of Transportation, and citizen groups throughout the country. Can you tell us something about those trips and what you learned about our nation's transportation system?

How has ISTEA's emphasis on empowering local communities changed the way the country approaches transportation decisions?

Response. The Department undertook an outreach initiative to get input on ISTEA to develop an ISTEA reauthorization bill that will help our customers, partners, and stakeholders achieve their goals. We have met with Members of Congress, State and local officials, State DOTs, transportation practitioners at all levels, community activists, and our ultimate customers—the American people.

The Office of the Secretary held 13 regional forums throughout the country, each focusing on a different subject, to hear about implementation of ISTEA. The modal agencies convened approximately 100 focus groups in approximately 40 states. These were designed as smaller sessions, focusing on key areas of reauthorization, to determine specific solutions to transportation problems. In addition, in my capacity as Federal Highway Administrator, I participated in several road tours, during which I was able to talk with officials and citizens from all over the United States, from the Canadian border to the Mexican border. I was able to bring back first-hand information from around the country about our transportation system and its success in meeting people's needs and enhancing the quality of their lives.

The over-riding and consistent message was that ISTEA works. We heard that Americans want to refine ISTEA, and build on its foundation. Americans see the

need for a strong transportation system that contributes to economic development, job creation, environmental protection, and safety.

The most significant changes have been the opening up of the decision-making process and the use of a broader array of decision criteria. Local officials and the public now have better access to the process before final decisions are made. There is greater involvement on the part of the "newly empowered" stakeholders, including the environmental community, the freight community, and the transportation disadvantaged. Increasingly, the focus is on quality of life concerns, the impacts of transportation investments on the community and environment in addition to traditional transportation system performance measures. Major transportation investments (either highway or transit) are increasingly being evaluated on an intermodal basis with appropriate consideration of tradeoffs among modes.

*Question 2. Innovative Financing:* One of Federal Highway Administration's priorities under your leadership has been to develop innovative financing techniques that leverage federal dollars and stimulate greater investment in infrastructure. Can you tell us about some of those efforts and how you plan to continue your work in this area?

Response. The Federal Highway Administration is currently providing on-going technical assistance to the 71 projects begun under FHWA's innovative finance Test and Evaluation initiative (TE-045). FHWA is also working to mainstream the innovative financing techniques initially tested under TE-045 to accelerate an even larger number of projects as part of the regular federal-aid program. Congress adopted most of the Test and Evaluation innovative financing features in the National Highway System Designation Act of 1995 (NHS Act), and FHWA is providing technical assistance to implement those provisions. In addition, FHWA has been working closely with the Secretary to implement the State Infrastructure Bank (SIB) pilot program that built on the experience of TE-045 and was authorized by Congress in the NHS Act. FHWA is also assisting the Secretary to expand the pilot based on provisions in the Fiscal Year 1997 DOT Appropriations Act. FHWA is considering additional proposals to further leverage the federal dollar that may be a part of the Administration's proposal for reauthorization of Federal surface transportation programs.

A total of 71 projects in 31 states with a total construction value of over \$4.5 billion are moving forward under FHWA's Test and Evaluation Innovative Finance program. The initiative has generated about \$1.2 billion in increased public and private investment, without any increase in Federal funding. For the actual projects that were funded, project sponsors used federal funds, State matching funds, and leveraged non-federal public and private funds. A recent evaluation of the initiative found that financing for these projects is as follows: Federal, \$2.3 billion (53.4 percent); State and local, \$0.47 billion (11 percent); private and toll authorities, \$1.51 billion (35.6 percent). Forty-three of the 71 projects have been accelerated by an average 2.2 years. As a result of these Test and Evaluation projects, ultimately 176,400 jobs will be created.

In order to provide States assistance in implementing the innovative finance provisions in the NHS, FHWA launched a special two-day training course. The course has been taught 47 times in 32 States over the past year. FHWA has also established Eastern and Western Regional Finance Centers, providing direct technical assistance to States and local governments.

The NHS authorized up to 10 pilot State Infrastructure Banks (SIBs). As a result, the Secretary designated Arizona, California, Florida, Missouri, Ohio, Oklahoma, Oregon, South Carolina, Texas, and Virginia to participate in the SIB pilot program. DOT has been providing technical assistance to these States to implement their SIBs. Nine cooperative agreements have been signed with States to establish the banks (California is in the final stages of completing its cooperative agreement). Six States have deposited Federal and non-federal matching funds to capitalize their SIBs. Ohio's SIB has made the first loan of the pilot program in the amount of \$10 million to Butler County to support a likely \$100 million bond issuance. The other States are currently working with project sponsors to determine which projects will be most effectively assisted by the SIBs.

