

**NOMINATION OF NORMAN Y. MINETA,
TO BE SECRETARY OF THE
DEPARTMENT OF TRANSPORTATION**

HEARING

BEFORE THE

**COMMITTEE ON COMMERCE,
SCIENCE, AND TRANSPORTATION
UNITED STATES SENATE**

ONE HUNDRED SEVENTH CONGRESS

FIRST SESSION

JANUARY 24, 2001

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SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

ONE HUNDRED SEVENTH CONGRESS

FIRST SESSION

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**NOMINATION OF NORMAN Y. MINETA,
TO BE SECRETARY OF THE
DEPARTMENT OF TRANSPORTATION**

WEDNESDAY, JANUARY 24, 2001

U.S. SENATE,
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,
Washington, DC.

The Committee met, pursuant to notice, at 9:30 a.m. in room SR-253, Russell Senate Office Building, Hon. John McCain, Chairman of the Committee, presiding.

**OPENING STATEMENT OF HON. JOHN MCCAIN,
U.S. SENATOR FROM ARIZONA**

The CHAIRMAN. Good morning. I want to first of all thank Senator Hollings for his generosity during the 17 day reign of terror while the Democrats were in charge of this Committee.

[Laughter.]

The CHAIRMAN. I want to welcome our new Committee members as we meet today to consider Norman Mineta's nomination to be United States Secretary of Transportation.

For the benefit of the members, we have a formality to go through, but we can't do it until our Republican members are here. So perhaps at some point, we may interrupt in order to move forward.

Senator STEVENS. Can I just make the motion now and we'll distribute the ballots as they come in?

The CHAIRMAN. If that's agreeable to the members.

Senator STEVENS. Mr. Chairman, I move that John McCain be the Chairman of the Commerce Committee for this Congress.

Senator BROWNBACK. Second.

The CHAIRMAN. I thank the members and we'll distribute ballots when they come in. I thank the members.

Senator HOLLINGS. Mr. Chairman, let me recommend for consideration, and you can take it up with the members, but now that we've grown to 22 members, you know, in the Appropriations Committee if we waited for opening statements for all 22, the poor witness would never get to testify. So if we can just forego those or the Chairman or Ranking Member or whatever or if some Senator's got a particular interest, we always yield to exceptions. What we try to do is convenience the entire Committee, of course, and mainly the witnesses. Many of them travel from afar and everything else. And then they sit for an hour and a half and listen, you know what I mean? So I just suggest that to you.

The CHAIRMAN. Well, Mr. Chairman, I would like for the members to consider that recommendation. I would like to if it's agreeable to you sort of adopt it informally. Because as you mentioned, there are some times where it's a burning issue for a witness or of a particular interest to members of the Committee. But perhaps we could informally adopt a general rule that we do as they do on the far more dictatorial Appropriations Committee that we restrict the opening statements to the Chairman and Ranking Member, except for those who might have a particular interest in the issue.

Senator STEVENS. Well, it is a little a more liberal than that. The Chairman and Ranking Member make opening statements pertaining to the bill. And members are then recognized in order of seniority going down to make comments before we take up amendments. But they are limited to very short statements. We have a tradition of not more than a minute, minute and a half. But it's just a tradition, Mr. Chairman. It is no rule.

The CHAIRMAN. I thank you. Mr. Mineta, I think it is appropriate that you be the witness before our first formal new convening of this Committee. Because you as a Democrat I think are significant of the new Administration's bipartisanship and bipartisan approach to governing in this new millennium. This Committee has as you know because of your previous visits here works in a bipartisan fashion as well. I want to welcome you. We congratulate you on your appointment. We are pleased to see you before the Committee again and would like to acknowledge any of your family members who may be here. Would you like to do that at this time?

Mr. MINETA. Senator, if you do not mind, I do appreciate very much the opportunity to introduce my family who are here. First of all, my wife Danny, my sister Itsu Mineta Moso-Oka, my stepson Mark Brantner and my son David Mineta's wife Christine Mineta. That's the whole family.

The CHAIRMAN. We thank you for being here, and we know how proud you are of this fine and brave American who has served our country with great distinction. We are pleased and proud that he will continue to do so. We could not have done it without your dedicated help and assistance and love and affection.

The confidence that Mr. Mineta inspires is important because the challenges he faces at the Department of Transportation are more daunting than ever. Take aviation, for example. As Chairman of the National Civil Aviation Review Commission, Norm Mineta warned us just a couple of years ago that we were fast approaching gridlock—that every day at an airport would be like the day before Thanksgiving. In many airports in America, we have already reached that point.

I believe we must come together immediately and put our individual interests aside, to look into new ideas to ensure that our aviation system can continue to meet consumer and economic demands. Should we privatize our air traffic control system? Should we auction or otherwise allocate slots at our busiest airports? I cannot endorse any particular approach at this point. Even so, my sincere hope and belief is that we can best put gridlock behind us by focusing our energies on capacity enhancements instead of plans to ration existing capacity in the aviation system.

Another issue that Mr. Mineta and we face is funding for Amtrak. It is high time for Congress and the Administration to debate and determine exactly what is our national policy for Amtrak. I have long fought Amtrak's continuous backdoor attempts to seek substantial Federal funding, while claiming it is nearly self sufficient. I will continue to do so. Yet if Congress is going to continue to provide subsidies, I believe we must own up to that fact in full view of the American public. Mr. Mineta, I look forward to the Department's input on this policy decision.

Again, congratulations. You are a living example of the American dream, and we appreciate your dedication and service. We intend to move your nomination forward as soon as possible.

[The prepared statement of Senator McCain follows:]

PREPARED STATEMENT OF HON. JOHN MCCAIN,
U.S. SENATOR FROM ARIZONA

First of all, I want to welcome our new committee members as we meet today to consider Norman Mineta's nomination to be the United States Secretary of Transportation. Congratulations, Mr. Mineta, on your appointment to the transportation post. We are pleased to see you before the committee again, and would like to acknowledge any of your family members who may be here.

Norm Mineta has all of the right qualifications to serve with distinction in President Bush's Cabinet. His long and distinguished record of public service includes several years as a member of, and then Chairman of, the House Public Works and Transportation Committee. Chairman Mineta was widely renowned for his transportation expertise and his hard work on the issues. It speaks volumes that the transportation community and his colleagues on both sides of the aisle continue to regard him with the utmost respect.

The confidence that Mr. Mineta inspires is important, because the challenges he faces at the Department of Transportation are more daunting than ever. Take aviation, for example. As Chairman of the National Civil Aviation Review Commission, Norm Mineta warned us just a couple of years ago that we were fast approaching gridlock—that every day at an airport would be like the day before Thanksgiving. We have nearly reached that point, and no relief is in sight.

I believe that we must come together immediately and put our individual interests aside, to look into new ideas to ensure that our aviation system can continue to meet consumer and economic demands. Should we privatize our air traffic control system? Should we auction or otherwise allocate slots at our busiest airports? I cannot endorse any particular approach at this point. Even so, my sincere hope and belief is that we can best put gridlock behind us by focusing our energies on capacity enhancements instead of plans to ration existing capacity in the aviation system.

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Again, Mr. Mineta, congratulations. You are a living example of the American dream, and we appreciate your dedication and service. I intend to move your nomination forward as soon as possible.

The CHAIRMAN. Senator Hollings.

**STATEMENT OF HON. ERNEST F. HOLLINGS,
U.S. SENATOR FROM SOUTH CAROLINA**

Senator HOLLINGS. Well, thank you, Mr. Chairman. Trying to set an example, I will just include my statement.

[The prepared statement of Senator Hollings follows:]

PREPARED STATEMENT OF HON. ERNEST F. HOLLINGS,
U.S. SENATOR FROM SOUTH CAROLINA

Mr. Chairman, as you know, this is Mr. Mineta's third nomination hearing before this Committee since last May. He is a veteran of the confirmation process and I am certain that the former Secretary of Commerce will make an excellent Secretary of Transportation given his long history of work on transportation issues.

Mr. Mineta has the benefit of his recent experience in the executive branch coupled with his 21 years of service in the legislative branch. His knowledge and background will serve him well as he moves through the confirmation process and into his new role as Secretary of Transportation. Clearly he is up to the task, but we don't want to downplay the host of challenges awaiting him at the Department of Transportation. I would like to highlight a few of my concerns.

Aviation Issues

Competition

You and I have watched for many years as the airline industry has continued to consolidate, and as air carriers created bigger and bigger fortress hubs. In 1978, we had 5 air carriers with 68.6 percent of the total U.S. market. Frank Borman warned us about concentration levels. Today, with the recent American announcement, two carriers may end up with 51 percent of the market, and the top 6 will account for 89 percent.

Look at the major airports in this country. Virtually everyone of them is controlled by one air carrier. DOT, GAO, and the National Academy of Sciences (Transportation Research Board), have cited serious concerns with hub domination. We have had studies, more studies, and hearings.

Last week, DOT put out another series of reports that made the following findings:

- In dominated hubs as a whole, 24.7 million passengers pay on average 41 percent more than do their counterparts flying in hub markets with low fare competition. It is reasonable to expect that with the benefit of low fare-competitors another 25 to 50 million passengers annually would travel in these markets.
- Passengers in short-haul markets without low-fare carriers pay even higher fares, or 54 percent more on average than passengers in comparable markets with a low-fare competitor.
- DOT specifically cited Charlotte, Cincinnati, Minneapolis and Pittsburgh as having the highest overall fare differentials. In total there are 17 cities where one carrier dominates.

With respect to TWA, it has been clear for years that the carrier has faced bankruptcy. Senator Danforth and I spent a great deal of time trying to be helpful to the airline. Under the antitrust laws, TWA and American can make a legitimate case that TWA is in imminent danger of failing, that it has no realistic prospects for a successful reorganization, and that there is no viable alternative that poses a less anti-competitive risk. However, that does not end the focus on airline mergers. I know the committee will look at this issue in more detail next week.

And I know you will hit the ground running—we have got to focus on the lack of competition. **We have got to restore the public interest in reviewing what the airlines do—when they merge, when they fail to provide service and when they use their market positions to give us higher prices.**

You will need to work with us on solutions. Mr. Oberstar has suggested that we regulate prices when three carriers have 70 percent of the U.S. market. I will take a hard look at that proposal, but I want to focus on the hubs. I asked, as part of AIR-21 that airports submit competition plans on ways to ensure that they do all they can to increase the ability of carriers to enter concentrated hubs. I understand that some of the airports have developed ways to change their contracts with the dominant carrier, allowing more flexibility to accommodate new entry. That is a start, but there is more that we must do. I also know that hubs provide an efficiency network, and enable small communities to receive more service, but, and it is a critical but—at some point, the word efficiency becomes a monopoly. We can ask the airports to do what they can, but ultimately it is your responsibility, and this Administration's responsibility to protect people from monopoly pricing in hundreds of small markets—a situation that will only get worse.

FAA/Capacity/Delays

You will face the challenge of increasing the capacity of the air traffic control system as a result of many factors. Everyone agrees that we need more capacity, and that we have to build more runways. We must figure out a better process, while respecting the environmental concerns, but it should not take ten to 12 years to

build new runways or 5 years to redesign airspace. In addition, you need to quickly modernize ATC's oceanic services but I believe, you know all of this.

Finally, I want to say, we all recognize that safety is the FAA's first priority and that efficiency is critical also. This Committee fought long and hard to improve the ability of the FAA to function. In AIR-21, we set up a series of reforms and gave the FAA an additional two billion dollars in fiscal year 2001 for new runways and new air traffic control equipment. We must make sure that this remains a national priority. Implement those reforms. Spend the money wisely. Focus on what needs to, and can be done. You led the NCARC and made a recommendation for a PBO. You now have it through AIR-21 and President Clinton's Executive Order. We do not need, and should not undertake a divisive debate on a new set of FAA reforms or on privatizing the FAA. Use your existing authority wisely, Mr. Secretary, as I know you will.

Maritime Issues

There are few organizations in the Federal bureaucracy that are more liked and better respected than the Coast Guard. Each year we add to the Coast Guard's diverse missions in law enforcement, search and rescue, drug interdiction, port security, and marine environmental protection. Each year the men and women of the Coast Guard rise to the new challenges we offer them. But there is a limit to what we can ask without compromising their safety and security of the Nation. We have made strides this past Congress ensure appropriations can support the Agency's mission, but even after securing substantial additional funding, budget shortfalls remain. These shortfalls, made chronic by ever-tightening budget caps, will continue to undermine the agency's operational readiness and the safety of its service members until we come up with a solution.

We all have a vested interest in properly protecting the safety and well-being of our citizens and our coastal resources. In particular, coastal areas like my home State of South Carolina are most vulnerable to cutbacks in service as Americans increasingly move to the sea. Coastal populations increase by 3,600 people per day—a rate of growth is faster than that for the Nation as a whole—and these folks are out on the water, whether for business or pleasure. Acknowledging these ever mounting pressures and the challenges we will face, we enacted the Oceans Act of 2000 that will create a new national Commission on Ocean Policy. I look forward to working with the new Administration during the appointment process to ensure that the members of the Commission are up to the task we set before them—including looking at how well agencies like the Coast Guard are prepared for the coming century. I would also commend the Department for its efforts evaluating our Marine Transportation System through the NITS initiative, and would encourage the Secretary Designate to continue this effort. Both of these initiatives have a very important role to play if we are to formulate a good ocean and maritime transportation policy.

I would also like to highlight my concern about the State of security at U.S. seaports. Seaports are just as much an international border as our airports, or our land borders, but we do not have a coordinated policy to help us prevent against drug smuggling, cargo theft, trade fraud, and potential acts of terrorism. Last year, an interagency commission released a report on the status of security at U.S. seaports, and rated security as poor to fair. Mr. Secretary-Designate, we need your help in getting all stakeholders involved in a solution which will give us greater protection. Maritime trade is projected to double by 2020, and if we do not take prudent steps now, we may be forced to confront major crises in the future.

Trucking Issues

One area that I am especially concerned about is the safety of Mexican trucks. It is my understanding that in the next month a NAFTA arbitration panel will likely issue a decision siding with Mexico's position that the U.S. is improperly preventing Mexican trucks from operating in the U.S. At that time, the DOT will need to address safety issues in the context of possible international sanctions.

While NAFTA provided that Mexican trucking companies were to have been granted operating rights to deliver international cargo throughout the entire U.S. by January 2000, the Clinton Administration did not open the border, citing safety concerns. I share some of their concerns given the inadequate number of safety inspectors at the border and the poor condition of many of the Mexican trucks that have been allowed in the U.S. under limited circumstances along the border.

In 2000, there were 40 inspectors at the border, although this is an improvement from the 13 inspectors in 1998, the DOT IG estimates that a minimum of 126 inspectors are needed during operating hours to provide two inspectors to each border

inspection facility. In 2000, 35 percent of inspected Mexican vehicles were placed out of service for significant safety violations, compared with 25 percent of U.S. trucks. In addition, the DOT IG found that there were hundreds of Mexican carriers operating improperly outside of the commercial zones.

If we do not have the ability to properly oversee the safety and movements of Mexican trucks when they are only permitted to operate in the U.S. on a limited basis, how can we have any confidence in their adherence to U.S. safety and cabotage requirements if the borders are opened.

In addition, I will be paying close attention to the new Federal Motor Carrier Safety Administration. There has been widespread criticism of the FMCSA regarding a lack of leadership at the Department of Transportation, within the modal administration and with regard to truck safety. There was no permanent Administrator during the first year of the new agency's existence, although my former staffer, Mr. Clyde Hart, was tapped for double duty, sharing responsibilities for both truck safety and maritime issues.

NHTSA Issues

Harmonization

I am deeply concerned about persistent efforts by DOT to involve the U.S. in international proceedings that are designed to facilitate harmonization of safety regulations. Because U.S. safety standards generally are higher than other countries' safety rules, harmonization commonly leads to the lowering of U.S. safety rules and regulations. This, of course, has the effect of compromising the safety protections afforded to U.S. consumers. Accordingly, I am hopeful that the incoming Secretary will work to make sure that U.S. safety standards are not affected and compromised by actions of international bodies. Additionally, I hope that the Secretary will work cooperatively with Congress on this issue and will adhere to a practice of seeking legislative approval for any action involving an agreement with a foreign entity that has the effect of impacting U.S. safety laws.

Enforcement

I also hope that the new Secretary will demand stringent enforcement of safety regulations by NHTSA. It does no good to have regulations on the books if they are not enforced. We discovered how harmful lax enforcement can be during the Committee's recent investigations of the hazards associated with the Firestone tires that were used on Ford sport utility vehicles. During that investigation, it was discovered that NHTSA had received information from State Farm 2 years prior to the recall initiated by the companies in August 2000. At that time, the tires had been linked to close to 100 deaths. Clearly, NHTSA dropped the ball. Moreover, it also was revealed that of the more than 99 million vehicles that have been recalled over the past 5 years, NHTSA has not initiated a single one. That is not effective enforcement in my view.

Other Issues

Last Congress the Senate approved a pipeline safety bill. I fully expect the Committee to take up pipeline safety legislation early this session. It is my hope that we can work with the Administration to achieve a strong safety regime for interstate pipeline operators.

In addition, last Congress the Committee conducted a number of oversight hearings on Amtrak. The issue of Amtrak funding will continue to be a top priority as we work to see the provisions of the 1997 Amtrak Reform and Accountability Act implemented, which requires that Amtrak operate without Federal operating grant funds by the end of fiscal year 2002. I look forward to working with DOT to address rail passenger issues during the next few years.

Again, I am pleased with President Bush's choice for Secretary of Transportation. Although you will certainly face many challenges, I look forward to seeing you confirmed as Secretary of Transportation and working with you in the future.

The CHAIRMAN. I do note the presence of Senator Ensign and Senator Allen and Senator Carnahan and Senator Boxer. Our other new members have decided not to attend. That is OK. Noted. But we want to thank and congratulate our new members.

Senator Carnahan, I am told by the staff that we have efforts under way to extend that side of the dais so that you will not be subjected to sitting with the press. So, is there anyone who would like to make an opening statement or comments before we move to

Senator Boxer and Congressman Dreier? We just adopted a rule to make them very brief, OK? Go ahead.

Senator Hutchison.

**STATEMENT OF HON. KAY BAILEY HUTCHISON,
U.S. SENATOR FROM TEXAS**

Senator HUTCHISON. Thank you, Senator McCain. I would just like to say that I am very pleased with the appointment of Norman Mineta. When I was the Vice Chairman of the National Transportation Safety Board, Norm Mineta was the Chairman of the Public Works Committee. And I think that his experience in transportation is not only welcome, but it absolutely necessary.

Because I think our transportation system in our country is under the most trial that it has been in a number of years. Certainly in the aviation sector, I want to say I am very concerned about this new performance based organization for the FAA. I hope that we will be able to monitor it closely and work out kinks if we find them quickly.

I secondly hope that we will adopt a policy of an intermodal system that works for our country. We are in vast need of highway resources, especially in my State of Texas, that has the highest number of highway miles and the longest foreign border of any State in our country. And we are woefully short in highway infrastructure. But also, I think rail should be a part of our infrastructure in this country.

So, Mr. Chairman, I thank you for letting us make short opening statements. And I look forward to working with and supporting the nomination of Norm Mineta.

[The prepared statement of Senator Hutchison follow:]

PREPARED STATEMENT OF HON. KAY BAILEY HUTCHISON,
U.S. SENATOR FROM TEXAS

Thank you Mr. Chairman. Welcome, Secretary Mineta.

Our national transportation system is at a crossroads. Our skies are crowded and our Air Traffic Control structure is near the breaking point. Our highway network, while among the world's finest, has serious gaps where construction and maintenance have not matched population growth. We have been too slow to implement alternative solutions, such as intercity and commuter passenger rail, to the mounting problems of highway congestion and air quality in our cities. Maintaining and improving our national transportation network must be among our highest legislative and administrative priorities.

I am extremely pleased that President Bush has chosen someone with real hands-on transportation experience to head this critical Department. During his years in Congress, Secretary Mineta spent years focusing on these problems. As Chairman of the Public Works Committee, he shepherded legislation that encouraged mass transit and congestion reduction. He is battle-tested and unafraid to tackle big issues.

With the number of air passengers in the U.S. steadily approaching one billion per year, I am particularly concerned about the State of the nation's air traffic control system. Last month, the Clinton Administration created a separate Air Traffic Organization within the Federal Aviation Administration to deliver these services. While I applaud the effort and initiative, I have some doubts about the oversight of this so-called "performancebased organization." Public safety and the reliability of air travel are at stake and the flying public must be assured that these interests are protected.

Another issue that will confront the Transportation Department is the continuing inequity suffered by states such as Texas which do not receive their fair share of Federal transportation funding. I have areas along the Mexican border where there is virtually no transportation infrastructure whatsoever. NAFTA is straining our inadequate transportation system even more. We have made some real improvements

in recent years, but so much more needs to be done. Texas has three of the ten largest cities in the U.S. In between, we have more miles of highway than California and the longest continuous foreign border in America. Our population is growing at an incredible rate. With all due respect to my colleagues, no State has greater transportation needs than Texas.

Yet the Department of Transportation has consistently shortchanged my State in the distribution of discretionary funding. Excluding formula funding, which is subject to a 91.5 percent minimum guarantee, Texas receives about 50 cents for every dollar it contributes to the Highway Trust Fund. This must change.

I met with Secretary Mineta earlier this week and I was pleased to find that we have similar opinions on many issues. One of these concerns the need to maintain strict safety standards for Mexican and Canadian trucks on American highways. Under NAFTA, we must begin allowing these foreign trucks across the border, provided they meet U.S. safety standards. Unfortunately, Mexico and Canada allow much higher truck weights than in the U.S. These heavy trucks can be an unsafe mix with passenger vehicles on our high-traffic American roads and if they do not meet all U.S. standards they present a safety hazard to other drivers. Make no mistake, I support NAFTA and I welcome the commerce brought in by these trucks, but we must keep our highways safe.

I plan to support this nomination and I look forward to working with Secretary Mineta.

The CHAIRMAN. Thank you, Senator Hutchison. Anyone else?

Senator INOUE. Mr. Chairman.

The CHAIRMAN. Senator Inouye.

**STATEMENT OF HON. DANIEL K. INOUE,
U.S. SENATOR FROM HAWAII**

Senator INOUE. Mr. Chairman, as you have noted, Mr. Mineta is an American success story and I ask that my statement be made part of the record.

[The prepared statement of Senator Inouye follow:]

PREPARED STATEMENT OF HON. DANIEL K. INOUE,
U.S. SENATOR FROM HAWAII

Six months and 7 days ago, I had the great privilege of introducing the Honorable Norman Mineta, nominated by President Clinton for the position of Secretary of Commerce. Today, once again, I find myself deeply honored and privileged to present the same Honorable Norman Mineta as President Bush's nominee to serve as Secretary of Transportation. Secretary Mineta's service as Secretary of Commerce has been outstanding and exemplary.

Although he was there only a few months, he made his mark. Duly impressed, the Bush Administration has selected him to continue his service to our nation.

Because of my presentation on Secretary Mineta on July 17, 2000, just a few months ago, I will not repeat in detail his extraordinary history, but simply to say that here is a person who was born on November 12, 1931, and at the age of 10 was declared by this Nation to be an enemy alien.

He was incarcerated in an internment camp in Wyoming for 1½ years, but his love for this country stayed intact. He rose above the experience of this period of sanction and discrimination and began his public service as a member of the San Jose City Council and subsequently Mayor of San Jose, and 21 years in the U.S. Congress.

This is America's success story. This is the story of America. Ladies and gentlemen, I am pleased to present President George W. Bush's nominee to serve as Secretary of Transportation, the Honorable Norman Y. Mineta.

The CHAIRMAN. Without objection.

Senator Brownback.

**STATEMENT OF HON. SAM BROWNBACK,
U.S. SENATOR FROM KANSAS**

Senator BROWNBACK. Mr. Chairman, just briefly. And I have got a full statement to put in the record. But I welcome Secretary Mineta and look forward to approving him on this. I will be intro-

ducing a bill shortly to try to truncate the procedure by which runways, additional capacity at our airports are put in place. I think it is important that we start the process now of trying to increase the capacity. I think all of us have sat for hours now on tarmacs at different airports. And that is just part of what the public is frustrated about.

I just want to put that out there. Because I know you know about those as issues. And I think we have got to really become aggressive in this legislation session to deal with that. And I look forward to working with the Secretary of Transportation about that. Thank you, Mr. Chairman.

[The prepared statement of Senator Brownback follow:]

PREPARED STATEMENT OF HON. SAM BROWNBACK,
U.S. SENATOR FROM KANSAS

Thank you, Mr. Chairman. Mr. Secretary, welcome to the Commerce Committee. I want to thank you for coming to visit me last Friday; I enjoyed our visit, and appreciate the time you took out of your busy schedule.

I think this hearing will be a little less contentious than the hearings I sat in last week for our former colleague on this Committee, John Ashcroft. As you said when you were nominated, transportation issues are not partisan, there is no such thing as a Republican or a Democrat traffic jam, or Democrat or Republican airport congestion. I couldn't agree more; one of the advantages of this Committee is the opportunity to work across party lines on issues important to the entire country. In that spirit, I welcome your nomination, and applaud President Bush's choice of a distinguished and highly qualified Democrat to head the Department of Transportation.

Mr. Secretary, there is little doubt in my mind, that the problem of capacity in our Nation's aviation infrastructure is one of the most serious and immediate problems you will face at the Department of Transportation. We spoke last week in my office about this issue, and I appreciate your thoughts and comments. Mr. Secretary, we are not looking at a crisis down the road, we are looking a crisis right in the face—we are there. Every member of the flying public knows this, and, as the chairman of the Mineta Commission, no one knows this better than you. Delays and congestion are only going to get worse, not better. It is my belief that we can best provide immediate relief for our Nation's air travelers by increasing capacity on the ground; by building more airport runways, and by building them much faster than they are being built today. This is an emergency, and we need to take swift and bold action. I intend to shortly introduce legislation that will do just that, and I look forward to working with you, Mr. Secretary, as well as my colleagues on this Committee, on this vital issue.

Mr. Secretary, I think you are already well aware of the importance of aviation in my home State of Kansas. It may, however, come as a surprise to you to know that aviation manufacturing is second only to agriculture in Kansas in terms of jobs. Over 43,000 hard-working men and women are employed in Kansas in aviation manufacturing, with a total Kansas payroll of over \$2 billion dollars, and Kansas supplies purchased of over \$1.1 billion dollars. It is estimated that \$10 of every \$100 in earnings in Kansas results from the aviation industry. In Kansas, the aviation industry accounts for 21.5 PERCENT of manufacturing employment. Approximately \$24 of every \$100 earned in manufacturing in Kansas is generated by the aviation industry. In the Wichita metro area alone, the aviation industry makes up more than 60 PERCENT of manufacturing earnings. I would therefore like to invite you to come to Wichita, Kansas, to visit Cessna, Learjet, [or as they are now called Bombardier Aerospace], Raytheon Aircraft, and Boeing Wichita, so that you can become more familiar with aviation manufacturing.

There are a lot of exciting things happening in Wichita. Boeing Wichita produces about 75 PERCENT of the next generation 737, and designs and builds nacelles and nose sections for the 747, 757, 767 and 777 jetliners. In addition, Boeing Wichita Military Programs include the airborne laser, updates on the KC-135 Tanker Program, upgrades for the A-WACS AND B-52 Bomber, and performs maintenance on air force one.

In addition to the famous Learjet 31A, 45, and 60, Bombardier Aerospace in Wichita is the site of production of the company's newest business jet, the Continental, a new super-midsize jet produced by a consortium of partners from around the

world. The Bombardier flight test center in Wichita is the busiest civil flight test facility.

Cessna Aircraft Company, the pioneer of general aviation, has maintained its worldwide headquarters in Wichita for over 73 years, and produces four single engine piston aircraft in Independence, Kansas, as well as the industry's most extensive line of business jets, the citation series, in Wichita.

Raytheon Aircraft, the world's leading business and special mission aviation company, has manufacturing sites in Andover, Salina, and Wichita, and includes the Hawker and Beechcraft line of business jets, as well as turboprop products including the 1900-D airliner and Beech King air series, the most popular turboprop ever.

Thank you Mr. Chairman, I have a number of questions i would like to ask Secretary Mineta when my turn comes.

The CHAIRMAN. Welcome, Senator Boxer and welcome to the Committee.

**STATEMENT OF HON. BARBARA BOXER,
U.S. SENATOR FROM CALIFORNIA**

Senator BOXER. Mr. Chairman, I am just so delighted to be a member of your Committee, Senator Hollings and you, Mr. Chairman are great leaders on the issues that the Committee focuses on. And, of course, one of them is transportation.

I will be brief and ask unanimous consent that my whole statement appear in the record.

The CHAIRMAN. Without objection.

Senator BOXER. And the reason I can be brief is because know that our friend Norm Mineta is no stranger to you. I was here introducing him when he was nominated to be the Commerce Secretary BY PRESIDENT CLINTON. Now President Bush has made this fine appointment.

I would like to ask unanimous consent that Senator Feinstein's statement be inserted in the record at this time [see Appendix].

The CHAIRMAN. Without objection.

Senator BOXER. She apologizes to you, Norm. She is in another Committee at this time.

Briefly, I want to tell you that Norm Mineta represented the Silicon Valley in the House of Representatives for 21 years and I was happy to serve with him for 10 of those. During his tenure, he was the Chairman of the Public Works and Transportation Committee. So he already is very familiar with the responsibilities of the Department of Transportation and transportation policy.

As Chairman of that Committee, he was the principle author of the Intermodal Surface Transportation Efficiency Act of 1991. And that landmark legislation expanded traditional highway legislation to include transit, pedestrian improvements, bike paths. It took a bigger look at the needs of our people.

His knowledge does not just stop at surface transportation. He has extensive knowledge about our aviation systems, as has been pointed out by Chairman McCain, from serving as the Chairman of the Aviation Subcommittee and serving on the Metropolitan Washington Airports Authority.

