



**REMARKS OF  
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**JAMES L. OBERSTAR FORUM ON  
TRANSPORTATION POLICY AND TECHNOLOGY  
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It is a great pleasure to be here today with one of the finest public servants in the United States Congress. Jim Oberstar is someone who truly understands the importance of transportation, and has helped shape some of the most important laws affecting this critical sector of our economy.

One of those laws is the Intermodal Surface Transportation Efficiency Act of 1991 – or ISTEA. My boss, Secretary Norm Mineta – together with Jim Oberstar – played a big part in drafting that legislation. For many years both men have been tireless advocates for improving connections between our transportation modes. He regrets very much that he could not be here today, but he wanted me to pass along his warmest regards and assure each and every one of you that he continues, every day, to work to implement the vision of an intermodal transportation system that he and Jim helped launch a dozen years ago.

**2003: The Year of Transportation**

While we have made a great deal of progress in those twelve years since the passage of ISTEA, it is also clear that there is much left to be done. As Steve Lockwood points out in the discussion paper he prepared for this year's Forum, many cities in Western Europe and elsewhere around the world have highly integrated systems for scheduled, door-to-door trips that compete effectively with automobile travel. We shouldn't shy away from comparisons to the systems established in other countries – but instead should look carefully at the successes enjoyed elsewhere and learn from them.

We have one of the most efficient economies in the world, driven in large part by a freight transportation network that has enabled U.S. businesses to save billions of dollars each year and be much more responsive to their customers through the use of just-in-time delivery

systems. Now we need to search for more effective incentives to improving intermodal links for *passenger* travel, providing consumers with a broader array of travel choices.

2003 is a unique year for transportation. For the first time in recent memory – maybe the first time ever – Congress will have a chance to reauthorize our aviation, surface and intercity passenger rail programs in a single session. For that reason, teams at the Department of Transportation have been working hard for several months to develop proposals for reauthorizing these programs. We expect that the Secretary will be able to unveil the Administration’s proposals in each of these areas in the near future. While I can’t go into specific detail here today, I can provide a glimpse of what you can expect from the Administration.

## **DOT’s Reauthorization Priorities**

### ***1) Surface Reauthorization***

The Department’s surface reauthorization proposal will build upon the legacies of ISTEA and its successor TEA-21. For example, we are committed as part of this reauthorization to continuing the principle established in TEA-21 that all revenues coming into the Highway Trust Fund be walled off and dedicated to transportation improvements. In fact, our Fiscal Year 2004 budget sent to Congress last month calls for total highway and transit funding over the next six years of nearly \$250 billion, a figure that is 19% higher than the guaranteed levels under TEA-21. We are also proposing to spend down a portion of the Highway Trust Fund in order to dedicate \$1 billion per year specifically to infrastructure performance and maintenance.

The top priority in the Department’s surface reauthorization bill will be safety. We think constantly about how we can improve the safety transportation in all modes. In order to advance our core safety goals of reducing the number of fatalities on our roads, alleviating injuries and curtailing alcohol-impaired driving, we will propose to consolidate and expand federal safety programs, increase funding, and tie available resources more directly to performance. This last point is an important one – we want to provide meaningful new incentives for state and local decision-makers to be creative in how they address highway safety. My hope is that you will see some incentives that really get attention. If we’re successful, of course, all of us will reap the benefits derived from a safer highway system.

In an effort to improve intermodal connections, we will also focus a great deal of attention in our proposal on facilitating freight and goods movement. Imagine what would happen if we suddenly shut down our entire freight rail system and moved all that cargo to the highways. Well, some predict that as early as the year 2010, you won’t have to imagine it. The *increase* in freight moving on our nation’s highways will be equal to *twice* the amount of freight that was being carried on our entire rail network in 1998. That’s why, if we don’t improve our intermodal connections at ports and freight terminals around the country, we will see even more congestion on our highways and – more important -- a net deterioration in our quality of life.

One related option we will also be exploring is “short sea shipping,” a concept that some feel could do a great deal to ease congestion on our nation’s highways and rail lines by taking advantage of underused capacity in the coastwise maritime sector.

Finally, we will continue our efforts to be good stewards of the environment while improving the review process for major projects of national and regional significance. We are well underway in implementing the President’s streamlining executive order, and are already starting to see results. One of those projects, of course, isn’t too far from here – the Stillwater Bridge project, which will result in a new, four-lane crossing between Minnesota and Wisconsin. This project will connect Twin Cities residents and their neighbors to the east in a much more effective way and, in doing so, increase economic opportunities on both sides of the river. While a Record of Decision for the project was issued in 1995, it has languished since that time and we have been working hard with our federal and state colleagues to ensure that residents of both Minnesota and Wisconsin realize the benefits of a new bridge crossing as soon as possible.