The FY 1997 DOT Appropriations Act enabled the Department to increase the number of pilot States from the 10 previously authorized and included an additional \$150 million from the general fund to capitalize pilot SIBs. The Department is working to select additional States ready to implement a SIB from among the 26 applications it has received from 28 States, including 2 multi-State applications.

*Question 3. Air Quality:* Under your leadership the Federal Highway Administration has truly worked as a partner with the Environmental Protection Agency in ensuring that transportation continues to contribute to improving the quality of our

air. Can you talk about your view of the importance of integrating air quality and transportation goals—one of the fundamental premises of ISTEA?

Response. ISTEA reflected a growing recognition that transportation, while vital to our nation's mobility and economy, must also be compatible with our commitment to clean air. Integrating air quality and transportation planning is, and will continue to be, an important goal of DOT. The need to continue to work on meeting this goal has been underscored by our customers, including our State and local partners, as well as our own staff in implementing the programs and provisions of ISTEA. By increasing program and funding flexibility, encouraging the consideration of environmental factors in transportation planning, and providing funds for air quality planning, ISTEA is helping areas to meet the requirements of the 1990 Clean Air Act Amendments (CAAA). ISTEA also created the Congestion Mitigation and Air Quality Improvement Program (CMAQ), which set aside \$6 billion to assist areas in dealing with congestion and transportation-related air pollution. CMAQ has been successful in supporting a broad range of innovative projects which might not have otherwise been funded. I believe it is important to continue this program.

The Federal Highway Administration and Federal Transit Administration have worked closely with the Environmental Protection Agency (EPA) on ISTEA's implementation, as well as on the implementation of the transportation provisions in the 1990 CAAA. DOT and EPA collaborated on guidance for implementing the CMAQ program. Our agencies have also worked extensively with stakeholders to provide technical assistance and to streamline the transportation conformity process under the CAAA. Transportation agencies ensure that transportation plans and programs help support efforts to reach and maintain air quality standards. Finally, EPA and DOT are exploring a public education campaign designed to help the public understand the air pollution consequences of their transportation choices.

One of the Department's five main policy principles in ISTEA reauthorization is "enhancing the environment." I am committed to ensuring that ISTEA's successor continues to protect the environment and integrate our nation's transportation and air quality goals.

*Question 4. Transportation enhancements:* In Connecticut, the transportation enhancement program of ISTEA has been a remarkable success. What did you learn about this program from your interactions with local and state officials?

Response. While I have not had the opportunity to spend a great deal of time visiting transportation enhancement projects in Connecticut, I have stayed in close contact with our Division Administrator. It is clear from our discussions with state and local officials that their concerns mirror those of many others across the nation who want to streamline the project delivery process and minimize the complexity of the process for project sponsors. We have heard their concerns, and are working with the State to streamline the environmental review process, and to complete negotiated agreements with organizations such as the State Historic Preservation Office in Connecticut.

It is clear that local officials like the transportation enhancement program and support its contribution to community enhancement and revitalization. Projects such as the Farmington Canal Linear Park in Cheshire, Connecticut, have made enormous contributions to the renovation and preservation of historic treasures. It is just one example of a transportation enhancement project that has restored a recreational and open space corridor thus providing community and transportation benefits. This fine project was selected as one of 25 best enhancement projects and was featured at the National Transportation Enhancement Conference FHWA sponsored in June 1996.

*Question 5. Technology Development:* What type of investments do you think we need to make in developing the technologies that will provide really significant leaps forward in the next century in terms of improving the mobility of both passengers and goods?

Response. We need to invest in technologies to improve the collection, processing and sharing of information for both the driver and his or her vehicle, and for the improved operation of our surface network. Similarly, other Intelligent Transportation Systems technologies and strategies will allow drivers of both commercial and passenger vehicles to make trips safer and more efficient through Smart Vehicle Technology.

We also need to be making investments in the area of commercial vehicle operations. We are working cooperatively on motor carrier issues in the public and private sectors to research and develop applications of advanced technology. This will help to achieve safe and efficient movement of trucks and buses throughout North America, and to continue to streamline the regulatory process. We also need to use

advanced communication technologies to enhance the intermodal transfer of passengers and goods—thus creating a seamless transportation system.

Furthermore, we must examine the potential for high-speed rail, Maglev, and other innovative transportation technologies.