Since leaving the House, Mr. Mineta has served on several transportation related Federal commissions and advisory panels. Mr. Mineta began his political career in 1967 when he became the first Asian Pacific American member of the City Council of his home town of San Jose, California which is as you know in the heart of the Silicon Valley.

Just 4 years later in 1971, he was elected the Mayor of San Jose, the first Asian Pacific American mayor of a major United States city. While serving in the Congress, Mr. Mineta founded the Congressional Asian Pacific American caucus and he served as its first chair.

One area where I admire Norm so much, and I know so many of you do as well, was his fight to ensure the passage of the Civil Liberties Act of 1988 which officially apologized for and addressed the injustices endured by Japanese Americans during World War II.

Mr. Mineta and his family were among the 120,000 Americans of Japanese ancestry forced into internment camps by the United States government during the war. But even with this heavy heart and this terrible experience, Mr. Mineta has devoted his life to making this country the greatest that she can be. And he has devoted his life to public service. I believe this is an excellent choice and I want to say, Norm, I'm very proud of you and look forward to working with you in this new capacity.

[The prepared statement of Senator Boxer follow:]

PREPARED STATEMENT OF HON. BARBARA BOXER,
U.S. SENATOR FROM CALIFORNIA

I am very happy to be here today at my first hearing as a member of the Commerce Committee to introduce Norman Mineta to be Secretary of Transportation. Mr. Mineta is extremely qualified to be the Transportation Secretary.

He represented Silicon Valley in the House for 21 years. During his tenure, he was the Chairman of the Public Works and Transportation Committee. He already knows the responsibilities of the Department of Transportation and transportation policy.

As Chairman of the Committee, he was the principle author of the Intermodal Surface Transportation Efficiency Act in 1991. This landmark legislation expanded traditional highway legislation to include transit, bike paths, and pedestrian improvements.

His knowledge does not stop at surface transportation. He has extensive knowledge about our aviation systems from serving as the Chairman of the Aviation Subcommittee and serving on the Metropolitan Washington Airports Authority.

Since leaving the House, Mr. Mineta has served on several transportation-related Federal commissions and advisory panels, including the National Aviation Review Commission and a truck safety panel.

Mr. Mineta began his political career in 1967, when he became the first Asian Pacific American Member of the City Council of his hometown of San Jose, California. Just 4 years later, in 1971, he was elected Mayor of San Jose—the first Asian Pacific American Mayor of a major U.S. city. While serving in the Congress, Mineta founded the Congressional Asian Pacific American Caucus and served as its first Chair.

One area where I admire Norm is his fight to ensure the passage of the Civil Liberties Act of 1988, which officially apologized for and redressed the injustices endured by Japanese Americans during World War II. Mr. Mineta and his family were among the 120,000 Americans of Japanese ancestry forced into internment camps by the U.S. Government during the War. Even with this experience, Mr. Mineta has devoted his life to public service.

I believe that he is an excellent choice to be the Secretary of Transportation.

The CHAIRMAN. Congressman Dreier.

**STATEMENT OF HON. DAVID DREIER,
U.S. REPRESENTATIVE FROM CALIFORNIA**

Senator DREIER. Thank you very much, Mr. Chairman. It is nice to be here. I want to say what a great honor it is for me to have joined Senators Boxer and Feinstein over the past week. And we're now introducing our third Californian for confirmation. And I am

particularly honored to be able to be here on behalf of my friend and former colleague Norm Mineta.

We have heard talk about air safety which is something that is of great concern to every single one of us. As a Southern Californian, I have to say that we have a wide range of infrastructure problems which need to be addressed. And that is why I believe that Norm Mineta will in this position as Secretary of Transportation do a superb job.

Last Saturday as we all listened to President Bush's inaugural address, I was struck with the alliteration in which he referred to the need for civility, compassion and character and courage. And as we listened to the descriptions from our colleagues here of Norm Mineta, obviously, he comes to mind when we think of all of those words.

And I believe that if we look at the challenges ahead in this new millennium, infrastructure, transportation issues will be key at every level.

I am also very concerned about the globalization of our economy and the fact that we are going to need to make sure that we move goods and services that are coming in from all over the world going to and from. And I believe that it is essential that we focus on and improve our infrastructure so that we are able to maintain our pre-eminence in this global economy. And again, Norm Mineta will be in the forefront to ensure that that happens.

So I am very pleased and proud as a Californian and as an American to wholeheartedly recommend and encourage the confirmation of our friend Norm Mineta. Thank you very much, Mr. Chairman.

The CHAIRMAN. We thank you, Congressman Dreier. And we know that you and Senator Boxer speak for all Californians as well as Americans in endorsing his new position in the Bush Cabinet.

Mr. Mineta, welcome.

STATEMENT OF MR. NORMAN Y. MINETA, SECRETARY-DESIGNATE, DEPARTMENT OF TRANSPORTATION

Mr. MINETA. Mr. Chairman, Members of the Committee, I am honored to find myself before you again, this time as President Bush's nominee as Secretary of Transportation. And I would like to ask unanimous consent that my full statement be made a part of the record.

The CHAIRMAN. Without objection.

Mr. MINETA. I want to thank Senator Inouye, Senator Boxer, Senator Feinstein and Congressman David Dreier for their taking from their own valuable schedules to be here and to be supportive of me and to introduce me to this wonderful panel.

I must confess that I was very surprised to get the call, and to be offered this position by President Bush. After some careful consideration and discussion, I decided to say yes to the President's invitation to join his great team, and perhaps I should explaining why.

Three decades ago when I was Mayor of San Jose, California, and was focused on how I could improve the community where I had been born and raised, I had the usual range of policy tools that mayors use to try to improve their communities: city planning and

zoning authorities, economic development programs, grants for housing, and so on. But what I found in practice was that the tool that made the most difference in my community was transportation. Nothing else had as great an impact on our economic development, on the pattern of growth, or the quality of life than transportation.

And what I have found in the years since is that this is true not just locally, but also nationally. Transportation is the key to productivity, and therefore, the success, of virtually every business in America. Congestion and delay not only waste our time as individuals, but they also burden our businesses and our entire economy with inefficiency and higher costs.

The bottom line is that transportation is key in generating and enabling economic growth, in determining the patterns of that growth, and in determining the competitiveness of our businesses in the world economy. Transportation is thus key to both our economic success and to our quality of life. And that is why I said yes to the President's wonderful invitation.

I did so, however, painfully aware of the formidable challenges that all of us now face in transportation. Let me give you my sense of some of the most significant of all of these challenges.

First of all the major challenges facing us is the guaranteeing of the safety of the traveling public. And I consider that to be the No. 1 job at the Department of Transportation. We have an enviable transportation safety record in this country—and in many modes we are among the leaders in the world as it relates to safety. Even in our most difficult category—highways, where 94 percent of all transportation fatalities occur—we have shown in recent years the ability to hold the number of highway fatalities flat, despite significantly rising numbers of vehicles on the road, thus improving the fatality rate.

Nevertheless, despite our generally solid performance on safety, we need to recognize that we have reached that point by constantly searching for the next best safety improvement that could be made. We have to continue to do that, and we have to do it in a way that gets for the public the greatest possible safety improvement for each dollar spent.

Second, a central challenge for the Department is to close the gap between demand for transportation and the capacity of our transportation infrastructure. That gap is what generates the traffic that all of us face on the highways, the delays that we all experience on the taxiway or at the gate, the inefficiencies that shippers face when their shipments are jammed up at a rail bottleneck, a beltway traffic jam, or a port operation struggling with constrained landside transportation access. Congressional enactment of TEA-21 and AIR-21 has put in place levels of capital investment that will be important in resolving these jams, but there will be a need for more than just the funding that is provided.

And nowhere is this more evident than in Air Traffic Control. As Chairman McCain mentioned, in 1997, the National Civil Aviation Review Commission, which I had the privilege and honor to chair, warned that, due to rapidly growing demand and a system that was just not keeping up with that rapid growth, our nation's aviation system was approaching gridlock. And by the summer of 1999

Americans faced skyrocketing air traffic control delays. And we had the same experience in the year 2000.

And I need to be very candid with you on this point—we are very likely to have a very similar—or worse—delay problems this year as well. We simply have an air traffic control system that, despite real improvements, has not been able to keep pace with rapidly rising demand. At the highest demand times, and at times when there are additional considerations, such as adverse but routine weather, we find more and more often than not that demand reaches or exceeds the capacity of at least part of the system.

When that happens, the system quite rightly elects to take that capacity shortfall as ground holds and other forms of delay, rather than compromise safety. But even though that is the right choice, it still imposes very real penalties on passengers and ultimately on our economy.

It is essential that all of us first understand the origin of this problem, and that is the dramatic growth in the number of passengers trying to fly and shippers trying to move packages by air. In the year 2000, we had nearly 215 million more enplaned passengers than we did in 1991. 215 million more people showing up per year than we did just 9 years ago is a number nearly equal to the entire population of the United States. Given the fact that it is impossible to expand air traffic control quickly or airport capacity or airline capacity, it is not surprising that the result is that everything is crowded—not just the ATC system, but the airport parking lot, the counters, the terminal corridors, the passenger cabin, the baggage carousel, the customs checkpoint . . . everything.

The challenge before us now is given that surging demand, what can we do about the congestion and delay?

First, we have to recognize that airlines, airports, and air traffic control are all struggling to keep up with demand, and all are having problems, and all have significant work to do in order to catch up. Each of those parties placing blame on the others is not a solution. Each must instead get serious about addressing its own part of the problem. And let's start with our part of the problem—the Federal Government and its sole responsibility for air traffic control. Let us make it the highest priority of the Federal government to find better ways to meet the challenges of air traffic control.

Second, let's not make an excuse out of the fact that there is relatively little we can do that will have any big effect on the short term. Let's take whatever steps we need to, no matter how large or small, even if the payoff is not immediate. Inaction is not a responsible option.

The only sure remedy for air traffic control congestion in the near term would be a recession, which would suppress demand. Who among us wants to advocate that to the American people—or to the President—as our alternative to expanding capacity?

Third, we have experienced in the past decade an extraordinary leap in technology in our great country. Dramatically new approaches to computing and software have been developed. Computer power that was unimaginable a decade ago not only exists today, it is cheap and it is common. A whole new class of technology managers has emerged who are expert at applying this new

technology to complex real-world problems throughout our economy. It is a point of enormous frustration to me that we have not been able to put this new technological power and talent to the task of modernizing air traffic control.

Key positions in the ATC modernization effort, including FAA Deputy Administrator and the new Air Traffic Organization Chief Operating Officer position, remain vacant, despite heroic efforts by Administrator Garvey. If confirmed, I will take it as my personal assignment to get top quality people into these positions.

Fourth, in the longer term, we have to recognize that the pace of growth in demand and the pace of change in technology require a degree of nimbleness that the traditional Federal agency, for all its strengths, simply cannot keep up with. What we have all adopted—the Congress, the National Civil Aviation Review Commission, and the executive branch—is the concept that we will keep the modernization and operation of the Air Traffic Control system in the FAA, but we will give FAA many of the attributes of a private entity.

We are building a hybrid, and this is still a work in progress. And I want to commend in particular Administrator Jane Garvey for her energetic commitment to change at FAA. But we all need to recognize that this will not be a perfectly smooth ride and the success of this approach is not guaranteed. It is something we all have to make work.

Now, a third major area of challenge facing the Department of Transportation is in the area of economic deregulation. We have come to rely far more on the marketplace to regulate transportation economics, and far less on government bureaucracies. In general, under deregulation the result has been to generate real benefits for more people than was the case under regulation. Average airfares, for example, have declined nearly 20 percent in real terms in the past decade, and about 40 percent since the enactment of the Airline Deregulation Act. Every business in America is more productive and can offer its customers more for the money because of the efficiencies that have resulted from a more market-oriented system for the movement of freight. These are direct pocketbook benefits to every citizen.

Nevertheless, we need to remember that these benefits rely on actual competition in the marketplace. No industry in America operates in a perfectly competitive market, but we need to make sure that every industry, including every transportation industry, operates in a market that is at least as competitive as it needs to be in order to protect the interests of consumers.

Now, this is simply not a case of government abandoning the field and leaving the marketplace to do it all. We have an affirmative responsibility to make sure that competition continues to be sufficient to protect the interests of consumers.

And the first of those responsibilities is one we have already discussed here today, and that is the responsibility to make sure that we have a transportation infrastructure adequate to meet demand. Nothing so surely restricts competition as inadequate infrastructure capacity. The result is not only the increased costs that are associated with congestion, as we have already discussed, but also the increased prices that come with the scarcity artificially imposed

by infrastructure bottlenecks. It is the equivalent of double jeopardy for the consumer.

Second, government needs to be the watchdog of competition, not to determine any particular outcome, but to assure that competition or competitive conditions continue to exist. Now, that means government needs to work with the marketplace and not against it, but it also means that there is a role for government.

The fourth major challenge for the Department of Transportation is that it serves in many ways as the nation's first line of defense and serves a very important law enforcement function. And I refer primarily to the officers and to the staff and the men and women of the Coast Guard, which accounts for 40 percent of the Department's personnel and some of its most important functions. The task of keeping that protective function of the Coast Guard is one that we will all need to focus on in the coming months.

Let me close and turn to your questions with this thought. If I am confirmed, you get me as I am, and I am probably well-known to most of you. My style is inclusive. I want at the Department of Transportation the greatest possible involvement of all levels of government, the input of the private sector, of all points of view, of all of those who are committed to finding the solutions to the transportation problems that delay our citizens and burden our economy.

And I want this to be a completely bipartisan approach. I do not believe there is such a thing as Democratic or Republican traffic jams or Democratic or Republican solutions to those traffic jams. We all have the same interest in better-working transportation systems, and the only way we will all get there is by all of us working together. I don't know of any other way to do it.

So again, Mr. Chairman, I thank you very much for your kindness in setting this time aside for this hearing. I am very honored and humbled by President Bush asking me to join his team. And I am now ready to try to answer your questions.

[The prepared statement of Mr. Mineta follow:]

PREPARED STATEMENT OF NORMAN Y. MINETA, SECRETARY-DESIGNATE,
DEPARTMENT OF TRANSPORTATION

Mr. Chairman, Members of the Committee, I am honored to find myself before you again, this time as President Bush's nominee for Secretary of Transportation.

I must confess that I was a little surprised to get the call, and to be offered the job by the President. After some careful consideration and discussion, I decided to say yes to the President's invitation to serve in his Administration, and perhaps I should begin by explaining why.

Three decades ago I was Mayor of San Jose, California, and was focussed on how I could improve the community where I had been born and raised. I had the usual range of policy tools that mayors use to try to improve their communities: city planning and zoning authorities, economic development programs, grants for housing, and so on. But what I found in practice was that the tool that made the most difference in my community was transportation. Nothing else had as great an impact on our economic development, on the pattern of growth, or on the quality of life.

What I have found in the years since is that this is true not just locally, but also nationally. Transportation is key to the productivity, and therefore, the success, of virtually every business in America. Congestion and delay not only waste our time as individuals, they also burden our businesses and our entire economy with inefficiency and higher costs. The bottom line is that transportation is key in generating and enabling economic growth, in determining the patterns of that growth, and in determining the competitiveness of our businesses in the world economy. Transportation is thus key to both our economic success and to our quality of life.

In short, three decades of experience tell me that transportation is vital to our national wellbeing, whether measured as economic growth, as international competitiveness, or as quality of life. Congestion and inefficiency in transportation are not just inconvenient and aggravating though they certainly are that—but they are also a tax that burdens every business and every individual. We have to find ways to lighten that load.

Given my views on the importance of transportation, and my belief that I will be able to work well with the President and others in the Administration, I said yes to the President.

I did so, however, painfully await of the formidable challenges we now face in transportation. Let me give you my sense of some of the most significant of those challenges.

First of all, guaranteeing the safety of the travelling public is the number one job at the Department of Transportation. We have an enviable transportation safety record in this country—in many modes we are among the leaders of the world in safety. Even in our most difficult category—highways, where 94% of all transportation fatalities occur—we have shown in recent years the ability to hold the number of highway fatalities flat, despite significantly rising numbers of vehicles on the road, thus improving the fatality rate.

Nevertheless, despite our generally solid performance on safety, we need to recognize that we reached this point by constantly searching for the next best safety improvement that could be made. We have to continue to do that, and we have to do it in a way that gets for the public the greatest possible safety improvement for each dollar spent.

A few examples of the safety challenges we face:

- A year ago Congress created the Federal Motor Carrier Safety Administration, elevating a function that had previously had been in the Federal Highway Administration. We need to make sure that this is more than just a change in the organizational chair and that it leads to improved safety and greater compliance with motor carrier safety requirements. We must look at what needs to be done, in coordination with the states, which do most of the enforcement work, to achieve that goal.

- A couple of months ago, Congress passed legislation requiring significant new reporting on safety issues involving tires. For that action to produce any real benefit for the public, we are going to have to make sure that we have sufficient resources at NHTSA to effectively use that data to spot adverse safety trends and to do something about those trends if and when they emerge.

- In air traffic control, we have long had one of the most envied safety records in the world, due in large part to some very dedicated individuals who work every day to achieve that result. But it is simply not good safety practice, in my view, to have the organization responsible for moving the traffic also be the organization responsible for determining what the safety standards should be and whether they are being met. While it is true that every part of the organization has a safety responsibility, it should be a separate unit of the organization that independently determines whether the rest of the organization has met that responsibility. Combining these two responsibilities, as we have traditionally done, in a single unit simply puts too great a burden on the people who are attempting to meet the very strong demands placed on them in this field. These two functions should be in separate units in FAA.

Second, a central challenge for the Department is to close the gap between demand for transportation and the capacity of our transportation infrastructure. That gap is what generates the traffic you face on the highways, the delay you experience on the taxiway or at the gate, the inefficiencies shippers face when their shipments are jammed up in a rail bottleneck, a beltway traffic jam, or a port operation struggling with constrained landside transportation access. Congressional enactment of TEA-21 and AIR-21 has put in place levels of capital investment that will be important in resolving these jams, but there will need to be more than just funding provided.

Nowhere is this more evident than in Air Traffic Control. In 1997, the National Civil Aviation Review Commission, which I chaired, warned that, due to rapidly growing demand and a system that was just not keeping up with that rapid growth, our nation's aviation system was approaching gridlock. And by the summer of 1999 Americans faced skyrocketing air traffic control delays. We had the same experience in 2000.

And I need to be very candid with you on this point—we are very likely to have similar—or worse—delay problems this year as well. We simply have an air traffic control system that, despite real improvements, has not been able to keep pace with rapidly rising demand. At the highest demand times, and at times when there are additional considerations, such as adverse but routine weather, we find more and

more often that demand reaches or exceeds the capacity of at least part of the system.

When that happens, the system quite rightly elects to take that capacity shortfall as ground holds and other forms of delay, rather than compromise public safety. But even though that is the right choice, it still imposes very real penalties on passengers and ultimately on our economy.

We all understand that severe weather can require airports to close or aircraft to be rerouted. But now we have reached the point where, particularly during the high-traffic summer months, a routine line of thunderstorms in Indiana can back up traffic from coast-to-coast. We are often operating right at the capacity of the system, so it takes relatively little to precipitate the aviation version of gridlock.

It is essential that all of us first understand the origin of this problem, and that is the dramatic growth in the number of passengers trying to fly and shippers trying to move packages by air. In the year 2000, we had nearly 215 million more enplaned passengers than we did in 1991. 215 million more people showing up *per year* than we did just nine years ago is a number nearly equal to the entire population of the United States. We only had about 450 million show up in 1991, so that's nearly a 50% increase in just 9 years. Given the fact that it is impossible to quickly expand air traffic control capacity, airport capacity, and airline capacity, it is not surprising that the result is that everything is crowded—not just the ATC system, but the airport parking lot, the counters, the terminal corridors, the passenger cabin, the baggage carousel, the customs checkpoint. . . everything.

That surging demand is partly due to a surging economy, and partly due to the fact that deregulation has made air travel more affordable for more people—average airfares have declined in real terms by nearly 20% over the past decade, by nearly 40% since the Deregulation Act was passed. People have more money and air travel on average costs less—the result is that lots more of them show up.

The challenge before us now is, given that surging demand, what can we do about the congestion and the delay?

First, we have to recognize that airlines, airports, and air traffic control are all struggling to keep up with demand, all are having problems, and all have significant work to do to catch up. Each of those parties placing blame on the others is not a solution. Each must instead get serious about addressing its own part of the problem. And let's start with our part of the problem—the federal government has sole responsibility for air traffic control. Let's make it the highest priority of the federal government to find better ways to meet the challenges of air traffic control.

Second, let's not make an excuse out of the fact that there is relatively little we can do that will have any big effect in the short term. Let's take whatever steps we need to, no matter how large or small, even if the payoff is not immediate. Delay and/or inaction are not responsible options.

The only sure remedy for air traffic control congestion in the near term would be a recession, which would suppress demand. Who among us wants to advocate that to the American people or to the President—as our alternative to expanding capacity?

There are measures that are worth looking at, because they could have some beneficial effect in the near term. They include such things as:

- Better utilization of radio spectrum. We add capacity to the system by adding sectors, and every sector we add means adding more radio channels in a given area. In some parts of the country, most notably the Northeast, we are bumping up against the limits of the amount of radio spectrum available to civil aviation. We should look into technology that would allow us to get more channels into the existing amount of available spectrum.

- Better use of existing technology. In several areas, FAA sometimes has a tendency to want to phase out an existing technology because it believes that a newer and better technology will be available in the near future. Sometimes the near future then turns out to be not so near. An example is precision approach. The current technology is Instrument Landing Systems. FAA is working on a GPS-based replacement known as Local Area Augmentation System. It looks quite promising, but it is several years from being ready, even if everything stays on schedule. Meanwhile, a number of large airports, doing their part to catch up with demand, are bringing major new runway projects toward completion, Philadelphia and Phoenix recently completed new runways. Denver, Detroit, the Twin Cities, Orlando, and Seattle are in construction, and Cleveland, Miami, Houston, Atlanta, St. Louis, and Charlotte are close to construction. In short, lots of concrete is on the way. Yet many of these airports are being told that ILS's might not be available from FAA when the new runways are completed, meaning we would not have full use of this new runway capacity when it becomes available. In a situation where we cannot keep up with

demand, we cannot afford to stop installing today's technology until tomorrow's technology actually arrives and is ready to use.

Third, we have experienced in the past decade an extraordinary leap in technology in this country. Dramatically new approaches to computing and software have been developed. Computer power that was unimaginable a decade ago not only exists today, it is cheap and it is common. A whole new class of technology managers has emerged who are expert at applying this new technology to complex real-world problems throughout our economy. It is a point of enormous frustration to me that we have not been able to put this new technological power and talent to the task of modernizing air traffic control.

Key positions in the ATC modernization effort, including FAA Deputy Administrator and the new ATO Chief Operating Officer position, remain vacant despite heroic efforts by Administrator Garvey. If confirmed, I will take it as my personal assignment to get top quality people into these positions. I know the hi-tech industry, and I know that there are talented people out there who are ready to prove their talent by tackling one of the biggest technology challenges ever.

Fourth, in the longer term, we have to recognize that the pace of growth in demand and the pace of change in technology require a degree of nimbleness that the traditional federal agency, for all its strengths, simply cannot keep up with. What we have all adopted—the Congress, the National Civil Aviation Review Commission and the Executive Branch—is the concept that we will keep the modernization and operation of the Air Traffic Control system in the FAA, but we will give FAA many of the attributes of a private entity. These attributes have been provided by various actions over the past 5 years, and they include procurement reform, personnel reform, a cost accounting system, a COO, oversight boards that function much as a board of directors might in a private corporation, and so on. We are building a hybrid, and this is still a work in progress. We are, in some respects, in uncharted territory, and this is in many ways an ongoing experiment. I want to commend in particular Jane Garvey for her energetic commitment to change at FAA. But we all need to recognize that this will not be a perfectly smooth ride, and the success of this approach is not guaranteed. It is something we have to make work. And we are going to have to keep in mind that we simply cannot afford the high cost of having an air traffic control system that cannot meet the needs of this nation.

Fifth, I have emphasized the management changes needed to make ATC modernization work, but we should also understand that it will take both improved management and adequate resources. Enactment of AIR-21 was a very notable and positive step toward an Air Traffic Control system adequate to meet demand, but we need to make sure that we not only enact it but also fully implement it.

Congestion is not only a problem in the air, it is a problem in virtually every mode of transportation. I want to mention in particular the problems we have in highways and transit. The Eisenhower Interstate Highway System did an extraordinary job of knitting our country together and making efficient nationwide highway transportation a reality both for people and for goods. The result was a quantum leap in the productivity and the competitiveness of our economy. But we are now losing that productivity to specific bottlenecks in the system, and gains made nationwide are too often being lost locally.

In the ISTEA legislation in 1992 we attempted to address this critical problem, and it is something we are going to have to continue to address. We recognized that effective solutions to these bottlenecks would have to involve a high degree of local, metropolitan, and state involvement in order to build the broad spectrum of support necessary to overcome resistance and to get the problem solved. We also recognized that this could not be a one-size-fits-all approach, and that the combination of solutions needed in one location would not be the same combination of solutions needed in another location. Every instance requires its own mix of new highway capacity, better management of existing capacity, Intelligent Transportation Systems, transit, pedestrian improvements, and so on. To be effective in dealing with these bottlenecks we have to be prepared to use whatever mix of transportation alternatives will work, and we have to take a balanced approach to all alternatives. We have to constantly be looking for what works and what is the most cost-effective solution to the problem. We simply do not have the excess resources to do otherwise.

TEA-21 has continued that approach, while providing badly needed additional capital investment.

A third major area of challenge facing the Department is in the area of economic deregulation. We have come to rely far more on the marketplace to regulate transportation economics, and far less on government bureaucracies. In general, under deregulation the result has been to generate real benefits for many more people than was the case under regulation. As I indicated earlier, average airfares, for example, have declined nearly 20% in real terms in the past decade, and about 40%

since the enactment of the Airline Deregulation Act. Every business in America is more productive and can offer its customers more for the money because of the efficiencies that have resulted from a more market-oriented system for the movement of freight. These are direct pocketbook benefits to every citizen.

Nevertheless, we need to remember that these benefits rely on actual competition in the marketplace. No industry in America operates in a perfectly competitive market, but we need to make sure that every industry, including every transportation industry, operates in a market that is at least as competitive as it needs to be to protect the interests of consumers.

This is not simply a case of government abandoning the field and leaving the marketplace to do it all. We have an affirmative responsibility to make sure that competition continues to be sufficient to protect the interests of consumers.

The first of those responsibilities is one we have already discussed here today, and that is the responsibility to make sure that we have a transportation infrastructure adequate to meet demand. Nothing so surely restricts competition as inadequate infrastructure capacity. The result is not only the increased costs associated with congestion, as we have already discussed, but also the increased prices that come with the scarcity artificially imposed by infrastructure bottlenecks. It is the equivalent of double jeopardy for the consumer.

Second, government needs to be the watchdog of competition, not to determine any particular outcome, but to assure that competitive conditions continue to exist. That means government needs to work with the marketplace and not against it, but it also means that there is a role for government.

For example, in 1984, all consumer protection and fair competitive practices statutes at DOT with regard to airlines were set to expire by law. I led the effort to amend the law to retain those statutory authorities, and with them such consumer protection rules as the denied boarding compensation rules, the CRS rules, the smoking rules, and the notice to passengers about tariff conditions and the right to inspect the tariff. I am pleased to say that with the support of colleagues in both houses and on both sides of the aisle, we prevailed.

By the same token, I have been increasingly concerned in recent years that in order to effectively use those authorities for the genuine benefit of consumers, we need far greater ability to analyze these complex industries and to better determine which proposed remedies will, in the real world, benefit consumers and which, however well-intentioned, will not. The analytic resources of the Department to do this kind of work have been greatly reduced, and we have to reverse that trend if we are to be effective in looking out for competition and for the consumer. I have made this a personal priority, and have discussed it with the President.

And a fourth major challenge for the Department is that it serves in many ways as the nation's first line of defense and serves an important law enforcement function. I refer primarily to the Coast Guard, which accounts for 40% of the Department's personnel and some of its most important missions. The task of keeping that protective function of the Coast Guard up to the task is one that we will all need to focus on in the coming months.

Let me close and turn to your questions with this thought. If I am confirmed, you get me as I am, and I am well-known to most of you. My style is inclusive. I want at DOT the greatest possible involvement of all levels of government, of all points of view, of all those committed to finding the solutions to the transportation problems that delay our citizens and burden our economy. And I want this Department to be a completely bipartisan department. I do not believe there is such a thing as Democratic or Republican traffic jams or Democratic or Republican solutions to those traffic jams. We all have the same interest in better-working transportation systems, and the only way we will get there is by all working together. I don't know any other way to do it.

I thank you for your kindness in inviting me back yet once more, and I am prepared to try to answer your questions.

BIOGRAPHICAL AND FINANCIAL INFORMATION REQUESTED OF
DEPARTMENT/AGENCY NOMINEES

A. BIOGRAPHICAL INFORMATION

1. Name: Norman Yoshio Mineta.
2. Position to which nominated: U.S. Secretary of Transportation.
3. Date of nomination: January 2, 2001.
4. Address: Not available to the public.
5. Date and place of birth: November 12, 1931, in San Jose, California.

6. Marital status: Married to Danealia Darlene Mineta. Maiden name: Danealia Darlene Hill.

7. Names and ages of children: David K. Mineta (son): 36; Stuart S. Mineta (son): 30; Robert M. Brantner (stepson): 30; and Mark D. Brantner (stepson): 29.

8. Education: San Jose High School, San Jose, California, 1946–1949, Diploma; University of California at Berkeley, Berkeley, California, 1949–1953, B.S.