## ***2) Aviation Reauthorization***

As someone who has been in and around the aviation industry for decades, I can tell you with some authority that this is the most challenging time we have ever faced as policy makers. Our airline industry is in the most serious financial crisis it has faced in its entire history. That’s attributable in part to the attacks of September 11<sup>th</sup>, of course, but it also relates to fundamental changes in passenger demand that have made it impossible for major network carriers to sustain cost structures that had been built up over many years. Smaller, more nimble point-to-point carriers have taken on an increasing share of the marketplace, and as a result network carriers have been forced to take a hard look at their existing business models. While some question the sustainability of the hub-and-spoke system, they are wrong. I don’t think we can have a truly effective air transport system in this country without hubs and feeder operations. Without those ingredients, many smaller communities across America would lose convenient service and our national economy would necessarily suffer.

The airlines obviously are very concerned about what may happen to the industry should hostilities occur in the Middle East. The Administration is looking at that question with great care and real concern. The Administration has been meeting with the airlines regularly and will continue to work with them as events unfold. This, of course, is in addition to the major steps we have taken to bolster aviation security since 9/11. Nearly \$5 billion has been paid to air carriers to compensate them for their 9/11-related losses, and the federal government has underwritten \$1.6 billion in loan guarantees.

Despite the numerous economic setbacks that the airline industry has suffered of late, our National Airspace System remains the safest in the world. Significantly, we had zero fatalities in commercial aviation in the year 2000. I am confident that the airline industry will eventually be able to right itself and return to profitability.

Our aviation reauthorization proposal will be designed to help the industry regain its vitality while retaining safety as our top priority. We will reinforce our commitment to safety

by making substantial investments in our National Airspace System infrastructure and ensuring that our highly trained controller workforce is fully capable of sustaining its high levels of performance over the course of the next reauthorization period. Our proposal will also ensure that we are prepared for a return to the demand levels of 2000 by funding airport capacity enhancements at record levels and modernizing the Airport Improvement Program. We will do all of this while continuing our quest to enhance competition at airports throughout the country.

### ***3) Intercity Passenger Rail Service***

In years past Amtrak has often been criticized by both proponents and skeptics of intercity passenger rail as a failed model. Some have even suggested that intercity rail service is simply unsustainable in a country as large as the United States. Secretary Mineta rejects that assessment and has made a commitment to work with Congress to ensure that intercity passenger rail takes its place as an essential component of our intermodal system.

We continue to work within the Administration to refine our ideas, but Secretary Mineta has articulated a number of basic principles that serve as our guide. These include:

- Creating a system driven by sound economics.
- Requiring that Amtrak transition to a pure operating company.
- Introducing carefully managed competition to provide higher quality rail services at reasonable prices.
- Establishing a long-term partnership between the States and the Federal government to support intercity passenger rail service.
- Creating a separate public partnership, after a reasonable transition, to manage the capital assets of the Northeast Corridor.

It is our sincere hope that we can move beyond the debates of the past over Amtrak and focus instead on what policies we need to put in place to facilitate the best possible passenger rail service. Addressing our intercity passenger rail system in the same, time-honored way we have run our other transportation programs -- giving state and local decision-makers a far more prominent role -- will help us to enhance the quality and vitality of the system.

Laying out a new vision for our nation's intercity passenger rail will certainly not be easy, but the question we should be asking ourselves is: if not now, when? We look forward to engaging the Congress in a meaningful effort to tackle this perennial issue successfully at long last.

### **Revitalizing DOT**

Now that I have laid out for you what we hope to achieve in reauthorizing federal transportation programs this year, I'd also like to talk a bit about the opportunity that we have to reshape the Department of Transportation now that the Transportation Security Administration and Coast Guard have officially moved to the new Department of Homeland Security. But before I do that, let me say how proud I am of being a part of this Department

during the creation of the TSA. Secretary Mineta, Deputy Secretary Michael Jackson, Admiral Jim Loy, and everyone else involved in the project deserve a great deal of credit for pulling off what some thought would be impossible, and doing it in keeping with the extremely aggressive deadlines set by Congress. Every American will benefit from the safer, more secure environment we now find at our nation's airports.

Our new challenge at the Department of Transportation is to focus the passion and commitment that went into creating the TSA on a new mission – one that will help us to achieve a truly intermodal transportation system as foreseen by those that created the Department back in 1967. The opportunities presented to this Secretary, given the creation of DHS and the reauthorizations we have before us this year, are tremendous. It will allow us to be architects of the future of our transportation sector, and give us a chance to shape major long-term policy questions about the future of our aviation system, the relationship between different modes of transportation, and the safety of our nation's highways.

This is my fourth tour of duty at DOT, and I must say that the leadership team that Secretary Mineta has put in place over the last two years is extraordinary. The administrators he has chosen all bring impressive credentials and remarkable talent to their jobs and together comprise the best team I've ever worked with at the Department. That is why I am so excited about being back at DOT at this special time.

## **Conclusion**

Let me just say in concluding that we at the Department of Transportation look forward to working with Congress this year to create a safer, simpler, and smarter transportation system. By doing so, we will support our nation's economic recovery, improve the quality of life of our nation's citizens, and help to build the foundation for a future that is bright.

Thank you for allowing me to share these thoughts with you today.

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