9. Employment record: 1953 to 1956: U.S. Army, Military Intelligence Officer, Korea and Japan; 1953 to 1966: U.S. Army Reserve, Attained Rank of Major; 1956 to 1992: Mineta Insurance Agency, Owned/Managed family insurance business, San Jose, California; 1967 to 1971: City of San Jose, Member of City Council, San Jose, California; 1971 to 1974: City of San Jose, Mayor, San Jose, California; 1975–1995: U.S. House of Representatives, Member, Washington, D.C.; 1995–1998: 1995 to 4/98 Senior Vice President and Managing Director, Transportation Systems Services, Lockheed Martin Corp., Bethesda, Maryland; 1998–2000: Vice President, Special Business Initiatives, Lockheed Martin Corp., Bethesda, Maryland; 2000–present: Secretary of Commerce.

10. Government experience: Metropolitan Washington Airports Authority Board of Review; Chair, 1987–1995, Metropolitan Washington Airports Authority Board of Review; Member, 2000 President's Advisory Commission on Asian Americans & Pacific Islanders; Member, 2000, Smithsonian Institution; Member, Board of Regents, 1977 to 1995; Member, National Board; Member, Smithsonian Environmental Research Committee; Chair, Asian Pacific American Advisory Committee; President's Commission on Critical Infrastructure Protection; Member, Advisory Committee, September–December 1997; National Civil Aviation Review Commission; Chair, 1997, U.S. Department of Transportation; Unpaid consultant to Secretary U.S. Department of Transportation, March–June 1999; Drafted Motor Carrier Safety Administration Report.

11. Business relationships: Santa Clara University, Santa Clara, California; Members Board of Regents; Santa Clara, California. 12. Memberships: Japanese American National Museum, Board of Directors; San Jose Chamber of Commerce; 1Center for Policy Alternatives, Board of Directors; Eno Transportation Foundation, Board of Directors; Aero Club of Washington, Board of Directors; Asian Pacific American Institute for Congressional Studies, Board of Directors; Junior Statesman Foundation, Board of Directors; History Museums of San Jose, Board of Directors; National Japanese American Memorial Foundation, Board of Directors; San Jose Museum of Art; Boy Scouts of America, Santa Clara County Council.

13. Political affiliations and activities: (a) Candidacies: 1969, San Jose City Council (Appointed, 1967); 1971, Mayor of San Jose; 1974 and every 2 years thereafter, through 1994, U.S. House of Representatives from San Jose, California. (b) Democratic Congressional Campaign Committee, member; Dukakis for President Committee, Co-Chair Santa; Clara County United Democratic Committee, member; Democratic Central Committee, Santa Cruz County, member; Democratic State Central Committee, member. (c) Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of \$500 or more for the past 10 years.

The following contributions were made by Mineta for Congress political action committee:

A Lot of Folks for Pat Williams	Federal	11/02/92	500.00
A Lot of People Supporting Tom Daschle	Federal	5/09/97	500.00
Abercrombie for Congress	Federal	10/09/72	1000.00
Al Swift Campaign	Federal	11/02/92	500.00
Alan Wheat for U.S. Senate	Federal	05/04/94	500.00
A Lot of Friends for Pat Williams	Federal	11/07/94	500.00
Angelides for Treasurer	Non-Federal	9/14/97	500.00
Anna Eshoo for Congress	Federal	6/19/96	500.00
Anna Eshoo for Congress	Federal	10/15/96	500.00
Barca for Congress	Federal	7/12/90	500.00
Bonior for Congress	Federal	10/31/92	500.00
Boxer for Congress	Federal	10/31/92	1000.00
Brennen of Governor/Maine	Non-Federal	10/26/90	500.00
Bud Cramer for Congress	Federal	9/28/92	500.00
Citizens for John Olver for Congress	Federal	05/30/91	500.00
Committee to Elect Antonio R. Villaraigosa	Non-Federal	03/31/98	500.00

Committee to Re-Elect Tom Foley	Federal	11/07/94	
Committee to Re-Elect Wayne Owen	Federal	10/26/90	500.00
Congressman Bart Gordon Committee	Federal	06/03/96	500.00
Congressman Jerry Kleczka	Federal	01/09/96	
Congressman Klidde Committee	Federal	11/07/94	500.00
Congressman William O. Lipinski Committee	Federal	05/15/92	500.00
Daniel K. Inouye in '98	Federal	02/28/98	1000.00
Democratic Central Committee Santa Clara County	Political Organization	10/30/95	2000.00
Democratic Congressional Dinner Committee	Federal	03/14/89	3000.00
Democratic Congressional Dinner Committee	Federal	03/27/91	3000.00
Democratic Congressional Campaign Committee	Federal	09/19/89	1000.00
Democratic Congressional Campaign Committee	Federal	02/05/90	5000.00
Democratic Congressional Campaign Committee	Federal	10/26/90	500.00
Democratic Congressional Campaign Committee	Federal	03/27/91	5000.00
Democratic Congressional Campaign Committee	Federal	11/06/91	500.00
Democratic Congressional Campaign Committee	Federal	04/06/92	5000.00
Democratic Congressional Campaign Committee	Federal	09/23/93	5000.00
Democratic Congressional Campaign Committee	Federal	05/17/94	5000.00
Democratic Congressional Campaign Committee	Federal	01/24/95	5000.00
Democratic State Central Committee	Political Organization	05/26/92	4000.00
Democratic Party, Santa Clara County	Political Organization	05/22/94	500.00
Democratic State Central Committee	Political Organization	09/25/92	2000.00
Don Beyer for Governor	Non-Federal	09/07/97	500.00
Eshoo for Congress	Federal	03/31/92	1000.00
Eshoo for Congress	Federal	09/30/92	1000.00
Faleomavaega for Congress Committee	Federal	11/07/94	500.00
Fifth Exploratory Committee (Moffett)	Federal	10/20/89	1000.00
Ford for Congress	Federal	10/31/91	500.00
Friends of Bob Carr	Federal	10/31/92	500.00
Friends of Bob Carr	Federal	07/22/94	500.00
Friends of Daniel Akaka	Federal	07/23/90	1000.00
Friends of Farr	Federal	11/07/94	1000.00
Friends of Jim Oberstar	Federal	04/15/98	500.00
Friends of L.F.Payne	Non-Federal	09/30/97	500.00
Friends of Mark Takano	Federal	02/11/94	500.00
Friends/ Congressman George Miller Committee	Federal	03/31/97	500.00
Hamburg for Congress	Federal	11/07/94	1000.00
Hefner for Congress	Federal	10/26/90	500.00
Hoyer for Congress	Federal	6/17/97	500.00
IMPAC 2000	Political Organization	05/07/90	10,000.00
IMPAC 2000	Political Organization	06/04/90	25,000.00
IMPAC 2000	Political Organization	05/07/91	10,000.00
IMPAC 2000	Political Organization	07/10/91	10,000.00
IMPAC 2000	Political Organization	09/30/91	15,000.00
Jerry Estruth for Congress Committee	Federal	10/17/95	5000.00
Keep George Brown	Federal	10/26/90	1000.00
Keep Nick Rahall in Congress Committee	Federal	11/02/92	500.00
Keep Nick Rahall in Congress Committee	Federal	03/13/98	500.00
Kennelly for Connecticut	Non-Federal	04/15/98	500.00
Les AuCoin for Senate	Federal	06/24/91	1000.00
Les AuCoin for Senate	Federal	06/26/91	1000.00
Lynn Schenk for Congress	Federal	11/07/94	500.00
Mike Honda for Assembly '96	Non-Federal	10/15/96	500.00
Moffett for Congress	Federal	10/26/90	500.00
Nagle for Congress	Federal	10/26/92	500.00
Nagle for Congress	Federal	10/31/92	500.00
Pastor for Congress	Federal	09/17/92	500.00
Price for Congress	Federal	03/25/96	500.00
Rahall, Nick (Keep Nick Rahall/Congress)	Federal	05/02/90	1000.00
Sam Farr for Congress	Federal	3/13/98	500.00
Santa Clara County United Democratic Committee	Political Organization	3/16/90	5,000.00
Santa Clara County United Democratic Committee	Political Organization	9/30/96	1,610.00
Sawyer for Congress	Federal	11/07/94	500.00
Sherman for Congress	Federal	10/09/96	500.00

Spratt for Congress	Federal	07/16/96	500.00
Studds for Congress	Federal	10/26/90	1000.00
Takano for Congress	Federal	06/15/93	500.00
Toricelli for Congress	Federal	06/03/96	1000.00
Toricelli for Congress	Federal	06/03/96	1000.00
United Democratic Campaign	Political Organization	07/13/90	891.50
United Democratic Campaign	Political Organization	07/23/90	931.50
United Democratic Campaign	Political Organization	08/15/90	2,464.50
United Democratic Campaign	Political Organization	08/31/90	2,812.50
United Democratic Campaign	Political Organization	09/13/90	2,113.50
United Democratic Campaign	Political Organization	03/29/93	500.00
United Democratic Campaign	Political Organization	03/25/92	1000.00
United Democratic Campaign	Political Organization	09/30/94	2,500.00
United Democratic Campaign	Political Organization	11/04/94	2,500.00
United Democratic Campaign	Political Organization	11/28/95	5,500.00
Victory '90 Federal Account	Political Organization	10/24/90	4,000.00
Vinich for Congress	Federal	04/20/89	1000.00
Washington State Democratic Party	Federal	10/30/96	2,750.00
Washington State Democratic Party	Federal	10/30/90	2,750.00
Wolpe for Congress	Federal	10/26/90	1000.00
Woolsey for Congress Committee	Federal	12/21/93	500.00
Yates for Congress Committee	Federal	12/29/89	1000.00

14. Honors and awards: Due to my retirement from Congress 5 years ago, it is no longer possible to assemble a comprehensive list of my awards and honors. The following is my best effort to recall some of the awards and honors I have received over the years: Outstanding Citizen, San Jose, CA, 2000; Aviation Achievement Award, Aero Club of Washington, 1985; Industry Public Service Award, Air Transport World, 1987; Award for Extraordinary Service, Federal Aviation Administration, 1989; Martin Luther King, Jr. Commemorative Medal, George Washington University, 1995; Distinguished Service Medal, National Aeronautics and Space Administration, 1996; Hubert Humphrey Award, Leadership Conference on Civil Rights, 1996; Public Service Award, American Institute of Aeronautics and Astronautics, 1996; Glen A. Gilbert Memorial Award, Air Traffic Control Association; 1996 Joseph P. Hartranft, Jr. "Doe Award", Aircraft Owners and Pilots Association, 1987; and Distinguished Service Award, American Public Transit Association, 1993.

15. Published writings: Due to my retirement from Congress 5 years ago, it is no longer possible to assemble a comprehensive list of my published writings. The following is best effort to list as many of my published writings as I can: "Winning the Peace," *Sun World*/view point—July 1991; "Making Sense of the Census: An Opinion Editorial," *The Rafu Shimpo*, It Pays to Know—April 18, 1990; "Congressional Insight: Biotechnology and the Future," *Details*—May/June 1991; "Mineta on Strategy: Government Should Help, Not Ignore, U.S. Companies in World Markets," *The Business Journal* (Santa Clara Valley)—October 16, 1989; "Will there Be Life in Our Space Program," *AD ASTRA* Space Politics Forum—November 1989; "Comments to Letter to Gorbachev (Perspective)," *San Jose Mercury News*—June 3, 1990; "In Cast of Oil Emergency," *San Jose Mercury News*—October 15, 1990; "Time to Rebuild America," *State Government News* November 1991; "Ice Tea' is Working," *ROLL CALL*, Infrastructure Policy Briefing, June 29, 1992; "Override Bush's Veto on the FSX," *San Jose Mercury News*, Commentary—August 4, 1989; "Defining the Federal Role in Infrastructure Funding," *Stone Review*—April 1991; "Trains, Planes, and Automobiles—Getting from Here to There in the 1990s," *TRAIL*—February 1991; "ADA: A Matter of Civil Rights," *Worklife*—Fall 1990; "National Transportation Systems—SOLUTIONS FOR THE FUTURE," *DES*—October 1990; "Penny-Wise and Pound-Foolish," *ROLL CALL* Infrastructure Policy Briefing—July 23, 1990; "Mobility Safety Concern Congress," *Roads and Bridges*—December 1989; "U.S. Airlines Should Not Be Routinely Repaired Overseas," *Scripps Howard News Service*—December 11, 1989; "Infrastructure: The Federal Road Ahead," *Stone Review*—April 1989; "Curing the Air Travel Crunch," *Air and Space*—October/November 1987; "Building the Future Today," *U.S. MAYOR*—February 15, 1993; "Looking To The Future," *Heavy/Highway Report*—January 1993; "Reinventing Superfund," *ROLL CALL* Environment Policy Briefing—July 25, 1994; "Technology in Motion; Privacy at Issue," *San Jose Mercury News*—September 4, 1994; "The Flight Into the 104th Congress," *The Alliance* (published by the Association of Flight Attendants

(SFO United Council 11)—March 20, 1995; “In Transit We Trust,” *San Jose Mercury News*—March 17, 1995; “Now, the Point is ‘Nonpoint,’” *ROLL CALL* Environment Policy Briefing—April 3, 1995; “GOP Congress Must Exempt Infrastructure From Its Attacks on Government Spending,” *ROLL CALL*, Infrastructure Policy Briefing—May 8, 1995; “The Wounds of War,” *People Magazine*—December 14, 1987

16. Speeches: Provide the Committee with two copies of any formal speeches you have delivered during the last 5 years which you have copies of topics relevant to the position for which you have been nominated.

Due to my retirement from Congress 5 years ago, it is no longer possible to assemble a comprehensive list of my speeches. However, I have given approximately ten speeches in two areas: Asian Pacific American Affairs and Federal aviation matters. I do not have copies of these speeches readily at hand. I will attempt to provide copies of these speeches if the Committee so desires.

17. Selection: (a) I assume I was nominated because of my long record on transportation issues, because of my belief that transportation is key to so much of our economic strength and quality of life, and because of my commitment to transportation programs that move us forward in those areas. (b) Please see my answer to Question F (1) of this questionnaire.

B. FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all connections with your present employers, business firms, business associations or business organizations if you are confirmed by the Senate?
Yes.

2. Do you have any plans, commitments or agreements to pursue outside employment, with or without compensation, during your service with the government?
No.

3. Do you have any plans, commitments or agreements after completing government service to resume employment, affiliation, or practice with your previous employer, business firm, association, or organization?
No.

4. Has anybody made a commitment to employ your services in any capacity after you leave government office?
No.

5. If confirmed, do you expect to serve out your full term or until the next Presidential election, whichever is applicable?
Yes.

C. POTENTIAL CONFLICTS OF INTEREST

1. Describe *all* financial arrangements, deferred compensation agreements, and other continuing dealings with business associated, clients or customers.

As an employee of Lockheed Martin Corporation, I received a salary, certain stock options, retirement benefits, 401(k), and health benefits. In addition, as a former Member of Congress, I am vested in the Federal retirement plan and draw a retirement annuity.

2. Indicate any investments, obligations, liabilities, or other relationships, which could involve potential conflicts of interest in the position to which you have been nominated.

I retained stock and stock options with Lockheed Martin. I will disqualify myself from participation in matters likely to affect these interests, consistent with ethics regulations. I do not anticipate these holdings creating a conflict of interest with my duties in light of this recusal.

3. Describe any business relationship, dealing, or financial transactions which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

During the past 10 years, I have had no clients and only three employers. I do not anticipate any conflict of interest being created by any of my past activities. I will disqualify myself from participating in matters concerning Lockheed Martin or organizations with which I have served, as provided in ethics regulations.

4. Describe any activity during the past 10 years in which you have been engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation affecting the administration and execution of law or public policy.

Until October, 1995, I had served as a member of the US House of Representatives continuously since January, 1975. I have been outspoken in matters related to Asian Pacific Americans. I have also served on Federal panels in public pro-

ceedings and have testified to Congress in related matters. Presently, I am serving as Secretary of Commerce.

5. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements.)

I will consult with ethics officials of the Department of Transportation and, if appropriate, divest myself of conflicting interests, recuse myself, or obtain a waiver of conflict of interests restrictions, if applicable.

6. Do you agree to have written opinions provided to the Committee by the designated agency ethics officer of the agency to which you are nominated and by the Office of Government Ethics concerning potential conflicts of interest or any legal impediments to your serving in this position?

Yes.

D. LEGAL MATTERS

1. Have you ever been disciplined or cited for a breach of ethics for unprofessional conduct by, or been the subject of a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.

No.

2. Have you ever been investigated, arrested, charged or held by any Federal, State, or other law enforcement authority for violation of any Federal, State, county, or municipal law, regulation or ordinance, other than a minor traffic offense? If so, provide details.

No.

3. Have you or any businesses of which you are or were an officer ever been involved as a party in interest in an administrative agency proceeding or civil litigation? If so, provide details.

I'm aware of none.

4. Have you ever been convicted (including plea of guilty or nolo contendere) of any criminal violation other than a minor traffic offense?

No.

5. Please advise the Committee of any additional information, favorable or unfavorable, which you feel, should be considered in connection with your nomination.

None.

E. RELATIONSHIP WITH COMMITTEE

1. Will you ensure that your department/agency complies with deadlines set by congressional committees for information?

To the limits of my powers, yes.

2. Will you ensure that your department/ agency does whatever it can to protect congressional witnesses and whistle blowers from reprisal for their testimony and disclosures?

To the limits of my powers, yes.

3. Will you cooperate in providing the committee with requested witnesses, to include technical experts and career employees with firsthand knowledge of matters of interest to the committee?

To the limits of my powers, yes.

4. Are you willing to appear and testify before any duly constituted committee of the Congress on such occasions as you may be reasonably requested to do so?

To the limits of my powers, yes.

F. GENERAL QUALIFICATIONS AND VIEWS

Please describe how your previous professional experience and education qualifies you for the position for which you have been nominated.

1. How have your previous professional experience and education qualified you for the position for which you have been nominated?

Beginning with my experience as Mayor of San Jose, I came to appreciate the importance of transportation in generating and enabling economic growth, in determining the patterns of that growth, and ultimately in determining the quality of life of our citizens. From the time I arrived in Congress I have served on transportation committees and played a major role in transportation issues and legislation. During my 20-plus years in the House I served on the Transportation and Infrastructure Committee (formerly the Public Works and Transportation Committee), and chaired at various times both its Aviation Subcommittee and its Surface Transportation Subcommittee. Ultimately I chaired the full Committee. After leaving Congress, I served as head of the Transportation Systems and Services unit of Lockheed Martin

IMS. And most recently, as Secretary of Commerce, I had responsibility for programs with particular relevance for transportation, such as weather reporting, trade and tourism, and ocean policy.

2. Why do you wish to serve in the position for which you have been nominated? I believe transportation plays a key role in our standard of living, and it does so by being a primary factor in economic growth, in the livability of our communities, in the public safety, and in the competitiveness of our businesses in the world economy. To the extent we can have safe and efficient transportation systems, we make real progress toward all those goals. I cannot think of a better field in which to serve the public interest.

3. What goals have you established for your first 2 years in this position, if confirmed?

I intend to work on many issues, foremost among them:

- Preserving and improving on generally strong safety records in our transportation modes.

- Building toward a transportation infrastructure which is fully able to meet the demands of our growing economy and which can contribute to that growth by providing greater efficiency in the movement of people and goods. Strong economic growth in recent years has given us greater demand in some modes than our existing infrastructure can efficiently handle, most notably in aviation and highways/transit. This inefficiency creates a drag on the economy that burdens future growth. I would like to put us well on the path to a transportation infrastructure fully and efficiently able to meet the demand our present economy places and our future economy will place on it.

- Economic deregulation of transportation has been a major contributor to improved transportation efficiency and therefore to growth. Furthermore, in many instances, economic deregulation has distributed the benefits of our transportation systems far more widely in our society. I want to see economic deregulation and the competition that makes it work, continued and strengthened, and I want to see its benefits even more widely distributed throughout our society.

- Our air traffic control system in particular has not been able to keep up with the rising demands put on it. Where and when it is not able to meet demand, we quite rightly take the penalty for that shortfall in increased delays, rather than in a reduced margin of safety. Nevertheless we pay a very large penalty throughout our economy for those delays. We have simply not been able to bring to bear on the problem of air traffic control the full technological advances our society has generated in the past decade. I would like to put us well on the path to accomplishing that.

- Our surface transportation system nationwide is burdened by bottlenecks and choke points of its own, often in and around major metropolitan areas. We need not only to invest more in the transportation infrastructure solutions to those bottlenecks, given the enormous size of the problem we need to invest in each instance in the most cost-effective solution. That will sometimes be new roads, sometimes transit, sometimes modifications to existing infrastructure, such as HOV, coordinated signalization, and other applications of hi-tech to the problem of more efficiently moving traffic. Above all we need a balanced approach to these decisions, not automatically favoring one solution over another, but looking for the best solution in that particular location. And that inherently calls for full participation in those decisions by local, metropolitan, and State officials. I would like to further strengthen our balanced approach to solving these problems, and to do it with full participation by all levels of government.

4. What skills do you believe you may be lacking which may be necessary to successfully carry out this position? What steps can be taken to obtain those skills?

I believe that I have the skills necessary to meet the responsibilities of this position. However, I also realize that this position carries with it high expectations across a wide range of areas, and I am sure there will be humbling moments in the face of great challenges.

5. Please discuss your philosophical views on the role of government. Include a discussion of when you believe the government should involve itself in the private sector, and what standards should be used to determine when a government program is no longer necessary.

I believe that the proper test of what should be determined by the public sector and what should be determined by the private sector is what is in the public's best interest? And I believe that is a case-by-case determination and a pragmatic issue, not one appropriate to across-the-board or ideologically driven answers.

I believe that what the private sector, and the competitive market in particular, does well for the public interest, it does better than any other mechanism. But I also believe that it does not do everything well for the public interest.

We, as policymakers and as citizens, are called upon to parse out which mechanism best serves the public interest in each instance, and that has always been the role of policymakers and citizens in our country.

Let me give some more specific examples.

I believe that the national defense, and the decisions about the use of military force and the size, deployment, and preparedness of our military forces are decisions best made in the public interest when they are made by the public sector. But I believe that decisions about how best to manufacture the weapons and other materiel necessary to support our military are best made in the public interest when made in a competitive marketplace in response to public sector specification of the military's needs.

I believe that in specific instances the marketplace does not take us toward the public interest unless basic limits are set by the public sector. In areas such as the environment or worker safety, unfettered competition will reduce those areas to levels of protection well below what is in the public interest. However, if the public sector then sets limits of permissible behavior and allows free competition within those limits, the private sector will make the best decisions through a competitive marketplace as to how to produce products within those limits. And the private sector will make the best decisions with respect to how to comply with those limits, e.g., as a general matter, the public sector should prohibit levels of pollution above a certain level, but leave it to the private sector to determine how best to reduce pollution to that prescribed level. In that regard, I support the idea in the Clean Air Act that we should not only limit the amount of pollution emitted in a metropolitan area, but we should also allow the competitive marketplace to reallocate those limited allowances to pollute, so that we always get the greatest possible economic output from the limited amount of pollution allowed. That example seems to me to be a very appropriate blending of private and public sector decisionmaking.

And I believe that in transportation in particular, the public sector has a key role in determining the limits with respect to safety, including, for example, the design and maintenance of aircraft, and separation standards for air traffic control. But the basic allocation of assets—where to fly the aircraft, when, and how to price those seats—are questions where the private sector has done a far better job (not perfect, but far better) of allocating under deregulation than the public sector did prior to deregulation. And that is why I was an early advocate of economic deregulation—not only in airlines but also in trucking, buses, and to a large degree in railroads—and have defended it since. I believe that the overall economic efficiencies economic deregulation has brought to our transportation sector, and through it to all sectors of the economy, all of which rely on transportation and pay for it, have been a significant factor in the extraordinary performance of our economy in the past decade. My particular concern in this area is that it is not enough in transportation for the public sector to simply say it has economically deregulated, it also needs to make sure that the mechanisms are in place for there to be adequate transportation infrastructure capacity in place (whether created by private or public investment) so that a competitive marketplace is realistic possibility. In that regard I worry in particular about our investment in highway, transit, and air traffic control capacity, particularly in light of the strong demand being created in these areas by our strong economy.

6. *In your own words*, please describe the agency's current missions, major programs, and major operational objectives.

The ten agencies and the Bureau of Transportation Statistics that make up the Department have a broad range of responsibilities, but the overarching objective is to maintain the enviable safety record in transportation and to improve upon it. Additional major objectives include providing for the efficient movement of people and goods, improving through transportation the nation's economic growth and competitiveness, and enhancing the quality of life. Under the Government Performance and Results Act (GPRAs), the Department's stated mission is to provide "a safe transportation system that furthers our vital national interests and enhances the quality of life of the American people." I agree with this mission.

Most of the Department's agencies have a long-established history and a clear safety regulatory presence, such as the Federal Aviation Administration's (FAA) Federal Aviation Sub Regulations, the Coast Guard's regulations for vessels and seamen, and the design standards of the Federal Highway Administration (FHWA) for the National Highway System. One newly created agency, the Federal Motor Carrier Safety Administration, has substantial safety challenges to address, and should receive the highest level of focus from the Department's new leadership. Close coordination with the National Transportation Safety Board is also integral to carrying out the Department's broad safety duties.

Through the FAA, the FHWA, and the Federal Transit Administration, the Department fulfills another national objective: assuring the transportation capacity that allows our economy to perform at its best. For example, the growing congestion in airline travel, particularly at identified "choke points" primarily in the eastern portion of the United States, calls for a combination of actions. My time as the Secretary of Commerce has convinced me of the close relationship of our economic well being, and the world's economic health as well, with having the needed infrastructure in place, whether it is in the communications, transportation, or energy sector. Having the capacity at our borders to process the passengers and cargo entering and leaving the United States is just a single case of where the Department has a role in assuring the smooth functioning of our economy.

In terms of major operational objectives, it will be incumbent upon the DOT and FAA leadership to coordinate action among government, airport operators, and the airlines to bring to bear upon the air traffic control system all the tools at our disposal to address the congestion problems that have developed in the past 2 years. The industry and air travelers deserve a heightened effort by the Department.

The U.S. Coast Guard is a sub-agency of the Department whose missions exemplify the breadth of the Department's responsibilities. In addition to assuring the safety of vessels and seamen, the Coast Guard enforces fishing laws, immigration along our water borders, and environmental requirements under the Clean Water Act. The Oil Pollution Act of 1990, enacted following the Exxon Valdez disaster, is just one element of the Coast Guard's responsibilities.

7. In reference to question No. 6, what forces are likely to result in changes to the mission of this agency over the coming 5 years.

Speaking broadly, the globalization of business alliances and trade activities have an enormous impact on transportation activities, most importantly in pressure on traditional bilateral arrangements, and on issuing high standards of safety internationally. For example, we are seeing the beginning of a shift from a bilaterally structured civil aviation world regime to a more multilateral approach. Not only are airlines engaged in multinational alliances creating global system networks, but the legal and regulatory regimes are moving from the decades old bilateral system to multilateral pacts.

The "digital revolution" is reshaping transportation activity, both governmental and private-sector, in ways that would have been unimaginable just a few years ago. Much of this is exemplified in the large and growing "Intelligent Transportation Systems" that Congress wisely initiated at DOT in the early 1990s. Separately, the Department of Transportation is also taking advantage of internet and other technologies to simplify its business regulatory practices, such as by allowing re-registration of motor carriers with a credit card at a secure Departmental website across the internet. Making full use of these "digital tools" is a challenge that will test the Department's flexibility.

At the agency program level, new problems arise regularly, and agency missions must adapt, as has just occurred in the case of tire failure statistics generated in foreign countries that did not come to the attention of the Department soon enough under existing statutory authority. The recent enactment of the "TREAD" statute is an example of how Congress and the executive branch must work together to keep the Department's safety mandate working well. Another important safety area in flux is "code sharing" by U.S. and international airlines and its safety consequences. Code-sharing refers to a common industry practice by which one airline offers service in its own name to a particular city, but some or all of the transportation is provided by another airline, which carries the first airline's designator code. While codesharing allows airlines to provide more convenient and often seamless service to travelers, the Department has recognized the need to assure that passengers holding U.S. airline tickets, but traveling on a foreign airline for all or a portion of their journey, are provided with service that meets international standards of safety.

Last, I would note that the Department, like most other Federal agencies, faces a severe challenge in continuing to attract a highly qualified workforce to replace the significant percentage of professionals and others who are eligible now or soon to retire. Retention and recruitment of an able staff will be a major challenge for the Department's new leadership.

8. In further reference to question No. 6, what are the likely outside forces which may prevent the agency from accomplishing its mission? What do you believe to be the top three challenges facing the department/agency and why?

Based on my recent experience as the Secretary of Commerce and with my background in transportation issues at the local and Federal levels, I would continue to identify the same challenges as I have in the past for leading a cabinet-level agency. The top three challenges are: (1) maintaining focus and effectiveness in a world that

is increasingly globalized and interconnected, (2) continuing to effect change within the Department, and (3) working with Congress to ensure the Department has adequate resources. To this list, I would add the particular challenge of air travel congestion, which must be a central focus of the next Secretary.

As our world becomes more complex, a Department with the breadth of responsibilities assigned to the DOT will inevitably be pulled in many different directions. As I noted in my response to question 7, an agency cannot continue to do business in traditional fashion. This is an unending process, which I greet as an opportunity to do more for our stakeholders, not less. To meet these challenges will require evolution in how we do business and the tools we use. Change will raise concerns from some stakeholders within and outside the Department.

Finally, to meet these challenges, the Department will need adequate funding. I look forward to working with you on all these fronts.

9. In further reference to question No. 6, what factors in your opinion have kept the department/agency from achieving its missions over the past several years?

The Department has strained against some key limitations, and has done remarkably well given those limitations. They include:

- A heightened challenge in attracting and retaining the highly qualified workforce needed to do the job, particularly in those fields, such as management of large hi-tech innovation and implementation, which are in greatest demand in the private sector.
- Capital funding necessary to keep infrastructure capacity capable of meeting demand. Recent enactment of TEA-21 and AIR-21 have relieved much of this limitation, but that assumes the funding levels in those statutes are maintained.
- Operational budgets have often struggled to keep up with rising demand as well.
- Resistance, internal and external, to making the kinds of changes, particularly with regard to large operational responsibilities such as ATC, to acquire more of the nimbleness, innovative thinking, and responsiveness necessary if we are going to be able to keep pace with rising demand for these services. This includes slow implementation of such basic management tools as an accurate cost-accounting methodology and the filling of new positions designed to focus the management of these operations.

10. Who are the stakeholders in the work of this agency?

The immediate stakeholders in Department of Transportation programs are the users of transportation and allied systems and the many entities that combine together to provide transportation services. This means every motorist and every air traveler, of course, but it extends to motor carriers, airlines, marine operators, and all their employees. It means State and local agencies that construct and maintain our airports, highways, transit facilities and more. It means the international bodies and foreign government agencies with which this country interacts on formal and informal transportation policies and issues. It can mean other Federal agencies that conduct transportation-related operations, such as the Weather Service at the Department of Commerce that operates aircraft subject to FAA regulation. But the ultimate stakeholders in this Department are every business and every citizen who relies on transportation to move people and goods efficiently and safely. Transportation is a key cost element for every business and for every citizen. The efficiency of the transportation systems on which we all depend ultimately determines our productivity and therefore, our standard of living. Therefore, ultimately every business and every citizen is a stakeholder of this agency.

In drafting and updating its Strategic Plan and fulfilling the requirements of the Government Performance and Results Act, it has been the tradition at the Department of Transportation to “cast a broad net” in terms of seeking the viewpoints of its potential stakeholders, and I would continue that philosophy because I believe it reflects reality and it leads to the best results.

11. What is the proper relationship between your position, if confirmed, and the stakeholders identified in question number eleven?

Clear legislative mandates, executive orders and departmental guidance govern the proper relationship between the Secretary and stakeholders in all these areas. That relationship is defined by balancing the necessary access that any agency must provide to its stakeholders with the clear legal and ethical standard of not allowing special interests to dictate in any way the policy and operations of the Department. I can assure you that I will continue my practice at the Department of Commerce in adhering to both the letter and spirit of those documents and other available guidance.

12. The Chief Financial Officer Act requires all government departments and agencies to develop sound financial management practices similar to those practiced in the private sector.

(a) What do you believe are your responsibilities, if confirmed, to ensure that your agency has proper management and accounting controls?

This requirement of the Chief Financial Officer Act is valuable. My time in the private sector has confirmed my view that Federal agencies will benefit from taking a much more business-like approach to handling their budgetary and capital resources. I know that this can be a wrenching experience for Federal managers, but it is worth it. I am aware that it is one of the top 10 "management challenges" identified by the DOT Inspector General for action. Also, the Department's current accounting system has a number of deficiencies and is not compliant with current Federal requirements (i.e., standard general ledger). An improved commercial product is being implemented to replace the current DAFIS system. My responsibility would be to work with the Chief Financial Officer and the Inspector General to put these reforms in place rapidly.

(b) What experience do you have managing a large organization?

As Chairman of the House Transportation and Infrastructure Committee (then the Public Works and Transportation Committee) I had ultimate management responsibility for the budget, personnel, and workings of a major House Committee. Subsequently I was the head of the Transportation Systems and Services unit of Lockheed Martin IMS, where I had responsibility for budget, personnel, business plan, and results. And most recently I have served as Secretary of Commerce.

13. The Government Performance and Results Act requires all government departments and agencies to identify measurable performance goals and to report to Congress on their success in achieving these goals.

(a) Please discuss what you believe to be the benefits of identifying performance goals and reporting on your progress in achieving those goals.

I am accustomed to setting goals and measuring the performance of myself and others against those goals, particularly in my managerial experience in the private sector. This can be a useful process, first at focussing attention and resources on agreed to objectives, and second in measuring what works, what does not, what needs to be modified, where additional resources need to be applied, and so on.

(b) What steps should Congress consider taking when an agency fails to achieve its performance goals? Should these steps include the elimination, privatization, downsizing or consolidation of departments and/or programs?

Congress should consider all those steps, and a number of others as well, including whether the goals set were realistic, whether the resources supplied were sufficient, whether uncontrollable external factors prevented success, and whether any better alternative exists to the approach taken.

(c) What performance goals do you believe should be applicable to your personal performance, if confirmed?

I believe the answer I gave to question 3 above would serve as both a list of major goals and as the yardstick by which I should be judged.

14. Please describe your philosophy of supervisor/employee relationships. Generally, what supervisory model do you follow? Have any employee complaints been brought against you?

I have always taken the approach that supervisor/employee relationships should be mutually respectful, cooperative, characterized by open, two-way communication, and professional. I am not aware of any employee complaints brought against me.

15. Describe your working relationship, if any, with the Congress. Does your professional experience include working with Committees of Congress? If yes, please describe.

Obviously my professional experience includes working with Committees of Congress. I was a Member of Congress for 21 years, chaired four different Subcommittees, and chaired a major Committee in the House. I clearly hold the view that Congress in general and the relevant committees of Congress in particular are a central part of our national decisionmaking.

16. Please explain what you believe to be the proper relationship between yourself, if confirmed, and the Inspector General of your department/agency.

While the Inspector General of an agency is, of course, an employee subject to the general supervision and direction of the Secretary and the Deputy Secretary, the position is a Presidential appointment that requires a stated basis for termination. This and the indefinite term of the office provides important "insulation" to the incumbent to provide accurate and vital findings and recommendations about the implementation of the Department's programs. In addition, the Inspector General is statutorily directed to report directly to Congress about activities semiannually. In my view, these provisions are needed and valuable to assure a Secretary that the Inspector General is able and willing to provide the best level of advice and recommendations. I always considered this a great benefit at the Department of Commerce and would expect the same to the case at the Department.

17. In areas under the department/agency's jurisdiction, what legislative action(s) should Congress consider as priorities? Please State your personal views.

By legislative action, I assume not only enactment of laws but also other forms of legislative action should be considered.

Clearly one of the most pressing problems facing the Department and our Nation is putting the ATC system on a path that will enable it to grow and modernize at a pace sufficient to keep pace with demand. The traditional approach to ATC simply has not been able to do that, and we have, as a result of various agency initiatives, legislative actions, and the recommendations of the National Civil Aviation Review Commission, taken a variety of steps toward modifying the way FAA designs, builds, and operates the ATC system. This is an area that is very much a work in progress, and the stakes riding on this effort are very high. It is not yet clear exactly how far toward the solution the steps already implemented, and those just being launched, will take us, and how much more will need to be done to meet the goal. This is an area where Congress needs to provide the resources, but may need to do more as well—funding is a necessary, but not sufficient, part of the solution. This is something we will all need to judge as we go along.

Reauthorization of TEA-21 and AIR-21, though not immediate requirements, will increasingly occupy both the Department and Congress. We need to judge what is working and what is not, and to begin to formulate our views for the upcoming reauthorizations. In addition, continuing to carry out the provisions of TEA-21 and AIR-21 in the time remaining until reauthorization should be a priority for Congress.

Amtrak is an important near-term priority for Congress. Amtrak is working toward the goal of covering its operational costs, but essential to that is that the Federal Government will invest in the capital requirements of the system. That is something that requires the immediate attention of Congress.

And in general Congress needs to focus on the resources necessary for the operational requirements of the department. TEA-21 and AIR-21 made real progress on the capital side of the budget, and for that Congress is entitled to a well-earned sense of accomplishment. But it takes continuing focus on the operational issues as well. These include the FAA operations account, Coast Guard operations, strengthening the department's ability to analyze economic regulatory issues including mergers, making real the promise inherent in creating the new Federal Motor Carrier Safety Administration, and making sure NHTSA has the resources necessary to carry out the expanded responsibilities put on it with the recent TREAD legislation. In addition, the Essential Air Service program, for reasons of changing costs and structure in the commuter airline industry, increasingly finds itself straining against the limits of its current funding mechanism. This is an issue both the department and the Congress will need to consider in the coming months.

18. Within your area of control, will you pledge to develop and implement a system that allocates discretionary spending based on national priorities determined in an open fashion on a set of established criteria? If not, please State why. If yes, please State what steps you intend to take and a timeframe for implementation.

The Department has responsibility for a relatively large amount of grant spending, the largest portion of which is the highway program. However, much of this spending, and a very high percentage of the highway program, is essentially pass-through funding, with allocations made directly to State or local governments, which in turn prioritize the actual projects, so long as they meet the basic requirements for eligibility. As a percent of its total grant spending, the Department therefore has a relatively small percentage of funds over which it has discretion. In addition, Congress increasingly earmarks even these funds for specific projects.

I believe that because our transportation funds are inherently limited, and because our economy so depends on our making cost-effective investments with those funds we can invest in transportation infrastructure, we have an obligation to spend those funds in the most cost-effective way possible. The Department generally has publicly stated criteria by which it makes these judgments, and we should continue to work on these criteria to make them as effective as they can possibly be. But if our transportation investments are to be truly cost-effective, serious effort by State and local governments and by Congress will also be required.

The CHAIRMAN. Thank you, very much. And we will, if it is agreeable to the members, we will do 6-minute questionings. And we will have a second round if necessary. Mr. Mineta, let me just elaborate a second on your comments on aviation.

Obviously, we have been wrestling with these issues on this Committee for many years, all of us on a bipartisan basis. I believe that you have to now start thinking outside the box.

I do not know if it is auctioning of slots at prime times. I do not know if it is privatization of the air traffic control system. I do not know if it is regulations that will somehow allow or make it easier for new entrants to enter and compete. Clearly, there has been and we are facing consolidations and mergers that are unprecedented which have significant implications to competition. I do not know what these answers are.

But I know that each one of these proposals is going to offend some constituency, some major powerful force here in the Congress and the United States. You are going to have to take some of them on. The one thing that none of us disagree on is that we are approaching and have reached in some cases—certainly last summer's bad weather was a great example—of gridlock in the aviation system.

Senator Stevens and I were just talking about why is it that they will not expand an airport in some parts of the country when it is clearly needed, when you must do that, and then complain about the lack of air service and the gridlock.

So we are going to have to take on some pretty powerful forces if we are going to reverse this trend which your Commission deemed inexorable. Americans deserve better. And as you made reference, sooner or later, it is bound to have some effect on America's economy.

So I think one of our highest priorities working with Senator Hutchison, Senator Rockefeller and others is that we address this aviation issue and soon. The American people deserve better than what they have been getting from their government. And frankly, not just their Federal Government, but their State and local governments as well.

During the last 2 weeks of Secretary Slater's service, he awarded approximately \$20 million in Federal funding to his home State of Arkansas for various transportation projects. Just last week he awarded \$4.8 million in grants for Arkansas Transit Airports and rural transportation studies. The previous week, he awarded an additional \$9 million in airport funding. Frankly, I believe this action by the Secretary given the timing raises questions about the justifications for such funding as well as the motives for the last minute awards. What assurance can you offer this Committee that under your leadership the awarding of discretionary funding will be based solely on merit rather than politics or other inappropriate criteria? And that under your watch there will not even be an appearance of personal or political favoritism in the awarding of discretionary funding?

Mr. MINETA. Mr. Chairman, first of all, I think in my years of public service I have tried to approach issues based on what is right, whether that be based on good science, whether it be based on good public policy. And so to the extent that good science or good public policy would direct that all those funds go to California instead of Arkansas, that would be part of the picture.

[Laughter.]

Mr. MINETA. No, but seriously, Mr. Chairman, as I said, I think if you look at my record over the years, it has always been based on good policy, good science. And you will find that to be the case in the future.

The CHAIRMAN. Thank you. But I do not think—well, I think I have said enough.

Mr. MINETA. Mr. Chairman, it will go back to some of that other portion that you mentioned and that is it may offend some people.

The CHAIRMAN. Thank you. The astronomical costs of transportation projects should be of top concern to the Department. The cost overruns associated with the Boston Central Artery Tunnel project, the so-called Big Dig, have risen to \$14 billion, the largest public project in the history of this country. The original estimates were about \$1.3 billion when it began. And these costs obviously will continue to arise before the project is completed. The Big Dig project must serve as an example for all of us on the critical importance of oversight of Federal transportation projects.

What actions will you take to ensure greater Federal oversight on an all federally funded transportation projects from airports to shipyards to highway projects?

Mr. MINETA. That probably would be very dependent on having a schedule with time lines, both check points as they relate to dollars as well as to the progress of a project. Many projects get behind on the calendar and then that translates into dollars. So to the extent that we can keep projects on schedule, then it seems to me that it would follow that we would be able to keep them on the dollar. So to that extent, I would look to each of the modal administrators to make sure that those schedules are kept—that projects are kept on schedule.

The CHAIRMAN. Thank you. Amtrak and its many champions like to tout Amtrak's ridership and revenue successes. The fact is that Amtrak has been experiencing its largest operating losses in history. The losses for fiscal year 2000 were around \$943 million, up from \$916 million in 1999 and \$929 million in 1998. Inner city and rail passenger ridership has remained essentially unchanged. And ridership via other transportation modes have vastly grown.

I believe we need to oversee Amtrak based on its actual financial results and service demand if we are to effectively carry out our responsibilities. What actions will you take to ensure that Congress and the American taxpayers receive the full story when it comes to Amtrak's finances?

Mr. MINETA. First of all, I will be looking at the ARC, the Amtrak Reform Council. They will have to be determining the self-sufficiency of the Amtrak system itself. And I believe their time line is the year 2002. And so to that extent, I will be looking at that, both in terms of the report that they will be coming up with as well as the suggestions that are going to have to come from the members of this Committee as well as others who are involved in Amtrak.

I think Amtrak is just going to have to be evaluated in terms of, "is it a national rail passenger service?" Or are there selected routes that we ought to really make sure are sufficiently operating in order to be a good service, but self-sufficiency. Plus, the whole

question of whether we have a national rail passenger service is something that all of us are going to think out collectively.

The CHAIRMAN. Thank you, sir. Senator Hollings.

Senator HOLLINGS. There is hardly a public passenger transportation system in the world that makes money. And that is because the public demands it provide certain services that are non-economical. If you had a wonderful Amtrak high speed train between New York and Miami and it did not have to stop in Columbus, South Carolina, Richmond, Virginia and 50 other places, it would make money.

But you see, we politicians say, no. We want it to stop. And that is not going to change and it should not change. We have got to get service to these other communities. But do not just look upon it like there is fraud or incompetence operating these things.

Let us look very closely, Mr. Secretary. And you have got more experience this minute than most Secretaries of Transportation had after their 4 years of service.

[Laughter.]

Senator HOLLINGS. I know you. I have served with you on the Washington Airport Commission and otherwise. So we are proud to have you. And high speed rail, study it closely and show us how we can economize. Yeah, if we want to leave out some of those cities and improve that road map, we need alternative solutions.

Otherwise, I want to answer the Chairman's question why the communities do not build added runways or airport facilities because they are no longer in charge. You see, when I practiced law way back, the community of Charleston, for example, went out into the county, taxed themselves in the city, built the airport, got the tower up, went to Eddie Rickenbacker at Eastern Airlines and said can we get the service?

And after negotiations, we came up to the CAB, the Civil Aeronautics Board, and we said here is the service. Here is the charges. And everybody worked together and we had pretty good service. In fact, when I first got here, we had four airlines, National, Eastern, Delta and Piedmont. And I had three direct flights from Charleston or National Airlines. It is \$34 one way, \$34 back, \$68 round trip. Now all costs have gone up.

But do not give me this stuff about the average fares going down. I had the Vice President of U.S. Air in my office on a Wednesday, just like today, and asked U.S. Air how much a round trip ticket for my wife to Charleston and Washington back on Friday morning. \$917.

So what you have had with money controlling the competition is 85 percent of the small and medium sized towns of America subsidizing those long hauls to California and down from New York to Miami and then overseas and otherwise.

And more than anything else, if I have to go through Charlotte, U.S. Air controls 85 percent of the landings and takeoffs. There is no competition. U.S. Air controls the airport at Charlotte, not the city of Charlotte anymore.

And we have got a bill in that we are looking at and we studied it in a judicious fashion to see if we can break up those hubs and get competition back again. There is no mystery. Obertar says for you to start fixing prices. Maybe you want to do that. But some-

how, some way you have got to understand the reality of the effects of pricing on the consumer. I understood why you started choking a little while ago reading that stuff about average prices.

[Laughter.]

Senator HOLLINGS. I mean, tell whoever is over at the Department not to write that out for you to read anymore. I can tell you that.

Otherwise, let us go quickly. Because San Jose does not have a port. But we have tremendous seaports in maritime in our country. And we just found out here in the past couple of years, Senator Graham, myself and others, that there is no security. Now, you know about airport security because you have been in the business.

But let us say less than 2 percent of the containers coming in—I have got the fourth largest container port in the United States. If you go to Long Beach, New York, these other big ports, less than 2 percent are even inspected.

I just got out of the country of Colombia. Rather than sending the stuff up in flowers, they could easily just fill up containers and send 10 in and only one would be inspected. And the ports do not like it. They are in competition and they want to move everything fast. In fact, the Port of Charleston has to borrow the sniffing dogs from the county sheriff. They do not have any security.

We know up in New Jersey that they have got a 25 mile place where they are supposed to inspect. And the trucks that go there to be inspected disappear. They never get to the inspection. And it is a matter of terrorism. You know now from the Cole blow up and explosion that they could well fill one of those containers and blow up the Port of New York.

That is a serious problem and we have got to get your help to work on that. And it has got to be done in a deliberate measured fashion. Because the local communities are responsible and they do not want to spend money. They do not want to do that. They are competing to get the cargo in, move it in fast and getting it out and not having it delayed for inspection. But we are going to have to do it. Because I am convinced most of the drugs coming in the country are right in those containers.

Otherwise, I think I will just yield my time because I have had the opportunity. I really am delighted to see you there. But let us break up those hubs and get some kind of competition back in the airlines and get the communities back.

We can politically allocate. I am in politics and in office. And I know how to get my fair share up here. But actually, the communities own those slots, not the airlines. Now we have got the airlines to buy and sell the slots. They should not own those. The communities built them. They are the ones that built the facilities and everything else of that kind and got the service.

And we ought to break that up. So the communities themselves can open up and get added service, add facilities there and everything else like that and bring back real competition like we had before this so-called deregulation. I would appreciate your comments.

Mr. MINETA. Thank you very much, Mr. Chairman.

The CHAIRMAN. You want to revise your remarks about the cost?

Mr. MINETA. That is right, the average cost. As it relates to these other issues, like inspection at the ports, I would be more than

happy to look into it and to work with you on those issues. I think most of those are either customs or DEA issues. And I am not sure what the working relationship might be between the Department of Transportation and Customs and DEA in those regards.

Senator HOLLINGS. You have got maritime and you have got the security.

Mr. MINETA. Yes. I will take a look at that.

Senator HOLLINGS. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you. I would remind our members and for the benefit of our new members, the practice on the Committee is to go from one side to the other by order of appearances so-called early bird rule. Under that rule, Senator Stevens is recognized.

**STATEMENT OF HON. TED STEVENS,
U.S. SENATOR FROM ALASKA**

Senator STEVENS. Thank you very much, Mr. Chairman. Mr. Mineta, we welcome you and welcome your nomination because we know you so well. If there is any one place in the Administration in this period of time that should be totally and obviously bipartisan, it is your Department.

Without question, the problems that we have in transportation now are enormous. I too am working on a bill dealing with the aviation capacity as I indicated to you. It is my judgment that we should have some way to get a certificate of need—if we can devise the process to get it. If the need is there, we will have a constrained period of review and limited review as far as the courts are concerned.

Sea-Tac in Washington State has been trying to get another runway for 20 years. But when Sea-Tac is jammed up, access to Alaska is diminished. When Salt Lake City is delayed access to Alaska is diminished. And Chicago the same way. We are a State that totally depends upon aviation. More than 70 percent of our people within the State who travel from point-to-point go by air. And yet, we find that we are just absolutely dropping behind.

I told you when we met about one staggering statistic. One out of ten pilots who fly in our State will die in an aircraft accident, 1 out of 10. And when we look at it—we have the Commissions looking at it now, particularly NIOSH, National Institute of Occupation and Safety and Health. We find that of the 250 airports in Alaska, only 43 are paved. We have 70 without runway lights. Over 100 have no local weather available. At Dutch Harbor, the No. 1 fish port in the United States, the runway is 3,300 feet long and the jets, the 737s land. I am told you cannot land in Dallas with a 737 unless you use the 8,000 foot runway.

We are at a point now I think where unless our aviation problems are solved, we will go downhill as a state. The same thing occurs as far as many other things in our state, and Hawaii too. We're offshore states. We are dependent upon transportation.

I really think that what we need to do is find some way to put that concept of eliminating the delays and finding some way to increase the capacity of aviation as the No. 1 task for you. I know you said safety. To me that is safety. The real problem about it right now is how do we do that? You also have the Coast Guard. You have the maritime considerations, the pipeline oversight.

In the days when we were a territory, we used to call—no ethnic slur involved—but we used to call the Secretary of the Interior the Great White Father. Because he had all of the power over our state, over our territory.

I think now the power is over the growth of our State in your Department. And I urge you to take a look at the role that your department has played in the past as far as our State and Hawaii. Hawaii has the same problem in terms of new capacity for airlines.

What I would really like for you to do is to see if you can get together a group of task forces that would work with our Aviation Subcommittee, with the Aviation Subcommittee of the House and see if we can come up with a proposal for this new century of matching the airport capacity with the demands of the future and not just try to catch up with what has been delayed in the past.

We have a tremendous job to do. And I would welcome a chance to work with you. And I am sure our Subcommittee Chairman and Ranking Member of aviation would.

My only real question to you is with regard to the role that you now play in terms of transportation, beyond aviation, what is the major task that you have in the Department.

Mr. MINETA. As I mentioned, the overall one is really safety. The other area would be to make sure that we have sufficiency of financial resources to reflect the demands that are being placed on all of the agencies. For instance, in the area of Coast Guard, we are really adding more responsibilities to them. And yet, at the same time, they have an aging fleet and they have other new programs like the Deep Water Project, that are really squeezing them.

And what I would want to do is to work with you and others to make sure that the resources of the Department are really adequate to meeting the kinds of responsibilities that we have. I think to a very great extent there has been sort of I guess you might say a mismatch in the sense of the load being put on, but not enough on the financial resources. And I just want to go through the departmental budget and see where those shortfalls are and to try to help bring some proper balance within the Department to those efforts.

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

The CHAIRMAN. Thank you, Senator Stevens.

Senator Inouye.

Senator INOUE. Thank you, very much. Mr. Secretary, recently when the U.S./Japan bilateral air agreement was signed, it was hailed as a great step forward. However, because of capacity constraints, we find that although our air carriers have the authority to provide service, no slots are available at Narita. And so all we have is a paper agreement.

Someone suggested that we should make it an international policy objective to call upon the Japanese to open up Haneta to our air carriers. So that the intent and the spirit of the bilateral agreement can be carried out. Otherwise, it is just a paper agreement which is not helping the balance of payment or balance of trade. Do you have any views on this?

Mr. MINETA. Well, I think that that may be a solution, as well as the fact that they are building other airports. They have built

the new one at Osaka. They have built the additional facilities at Nagoya. And it seems to me—and having just been there recently to discuss with them other bilateral issues between the United States and Japan, I did see the model at least of this new airport being constructed in Nagoya. Which, with the bullet trained combination, is about an hour and a half connection to Tokyo.

I know that Narita is constrained. There is also a great deal of resistance to open up Haneta. Because that has usually been used for domestic flights. But as you have indicated, that used to be an international airport. And maybe they are going to have to open it up to international flights. That is something I would be more than happy to discuss with them. But I know that it may be that they will want to spread that traffic out to other airports in Japan as well. But I will pursue that with them.

Senator INOUE. At least in the interim, if they would open up Haneta, it would accommodate all carriers according to the contract and agreement. Mr. Chairman, I have other questions [see Appendix]. I would request that they be submitted to the Secretary.

The CHAIRMAN. Without objection.

Senator INOUE. Thank you very much, sir.

Mr. MINETA. Thank you.

The CHAIRMAN. Thank you, Senator Inouye.

Senator HUTCHISON.

Senator HUTCHISON. Thank you, Mr. Chairman. I want to talk about the airport delay issue. It certainly has been discussed already. But I would like to ask you what actions DOT can and will take, not only to look at the over scheduling of airlines at peak times at airports which cause delays even in the best of weather conditions, but also the general over scheduling of airlines period.

I understand that they are trying use the equipment as efficiently as they can, but the number of delays from having to fix parts on an airplane and the over scheduling at peak times I think must be addressed. And I would ask you what you would be able to do about that.

Mr. MINETA. Next question.

[Laughter.]

Senator HUTCHISON. I think we have gotten a pro here, Mr. Chairman.

Mr. MINETA. The issue of over scheduling is one that I guess it is like commuters. People go to work in the morning. They go home at night. Airlines do the same thing. They are reflecting the fact that people are going to want to be at New York City in the morning and at 5 o'clock they are wanting to return to Dallas.

And the fact that everyone is leaving at 5:10 or arriving at 9:30 in the morning is one that we cannot tell people, "I am sorry. But do not commute between the hours of 7:30 and 9 in the morning. Or at 5 to 6:30 in the evening." And it seems to me that we are facing that same thing as it relates to scheduling at airports.

Then the question, as you have indicated, is "how do we deal with the issue of trying to match capacity?" Because you do not want to suppress demand. And as was earlier suggested, part of that I think is going to be in terms of the time it takes to build new airports or to build additional runways.

Senator Stevens said at Sea-Tac it took 20 years to build an additional runway. I think that what we ought to be able to do is to try to shorten that period of time in order to have that additional capacity and not try to suppress on the demand side.

Because to me as we try to deal with airport delays by acting on the demand side, I think that would really be the wrong way to go.

Senator HUTCHISON. What would you do to streamline the process for capital improvements?

Mr. MINETA. Part of it would be to make sure that, whether they be environmental impact reports or other kinds of requirements, that they run consecutively rather than sequentially. There are State environmental impact requirements, Federal, even regional impact. In the case of San Francisco, I know that they are looking at building an additional runway. Part of that is going to be requiring construction in San Francisco Bay. At NOAA in the Department of Commerce, we said to them about a month ago, we think we can help you do the environmental impact report. NOAA deals with coastal zone management. They are familiar with this approach. Why not use NOAA? And we just contracted with or had a memorandum of understanding between San Francisco and the Department of Commerce relating to that. Try to do things to shorten the time span so we do not go through multiple planning requirements.

Senator HUTCHISON. I think you are certainly on the right track for trying to compact those and have them run at the same time. But I hope you will use the creativity and the knowledge that you have to continue to look for other ways to determine how much is really needed in that area, sort of a bottom up review of the regulatory morass that we have in that area.

My last question in this round—and I will have a second round, Mr. Chairman. But I have to tell you I am concerned about the board that has been appointed to run the ATO. Not that they are not all very good people. And I respect those who I know, but I think some of the backgrounds of the people on that board are not the technical backgrounds with the aviation experience that I think we need if we are going to have that very high area of responsibility for our air traffic control system rest in that board.

I ask you if you think that the board needs to be looked again. I realize they have terms. Do you think that board is going to be able to do this job? And will there be a system in which we can monitor, very carefully, the progress that is being made?

Mr. MINETA. I will take a look at that. As I recall, when the original MAC was setup, the MAC has a number of people who are very knowledgeable from a technical perspective about aviation. I think when they looked at formulating the board for the ATO, that what they did there was to make sure that they had good businesspeople rather than people who were technically oriented.

Otherwise, if you have people who are some air traffic control types, airline types, some local airport operator types, they will sit there with sharp elbows and try to deal with each other relative to the ATO. But I think the concept was to make sure that you had good business people on the board of directors on the air traffic organization.

Let them hire a very competent chief operating officer and let that person and the staff then sort of weigh out the various issues. Because if you get technical people in those positions at the board of directors, all they are going to be doing is trying to elbow each other. And I think, again, just thinking out loud about this—I think the concept was to have good people or good businesspeople, people who had a good sense about business acumen rather than the technical.

Senator HUTCHISON. I hope you will monitor that.

Mr. MINETA. And as I said in my statement, the thing that I intend to do is to jump into this whole issue of who is going to be considered for COO of the ATO. That is something that I will personally be involved with as well as the Deputy Administrator of the FAA. We have not had one. We have had an acting deputy at FAA. And we have not had a fully chosen person there. To me, that is the No. 1 job, those two positions.

The CHAIRMAN. Senator Kerry.

**STATEMENT OF HON. JOHN F. KERRY,
U.S. SENATOR FROM MASSACHUSETTS**

Senator KERRY. Thank you, Mr. Chairman. Mr. Secretary, let me second Senator Hollings' judgment about the amount of experience that you bring to this. I think we are all just thrilled that you have decided to take this on. And I do not think you owe anybody an explanation about why. We are lucky to get somebody with the amount of experience that you bring to this.

And it was a delight to sit with you in my office and I thank you for the time to examine some of these issues. Obviously, you have just come into this with so much more background and understanding which will allow you to I think get off to a terrific start and we are all grateful for that.

If I could just—because we had time to talk and you have answered a number of the key questions, I want to flag a few things for the record if I can quickly.

I listened to Senator Hutchison talk about the needs, the infrastructure needs, and every comment thus far has underscored the degree to which we are behind the curve in terms of our capacity.

Well, providing capacity costs money. And I think that we are headed for an enormous collision here in the Congress at the current rate, given the President's adherence to the campaign. I mean, I think it is time to end the campaign and start to govern. If you look at the numbers, CVO will come out in a couple of weeks with the 10 year estimates on surplus. But most people are talking about a \$5.9 trillion figure, something in that vicinity. When you finish with the Medicare set aside, Social Security, inviolate interest payments, you are down to about a \$2.2 billion available sum of money available for tax cut and everything else.

When you finish with inflation and with population growth and with the amount of money that the military is going to come in and ask for which we all understand is very significant, you may be looking at this. A big fat zero for almost everything else we have just been talking about here. And there are going to be enormous pressures, not just within this Committee, but within all kinds of Committees here.

The Coast Guard, for instance, we have been funding in a supplemental budget every year. Despite the fact that there were some 2,600 rescues, 10,000—I mean, an extraordinary amount of increase in their requirements for drug enforcement, fishing enforcement, not to mention the increases in recreational boating and other things we look to them for. And they simply cannot plan and function.

And I have talked privately with the leadership of the Coast Guard. They hue the line when they come here because they have to. But this is not a good situation. And I think you know that.

Moreover, I listened to the Chairman with respect to Amtrak. And I just want to say that in point of fact, only if you include depreciation and capital expenses can you come up with a notion that somehow they are not doing a better job. Actual operating expenses in fact the losses have decreased because there has been an increase in capital stock investment, increase in ridership, the Acela train now coming on and so forth.

We, it seems to me, are sort of locked into an absence of common sense here with respect to some of these problems. The marketplace in the air industry is not working properly. I have prepared to join with Senator Wyden and others in reintroducing the passengers' bill of rights. I was one of those who delayed that last time and thought we ought to delay it.

But it seems to me that it is only by creating sort of a shake up to the workings of the marketplace that were actually going to get people to recognize some realities. Namely, take LaGuardia. There are simply too many airplanes on the apron. Why are there delays? Because they cannot move the airplanes. They cannot fit. You can sit in one part of LaGuardia waiting for traffic to come out, to move. It simply is too many aircraft are being allowed in.

Now, the Chairman has suggested a number of different ways we can approach that, but nobody has done anything. We have not approached it.

Moreover, that is linked to how Amtrak does. Because we have allowed the airlines to increase volume and deliver a terrible service and create these pockets of monopoly which are not competitive, where they make up for the subsidy to attract more people than they really ought to be attracting in other markets, we deprive other entities of an intermodal transportation system from being competitive according to market forces.

If prices in fact reflected the cost of tickets for moving those numbers of people in and out of those places at peak times, more people might say, oops. I better ride the train. Or I need to take the bus. Or I need to find an alternative method. And then the market might begin to adjust.

So I think there are some just fundamentals here that we have to cope with. Amtrak cannot possibly be judged properly if it is not given the capital grants and capital expense investment capacity to be able to attract the ridership to take people from point A to point B on time and comfortably in a way that is competitive and decent.

So I just think all of us are relying on you to bring a measure of common sense to this. You know, we can manage 5,000 aircraft in the air at one time in congested air space over Iraq without a collision, but we are not able to provide emergency relief through

all of our technology to our own air system. These are contradictions that I think most of our citizens are simply tired of putting up with. And I think all of us here are really anxious to work with you with a realistic approach to all of this.

But unless we are prepared to invest, Mr. Secretary, in an intermodal system and give local communities the flexibility not to be locked into building a highway when they do not want to or to having to increase automobile traffic when that is not their first choice, but rather being able to keep the spirit of what we did both in ISTEA and TEA-21, I think we are going to have a very difficult time responding. And I simply wanted to lay that out to you that we are really in need of a measure of honesty, a lot of hard choices are put on the table and all of us need to step back from some of the easy political choice here and recognize that the long-term investment needs of this country are being deferred and deferred and deferred. And ultimately, the cost of that is enormous.

I finally might add the lost of productivity—the loss of productivity for the hours of our businesspeople spent, obviously, digitalization and Palms and the capacity to e-mail from your seat has alleviated some of that. But nevertheless, the loss of face time, the amount of—numbers of goods and products that do not move expeditiously is costing this country literally billions of dollars and countless percentage points in productivity. And we cannot afford that either. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you. Do you have any response?

Mr. MINETA. What I would like to do, as I have mentioned, is to be able to utilize the kind of technology revolution that we have experienced and make it available and to utilize it in whatever modes we are addressing to improve the intermodal system. And I think that most of the systems we are using today are still very, very old. When I think about the fact that we have a new Washington Airport, the Ronald Reagan Airport, brand new, the equipment that went into the tower was something like 26 years old. It makes no sense whatsoever. That is something that we really ought to be dealing with across the board.

The CHAIRMAN. Senator Allen, welcome to the Committee.

**STATEMENT OF HON. GEORGE ALLEN,
U.S. SENATOR FROM VIRGINIA**

Senator ALLEN. Thank you, Mr. Chairman. It is a pleasure to be with you. Secretary Mineta, we very much enjoyed listening to your remarks and your understanding of the importance of intermodalism and how all passengers and cargo work together.

Also, I note that happily your recognition of the concept of sound science. In my experience as Governor, and I think all of us recognize here, that Federal transportation policy, especially insofar as roads are concerned, are as much environmental policy as they are transportation policy.

There are many things that we can discuss here and many issues of concern. And I will go through some of them with you. Open end fare, competitive bidding, teleworking and so forth. Funding is important. Concepts such as the Public Private Transportation Act which we passed in Virginia and other states are emulating the matter.

I am just reading here on the Coal Fields Expressway which will link West Virginia, Kentucky and Southwest Virginia together. On Federal environmental studies needed on this expressway's impact on the Indiana brown bat and a small world Pagonia, two endangered species, could take up to a year to complete State transportation officials stated.

Now, this is consistent with Senator Hutchison's concern and what you are saying having these studies work concurrently. A private company, Brown & Root and Repoca, are the ones who will be using this private/public transportation method.

But if you do not run these studies concurrently, that just delays this particular road project in Far South, West Virginia which has high unemployment.

I look forward to working with you on the third crossing and Hampton Roads which will be important for our port which has nearly doubled its containerized cargo capacity. As well as for the dredging of that port, not only for cargo but also for our Navy.

Rail to Dulles is a project that I look forward to working with you on. The Wilson Bridge, the tech way with the new crossing of the Potomac, high speed rail is generally being completed from Boston to D.C. And I do think high speed rail should be an alternative we work together on. And I do think, Senator Hollings, it ought to stop in Richmond as well as Raleigh, Charlotte, Greenville, on down to Atlanta. And if it does go on down to Florida, that is another matter. But I do think that is an option we need to look at.

Now, a couple of questions I would like to bring up. And it gets to where Senator McCain was talking about cost overruns. Sometimes the way that the projects are contracted would end up with cost overruns. And I would like to ask you do you favor competitive bidding on Federal projects, open competitive bidding on Federal transportation projects?

Mr. MINETA. Absolutely. That would be the way it is setup to be done right now and that is the way it would be done in the future.

Senator ALLEN. Well, it will probably get on your desk fairly soon if you have not seen it yet. On the Woodrow Wilson Bridge, our State of Virginia and Governor Gilmore have been trying to make sure that we have full open bidding on that contract.

The State of Maryland disagrees with the Commonwealth of Virginia on that in this compact. And they want to have what are called these PLAs which have a great deal of concern that inhibits the ability of non-union contractors to do that work. And I believe that your Administration has to approve that PLA. I would hope you would not approve it. So that we could have full and fair open competition for that project and thereby not subjecting the taxpayers Federal or either states from overruns or added costs from having lessened competition in that bidding.

Mr. MINETA. I am sorry, the PLA is beyond Davis Bacon.

Senator ALLEN. This is a project labor agreement which means that there is an agreement with the State of Maryland, but there is a compact for the Woodrow Wilson Bridge between Virginia, Maryland, and the District, the Federal Government promised well over \$1.5 billion on this.

Maryland wants a project labor agreement. That is contrary to the laws of the Commonwealth of Virginia. We in Virginia do not care to be hit with cost overruns because from studies usually if you only allow union contractors to work, that means that non-union folks cannot even compete for it or have to increase their wage scales.

So as I understand it, at the last moment, the State of Maryland, Governor Glendenning, and the State of Maryland asked for Federal approval of that. As I understand it, in the last days there was not enough time for that. So that has yet to be approved by the Federal Government. And as I understand it, the Federal Highway Administration has to review that. And I hope you will review it in the concept of making sure we keep that project in line as far as costs are concerned.

Mr. MINETA. This is my first exposure to that concept.

Senator ALLEN. There were a few articles today in local newspapers on it. One other matter, Mr. Chairman, Secretary. You were introduced as a gentleman from the Silicon Valley. And I know you have lived around here and see Virginia as a Silicon dominion. And I think we need to use technology to think outside the box or outside the CPU as far as transportation matters are concerned.

And President Clinton last spring had an opportunity to sign an Executive Order on Federal workforce transportation, but he stripped away a provision to expand opportunities for Federal workers to telecommute from home. I think telecommuting or teleworking is just a great idea to improve our quality of life, reduce commute times as well as improve air quality where people wherever possible and practical could work at home a few days out of the week using a computer.

Now, the Federal workers in this area, as you well know, the Federal Government is the largest employer in the metro D.C. area. But unfortunately, not many actually telework. So I think that some of the studies, and Congressman Wolfe on the House side has worked on this extensively. Some studies estimate as many as 470,000 workers could telework in the Washington, D.C. area, including 270,000 Federal employees.

Now, if all of them were to telecommute, that would eliminate 658,000 vehicle trips and more than 3.6 million vehicle miles. So I would ask you to urge President Bush to sign such an Executive Order to expand teleworking opportunities for Federal employees in the Washington area.

And I would also ask you about maybe allowing at least within your agency within the Department of Transportation, an agency that has stated in its analysis of the original telework Executive Order proposal, "properly deployed, telecommuting can be a valuable, simple, expedient and common sense addition to the remediation of growing traffic congestion.

So I would ask you to look at what was stated by the previous administration's Secretary of Transportation, seemingly very favorable to it, at least doing it within your agency and hopefully encouraging President Bush to do it for all Federal employees. And I would like your comments or insight on that.

Mr. MINETA. Well, let me, as you say, having represented Silicon Valley for 11 terms, let me take a look at that and see what we

can come up with. Because telecommuting is a very important and essential part of reducing the impact on traffic, we should look into the question about other impacts on the work ethic or the work relationships. But I know it is an important approach and I'll take a look at it, not only as it relates to the Department of Transportation, but also as it relates to the total workforce.

Senator ALLEN. Thank you, Mr. Secretary.

Mr. MINETA. Thank you, Senator.

The CHAIRMAN. Senator Boxer, welcome to the Committee.

Senator BOXER. Mr. Mineta, I have a number of questions.

I will not have time to ask them all. And I know that you are not, I do not think, at this time prepared to answer all of them because you need to obviously confer with the President and others in the Cabinet.

So what I would like to do with the time that I have is run through these and perhaps at the end save a little time so that you can give maybe a general response. Some of these are controversial. I am sure you are not surprised.

Let me say first that when Amtrak is brought up, many times the fight is made for Amtrak by the folks in the Eastern part of the country. And I want to say that it may be a little known fact, and maybe it is my fault for not focusing on it, but now that I am on this Committee, I will more focus on it, that we have almost seven million passengers, Mr. Chairman and Senator Hollings, in the year 2000 who rode on Amtrak.

And if I just list the cities that are involved, you can see why it is so important to us: San Jose, I mentioned first, Oakland, Sacramento, Auburn, the Pacific surf liner that goes up the coast, San Luis Obispo, Santa Barbara, Los Angeles, San Diego. And then, of course, on the West Coast there are other cities involved. But these are just the California cities.

Amtrak is very important to us. And I hope we do not have to have a terrible fight over Amtrak. We almost had it at the last session. I would think in this century looking ahead, Mr. Chairman, in this global economy, one of the most important things many of us believe is moving people and moving cargo and moving our mail and getting things done.

And I think if we take a slap at Amtrak and we do not get behind it, I do not think we can live up to being a world economic leader. That is my own view. And so I want to ask you in writing if you could answer your general feelings about Amtrak.

CAFE standards. It is another very controversial subject. But going through all the problems we are in our State with electricity which I will not go into, very, very complicated, deregulation, that no one seemed to be prepared for its ramifications and so on.

The fact of the matter is we need to save energy. And when I look at *CAFE standards*, that is a fairly simple way to do it. I happen to be driving now a hybrid car. And I have never taken that step before. Senator Bennet actually told me about his hybrid car and I went out and got one. And it is 52 miles to the gallon. It is a wonderful car. And it is a transition car. And it runs just like a gas car. Just when you step on the peddle, it is giving charge to the battery. It goes back and forth.

So there are ways that we can do this without making any sacrifice whatsoever. And I look at the SUVs and I see that they are treated like light trucks at 20.7 miles per gallon compared to 27.5 miles per gallon for cars.

If we were just to make that one change, Mr. Mineta, we would save a million barrels of oil every single day. And we would not have to debate drilling and ANWR and other things because we could come in with all of that saved energy.

So I hope you are going to take a hard look at that. And again, I am not going to put you on the spot today. But I would love to get your thoughts in writing.

Traffic fatalities. We heard about the horrible statistics in air fatalities in Alaska. But every year, we have to look at the fact that 40,000 people are killed on our nation's highways. That is 110 lives lost a day. It is really like a large plane crash every other day. And so I think the whole issue of traffic safety is one I want to get your philosophy on and your thoughts. And one of the issues are roll-overs. And I know that lots of members of this Committee, the Chairman, have taken great leadership on that. I want to work with you on this.

We see that the SUVs, nearly two-thirds of deaths in SUVs are as a result of rollover accidents versus 22 percent in passenger cars. And there is a rollover standard, but it was based on static measurement, not a dynamic test. So I am interested in your view whether you would use the best science to develop an accurate rollover standard.

Drunk driving. We are going to miss Frank Lautenberg, at least I have to say I will. He worked so hard to pass the law that encouraged the .08 blood alcohol content as the national drunk driving standard.

If enacted in every state, 500 lives a year would be saved. And I know that President Bush as Governor signed the .08 law. Will he continue to support it? Will you continue to support the .08 standard?

This last one I have to apologize to my colleagues because it is about adult male crash dummies and it sounds terrible that I am saying something about males. But the fact is when first the new air bags were tested, they were not using the children size replicas and the small people. I have a conflict of interest in this—and they were tested against adult male crash dummies who are generally larger than small women and little children.

So I tried hard, although not on the Committee, I was able to win on the floor of the Senate to make sure we have these transportation tests with a variety of these dummies so that we know that the air bag isn't decapitating people and we can make it work for kids and for small people. I think it is really important. And it is controversial because, of course, there is always a group that opposes this. I wanted to know how you felt on it.

I guess I had one more. I saw it today. Airlines and Federal regulators at odds about how many hours a pilot can fly. And there were issues about how many hours a truck driver can drive. And this driver fatigue, be it in the air, on the ground, is something I am very interested in. Again, Mr. Mineta, if you could give me a more general answer.

So I have got the little orange light on. I will stop. And maybe you want to make some response, but I look forward to written answers on all these questions.

Mr. MINETA. These are all issues that I would be more than pleased to work on with you and other Members of the Committee, to deal with and try to come up with a workable plan.

Senator BOXER. Good. Well, we will submit these. And I thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Boxer. And we are certainly not offended by your reference to male dummies.

[Laughter.]

Senator BOXER. I did not want to goof on my first day knowing our history, Mr. Chairman.

The CHAIRMAN. And since your questions were so encompassing and so illuminating, I would move at this time in order that after the vote at 11:30, we could have the Senate move to confirm Norm Mineta as Secretary of the Department of Transportation, that I would ask for—I would move that we move his nomination at this time, continue with the questioning until every Member has been able to complete their question.

Senator HOLLINGS. I second the nomination and also move your be elected Chairman unanimously.

The CHAIRMAN. All those in favor, say aye. [chorus of ayes] Those opposed? [no response] Then we will, as soon as we break, Mr. Mineta, we will inform the majority leader that we have voted. Now we will inform him so that when we go for a vote at 11:30, the recorded vote as I understand the schedule. The Majority Leader I have been told will move your nomination at that time. I understand by voice vote. Thank you, Senator Boxer.

Senator BOXER. Thank you, very much.

The CHAIRMAN. Thank you, very much.

Senator Ensign.

Senator ENSIGN. Thank you, Mr. Chairman.

The CHAIRMAN. And welcome to the Committee, Senator Ensign.

**STATEMENT OF HON. JOHN ENSIGN,
U.S. SENATOR FROM NEVADA**

Senator ENSIGN. Thank you. It is a pleasure to serve here. I am still getting used to not only this Committee, but I think I found the men's room a couple of times around here. So we are fairly comfortable with that. That was I heard one of the more important things to do on this side.

I have a couple of concerns. Obviously, being from a State like Nevada, we have a little bit of Federal land in our state. As a matter of fact, almost 90 percent of our State is owned by the Federal Government.

And there is very important public lands highway funding that is controlled obviously by the Congress and by you. It is supposed to be, from what I understand, the funding is supposed to be relative to the amount of public lands that you have in your state.

But despite this Congressional direction, we have an analysis that shows that Alaska, California, which should be a concern to you and to others from your state, Idaho and Nevada have been

particularly disadvantaged to a total of about close to \$80 million since TEA-21 became effective.

As an example, for instance, Washington, D.C. received \$4.4 million in fiscal year 2001, compared with Nevada at \$439,000. Kentucky with only one million acres of Federal land received \$2.3 million in fiscal year 2001.

Basically, this is the point I just wanted to raise—and I would like you to look into it. And I do not expect obviously an answer today, but just wanted to raise this as a concern. That if a fund is set up for a particular purpose, it would seem to me that it is only fair that it be used for that particular purpose.

This is true especially in a lot of the western states where we have huge tracks of Federal land and we have a lot of roads, and increasingly, we cannot use that land because of regulations and various things. And we cannot gain revenue from those lands because property taxes are necessary to maintain those roads. It is becoming more and more of a burden on states like the States of Nevada and California.

And so I would ask you to look into the funding formulas for that and maybe we can work together on possibly making some adjustments in the future.

Mr. MINETA. I do not recall. Was that as part of the computation for the distribution under the highway formula? Or was this separate?

Senator ENSIGN. From what I understand, it was TEA-21.

Mr. MINETA. It is under TEA-21 as it relates to public lands.

Senator ENSIGN. Yes.

Mr. MINETA. As part of the formula for distribution of highway funds? Or just as a separate fund itself?

Senator ENSIGN. It is a separate fund, yes.

Mr. MINETA. All right. Let me take a look at that as well.

Senator ENSIGN. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Ensign. Senator Rockefeller.

**STATEMENT OF HON. JOHN D. ROCKEFELLER IV,
U.S. SENATOR FROM WEST VIRGINIA**

Senator ROCKEFELLER. Thank you, Mr. Chairman. Mr. Mineta, we had a very good talk. You know my very, very strong feelings, positive feelings, about you. Your knowledge of aviation in and of itself I think is formidable. You probably know more than anybody on the Committee about it. I am certain you do. So I think it is a very fortuitous choice by President Bush.

You mentioned in your opening statement—you used the word bottlenecks. That is historic. I do not think that has ever been done by somebody in the Department of Transportation in a confirmation hearing before. And I just wanted to ask a question.

There are about four railroads that carry 95 percent of the products, bulk goods, et cetera in the nation. And from that, they make 94 percent of the profits of all goods that are moved by rail in this nation.

Traditionally, Secretaries of Transportation have looked upon trucking firms, barges, airlines, railroads, et cetera, as the area of focus for the Department. And they have paid far less attention with respect to those who put on the railroads, the consumers, the

grain folks, coal folks, steel folks, chemical folks. Everybody ships by rail and they have to.

And they also generally do not look at the effect upon the consumer of what happens. You used the word bottleneck. We all know that the Staggers Act said that 80 percent of all rails would be deregulated, but 20 percent would not. And those 20 percent would be those that had a single—had all the competition to themselves. There was no competition.

And in theory, those were meant to be still determined what they could charge. But that is a long time ago and people have forgotten about that.

The Service Transportation Board, the STB, is unknown by most members of our society and by many Members of Congress, what it stands for, much less what it does. But bottlenecks, there are a number of us on this Committee who are very concerned about that particular word. And the willingness of those very few, 50 when I came here 17 years ago, four today, of Class A railroads, that they will not share or allow each other to get into competition. Because they want to control all of the action.

Now, railroads alone are not subject to the same antitrust laws as all the other forms of transportation. I am not suggesting that we undo that here because I am aware of the political realities. But I would like to know that you are going to symbolize by the use of the word bottlenecks that you are going to be thinking about end use consumers and people who live and die by the railroads, and particularly those railroads that have a single line into their place of business.

Mr. MINETA. There is no question that when you think about the bottleneck that exists between the main line and let us say the short line or to a manufacturing concern and their siting, the main line railroads have something that no one else has and that is pricing differential in terms of being able to deal with that. And that is something I am going to have to take a look at.

Frankly, my exposure to the rail side is probably minimal, but it is something that I am going to have to focus on and I intend to work with you as well as others who are involved in that whole issue of "captive shippers".

Senator ROCKEFELLER. And it is an interesting subject because it effects every single person in the United States of America, virtually every single one. And yet it is an issue I have been working on for 17 years and have very little to show for it. But it is an extraordinary problem, and somehow it has bypassed the Congress' focus and the American people. You get air congestion and it is on the front page of USA Today everyday during the summer when people are traveling. This problem is year round, constant and gets almost no attention, including from previous Secretaries of Transportation.

Mr. MINETA. It is an area that the Surface Transportation Board really deals in. And it is an area that I will be in touch with Linda Morgan, the present Chair, about and get to know more about and to work with the STB on that issue.

Senator ROCKEFELLER. Thank you, sir. Let me make one little plug for something called the small community air service development program. It was part of AIR-21. It was authorized but not

funded. It has everything to do with what Senator Hollings and I are talking about and that is the possibility, and hope, of small communities being able to develop innovative approaches to improve access into their airports. And I just ask you to note that and not respond to it now.

Finally, and then I will submit a couple of questions. We have a lot of concerns about mergers and airlines and it is very controversial. I happen to be one that supports the U.S. Airway-United Merger, American just announced its involvement with that merger. I have not decided whether I support the American-United deal yet. But American is also buying into D.C. Air.

D.C. Air has made a commitment to our part of the country which is an extraordinary one. And that is to put regional jets into markets within a period of 2 years after the merger is approved, instead of all the turbo props—which can really hurt large sections of rural communities—well, where U.S. Airway commuter cover, impacting economic development possibilities.

And I do not look upon it so much as a merger as I do a bail out in fact. In other words, U.S. Air is not healthy and will not be healthy for long. TWA is not healthy and will not be healthy for long. And therefore, is it a merger? Is it a bail out? But that is very controversial. They wanted you to know that. The reason that I make the statement—

The CHAIRMAN. The Senator's time has expired.

Senator ROCKEFELLER. May I finish my sentence? Thank you, Mr. Chairman. The reason I say that is that unless we can work these problems out so that there are regional jets as well as hubs and spokes, rural America will begin to disappear even more quickly than it is. And I believe that with all of my heart and soul. That aviation is now more important than highways in terms of business location decisions and will grow more so.

So that I make that statement and ask for Secretary to be Mineta's consideration of that. And we can talk about that more. I do not ask for a response, sir.

Mr. MINETA. I look forward to working with you, sir.

The CHAIRMAN. Please, do you wish to respond?

Mr. MINETA. Other than to work with Senator Rockefeller, sir, which I intend to do.

The CHAIRMAN. Thank you, Senator Rockefeller.

Senator Brownback.

Senator BROWNBACK. Thank you, Mr. Chairman and Mr. Secretary. Two question areas that I want to ask you about, aircraft manufacturing and trucking, two areas. One I want to invite you to Wichita, the center of general aircraft manufacturing. You have been there once before. We would love to have you there as Secretary of Transportation. We have got Cessna, Raytheon, Boeing, Emartia, all have manufacturing facilities there, aircraft. It is a wonderful industry.

A key concern that they have in working with the Department of Transportation is the approval process, the certification process, for new products that they bring out. I think you would agree that the aviation safety is a major priority for the Department of Transportation. Fortunately, manufacturers have developed numerous

new products that could lead to major safety improvements in both commercial and general aviation.

However, they must go through an often byzantine FAA certification process for these new products. I want to draw your attention to that and then ask if you would make streamlining the FAA certification process a priority so that safer and more efficient products could be brought to market.

Mr. MINETA. I have no problem with streamlining at all. That is something I think all of us would work toward. As long as we are not sacrificing safety or environmental guidelines, whatever. But there is no question that streamlining is going to be something I am going to be looking at all the way through the departmental functions. But I do not want it to be a euphemism for throwing out regulations.

Senator BROWNBACK. And I do not ask for it to be either. But if that process can be reviewed and looked at for streamlining, I think the same is going to be important as we look at expanding capacity at our airports, particularly in environmental streamlining. I think we do not change the requirements, but if you can streamline the process so it can be truncated, what we are looking at in the legislative approach. And hopefully, we can work with you and the Administration to get that done.

A second area is trucking. We have had some discussion on that earlier and the hours of service issue was raised by Senator Boxer. In my state, we move many of our products to market trucking, railroads, aircraft, but also trucking. We have a number of independent truckers, some major line truckers too, Yellow Freight.

There is a great deal of concern about this hours of service issue. I think there is a safety issue that should be reviewed and should be carefully considered. But also the impact, particularly in rural areas, of this hours of service requirement can have a very adverse economic impact and not a positive safety impact.

And I have had a number of groups, companies, independent truckers, a number of people contact me. This rule is being reviewed now in the process for implementation. And it could have a significant impact, particularly in a rural area.

I would hope you would look at that and its impact I think actually could be substantially different, urban versus rural or long distances of trucking. And I hope you would take a chance to review that before its implementation. I do not know if you care to respond to that.

Mr. MINETA. Let me take a look at that. I was instrumental in helping set up the Motor Carrier Safety Administration in 1999. So let me take a look at this portion of what they are doing—whether or not hours of service are going to be adversely impacting on let us say the local communities and what part that plays in terms of safety versus the economic impact.

Senator BROWNBACK. If you could. Because particularly if you are having to work out in a rural area and you are going say driving a drilling rig, driving something that then you work on, the way it is currently designed can have an adverse impact, particularly in rural areas. And that is what I would ask for you to look at if you would. Mr. Chairman, thank you very much. And I look forward to working with you, Mr. Secretary.

Mr. Mineta: Thank you very much, Senator.
 The CHAIRMAN. Thank you, Senator Brownback.
 Senator Breaux.

**STATEMENT OF HON. JOHN B. BREAUX,
 U.S. SENATOR FROM LOUISIANA**

Senator BREAUX. Thank you very much, Mr. Chairman. Thank you, Mr. Secretary, for being with us today. I remember our long relationship that we had in the House of Representatives and the 14 years that I spent over on the other side and your enthusiastic support for my candidacy for the Senate which I never quite fully understood until I realized that when I left, you became Chairman over there. But for whatever the reason, thank you very much.

[Laughter.]

Mr. MINETA. There was no other reason, sir.

[Laughter.]

Senator BREAUX. Have we voted yet?

[Laughter.]

Senator BREAUX. Norm, thank you very much for taking this job. I think that when you have had the experience and the background and the training that you have, as well as to serve in the Congress and to go out into the private sector and being willing to come back into government service is truly a really big sacrifice on your part. And I think all of us are going to be much better for your willingness to serve in that capacity.

Let me deal with some questions along the lines I think that my friend Senator Rockefeller was talking about. It seems to me that in order to have competition which you spoke of, you have to have competitors in order to compete. And it seems that more and more, we have less and less. I mean, more and more we have fewer oil companies because of consolidation. More and more we have fewer railroads because of consolidation. More and more we have fewer telecommunication companies. We have fewer airlines. And I know a number of others are getting very concerned about the consolidation of all of the industries in this country that we are commanding to be competitive. And it is very clear that if you do not have competitors, you do not have competition.

So my question, I guess, is to you on behalf of this Administration. What kind of concern is going to be expressed about this problem of overall consolidation? And how would that concern be expressed by you as Transportation Secretary? Is this something we are going to hear about? Or are we just going to talk about competition with no competitors out there to compete?

Mr. MINETA. Senator Breaux, as you know, as it relates to airline mergers, this really falls in the responsibility area of the Department of Justice. And so to the extent that it is a function of the Department of Justice, I would be using you might call the bully pulpit in order to make sure that there is as much competition as possible in the marketplace.

Senator BREAUX. We all know that it is not your Department's responsibility to approve or disapprove of the mergers, but you have to run the Department that these people play in.

Mr. MINETA. Absolutely.

Senator BREAUX. And if all of a sudden you turn around, you've got one railroad and one airline and we do not have any competitors, you are not going to be able to do your job.

Mr. MINETA. Absolutely.

Senator BREAUX. And I think with your background and experience and knowledge in these areas, you have to be a voice if you will, within this Administration to talk about competition and how important it is. But you cannot run a Department of Transportation if you do not have any players. That is going to be one that is going to meet the needs of the American public, particularly in the area of transportation.

I mean, it is happening in everything we do. Whether it is communication, transportation, aviation, railroads, oil and gas, energy production. And it is a very serious concern. And I think more people are becoming really concerned about doing something about. And I would hope that you would be able to speak up on those issues.

Mr. MINETA. That is why I say I would be using the bully pulpit in that function.

Senator BREAUX. Let us talk a little bit about the natural gas pipelines. The Senate in the last Congress passed by unanimous vote—Senator McCain and a number of Senators on this Committee worked very hard to compromise and get a natural gas pipeline bill out. Senator Hutchison and I were working together in a bipartisan fashion.

The Department has recently issued a final rule on pipeline safety for petroleum pipelines for liquid pipelines. And it is my understanding that the Office of Pipeline Safety is preparing to issue a proposed rulemaking on natural gas pipelines.

And I want to just stress the importance of the difference between the two. I mean, what is good for oil pipelines does not necessarily fit the mode for natural gas pipelines. The whole concept of running a so-called pig through an oil pipeline to detect any leaks is easy. But you cannot do that with natural gas pipelines because they bend, they curve and it just does not work.

So I guess my recommendation to you is that to make sure when these rules come up—I hope Congress does this ourselves and gives you some guidance. But make sure that the Department officials understand the major difference and that you have to have options available to get the job done. One size does not fit all in this particular area. And I would encourage you to be aware of that.

The final point is Coast Guard. I mean, my State and many of the members around here are very dependent and at the same time very concerned about the supplemental requests that the Coast Guard seems to live on.

Right now our Coast Guard is in the far off Islands of the Galapagos to try to help clean up a major environmental spill. They are called on a regular basis to do this off our coast lines in addition to drug interdiction and military law type enforcement activities.

And we have submitted a \$91 million supplemental. And I would hope that you would be supportive of that supplemental as it works its way through the Congress including the integrated deep water system project where we are trying to modernize all these fleet of ships. I mean, some of them are really antiques out there that we

have given the Coast Guard more and more responsibility and less and less equipment to do it. So this is a big item under the Department of Transportation and it should be given a great deal of support. I am hopeful that you are going to be in a position to do that.

Mr. MINETA. I will, Senator. And I would hope also that I could enlist the assistance of the members of the Committee relating to '02 as it relates to the Coast Guard. Because as the military pay increases are given, it impacts on the Coast Guard. And yet, the Coast Guard transportation appropriations does not go along with that same defense appropriations bill in terms of what they get.

Senator BREAUX. Would you recommend that they be included in that type of proposition?

Mr. MINETA. Absolutely.

Senator BREAUX. Thank you, Mr. Chairman.

Mr. MINETA. I believe the impact in 2002 is something like \$38 million. So, again, just as you are saying the \$91 million in 2001 is important, so is that as we follow along with the 2002 budget.

Senator BREAUX. Thank you.

The CHAIRMAN. Thank you, Senator Breaux. And Senator Breaux, it is our intention, unless there is objection, to put the pipeline safety bill back on the first markup.

And I want to thank you and Senator Hutchison and Senator Murray and former Senator Slade Gorton on this issue. This is a very important issue. And it is very unfortunate that we did not pass that bill through the Congress in the last session. And so we want to thank you for your hard work on it. And thanks for raising the issue.

I think you would agree, Norm, that it is a very important situation. I think we are going to see an increased use of natural gas over time rather than a decrease.

Senator Snowe, I had a request from Senator Fitzgerald if he could ask one question. He is a brand new member of the Committee. He is already usurping the members who have been on the Committee for a long time. He was also late arriving.

[Laughter.]

The CHAIRMAN. But we would be happy to let you ask the question ahead of Senator Snowe.

Could I just say one other thing? We are going to continue the questioning. Members who have not asked questions, please go over and vote and come back. We are going to continue the hearing. We are not going to break for the vote.

Senator Fitzgerald.

**STATEMENT OF HON. PETER G. FITZGERALD,
U.S. SENATOR FROM ILLINOIS**

Senator FITZGERALD. Thank you, Mr. Chairman. I just had one question for you, Mr. Mineta. And I was delighted to have the opportunity to meet with you in my office. It did not take me more than 2 or 3 minutes to determine that you had encyclopedic knowledge about transportation in this country.

After your appointment, it was widely reported in the Chicago area newspapers that the first question then President-elect, now President Bush, asked you was what do you think about the need for a third airport in Chicago. And so I wanted to ask you did he

indeed as you that? And if so, how did you answer President Bush on that issue? How do you feel about the need for a third airport in Chicago? Softball question.

Mr. MINETA. First of all, yes, sir. He did ask me about the need. And my response is really it is a capacity issue. And the question is how best to deal with that capacity issue as soon as possible? And looking at it in terms of short range as well as long range.

And so whether it is going to be an additional runway at O'Hare or whether it is a third airport in Chicago, that is something again all of us are still going to have to wrestle with. I do not think anyone has that answer yet. And yet, it is one I am going to get into very quickly. And it is one that you and others are going to be involved in. And I am just going to be working with all of you on that.

Senator FITZGERALD. I look forward to working with you on that.

Mr. MINETA. Absolutely, absolutely.

Senator FITZGERALD. Thank you. And thank you, Mr. Chairman. And thank you, Senator Snowe. I appreciate the accommodation.

The CHAIRMAN. Senator Snowe.

**STATEMENT OF HON. OLYMPIA J. SNOWE,
U.S. SENATOR FROM MAINE**

Senator SNOWE. Thank you, Mr. Chairman. And I too want to reinforce what has been said here today about you, Mr. Mineta. As a former colleague from the House of Representatives I certainly can attest to not only your ability, but your knowledge on so many of the transportation issues because of your position in the House. I am just delighted that you are willing to accept this position within this Administration.

I first want to address the issue of airline service, particularly to small- and medium-sized communities. My overall concern is the constraints on the system. And I think one of your most difficult challenges will be how to address under served communities in this country.

It is one of the issues that we have been wrestling with on this Committee. And in particular, Senator Dorgan and I had asked for a report several years ago on the impact of deregulation on smaller communities and as one who represents Maine. I have seen that service diminish. And at the same time we have seen rising fares.

In addition, recently we saw the lottery of slots at LaGuardia to reduce the congestion at that airport. That was understandable. But at the same time that we are trying to factor in and integrate into our aviation system regional jets. We are losing that type of service due to congestion.

One carrier was intending to provide regional jet service from Portland, Maine, to LaGuardia, but those slots were lost, even though there was an agreement with the FAA to allow those slots to be available for regional jet service between our State and LaGuardia.

So, if we are trying to encourage the incorporation of regional jets and improved air service to smaller communities across the country and yet we are having this enormous congestion at airports, small communities stand to lose first. It is a Catch 22. One carrier lost 70 slots at LaGuardia. So immediately, we lost service

from our largest community in Maine to LaGuardia on a regional jet.

We are not only losing service, but we are also seeing that even in terms of the type of equipment that will serve our State airlines do not have the slots to provide jet service. And this one carrier, for example, made a major investment in regional jets to serve small communities, such as is in Maine.

So I think that you will have to examine many of the issues regarding airline service to rural communities in the state. Because we have seen diminishing service and that is not only my statement. GAO certainly reinforced that notion from the standpoint that many communities have benefited, but many communities and states have not benefited from deregulation. And certainly that has been true of my state.

So I hope that you will give this issue your highest priority. Because I do think that we have to incorporate rural states as a priority in our aviation system. We will never be able to compete on an equal level with the more populated areas of this country. Certainly in terms not only of population, but in terms of the type of aircraft that those communities are served with.

And so I hope that we find a way of incorporating smaller communities in our aviation system development and design. Because otherwise, we are going to see, I think, an erosion of the kind of economic development in our states, in our communities.

I do not see air service as a luxury. I see it as a necessity and as an imperative. And therefore, I think we also have to make sure it is part of our overall policy. And I would urge you to give that your highest consideration as you are developing your vision of the future of the aviation system.

In addition, I am very concerned by the Inspector General's report concerning customer service and the rising consumer complaints and with passenger dissatisfaction at an all time high. Have you had a chance to review that report? How would you respond to some of the issues that have already been raised? And what can we do in the future to be able to address many of these complaints that have been persistent and consistent?

Mr. MINETA. I have that report. And, Senator, it is going to be sitting on my desk in full view. Because I think it does lay out very well the challenges facing the Department of Transportation. I intend to use that as a guideline, as a reference book in terms of what I am going to be doing.

Senator SNOWE. I appreciate that. I hope you will give it great consideration because it is one of the issues that obviously has concerned us here on the Committee.

Mr. MINETA. Going back to your previous question, I am wondering whether or not essential air service program is not vital to making sure that there is service of small and medium size communities. And part of the problem there is, again, a funding problem. It has not been fully funded—what amounts have been allocated to it are now being used up, and so we are going to have to have replenishment or not replenishment, additional funding available in the EAS program to really benefit small- and medium-sized communities.

Senator SNOWE. I will look at that issue as a matter of fact as a way of incorporating maybe a policy with respect to serving those communities.

One other question on the Federal Motor Carrier Safety Administration. As I understand it, there will be a consolidation of the State director between Maine and Vermont. I gather that is very unique and there is no other situation like it in the country. Our State director has retired. But apparently, there is an intent to consolidate that position with New Hampshire.

I gather you can understand the problems associated with the geography alone, especially in a State like Maine. It represents more than Connecticut and Rhode Island combined in terms of land area.

So this represents a significant safety issue. Would you look into that? Because I think that would be the wrong direction to take.

Mr. MINETA. I just assume that because of the Maine director resigning that that has temporarily been given to Vermont to oversee. I would assume that all we are doing is in the process of looking for a Maine director. But I will take a look at that. But I think it is only a temporary situation, but I will take a look at that.

Senator SNOWE. Thank you. Thank you, Mr. Chairman.

The CHAIRMAN. Senator Carnahan.

**STATEMENT OF HON. JEAN CARNAHAN,
U.S. SENATOR FROM MISSOURI**

Senator CARNAHAN. Mr. Chairman, I would like permission to insert my lengthy opening remarks in the record.

The CHAIRMAN. Without objection.

[The prepared statement and press release of Senator Carnahan follow:]

PREPARED STATEMENT OF HON. JEAN CARNAHAN,
U.S. SENATOR FROM MISSOURI

Thank you, Mr. Chairman and thank you Senator Hollings. Let me just start by saying how truly honored I am to be a member of this Committee.

I would also like to say welcome and congratulations to Mr. Mineta and his family. Mr. Mineta served the prior administration with distinction and I am confident that he will do so again in the new administration.

I am eager to work with you in the days ahead to address issues such as our highway and mass transit systems—both of which are of great concern to the people of Missouri. There is one specific issues, however, that I would like to address this morning—the acquisition of Trans World Airlines by American Airlines.

Mr. Chairman, I understand and share many of the concerns that my colleagues have expressed with regard to increased consolidation in the airline industry. Several of the recent high profile deals that have been proposed may alter the structure of the aviation industry and thus raise questions about possible reductions in competition.

I also believe, however, that we must recognize a *fundamental* difference between the American/TWA transaction and the other airline mergers that are currently under consideration. While we may be initially inclined to view all of the current airline mergers in the same light, we must consider the American Airlines' acquisition of TWA independently of the other proposed mergers.

The primary difference with the American/TWA deal is that TWA is a financially distressed firm and cannot be saved or revived without intervention like that proposed by American Airlines. Unlike prior financial difficulties at TWA, it is very clear that at this point, if left alone, they would be forced to shut down and liquidate.

The current management team at TWA and TWA's employees have done an outstanding job in recent years at turning the carrier into an efficient, on-time airline. In fact, TWA's recent efforts to improve service resulted in recognition within the

airline industry for on-time operations, fewest customer complaints and least lost luggage.

Unfortunately, however, the company's mounting debt and poor credit, coupled with continued problems associated with a prior separation agreement with Carl Icahn, caused irreparable damage to the airline. Ultimately, these problems became too burdensome to overcome, even for one of the industry's most dedicated workforces.

Two weeks ago, however, American Airlines proposed to acquire substantially all of TWA's operating assets. TWA's board of directors approved.

Considering TWA's financial circumstances, American Airlines' offer to purchase substantially all of TWA's assets represents the best possible scenario for TWA customers, employees, and for the state of Missouri. TWA employs approximately 20,000 people, over 12,000 of them in Missouri. Furthermore, St. Louis' Lambert International Airport, where TWA is headquartered, has an annual economic impact of \$5 billion on the region. Officials at American have assured me that they plan to offer employment to substantially all of TWA's contract employees, to maintain St. Louis' status as a "hub", and to keep TWA's maintenance base in Kansas City—and I will be monitoring the situation closely to ensure that they stand by their commitments. Only an arrangement such as this one, in which TWA is sold virtually intact, will ensure continued employment opportunities for TWA employees, and will enable St. Louis to remain a hub.

Therefore, Mr. Chairman, please let me reiterate that I too have serious reservations about the increased consolidation in the airline industry. Like all of you, I am concerned about fewer travel options, higher fares and lower levels of service. However, as a Senator from Missouri, I cannot overlook the damage—particularly the loss of jobs—that TWA's closing would have on my state and on the nation as a whole.

Mr. Chairman, I hope that you, Mr. Mineta and the other members of this committee will understand the different set of circumstances surrounding the TWA/American Airlines deal when assessing this acquisition.

Mr. Mineta, thank you for appearing here today and for your willingness to continue your public service. I look forward to working with you in the days ahead.

Thank you.

PRESS RELEASE—CARNAHAN FOCUSES ON AMERICAN AIRLINES' ACQUISITION OF TWA AT CONFIRMATION HEARING FOR SECRETARY OF TRANSPORTATION

SAYS AMERICAN'S PROPOSED ACQUISITION IS "BEST POSSIBLE SCENARIO" TO SAVE MISSOURI JOBS

WASHINGTON, DC.—Speaking today at the confirmation hearing of Secretary of Transportation-designate Norman Mineta before the Senate Committee on Commerce, Science and Transportation, United States Senator Jean Carnahan focused on American Airlines' proposed acquisition of St. Louis-based TWA, calling it the "best possible scenario" to save Missouri jobs.

Said Carnahan: "Considering TWA's financial circumstances, American Airlines' offer to purchase substantially all of TWA's assets represents the best possible scenario for TWA customers, employees, and for the State of Missouri. TWA employs approximately 20,000 people, over 12,000 of them in Missouri.

"Officials at American have assured me that they plan to offer employment to substantially all of TWA's contract employees, to maintain St. Louis' status as a 'hub,' and to keep TWA's maintenance base in Kansas City—and I will be monitoring the situation closely to ensure that they stand by their commitments."

The following is the text of the opening statement by Carnahan at the confirmation hearing of Norman Mineta before the Commerce Committee:

Thank you, Mr. Chairman and thank you Senator Hollings. Let me just start by saying how truly honored I am to be a member of this Committee.

I would also like to say welcome and congratulations to Mr. Mineta and his family. Mr. Mineta served the prior administration with distinction and I am confident that he will do so again in the new administration.

I am eager to work with you in the days ahead to address issues such as our highway and mass transit systems—both of which are of great concern to the people of Missouri. There is one specific issue, however, that I would like to address this morning—the acquisition of Trans World Airlines by American Airlines.

Mr. Chairman, I understand and share many of the concerns that my colleagues have expressed with regard to increased consolidation in the airline in-

dustry. Several of the recent high profile deals that have been proposed may alter the structure of the aviation industry and thus raise questions about possible reductions in competition.

I also believe, however, that we must recognize a *fundamental* difference between the American/TWA transaction and the other airline mergers that are currently under consideration. While we may be initially inclined to view all of the current airline mergers in the same light, we must consider the American Airlines' acquisition of TWA independently of the other proposed mergers.

The primary difference with the American/TWA deal is that TWA is a financially distressed firm and cannot be saved or revived without intervention like that proposed by American Airlines. Unlike prior financial difficulties at TWA, it is very clear that at this point, if left alone, they would be forced to shut down and liquidate.

The current management team at TWA and TWA's employees has done an outstanding job in recent years at turning the carrier into an efficient, on-tune airline. In fact, TWA's recent efforts to improve service resulted in recognition within the airline industry for on-time operations, fewest customer complaints and least lost luggage.

Unfortunately, however, the company's mounting debt and poor credit, coupled with continued problems associated with a prior separation agreement with Carl Icahn, caused irreparable damage to the airline. Ultimately, these problems became too burdensome to overcome, even for one of the industry's most dedicated workforces.

Two weeks ago, however, American Airlines proposed to acquire substantially all of TWA's operating assets. TWA's board of directors approved.

Considering TWA's financial circumstances, American Airlines' offer to purchase substantially all of TWA's assets represents the best possible scenario for TWA customers, employees, and for the State of Missouri. TWA employs approximately 20,000 people, over 12,000 of them in Missouri.

Furthermore, St. Louis' Lambert International Airport, where TWA is headquartered, has an annual economic impact of \$5 billion on the region. Officials at American have assured me that they plan to offer employment to substantially all of TWA's contract employees, to maintain St. Louis status as a "hub," and to keep TWA's maintenance base in Kansas City—and I will be monitoring the situation closely to ensure that they stand by their commitments.

Only an arrangement such as this one, in which TWA is sold virtually intact, will ensure continued employment opportunities for TWA employees, and will enable St. Louis to remain a hub.

Therefore, Mr. Chairman, please let me reiterate that I too have serious reservations about the increased consolidation in the airline industry. Like all of you, I am concerned about fewer travel options, higher fares and lower levels of service. However, as a Senator from Missouri, I cannot overlook the damage—particularly the loss of jobs—that TWA's closing would have on my State and on the Nation as a whole.

Mr. Chairman, I hope that you, Mr. Mineta and the other members of this committee will understand the different set of circumstances surrounding the TWA/American Airlines deal when assessing this acquisition.

Mr. Mineta, thank you for appearing here today and for your willingness to continue your public service. I look forward to working with you in the days ahead.

Thank you.

Senator CARNAHAN. You have certainly served this Administration with distinction. And I am sure that you will also do that in this new Administration. I am eager to work with you in the days ahead in addressing some issues involving our highways and mass transit.

But today I would like to draw our attention to two issues that are of paramount importance to my home state. One of those is the acquisition of TransWorld Airlines by American Airlines. Preserving the more than 12,000 jobs and maintaining the hub in St. Louis as well as the maintenance of space in Kansas City is also of paramount importance to us. American Airlines in its proposed acquisition of TWA's assets has pledged to keep virtually all the

jobs, the hub and the maintenance space. Without intervention by American, TWA will be forced to close its doors and liquidate.

Now, while I understand and I certainly share the concerns of my colleagues that have already been expressed concerning the consolidation in the airline industry, I believe that we must recognize that there is a fundamental difference between the American TWA transaction and the other airline mergers that are currently being considered.

The primary difference with the American TWA Airlines deal is that TWA is a financially distressed firm that cannot be saved and cannot be revived without intervention like that proposed by American Airlines.

Could you please share your views on whether this transaction is distinct from other airline mergers that are currently being considered?

Mr. MINETA. I think you are absolutely correct in the sense that TWA's survival is going to require either American Airlines or someone else to acquire them. And to see a turn around of TWA in its present form would probably be very difficult.

So to the extent that that acquisition in terms of the marketplace I think would still have to be examined in the same way by the Department of Justice. I personally have not really looked at it yet in terms of the impact, in terms of the competitive marketplace.

From a survival perspective, it is obvious that American Airlines is a good response. But there are other factors that will have to be looked at. And I have not gotten into it to that extent.

Senator CARNAHAN. Well, certainly in Missouri, we do not see it as a merger. We see it more like a rescue mission.

Mr. MINETA. I understand.

Senator CARNAHAN. My other question. I am sure you know that Boeing Corporation employs more than 16,000 people in Missouri. And as such, I am extremely interested in Boeing's ability to compete on a level playing field. So it comes as no surprise that I am very concerned about the \$4 billion in European government loans that are helping to fund a competing project, the Airbus A380.

The 1992 U.S./EU Civil Aircraft Treaty provides that government loans made on commercial terms are allowable only if the project is proven to be commercially viable. If Airbus does not submit proof as Boeing has requested that the A380 project is commercially viable, what course of action would you pursue in your new role as Secretary of Transportation?

Mr. MINETA. We touched on it when I was over at Commerce in a small way. But the basic work on this issue will either be by State Department or USTR. We will be involved from the Department of Transportation's perspective. But again, that subsidy is a very real issue. And I will just have to be alert to that portion of it. I will take a look at it and work with the USTR and the State Department in terms of the work with the EU on that Airbus issue.

I dealt with part of that, not as it relates to Airbus, but as it relates to subsidies when I was at Commerce. In the steel industry when the steel companies that were owned by the governments, whether it was UK or German or French, when those companies were privatized, the question came up how much of that new corporation is there as a result of the historical subsidies from the

governments of let us say Great Britain or France or Germany? And to that extent, how much of that subsidy would be counted in terms of determining the import duties and capacity of the steel companies to be able to sell in the United States?

And so to that extent, we got into the subsidy question. And so just as you have indicated in this one, we would also be looking at how much of a subsidy there is to Airbus from the consortium of France, U.K., Spain and Germany that make up the Airbus corporation. So we would be taking a look at that portion of it.

Senator CARNAHAN. Thank you.

The CHAIRMAN. Senator Smith.

**STATEMENT OF HON. GORDAN SMITH,
U.S. SENATOR FROM OREGON**

Senator SMITH. Thank you, Senator Hollings. And Mr. Secretary welcome to this hearing in your behalf. I think it is a wonderful thing that President Bush has selected you to head this Department for more than the obvious reason that you are so eminently qualified for it.

I have noted in my political career that Republicans and Democrats approached pouring cement and cutting ribbons with equal bipartisan enthusiasm. And so I think it is a wonderful thing that he has picked such a fine man, a Democrat, to head this agency, this Department, so important to all of us now matter how we register politically.

Mr. Secretary, in the past, the Department and the Administration have submitted budget requests for individual projects which reflect the funding schedule in the full funding grant agreement. Do you anticipate any change in that in your Administration?

Mr. MINETA. I do not believe so. Again, I am not familiar with all of the full funding agreements.

Senator SMITH. It has to do with the planning that different metros need to do.

Mr. MINETA. On that, I would say no difference at all.

Senator SMITH. In both the ISTEA and the TEA-21, Congress and the Administration have recognized the benefits of linking land use planning and transportation capital investments. They produced benefits like leveraging private investment, providing predictability again, responding to local needs and reducing energy consumption and air pollution.

As you think forward to the reauthorization of TEA-21, do you anticipate that there will be opportunities to continue to move in this policy direction and further reward communities for making a commitment to better land use planning and transportation coordination. I assume that the Bush Administration and you will continue these policies.

Mr. MINETA. Given those kind of policy discussions that would still have to ensue, that would be my personal direction in terms of a recommendation and would continue that same policy.

Senator SMITH. I think you are very familiar with my State as a neighbor to yours and how committed we have been for many years now, for decades now, for land use planning, preserving prime farm and forest land, managing our growth in a way that reflects a higher quality of life. And that is really what I am say-

ing. Is there a benefit to communities, an incentive to communities, to continuing that? And I think you are saying yes.

Mr. MINETA. Absolutely. And I found that to be the case when I was in local government and used that as a process and a principle.

Senator SMITH. As your neighbor to the north, we share a very important highway corridor and that is, of course, Interstate 5. There are places, choke points, on that important interstate that I think warrant your attention and some priority. One of them is at a point on I-5 that separates the city of Vancouver, Washington, from Portland, Oregon. There are two lift span bridges there that create enormous amounts of congestion with the traffic on the Columbia River and the traffic between these two cities where many Washingtonians live, but then work in Oregon. And it is a constant bottleneck. I think frankly it warrants a change, an improvement, if we are to eliminate some of these choke points. I am hoping that there will be an opportunity to address these kinds of specific needs with you in the National Corridor Program. Can you give us that assurance?

Mr. MINETA. I will take a look at it absolutely.

Senator SMITH. And finally, Mr. Secretary, I would be interested in your views on the appropriate balance between passenger and freight mobility, whether you believe that the Department of Transportation should allocate more planning and resources to freight programs as well as passengers. What kind of priority, in other words, will freight have? Like the Port of Portland. Can they expect some attention from your Department?

Mr. MINETA. Well, just as I think in the past, the Department has been integrally involved in the Alameda Corridor as a port clearance project. I think wherever there are those kinds of bottlenecks, it seems to me we have got to take a look at them. And port clearance is a very important but seldom understood or even looked at priority. And yet, from an economic perspective, it is very important. So port clearance again is something I would be taking a look at and would be involved in.

Senator SMITH. I think Senator Wyden and I would both welcome you back to Oregon as soon as you can come back and look at our transportation needs. It is a real pleasure to meet you the other day in my office. And I truly look forward to working with you.

Mr. MINETA. I look forward to working with you.

Senator SMITH. Thank you, sir. Thank you, Mr. Chairman.

The CHAIRMAN. Senator Dorgan.

**STATEMENT OF HON. BYRON L. DORGAN,
U.S. SENATOR FROM NORTH DAKOTA**

Senator DORGAN. Mr. Chairman, thank you very much. And, Mr. Secretary, thank you for your public service. And I must say that I am pleased and proud to cast a vote for your nomination. I think you will do an excellent job.

I do want to talk to you about three areas just very briefly. First, to ask you do you ever ride in a taxi? Probably not anymore.

Mr. MINETA. I have. I remember that one experience.

Senator DORGAN. Thank you. How would you feel as a passenger if you got in a taxi and said, you know, I have got two destinations

in mind. I want to check the price on each one. I want to go three miles down the road. And they say, well, that will cost you \$5.00. And then you say I also want to go 10 miles down the road. And he says, well, that will only cost you \$2.50. You would probably think the cab driver was mad, would you not? I mean, stark raving mad. You charge half price or almost half the price for going three times as far.

Well, Mr. Secretary, you come from California. I was getting prices this morning just for fun. If you or I were to get on a plane this morning, no advance purchase, and to fly to North Dakota, Bismarck, it would be about \$1,600. But if we decided to go to your home in California, no advance purchase, we could do that for about \$600, twice as far, less than half as much. Or if you and I planned our trip and we did a 3-week advance or so, we could get a super saver, \$560 to go to Bismarck, North Dakota. To go to Los Angeles, \$278. Less than half the price. Or perhaps you wanted to go to Paris round trip and plan 3 weeks in advance, \$398. Again, Washington, D.C. to Bismarck, \$560, Paris, \$398, Los Angeles, \$278.

I describe these to you—these are this morning's prices—just to say the system is broken, just flat out broken. And those of us in rural areas of the country are paying prices that are unjustifiable. And we are subsidizing the routes on the heavily traveled routes between big cities pairs.

Everybody knows it. If you went into a taxicab and they priced that way, you would think the person was just daft. But it is the way it is priced everyday in this country for people who travel in Fritz Hollings' part of the country or my part of the country.

Senator HOLLINGS. Amen.

Senator DORGAN. Now what we have is retrenched airlines that have come back into regional monopolies of sorts that are unregulated. So we went from regulated monopolies to regional monopolies that are now unregulated.

And now we have proposals that suggest we should have additional mergers. And we have not had many Administrations that have seen mergers they do not like.

I mean, most mergers have gone through here very quickly. We have U.S. Air/United proposed. We now have American/TWA, the purchase of those assets. We will quickly in my judgment see Northwest, Delta and Continental involved in the mix. We will have three major airline carriers exacerbating the problem I have just described to you.

And so in my judgment, all of this clogs the arteries of the free market system. It just does not work this way. It cannot work this way. That is one issue.

The second is the issue of the railroads. In my state, our public service commission estimates that we are over charged \$100 million by the railroads. When I say railroads, I mean we have one principle railroad. We have another service as well, but one principle railroad. Overcharged \$100 million. I am sure you are aware that the railroad is the only industry in America that I am aware of that is not subject to the antitrust laws. You are familiar with that. I have introduced legislation suggesting that any future merger proposals be subject to Justice review and antitrust laws.

But we have also introduced in this Committee the Rail Shipper Protection Act which no one has ever accused of speeding through this Committee. In fact, it has had a minor form of incarceration I suppose in the sense that we introduce it and nothing happens. But a number of us on this Committee feel very strongly that we ought to do something about this. The rail industry is very much like the airline industry.

Pricing opportunities, if I can just give you one additional example, allow the railroads to say that a bushel of grain that is picked up in Iowa and goes from Iowa through North Dakota to the West Coast is actually charged less, pays a lower rate, than a bushel of grain that goes from North Dakota to the West Coast.

So why is a bushel of grain that travels farther, through our state, paying less? Because that is the way the system works. The railroads tell us what they are going to charge. And if we do not like it, tough luck.

Put a carload of wheat on the track in Bismarck and move it to Minneapolis, you pay \$2,300. The same carload of wheat from Minneapolis to Chicago about the same distance, \$1,000. Why do we pay more than twice as much for hauling a carload of wheat about the same distance? Because the company can make it stay. We have no alternatives. No competition means monopoly pricing.

So I mention these three areas to you just to suggest that we have a lot of work to do. The current system is broken. We do not have free markets. We have increasing chokeholds on the American consumer that relies—especially in states like North Dakota—relies heavily on transportation needs. And we are paying an outrageous amount of money for it and subsidizing those in other parts of the country every day, in every way. And we ought to fix it.

So I have not asked you a question. It has been good therapy for me to be here, however.

[Laughter.]

Senator DORGAN. [continuing]. And be able to go through this once again.

Mr. MINETA. And a learning experience for me.

Senator DORGAN. Well, would you just give me some comments, your thoughts about this? My hope is that you will say we do not need any more mergers. We do not need to go to three airlines in the country. And my hope is that you will say I am going to be a tiger on this issue of concentration in airlines and rails and others.

Mr. MINETA. Well, in terms of how I approach the job, it will be as an activist. And I will be actively involved in all facets of our Department. Some of these, of course, are going to have much more priority attention. And the other part of it is from a personal perspective, there is a lot for me to learn about some of these areas that I have not really worked on directly. And rail is one area. Coast Guard is another.

But there are these areas that I will be spending a lot of time on to learn more about and to be actively involved in. This would be part of that whole program to be working with you and others to educate me about those factors.

Senator DORGAN. Would you just give me just a small hint philosophically? Are you restless? Do you not sleep well because we see

fewer and fewer companies and more and more concentration? Can you just give me a hint of the philosophy here?

Mr. MINETA. Sure. I mean, there is no question that as we try to deal with letting the marketplace be the determinant, the question is to the extent that there is less competition, that there is concentration, then that becomes a very disturbing factor. And the question is how to then deal with it.

Since the Department of Transportation is not in the position to approve or disapprove, what we really have is, as I said earlier, the bully pulpit. And that I will be using regardless of what the subject matter might be, whether it is Coast Guard, airline mergers, rail, shipping, motor carrier safety. These issues that have been brought up here today will arise—sometimes where I have direct control, other times I will have really not a handle on being able to do something, but we will have the bully pulpit to also work with other colleagues of mine on the Cabinet in working on these issues.

Senator DORGAN. Mr. Chairman, my time is up. If my colleague would just bear with me one moment to ask would you be open to the suggestion of imposing the restrictions of a Justice review on future rail mergers? We have legislation of that type we intend to reintroduce.

Mr. MINETA. I would take a look at that, Senator Dorgan. Again, I am not prepared to make a judgment on that right now. But it is something I would definitely take a look at and work with you on.

Senator DORGAN. Mr. Mineta, thank you and good luck.

Mr. MINETA. Thank you.

The CHAIRMAN. Senator Wyden.

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

Senator WYDEN. Thank you, very much, Senator Hollings.

Norm Mineta knows that he is one of the people that I admire most in public life. I am so pleased that you are at the table, Mr. Secretary. You will be Mr. Secretary in a few minutes. Because we are voting now on your confirmation. I will make some quick questions so I can get over there and cast a vote for you.

Mr. Secretary, to be—a newly published report that the Department paid for deals with predatory pricing—predatory practices in the U.S. airline industry. And I heard you respond to Senator Dorgan who has done so much good work on this issue. But this is on the Web site now, the Department of Transportation. It outlines predatory practices in the airline industry. I am of the view that there are few laws on the books right now to deal with predatory pricing. And the ones that are there are being honored more in the breach than the observance.

So I heard you say to Senator Dorgan you will use the bully pulpit. This is top priority business. I mean, we are headed to three airlines, fewer choices, higher prices. The many small communities in Oregon cannot afford that strategy. And I hope that you will make this a top priority.

The other area that I feel very strongly about is getting an enforceable, legally binding, passenger bill of rights with respect to airlines in place. I had my head handed to me in the last Congress

where I was the only vote in this Committee to put one in place. And the airlines have just been in denial on this.

First, they said there was not a problem. It was just anecdotal. When we showed that there was a problem, they said let us handle it voluntarily. When that was not working, they blamed the FAA and various people in government. Is the Administration open to working with us on a bipartisan, enforceable passenger bill of rights?

Mr. MINETA. There has not been any specific discussion about that, but I would assume that to the extent that the industry's 12-point program becomes either a stumbling block or fails the consumer test in terms of responsiveness, it seems to me then the question comes up whether legislation is going to be necessary.

Senator WYDEN. How do you appraise the industry's voluntary program?

Mr. MINETA. From what I have seen of it, again, there are some aspects of it, I think where they have done well. Other areas, woefully short in terms of what they ought to be doing. Informing a consumer as to why a delay, for example. And I think on that part of it, they seem to be doing relatively well.

On things like lost luggage and getting it to you at your hotel or to your residence after they find it, again, they may be not doing as well. But I think when you look at the various points of it, there are some places on a scale of 10 that are probably doing eight. Others they are doing maybe a two.

Senator WYDEN. Mr. Mineta, let me just say—and I think it will be in that report that is right next to you—there are just no plausible excuses for the airline industry's performance on passenger service.

For example, the Inspector General recently noted that the airlines know in a number of instances 3 or 4 hours ahead of time that there is going to be a significant delay and they will not go out and change the departure board. There is just no explanation for not giving people timely, accurate information about their travel options.

And I want you to know, both because of our friendship and the importance of this issue to me, I am not calling for a constitutional right to fluffy pillows on airline flights. But I think we have got to give people accurate, timely information. Because we have got businesspeople, for example, wasting significant sums of money and time because they cannot get information, for example, even about bumping. I am prepared to say that airlines ought to be able to sell a ticket if somebody knows that a flight is over booked. But to keep people in the dark about their travel options the way this industry has done is unacceptable.

So I hope that in addition to this question of anti-competitive prices, I hope you will look at passenger service issues as well. You are going to be a great Secretary dealing with these transportation issues. And I so look forward to seeing you at DOT and looking forward to your outstanding service.

Mr. MINETA. I absolutely look forward to working with you, sir. Senator WYDEN. Thank you.

The CHAIRMAN. You can see Senator Wyden does not feel very strongly about that issue, Mr. Secretary. I believe that there is sup-

posed to be a report, Senator Wyden, on what the airlines have done that is supposed to be coming out, is it January?

Senator WYDEN. The report is going to come out at the end of next week. And I have got our bipartisan bill ready to review with you.

The CHAIRMAN. So I believe that a lot of our actions will be engaged by the results of that evaluation.

Senator WYDEN. And the favorable comments from Senator Kerry this morning were very welcomed. So I see a juggernaut building in Committee. And I thank you.

The CHAIRMAN. Thank you.
Senator Cleland.

**STATEMENT OF HON. MAX CLELAND,
U.S. SENATOR FROM GEORGIA**

Senator CLELAND. Thank you very much, Mr. Chairman. And, Mr. Secretary, welcome. May I say since I represent the world's busiest airport, Hartsfield, and the country's most delayed impacted airport, and since I just voted for your confirmation, we need that money for the fifth runway tomorrow afternoon.

[Laughter.]

Last year, Hartsfield handled some 78 million passengers and this number is expected to jump to an incredible 100 million passengers just at Hartsfield in 4 years.

As you may know, Dallas Fort Worth, Chicago O'Hare and Denver International Airports, they all have five runways. And Hartsfield, the busiest airport in the world, has only four.

In 2005, with 100 million passengers expected and with just four runways, it is projected that each flight at Hartsfield will average 14 minutes of delay. And since I only have 15 minutes to get to vote, that leaves me 1 minute from Atlanta. That 14 minutes of delay is double the current 7 minutes of delay. With five runways though, it is estimated that Hartsfield will be down to 5 minutes of delay per flight. This is a dramatic savings.

This decrease in delay is significant and it will benefit passengers not just in Georgia and in Hartsfield, but around the country it will have a ripple effect. Because what seems to happen in Hartsfield has a ripple effect all over the nation's airway system.

We would love to be able to count on you and your department to help expedite Hartsfield's critically needed fifth runway and the money for it and would appreciate your checking that out at your earliest opportunity.

Mr. MINETA. I will.

Senator CLELAND. Thank you, very much. You are on record as a supporter for advance technology applications in the transportation industry. As you may know, former Secretary Slater in the last 48 hours of his tenure chose to select only two projects out of the eligible seven to advance the magnetic levitation train, the Maglev deployment program competition.

Atlanta was a close third. The Atlanta to Chatanooga route actually, not just Atlanta, but from Hartsfield to Chatanooga. Because even with the fifth runway, it may be that we max out so to speak Hartsfield maybe as early as 2010. And so we are looking for con-

tinue growth in the southeast. And with Delta, there is that great hub airline doing more and more globally.

We are looking for ultimately a secondary airport, a reliever airport. If you could commute in effect from Hartsfield to the Chatanooga Airport, by magnetic levitation train at 220 miles an hour, I think that would dramatically improve not only ground transportation in a massive growth corridor in the southeast, but it would tremendously facilitate relief at Hartsfield.

I just like to throw that plug in because it did seem to me that—and I was told that Atlanta ran a close third. And as a booster of that program, I would like for you to continue to take a look at that corridor because it seems to make sense in so many ways.

Mr. MINETA. What is the distance of that corridor?

Senator CLELAND. About a hundred miles I think. It is about an hour and a half by land by Interstate 75. May I just say that I held a Senate roundtable I call it on rail and on a lot of transportation issues in my state.

And Secretary Slater in looking at the many transportation problems in Atlanta, Hartsfield, the interstate system, the question of commuter rail, the question of rapid rail coming down through the Carolinas via Amtrak and the magnetic levitation train, all of these issues converging in effect on metropolitan Atlanta having the longest commute of any metro area in America and the most traffic gridlock of any area in the Southeast.

Secretary Slater agreed to establish a DOT task force of officials from the various transportation modes in DOT to work with our newly created Georgia Regional Transportation Authority. We now have locally a way to get a handle on all of these forms of transportation to plan them better, to integrate them better and to really move for the first time in our history to a balanced transportation system.

I thought it was a good idea for the Secretary to like in effect establish a task force to deal with this problem regionally. So that we wouldn't be playing off one form of transportation against the other and trying to run through six or seven different offices in DOT just to try to get together and even have a meeting.

So I would like for you just to take a look at that concept. It might make sense for a huge growing metropolitan area such as Atlanta. And if it works there, you never can tell whether it might be a good idea for other major areas.

Mr. MINETA. Has the task force been formed?

Senator CLELAND. I do not think so. I am told by staff they have had one meeting.

Mr. MINETA. Let me take a look at that.

Senator CLELAND. I think that is a wonderful way for us to hook up with your great agency. May I say that I deeply appreciate your willingness to serve in this difficult capacity? You bring so much to the office that you are going to hold. And it is going to be my pleasure and privilege to work with you and I just cannot think of a better person to be in your position. And we look forward to working with you on all these issues that come before this Committee in terms of transportation. And thank you for your service.

Mr. MINETA. Thank you very much, sir.

Senator CLELAND. Mr. Chairman, no further questions.

Thank you.
[The prepared statement of Senator Cleland follow:]

PREPARED STATEMENT OF HON. MAX CLELAND,
U.S. SENATOR FROM GEORGIA

Mr. Secretary-designate, this is your third nomination hearing before the Commerce Committee in less than a year. The last two times you were approved with flying colors, and I have no doubt that you will get equally high marks this third time around. You certainly have my strong support and admiration.

As Secretary of Transportation, you will preside over a department which will face monumental challenges on the ground, air and sea. In the National Civil Aviation Review Commission's landmark report, you said and I quote: "Given the delay and congestion problems that already exist, anticipated growth, without needed expansion of capacity in the air and on the ground, will simply reach a point at which it cannot be accommodated." That was in 1997, and many will contend we have already reached the choke point. With 600,000 passengers a year, with only 5 new runways in the last 9 years, our aviation system is fast approaching gridlock.

In my state of Georgia, Hartsfield is pushing the envelope as the busiest airport in the world. With 78 million passengers a year, it is also the nation's most delay-impacted airport. In 2005, with 100 million passengers projected, and with only the current four runways, each flight at Hartsfield is projected to average 14 minutes of delay. This delay can be cut dramatically—to just five minutes—if Hartsfield gets a desperately needed fifth runway. This is a dramatic savings in time and dollars which will benefit passengers not just in Georgia and the southeast, but passengers throughout the country.

Our gridlock in the skies is mirrored in countless highways across this nation. The Department of Transportation recently projected that traffic congestion in America will increase 400 percent on our urban freeways and more than 200 percent on other U.S. roads in just the next two decades. Metro Atlanta has become a poster child for urban sprawl and congestion. It is the most traffic congested city in the South, and its motorists drive more miles per day than drivers from any other metropolitan area in the country. Fortunately, Georgia is beginning to chart a new course. The State stands ready to flex hundreds of millions of dollars from highway projects to transit projects. Georgia's transportation planners are considering the potential of intercity bullet trains, of light rail, and commuter rail lines serving downtown Atlanta from corridors extending to Athens, Griffin and other key points in the State.

Given the fact that two railroad tracks will carry 20 lanes of highway in rush hour, we may be looking at a potential rebirth of rail, not just in Georgia, but nationwide. How much we can tap this transportation option will depend on the policies and resources emanating from the Department of Transportation.

We all know that there are more questions than answers to our nation's transportation challenges, and the solutions will not be easy and they will not come quick. But I am looking forward to hearing how you plan to address America's 21st Century transportation needs, and in what direction you will lead.

The CHAIRMAN. Senator Hutchison.

Senator HUTCHISON. Thank you, Mr. Chairman. Mr. Secretary the Department of Transportation has sought reauthorization of the Hazardous Materials Transportation Act for the last several years without success. This is very important in the safety arena. In Houston, Texas, we had a terrible hazardous materials transporting truck accident that really endangered many lives.

It is my understanding that the stumbling blocks have come primarily from dealing with exemptions for farmers and some of the disagreements about authorization in the Department of Transportation or Department of Labor and who handles what.

Will reauthorization of this act be a priority for the Department of Transportation under your leadership?

Mr. MINETA. Let me take a look at that. Both that and pipeline safety are I think going to be priority items that we will be taking a look at. But hazardous materials and pipeline safety, I believe are—

Senator HUTCHISON. And trucking. Everything hazardous——

Mr. MINETA. And the motor carriers, yes.

Senator HUTCHISON. But, of course, aviation, we had the terrible accident in Florida which we all remember as well. But just in general, this is a very important issue that will become bigger and bigger. So it is my hope that you will try to get that through. And we will certainly help you.

Mr. MINETA. I look forward to working with you on that.

Senator HUTCHISON. Thank you. Five years ago, Congress changed the definition of commercial motor vehicle to include commercial passenger vans carrying nine or more passengers. Last month, the Department finally issued the notice of proposed rule-making to apply most of the Federal Motor Carrier safety regulations to these vans when they are carrying passengers for more than 75 miles.

This is an important safety issue in a border State because these vans sometimes called Camionetas operate across great distances without proper safety regulations. Will you make the timely adoption of the commercial van safety rules of priority?

Mr. MINETA. Let me also take a look at that with our departmental folks and see where they are on it. Did you say that the Department has——

Senator HUTCHISON. Yes, they issued the notice of proposed rule-making.

Mr. MINETA. OK. All right.

Senator HUTCHISON. So it is in the process. It just needs to be finished.

Third, I have said this to the last two Secretaries of Transportation and I am going to say it again. I live in a State that has 3 of the 10 largest cities in America. And none of my cities have direct access to Heathrow Airport. We also do not have good access to China on non-stop flights. I would ask that you look at all of our bilaterals and I would hope that we would have a priority of fair and open skies when you are dealing with the other countries in establishing more routes and more potential destinations from Heathrow, China, Japan and other places where we would like to have more access.

Mr. MINETA. All right. Fine. Thank you.

Senator HUTCHISON. And last, Mr. Chairman, I would just like to say in the earlier questioning, there has been a lot of talk about Amtrak. And I just want to say that I believe all modes of transportation have subsidies from taxpayers, capital subsidies, not operational. And I think we should all strive to make Amtrak self-sufficient operationally, but we should not starve them and the capital needs that they may have.

When we see the overcrowded airports, the overcrowded highways, there is just no question that we need to keep the rail passenger capability to have an overall transportation system in our country. I would just like to ask you if you are also of the view that that is part of our overall intermodal transportation system for our country and will it be a priority for you to work with Amtrak. Will you try to make them as efficient as they can be and go for operational subsidies presumably to be lessened and eventually eliminated, but not walk away from the capital needs?

Mr. MINETA. I think that is something that again looking toward the work of the ARC, since they have got the charge on operational sufficiency, I think I have got to wait on that report as well and see the progress.

But part of it is really going to be this whole issue of where do we take the kinds of limited financial resources that are available and make them work? And I think that the issue of operational subsidies is what is being looked at in terms of the Amtrak Reform Council in terms of operational sufficiency.

The other piece of it that you are asking about in terms of capital I think is one that has to be looked at. Because if you view Amtrak from a capital perspective, then you conclude, operationally, it is not going to be successful. So it seems to me the two have to go hand in hand. And I have with the limited knowledge that I have right now I am just going to have to explore what it is that we are going to have to be doing to make Amtrak work and become self-sufficient.

Senator HUTCHISON. Well, I thank you for that and I agree with you that we cannot starve them with capital needs and then expect them to be operationally sufficient. That is a downhill slide. But I also would say that unlike the other modes of transportation, if we lose the rail system, I do not think we will ever be able to regain it. Because if we lose the railroad tracks or they deteriorate or they no longer are going to be able to be long enough to make sense, we will not be able to buy the right of way to ever bring back rail.

So as we are looking at the long-term and the growth in our country and the growth in the economy of our country, I just would urge you to make rail a priority as a part of that intermodal system rail will take some of the burden away from highways and away from our airports. And if we fail to save Amtrak and the railroads for freight, we are not ever going to be able to recapture it. So I do not think it is quite the same as the other transportation modes from that standpoint. And I hope you will make it a priority. Thank you very much. And I think you are very close to being the Secretary of Transportation. Thank you.

The CHAIRMAN. Mr. Mineta, let me mention to you some facts about the Amtrak situation. I strongly recommend that you look at the Department of Transportation Inspector General's report on Amtrak. I strongly recommend you look at the GAO study on Amtrak. You will find that the problem is not just lack of capital. It is its continuing operating losses, something that we were assured of would not happen by the year 2002 when we bailed them out for the last time.

I strongly suggest you read the history of Amtrak. In 1971, when Amtrak was formed in 3 years they would not need any further infusion for operating costs of Federal dollars. Since then, I have forgotten how many billions and how many restructurings and how many times we have come to Congress.

There have been numerous efforts to back door this Committee's authorization by sticking into appropriations bills and tax bills. Well, they put in \$15 million for them on the agriculture appropriations bill so that they could use GSA automobiles.

So I strongly recommend, Mr. Mineta, that you look at the history of Amtrak, you look where we are going and you look at that

overall passenger ship has not increased in the last 10 years. Although it has increased in the northeast corridor. And I think you will feel that any objective observer of Amtrak will tell you what we are going to end up with. We are going to end up with the northeast corridor and we are going to end up with a far west of it. And that there is nobody that believes that anywhere in between that you are going to have economically viable train systems running for passengers.

So what I have continued to say is that we need a great national debate on this issue. We need to debate in the Congress and tell the American people that as other countries, the Europeans and others, we need to continuously subsidize Amtrak forever.

So that we will be providing this service to the American people. Or we need to say, look. This is how much it—ask them again, again and again how much do you need and give them. I think we gave \$3 billion the last time, three or four billion dollars the last time that they were going to become independent by some years in the future.

So what we need to do on this issue is not continuously back door appropriations as they just attempted to do. The Senator from Texas colleague, Senator Gramm, just blocked a \$10 billion infusion to them that again was done without a hearing, without any authorization, but was going to be stuck into the omnibus appropriations bill, something that is incredibly offensive to me as the Chairman of the authorizing Committee.

So I hope, Mr. Mineta, that you will look at the history of Amtrak. There is no one who is more respected before this Committee than the Inspector General of the Department of Transportation, Mr. Ken Mead. I think he will paint a very different picture about the prospects of Amtrak ever being independent even from operating costs, particularly with the labor cost and obligations that they have in the future.

So I think it is an important issue. I think it is important that the tax paying citizens from my State not be asked to pay their tax dollars over and over again for a transit system which has basically disappeared from our state. And I think that perhaps in the spirit of patriotism, they should subsidize a northeast transit system and one in the far west.

But at least they deserve the full and certain knowledge of what is going to be expected of them. Since 1971, the promises made about Amtrak consistently have not come to fruition and that is a matter of record which by the way I will provide for the record. Because some day you will be looking at these proceedings. And at least the American people deserve honest and forthright evaluation of how much it is going to cost them in the future.

And again, I would ask you to talk to people who do not have a vested interest in Amtrak, people who are observers and experts on national transit systems. I think you will find that their answer is pretty consistent. That we are going to have to subsidize not just their capital expenses, but their operating expenses for the foreseeable future.

Senator Edwards, have you had a chance to question? I apologize, Senator Edwards. I did not know. My deep apologies. I did not know that you had not questioned yet.

Senator Edwards.

**STATEMENT OF HON. JOHN EDWARDS,
U.S. SENATOR FROM NORTH CAROLINA**

Senator EDWARDS. Thank you very much, Mr. Chairman. Mr. Chairman let me also tell you how excited I am about the opportunity to serve on this very important Committee with you as Chairman. I look forward to working with you.

Mr. Mineta, good morning or I guess it is afternoon now. Let me join all the others who have gone before me in thanking you for all of your service to our country, both in the House of Representatives and as Secretary of Commerce, you played a very important role in shaping this country and hopefully will continue to play an important role. I think the President made a terrific choice when he chose you.

I am going to be brief because it looks like I am the last one. There are two or three issues that I am concerned about which we can talk about another time. I will not take up time today. Child passenger safety is something I have a great deal of concern about, particularly as a parent of a 2½-year-old daughter and an 8-month-old son. Drunk driving laws, truck safety standards, those are all things that I would love to talk with you about at length at some point.

I know you have had—and I apologize for not being here—I know you have had some discussion already about airline mergers. But I have a couple of fairly specific questions having to do with the U.S. Air/United merger, proposed U.S. Air/United merger, and how it effects my State of North Carolina.

One of the things that we have figured out as a result of this proposed merger is that Charlotte Airport has either the highest or very close to the highest fares of any airport in the country. They are a U.S. Air hub. There is very little competition for U.S. Air in that market. And what I have learned over time is that that is a fairly typical situation with respect to hubs. It is difficult to attract quality competition for any of these hubs.

But I guess first I would like to hear your thoughts if you have any about the proposed U.S. Air/United merger. And second, whether you have any notion about the impact, if any, that may have on the situation that we have in Charlotte where the fares are so high.

Mr. MINETA. First of all, as I indicated earlier, the judgment on what is the outcome on these mergers is really in the hands of the Department of Justice. To the extent we have an input in it, I will use the bully pulpit from a competition perspective.

As far as Charlotte, again, I am not familiar with the Charlotte market. As I recall, was it not a hub for U.S. Air? Is it still?

Senator EDWARDS. It still is a hub for U.S. Air, yes.

Mr. MINETA. But you say that it does have very high fares.

Senator EDWARDS. I think perhaps the highest in the country actually.

Mr. MINETA. OK. That I am just not familiar with them. I would have to take a look at it as part of this whole examination, looking at Charlotte in terms of its hub function.

Senator EDWARDS. Any ideas about what if anything we can do to try to increase competition?

Mr. MINETA. Well, I have always felt that today the airlines are really not competing head-to-head. Hubs are. And to the extent that you can generate traffic through your own hub, people are going to fly let us say from Dulles to let us say Los Angeles. And they are either going to go Dulles to Atlanta to Los Angeles or Dulles to Denver to Los Angeles, Dulles DFW to Los Angeles. I mean, they will look at various combinations.

In terms of Charlotte, I am not sure where those combinations might be. But again, it's whether or not Charlotte offers alternatives—because you look at two groupings, in terms of those who are destination passengers versus through passengers. And does Charlotte become a destination airport more than it is a through airport? And I do not know what those figures might be.

Senator EDWARDS. I can tell you it is a much higher percentage of through passengers.

Mr. MINETA. Through?

Senator EDWARDS. Yes, yes.

Mr. MINETA. Well, I would think then that through AIR-21 and other areas, we would have to take a look at what opportunities there would be, not so much for how you get to other airlines to come in, because that is a marketplace function. And we really do not play a role in that.

Senator EDWARDS. I think even if we did play a role, it is a very difficult thing to do with the hub. I think it would be almost impossible to do no matter what. Although, I think we should make an effort. What you are suggesting is that we find other ways to create competition.

Mr. MINETA. I think under the present circumstances that is the only way. Now, the competition really comes in different ways. If there are ways that Charlotte can be attractive in terms of a cost center to an airline, are there ways that Charlotte can invite, be inviting, more inviting, to either U.S. Air or to another carrier through gates that might be available?

As I recall, in TWA's case, St. Louis Airport bought all of the gates from TWA to make it more attractive financially for them to survive. It seems to me there may be those kinds of approaches that Charlotte as an airport might take. It might apply for more Airport Improvement funding for whatever their capital needs might be. I just would have to take a look at Charlotte as an entity and see what are the alternatives that might be available.

Senator EDWARDS. Well, we have a situation now, for example, where U.S. Air flies out of Baltimore through Charlotte to New Orleans and the fare is about \$200, two hundred and some odd dollars. If you get on that same airplane in Charlotte and fly to New Orleans—in other words, you make half the trip—it is \$800 or \$900. And I think that is the direct result of U.S. Air having to compete with Southwest Airlines in Baltimore. But there is no competition in Charlotte.

I guess all I am asking is I hope you will help work with me to find some creative ways to enhance competition if we possibly can. Because it is the consumers that both of us are concerned about.

Mr. MINETA. That is something again that I am interested in looking at—I want the marketplace to function. But, on the other hand, how do we enhance competition? And it seems to me we can use AIR-21 as a vehicle. There are other ways in terms of marketing efforts that can be done. And again, even there, it is not going to be one-size-fits-all. Because again each airport based on its configuration, based on its traffic, the kinds of airlines that exist there, it will vary. Chicago is probably one hub where you have two major airlines.

Senator EDWARDS. I think it is the only one, yes.

Mr. MINETA. And everywhere else where you have hubs, you have a dominant carrier and that is it in terms of a major airline.

Senator EDWARDS. Well, I hope you and I can work together on this problem.

Mr. MINETA. Absolutely.

Senator EDWARDS. And I look forward to it. And welcome. I think the President made a terrific choice.

Mr. MINETA. Well, thank you very much.

Senator EDWARDS. And I look forward to working with you.

Mr. MINETA. Absolutely.

Senator EDWARDS. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Edwards and welcome to the Committee. I am happy to tell you that the vote on the floor is completed and by a very narrow margin, 100 to nothing, you were confirmed.

[Laughter.]

Mr. MINETA. Well, thank you very much, Senator. Mr.

Chairman I just want to thank you for all the help and support you have been to me personally, but to my getting through this process. Thank you, very, very much.

The CHAIRMAN. Well, it has been a pleasure for me to do it with you twice in 6 months.

[Laughter.]

The CHAIRMAN. And I mean that, your family and your friends and America is honored by your willingness to serve. And we are extremely proud of you. Thank you. This hearing is adjourned.

[Whereupon, at 12:45 p.m. the hearing was adjourned.]

A P P E N D I X

PREPARED STATEMENT OF HON. CONRAD BURNS,
U.S. SENATOR FROM MONTANA

Thank you Mr. Chairman, I would like to express my support of the nominee we have before us today. I have had the honor of Secretary-Designate Mineta's friendship for several years. Earlier this week, I shared several of my concerns with him.

Our nation's Federal Government is responsible to all the people and that includes rural America. The nineties were a decade of prosperity for Wall Street and the dot.coms., However, if you ask the cattle rancher, grain farmer or small agricultural businessman, I expect they would not agree they have benefited from this flourishing economy.

Rural America has been all but forgotten by the Federal Government. We pay taxes out in Montana and expect our return on investment.

That is why it is important this administration start fresh with an increased emphasis on rebuilding rural America and the foundation economies that sustained our Nation long before Bill Gates was born.

We are geographically challenged in Montana. Although we are the fourth largest state, we remain one of the least populated states in the nation. Transportation issues are very important to us.

The Essential Air Service (EAS) program is important to seven communities in our state. Implemented upon enactment of the Airline Deregulation Act in 1978, this program was developed to ensure small communities wouldn't lose air service once airlines structured their route schedules based on competitive decisions, rather than a federally mandated charter.

There are 78 qualifying communities in the contiguous U.S. and Hawaii and 26 in Alaska. It is important that we ensure the integrity of this program.

Additionally, the funding formulas in TEA-21 and AIR-21 should not be altered. I feel strongly about the work we did in the 105th and 106th Congress to ensure our nation's highways and airports have access to badly needed construction funds. These two bills essentially doubled infrastructure funding for highways and airports.

I encourage the Secretary-Designate to consider streamlining the Department's environmental processes. Environmental regulations have created a funding shortfall and slowed down the construction process. More and more projects have become subject to judicial challenge by environmental groups.

For example, the Beartooth Pass highway in Southern Montana is one of the nation's most beautiful treasures. Providing access to Yellowstone National Park's northeast entrance, this road climbs over the Beartooth-Absaroke Wilderness peaking at 12,000 feet before dropping down into the land of geysers and bison.

Facing a \$40-\$50 million reconstruction, this project has been underway for over 3 years and nearly \$10 million yet no construction has taken place. Environmental assessment has delayed the project and cost the taxpayers well over 20 percent of the total expected cost so far.

It is my hope this Administration will approach this issue from a perspective that will not only keep our environment clean and healthy but also from a perspective that will reduce waste and delay on projects important to safety on our highways.

The Transportation Secretary will also be asked to engage on other transportation issues aside from highways and aviation. Rail transportation is supposed to be the most efficient form of transportation for bulk products like grain and coal, both of which I have plenty of in my State of Montana. Deregulation in 1980 led to lower rail rates across the Nation except for those pockets where competition eventually disappeared due to consolidation.

The nation's railroads have followed the path of consolidation to a point that they are actually able to monopolize entire regions. That is the case in much of Montana and North Dakota which is subject to extremely high rates charged by the BNSF railroad. Our farmers and coal producers pay some of the highest rates in the na-

tion. I urge my friend to consider the transportation costs on these producers—they have no other alternative.

Finally, I would like to urge the Secretary-Designate to consider the status of slot-controlled airports across the nation. As my colleagues are aware, last year, this body negotiated a bill to reauthorize the FAA. That bill also contained a provision that gave the DOT the authority to allocate additional slots at Reagan National Airport, also known as DCA. I share the Chairman's opinion that we should allow additional slots at DCA to serve the Western part of our nation.

But I think we were all quite surprised when the allocations were made last year. I think we all took it for granted that the outside-the-perimeter allocations would be made in a fair manner serving the entire West. With the demise of TWA, I encourage the DOT to reassess the decisions made by the last Administration when considering the reallocation of those slots at DCA.

Congress mandated that the allocation of slots outside of the DCA perimeter rule be based on which application offered the best "domestic network benefits" (ie, served the most communities). This was intended to provide better service for small- and mid-size communities. A very brief overview of the applications would certainly convince any of my colleagues or the Secretary-Designate that this requirement was not adhered to.

I encourage Mr. Mineta and his staff to review this statute when addressing the reallocation of these or any other of these slots that may be open to reconsideration.

Thank you, Mr. Chairman.

PREPARED STATEMENT OF HON. DIANNE FEINSTEIN,
U.S. SENATOR FROM CALIFORNIA

Mr. Chairman, it is my pleasure today to introduce to you my friend of nearly 30 years and a native Californian—Norman Mineta—who has been nominated by President Bush to serve as Secretary of Transportation. I can think of no person more qualified to serve as the head of this important department than Norman Mineta. He has been a member of the Cabinet, a Congressman, a big-city Mayor, and a military veteran. In truth, Norman Mineta, embodies the American dream.

BACKGROUND

A native Californian of Japanese descent, Norman Mineta and his family were interned in the Manzanar Internment Camp during World War II for 3 years. During this time, the Mineta family lost their home and his father's insurance business.

After the war, Norman joined the U.S. Army in 1953 and served as an intelligence officer in Japan and Korea before returning to San Jose to enter politics.

In the early 1970s, Norman became the first Asian American to be lead a major U.S. city when he served as Mayor of San Jose, California.

He then served 20 years in the House of Representatives after being elected in 1975. There he became the first Asian American to chair a House Committee when he served as Chairman of the Committee on Public Works and Transportation from 1993–1995.

In Congress, he was the key author of the 1991 Surface Transportation Efficiency Act, which effectively shifted decisions on highway and transit planning to local and State governments. The bill also set aside funds from the Highway Trust Fund for spending on mass transit and environmentally friendly projects such as bike paths.

Secretary Mineta also pushed in Congress for additional aviation spending and was a longtime critic of Federal Aviation Administration policies.

After leaving the House, he served as Vice President of Lockheed Martin where he worked on "intelligent highway systems" aimed at improving traffic flow without building new roads by using tactics such as electronic toll booths.

And this past June, Norman Mineta was the first Asian American named to a Cabinet post when President Clinton named him as Secretary of Commerce.

At the Department of Commerce, Secretary Mineta worked on bridging the digital divide and traveled to dozens of U.S. cities to in an effort to improve access to computers for all Americans.

His efforts focused on removing the barriers that have historically kept minorities and the less fortunate from being able to utilize the latest technologies in their effort toward self improvement.

This program included an effort to have companies donate computers to thousands of schools and Native American reservations.

Secretary Mineta's second major project was to preserve our Oceans and he urged the President to place sanctions on Japan for violating international whaling agreements.

Mr. Chairman, our Nation owes much to the service of Norman Mineta. Transportation is not a partisan issue. It is my sincerest hope the new Administration will draw upon Norman's background and will grant him the resources to apply that experience as an independent voice he deems appropriate.

He is a true leader who will bring a bipartisan consensus to American transportation. I have no doubt he will make us proud in his new role as Secretary of Transportation.

RESPONSES TO WRITTEN QUESTIONS SUBMITTED BY HON. JOHN MCCAIN TO
NORMAN Y. MINETA

Question 1. In your view, what programs within DOT should be eliminated, downsized or consolidated?

What specific steps will you take to effect those changes, and to reduce waste and promote efficiency at the Department of transportation?

Answer. Although I am new to the position of Secretary of Transportation, I am familiar with most of its programs because of my years in Congress, in particular serving on the former Committee on Public Works and Transportation of the House of Representatives. I am applying that experience to the process of developing the President's first Budget Request. In this context, I am taking the opportunity to evaluate which programs or activities of the Department might be candidates for elimination, downsizing, or consolidation. At the same time, I believe the Department is generally well served by its current staff and organization, and it would be unfortunate to proceed on the premise that waste and inefficiency are widespread. Instead, I intend to combine the annual budgeting process with the analysis of the Department's Inspector General of program deficiencies (in particular, the identified management challenges) as my means for accomplishing gains in this area.

Question 2. I know that you clearly understand the difference between statutory and report language.

What steps will you take at the Department to ensure that the modal administrations treat report language as it is intended, an expression of Congressional interest, rather than having it be treated as a Congressional mandate?

Answer. Let me assure you that I do understand the difference between statutory and report language, particularly when it comes to the naming of specific projects in report language. In such instances, only statutory language is law; report language is not law but simply an expression of Congressional interest. I will be sure that all of my modal administrators understand this as well.

Question 3. On Monday, the Department of Transportation Inspector General released a report on the top 10 issues facing the Department. I urge you to pay close attention to these priorities identified by the inspector General. The Committee would also appreciate your keeping us advised of your progress on these items.

Answer. I take the management challenges identified by the DOT Inspector General very seriously and will make continued progress on them one of my top priorities. As has been past practice, I will continue to report the Department's progress on these challenges, as well as those identified by the General Accounting Office, in the Department's annual Performance Report required by the Government Performance and Results Act.

Question 4. What can the Department do to help our Nation continue to be a world leader in developing transportation technology, including intelligent transportation systems and improved safety technology?

Answer. I support a Department role in providing leadership required for the transportation industry to become "smart." The technologies available today can help surface, air, and water systems squeeze greater efficiency, productivity, and, most importantly, greater safety out of existing and any future systems.

We have several approaches available: (1) strategic investments in research, in partnership with universities and the private sector; (2) technology application demonstrations in partnership with the public and private sectors; (3) standards setting; (4) technical assistance to help agencies through the initial learning curves of adopting new technology; (5) training; (6) financial or other incentives for adopting technology; and (7) regulation, when market forces are ineffective and the benefit to the public is overwhelming. Each approach is best exercised in partnership with both the producers of technology and the ultimate users of the technology. All of them require partnership with Congress in authorizing the funds and the discretion necessary to exert the leverage.

ITS infrastructure is a case in point. Over the last decade Congress has provided substantial resources, focused on a single set of technologies. That authorization has allowed the Department, in partnership with the industry, to carry ITS from a re-

search concept to the initial stages of national deployment, using virtually all the approaches outlined. Having proven the safety and efficiency benefits of these technologies in a number of State and local governments across the country, I believe the next step will be a dialog with Congress on establishing an institutional and programmatic structure that will ensure that basic elements of ITS technologies, where appropriate, are as much a part of the functional specifications of our road and transit systems as proper pavement depth and shoulder width are today.

AVIATION

Question 5. Many of the predictions made in 1997 by the National Civil Aviation Review Commission (NCARC) are coming true, particularly those regarding gridlock in the aviation system. In addition, many of the key Commission recommendations have been implemented, in whole or in part, through law or executive order. Notably, the FAA will have relatively stable funding for the next few years.

Given all the tools and resources that have been provided to the FAA in recent years, including personnel and procurement reforms, what will you do, if confirmed, to keep the pressure on the FAA to improve its overall performance?

Answer. The mission of the FAA is to ensure safe, secure, and efficient air transportation. Our first objective must be to preserve and improve the strong aviation safety record. We must also increase the capacity of the aviation system infrastructure. Because we have an ATC system that is not always adequate to demand, and because we must operate that system in a way that puts safety first, we have penalized passengers and the industry with increases in delays. The economic impact of these delays will begin to be felt throughout our Nation if infrastructure and technological improvements are not implemented.

I will work with the FAA to ensure that appropriated Federal resources are effectively used to improve and expand airway and airport capacity.

The FAA is incorporating authorities provided by AIR-21 and prior legislation to establish a performance based air traffic services organization. AIR-21 established the position of Chief Operating Officer (COO) for Air Traffic Services. The COO will sign an annual performance agreement with the FAA Administrator which will provide a mechanism to more readily encourage and evaluate effective performance of air traffic services. In addition, the Management Advisory Council will assist in assessing the FAA's performance. As Secretary, I will support these reform mechanisms to the maximum extent possible.

AIR TRAFFIC CONTROL DELAYS AND CONGESTION

Question 6. The Department of Transportation Inspector General released a report on Monday that, among other things, addresses the high number of air travel delays. Ideas that have been considered to ease congestion include lotteries of take-off and landing rights, peak-hour pricing, and technological changes. I am concerned that the first two of these options focus on constraining existing capacity to reduce delays, rather than expanding capacity.

What are your specific recommendations for the short term to reduce delays, principally in bad weather?

Answer. As I indicated in my testimony, options for short-term remedies are limited. Nevertheless, we should actively pursue those options that we have, while also working on longer-term improvements. During the Spring/Summer 2000 initiative, the FAA undertook several operational tests to search for ways of expanding the accessibility of the National Airspace System in the effort to reduce delays during weather events. The tests, which saw limited success, will be expanded or deployed this year.

The Tactical Altitude Assignment Program (TARP) addresses congestion in the enroute, high altitude environment, and allows Air Traffic Control (ATC) the flexibility to address constraints on a real-time basis. When weather impacts the enroute environment, air traffic is often displaced onto already congested routes. TAAP offers, to the aviation community and ATC, a way to avoid delays by assigning aircraft lower altitudes between city pairs. Reduction of enroute, high altitude traffic, especially during weather events, is key in helping reduce departure delays.

Low Altitude Arrival and Departure Routes (LAADR) deal with the arrival and departure portion of the route of flight. Unlike TARP, which deals with the entire route of flight between city pairs, LAADR addresses issues of constraint near departure or arrival points. By developing these low altitude escape routes, aircraft that would be competing for higher altitudes are freed to avoid delays.

Waypoint tests were implemented off the East Coast of the United States to help address airspace constriction as weather systems encroached upon the eastern sea-

board. The waypoints were designed to utilize airspace through military areas. The tests, which were successful, should enhance options during weather events.

The Bruin test, currently in operation, looks to expand route availability through Canadian airspace. During the testing phase, the FAA and Canadians will look at the impact on the airspace caused by additional aircraft. The benefits, if testing results are positive, should allow aircraft departing and arriving the New York Metro and Boston airports additional routing options. Toronto Center has established additional operational positions to help address the impact of increased traffic.

The implementation of these procedures and others should enhance the ability of the FAA to address constraints caused during the severe weather season.

I understand the FAA's recent lottery for service to small communities and by new entrants at LaGuardia Airport was intended to reduce the extreme delays and congestion there that had a national effect. The lottery was an interim measure, and we are examining various administrative and marketbased options to reduce delays at LaGuardia and at other airports, where needed.

How will you motivate the controller workforce to develop and adopt new procedures that will allow for new technologies that enable more frequent landings in bad weather?

Answer. Collaboration with bargaining unit representatives is the most effective way to ensure that the workforce is involved with new procedures from the development phase to implementation.

MERGERS AND CONSOLIDATION

Question 7a. When United and US Airways announced their merger, I and many others said it could lead to further consolidation in the airline industry. We seem to have been proven right. As you know, American Airlines is attempting to purchase TWA and a part of US Airways. If the Justice Department approves these transactions, the structure of the domestic airline industry would be fundamentally altered.

My view is that the Department of Transportation's main role in the merger approval process is to ensure the competitive nature of the resulting aviation marketplace. I would like your response and reaction to a few specific ideas that have been floated to accomplish this objective.

Would you be willing to appoint a senior DOT official, whose sole mission is to ensure that all carriers have access on comparable market terms to gates and facilities at all airports, since airports are publicly funded facilities?

Answer. Airport access has been a priority for the Department of Transportation. In late 1999 the Department released a joint FAA/OST task force study "Airport Business Practices and Their Impact on Airline Competition". One of the recommendations of that report, that the Secretary should designate the Assistant Secretary for Aviation and International Affairs as the Department's "competition advocate" for promoting competitive access to airports, was adopted by Secretary Slater. I will continue that designation. As I stated in my testimony at my confirmation hearings, one of my highest priorities is to do all I can to promote the expansion of the transportation infrastructure which is fully able to meet the demands, of our growing economy and which can contribute to that growth by providing greater efficiency in the movement of people and goods. I intend to put us well on the path to accomplishing that.

Question 7b. In international route proceedings, would you be willing to consider the applicant carrier's record on domestic predatory behavior as part of the public interest test that is part of the route proceeding?

Answer. I am committed to domestic airline competition. However, as a general matter, I believe that domestic competition issues should be dealt with on their own merits and not linked to international route proceedings.

Question 7c. Would you consider a very limited slot lottery at Reagan National to reallocate no more than 5 percent of the merging carriers' slots at Reagan National, a slot lottery that would ensure that small community service is preserved under the reallocation?

Answer. The High Density Rule authorizes air carriers to buy, sell, lease or trade slots, subject to FAA approval. In adopting the "buy-sell rule" in 1986, the Department determined that market forces would lead to the most efficient allocation of slots. Additionally, certain slots were designated as commuter slots for use by commuter aircraft only, in part, to ensure the preservation of small community service. Also, the FAA notes that approximately 30 air carrier slots are being used with commuter aircraft, many of which provide service to small communities.

Under the High Density Rule (HDR), the FAA retains the right to withdraw slots to "fulfill the Department's operational needs, such as providing slots for inter-

national or essential service operations or eliminating slots.” The HDR sets forth the process that applies in withdrawing slots for operational need. All slots are assigned, by random lottery with a withdrawal priority number for recall purposes at each airport. This process does not provide for slots to be withdrawn for operational reasons from a specific carrier. Finally, the HDR dictates that the FAA shall withdraw slots from a carrier for failure to meet the minimum slot usage requirement.

Question 8. United’s service in the Northeast and on the East Coast is minimal, and United would like to increase its service in this part of the country. Are we at a stage in the airline industry where it is necessary for an airline to merge with a competitor rather than invest the resources needed to establish a presence in a new region of the country?

Answer. I do not believe that is the case, although the infrastructure problem does limit the ability of carriers to expand at certain airports. United, for example, has a major expansion underway at Washington Dulles Airport that will enable it to establish a presence in many cities in this part of the country.

Question 9. If we indeed see further consolidation among the larger carriers, do you think this trend could lead toward acquisition of new entrant and low-cost carriers, as well?

Answer. That could happen. American Airlines recently acquired Reno Air, a low-fare new-entrant airline that had successfully developed a significant presence in the West. One of the reasons behind American’s acquisition of that carrier was to grow quickly in California, where its presence lagged far behind that of Southwest and United.

Question 10a. What is your position on changing the limitation on foreign investment in U.S. airlines, from 25 percent to possibly 49 percent?

Answer. This is a very fundamental issue for our foreign, defense, and transportation policy. I am familiar with the divergence of views in this area. Globalization of the airline industry and the growing number of carrier alliances has begun to strain the decades-old limitations on foreign investment in U.S. airlines. Nevertheless, there are competing factors, such as our defense posture and the availability of reciprocal opportunities, that must be considered in any change in the current limit on foreign ownership of more than 25 percent of a U.S. air carrier.

Question 10b. Do you think that changing the limit on foreign ownership could benefit financially strapped U.S. carriers through increased foreign capital, which in turn could increase competition?

Answer. Changing foreign ownership limits would certainly result in new sources of capital for U.S. airlines, not only strengthening their domestic competitiveness, but contributing to a more open international aviation regime on a global basis. This potential benefit would have to be balanced against countervailing considerations, such as those noted above.

AIRLINE COMPETITION

Question 11a. In its recent report on competition, the Department of Transportation stated that consumers and communities significantly benefit from low-fare competition. The report then states that there are few low-fare competitors in the market and many markets have little competition.

Do you agree with those conclusions?

Answer. I have not yet had the opportunity to read the Department’s report carefully, but I am aware that there is fairly widespread agreement that fares in some markets, particularly some of those that involve network hub cities, are, often relatively high. This does concern me, and I intend to examine this issue. I do, however, think that it is important to keep this in perspective. There is also widespread agreement that airline deregulation has proven to be a remarkable success and that the development of hub-and-spoke network systems of service has been an important factor in that success. While I want to do everything I can to bring the benefits of deregulation to as many consumers as possible, we must take great care that our efforts to do this do not interfere with the benefits that deregulation has brought to the vast majority of travelers.

Question 11b. What are some actions that the Department might take under your guidance to inject competition into the marketplace? Would you be prepared to report back to this committee on your plans?

Answer. We have an affirmative responsibility to make sure that competition continues to be sufficient to protect the interests of consumers. Very broadly, we must do two things to enhance competition. The first is to make sure that we have a transportation infrastructure adequate to meet demand. Nothing so surely restricts competition as inadequate infrastructure capacity. The second is to increase our ability to analyze the complex airline industry in order to use our authorities for

the benefit of consumers. This dynamic industry is constantly undergoing change and we must be better able to detect important issues as they evolve, and, where possible, develop remedies that will, in the real world, benefit consumers. We need to be able to identify ineffective competition, to understand why it is ineffective, and to determine whether the government can take effective measures to effect change that is for the good. We must be careful not to dabble where we are not sure our actions are benefiting consumers.

Question 12. Under the last administration, the Department did not act or was slow to act on complaints alleging anti-competitive behavior. Under your leadership, will the Department be more aggressive in responding to these complaints?

Answer. I intend to be very active in fulfilling our responsibility to assure that airline markets are at least as competitive as they need to be to protect the interests of consumers.

Question 13. In its recent report on competition, the Department of Transportation discussed taking aggressive action to open up airport facilities to make possible new and increased airline services and thereby promote competition.

What actions to open airport facilities do you believe the Department could take in order to promote competition?

Answer. In my nomination testimony before your Committee, I outlined five broad areas to focus on in order to increase system capacity and competitiveness. First, we have to recognize that airlines, airports, and air traffic control are all struggling to keep up with demand, all are having problems, and all have significant work to do to catch up. Each must get serious about addressing its own part of the problem. For our part, the Federal Government has sole responsibility for air traffic control, and we must make it the highest priority in order to find better ways to meet this challenge. Second, we must take whatever steps we need to, no matter how large or small, even if the payoff is not immediate. Delay and/or inaction are not responsible options. Third, we must take advantage of an extraordinary leap in technology that has come about during the past decade. Computer power that was unimaginable a decade ago not only exists today, it is cheap and common. This new technology has been used to solve complex problems throughout our economy and must now be used to modernize air traffic control. Fourth, we have to recognize that the pace of growth in demand and the pace of change in technology require a degree of nimbleness that the traditional Federal agency, for all its strengths, simply cannot keep up with. We have adopted the concept that we will keep the modernization and operation of the ATC system in the FAA, but we will give the FAA many of the attributes of a private entity. Fifth, I have emphasized the management changes needed to make ATC modernization work, but we should also understand that it will take both improved management and adequate resources.

The AIR-21 legislation also provided a new tool to use in opening airport facilities to competition by new entrants. Airports of a significant size that are dominated by one or two air carriers are required to demonstrate to the Department, through a competition plan, how they are making facilities available to requesting airlines. Only after a thorough review of these plans may the FAA release grant funds or approve applications for passenger facility fees at these airports. We will review the implementation of these plans and encourage the airports to maximize opportunities for access.

Question 14a. Can Reagan National Airport safely accommodate more flights per day than are allowed by the current slot restrictions?

Answer. The air carrier and commuter hourly slot quotas in the high-density rule were established in the 1980s (when the FAA was also the airport operator), and the number of slots is not based entirely on airport capacity. Included in the determination of the hourly quotas were other policies such as airport development plans and environmental concerns of the local community.

Question 14b. In other words, are the slot restrictions at Reagan National needed as a safety measure?

Answer. Slot restrictions at Reagan National are not needed as a safety measure. Safety would not be affected by changes to the number of authorized slots. The FAA will continue to separate aircraft and apply air traffic control procedures to ensure safety is maintained regardless of the number of flights that are scheduled.

Question 15. In your view, is the perimeter rule at Reagan National Airport an anti-competitive barrier to competition?

Answer. I view the perimeter rule at Reagan National Airport as being distinct from other limits on competition, because it was imposed statutorily in 1986 as part of the legislation transferring control of National and Dulles Airports from FAA to regional control. As a principal author of that legislation, I know that many balancing factors went into the various limits imposed on the airport, in view of community concerns and concerns expressed by surrounding jurisdictions. Overall, I

would not view that particular statutory limit as a barrier to competition in the same sense that it might appear to be elsewhere.

Question 16. Some airlines have disputed findings by the Department of Transportation and the General Accounting Office that carriers charge so-called “hub premiums.” Do you believe that airlines that operate fortress hubs charge relatively higher fares to customers who travel to and from those hubs?

Answer. I believe that the evidence that some fares are relatively high in many hub markets is convincing. But I also believe that in dealing with that issue we must be aware that the development of hub-and-spoke networks has resulted in enormous benefits for most passengers and communities. In our efforts to deal with negative attributes of the deregulated environment, we must be careful that our actions do not harm competition in other areas.

Question 17. Is DOT adequately equipped to review airline competition issues and, if not, what additional resources do you believe are required?

Answer. As I indicated in my testimony before your Committee, the analytical resources of the office that perform this function have been greatly reduced, and we have to reverse that trend if we are to be effective in looking out for competition and consumers. I have made this a personal priority and will complete my assessment of our resource needs in this area at an early date.

AIR TRAFFIC CONTROL MODERNIZATION

Question 18. It is no secret that the FAA has struggled with modernizing the National Airspace System. There’s been an alarming history of cost increases and schedule slips and major shortfalls in performance.

Given that the FAA sold the modernization program on the promise that it would help to expand capacity to meet growing demands for air service, when can we expect to see improved air traffic control operation—that is, fewer delays, as a result of modernized equipment?

Answer. The FAA’s modernization program has shown substantial results. The FAA has completely replaced all of the outdated equipment in the enroute centers. The Voice Switching Communication System (VSCS), Peripheral Adaptation Module Replacement Item (PAMRI), Host Computer Replacement, and Display System Replacement (DSR) have successfully replaced their earlier generation counterparts, which enhances overall National Airspace System performance. The tangible and immediate result is that these centers now have fewer outages and equipment related problems. This has had a direct impact on the number of delays.

Additionally, several innovative programs in our Free Flight Initiative are yielding substantial results in reducing delays. Collaborative Decision Making (CDM), Center TRACON Automation System (CTAS), and Traffic Management Advisor (TMA) applications have produced measurable benefits. CDM has improved operational communication flow between the FAA and the user community. CTAS, which is in initial deployment, has shown marked improvement for Dallas-Ft. Worth, with projected throughput increases above 10 percent. TMA provides traffic management units with improved flight status, enhancing system utilization.

While the cause of delays can be traced to several issues, as the FAA continues to modernize its systems and capabilities, the delays that were caused by aging equipment are starting to decrease. Nevertheless, we continue to have these gains from modernization offset by continued strong growth in demand. Keeping up with that demand will continue to be a major challenge.

Question 19. In spite of the special acquisition authority Congress provided to the FAA in 1996, the agency has not achieved its goals of executing more timely and cost effective across-the-board acquisitions.

What steps would you envision to expedite the achievement of the goals of the legislation and the promises made to Congress by the agency in pursuit of the enabling legislation?

Answer. Since the beginning of procurement reform and the implementation of the FAA’s Acquisition Management System (“AMS”) some 4 years ago, the FAA has achieved improvements in the time it takes to complete an acquisition and at the same time has reduced the costs of these acquisitions. Also, in the 4 years since implementation, the number of competitively awarded contracts has increased, exerting downward pressure on systems acquisition costs.

The FAA has reduced the time it takes to award contracts by 55 percent—from the time of the contracting officer’s first action, to the contract award. This number was determined based on an FAA program evaluation conducted in 1999. It was subsequently confirmed in a GAO Audit. As a result, there has been a more rapid and efficient fielding of new systems necessary to modernize the National Airspace System.

This program has been carefully and continually monitored through several different audits, including audits conducted by the GAO and an outside auditing firm that reported directly to Congress. Each of these reports found that acquisition reform at the FAA, and AMS in particular, had met its goal, reducing the cost and time required for acquisitions.

Question 20. The FAA is currently evaluating numerous issues surrounding satellite-based aeronautical navigation (i.e., the Global Positioning System and the Wide Area Augmentation System).

If the FAA cannot take advantage of the cost savings associated with decommissioning ground-based navigational aids, will the agency have the funds necessary to take care of its other important responsibilities?

Answer. Yes. The FAA expects to have the funds necessary for essential operations. The costs of developing WAAS will not crowd out other investments or operating costs. The rate and extent to which current groundbased navigation aids will be decommissioned are also dependent on user equipment and acceptance.

Question 21. The FAA is investing millions of dollars annually in efforts to harness satellite navigation for commercial aviation. In the past year, the \$2.9 billion Wide Area Augmentation System (WAAS) suffered significant technical problems and its future remains uncertain.

Is it time to abandon the Wide Area Augmentation System and move forward with other satellite-based systems?

If not, what needs to be done to get the effort back on track?

Answer. In December 2000, the WAAS Integrity/Performance Panel (WIPP), a consortium of approximately 20 leading satellite navigation and GPS technical experts, completed its feasibility assessment for achieving Category I precision approach. This panel confirmed that WAAS can achieve its original precision approach requirements, provided planned enhancements are implemented.

In June 2000, the FAA also established an Independent Review Board (IRB), with the institute for Defense Analyses acting as the "agent" to provide the FAA Administrator with an independent assessment of the WIPP's technical findings. Preliminary results from the IRB indicate a recommendation for the FAA to continue developing WAAS and the WIPP activities. The FAA Administrator and I will review the IRB's recommendations.

FAA STRUCTURE AND REFORM

Question 22. The FAA has efforts underway to reform its organizational culture, to establish a culture with shared values, goals, and to provide incentives that encourage employees to act in ways that are more conducive to achieving the agency's mission and goals. Even though major change efforts of this kind generally take three to 5 years, it is questionable whether the FAA has made much progress to date.

What additional steps must the agency take to change its organizational culture?

Answer. FAA has made significant improvements under personnel reform through streamlining of its human resource programs, increased managerial flexibility, and improved focus throughout the agency on corporate goals and objectives. However, reforms to FAA's personnel system will take additional time to yield their full benefit potential. In the interim, there are additional steps that the agency can make, and is making, to further enhance its organizational culture.

Agency management is presently digesting the results of the FAA 2000 Employee Attitude Survey (EAS), which was distributed to all full-time, permanent FAA employees (48,740) in September 2000 (of those, 24,466 usable surveys were returned). Shortly, FAA-wide initiatives and action planning will begin.

In a related development, the FAA Administrator recently announced the launching of a "cultural assessment," starting in the FAA's Southern Region. While EAS survey data are very valuable, they reveal only how employees feel about particular issues rather than the underlying reasons. A cultural assessment is designed to peel back the onion some more to tell management why people feel the way they do, why certain things work, and why others don't. Many organizations in the public and private sectors are doing these assessments. Getting to the "why" of a situation will allow FAA management to do a better job enhancing overall employee job satisfaction, which in turn encourages employees to act in ways that are more conducive to achieving the agency's mission and goals.

Question 23. Many countries across the globe, including Canada and Australia, have embraced privatization to control costs and speed air traffic control modernization.

What are your thoughts on this trend?

Would the privatization of oceanic air traffic control be a good first step?

Answer. The international trend toward privatization has been limited and gradual. For those countries that have moved away from government owned and operated air traffic services (ATS), the transition has been in stages rather than direct jumps to private participation or privatization.

Privatization is not the only means for improving the efficiency of the country's air traffic control system. For example, as suggested by the National Civil Aviation Review Commission, which I chaired in 1997, the establishment of a performance-based organization (PBO) can effectively and efficiently encourage air traffic control modernization. I was pleased to see that a PBO for air traffic services was recently established. This, plus the recent establishment of an Air Traffic Services Subcommittee of the Management Advisory Committee, should enhance the ability of the FAA to control costs and speed air traffic control modernization. I would like to see how the air traffic services performance-based organization addresses modernization of oceanic air traffic control before giving consideration to "privatization" of that activity.

Question 24. In the last several years, there have been many proposals for the FAA to operate more like a business. Some have called for privatization, others including the Commission you chaired, for a performance-based organization.

What are the elements of a performance-based organization and how would we judge its success?

What do we need to do first?

Answer. In its most basic sense, the elements of a performance-based organization (PBO) are a discrete unit, providing a service, with measurable results. A PBO for FAA Air Traffic Services is certainly a discrete unit that provides a service with measurable results.

We will judge the Air Traffic Organization (ATO) now being established by the FAA on its ability to improve safety, security and efficiency of air traffic operations. Performance measures and cost accounting should be used to evaluate the organization's success.

The first order of business is to select a COO and finalize a performance agreement. I anticipate this being accomplished within the next few months. We will work with the ATS Subcommittee of the Management Advisory Council to finalize this action.

USER FEES

Question 25. There have been proposals to transition to user fees for financing the U.S. air transportation system. Some countries have taken this approach and rely on a combination of distance flown and aircraft weight to establish user fees. User fees would be very controversial in the United States, but it might be the right thing to do in the long term.

Should the U.S. begin to transition to user fees?

If so, how quickly could this be done?

Answer. The question of possibly moving to more broadly based aviation user fees is one of the more important aviation issues I expect to address in the months ahead. By statute, the FAA may establish user fees only where specifically authorized by the Congress. In the area of air traffic control (ATC), where more than two-thirds of FAA spending occurs, the only user fees currently authorized by Congress are for "overflights," which are flights that use FAA air traffic control services but neither take off from, nor land in, the United States. These fees have been in place only since August 1, 2000. They were derived from actual cost information provided by FAA's new Cost Accounting System, and are expected to generate revenues of about \$40 million annually, which is only about one-half of 1 percent of total FAA spending for ATC. I strongly support the FAA's efforts to develop the cost accounting system, which is not only an additional management tool but can also be used in supporting user fees.

As the FAA Cost Accounting System is developed and implemented throughout the agency, it can potentially be used to derive other user fees. One of the key features of a user fee is that it allows users to pay for only those services they actually receive. By better matching the cost of service with system use, as cost accounting allows, the FAA should be able to more efficiently provide ATC services to those who request it. I also recognize that any user fee system must also be flexible enough to ensure equity among users and encourage air traffic modernization, thereby improving aviation safety. Additionally, any user fees would have to be consistent with our international obligations.

We are now moving to establish an Air Traffic Organization as a Performance Based Organization under Executive Order 13180 of December 7, 2000, and are beginning to operate under a new and recently appointed Oversight Committee.

Question 26. The FAA's budget has risen from \$8.2 billion in 1995 to more than \$12.5 billion in fiscal year 2001, largely due to the airport improvement program and sharply rising costs of the FAA's operations account. The operations account, which is salary driven, represented nearly 60 percent of the FAA's fiscal year 2000 budget.

What measures are needed to control the FAA's operating costs and what role will the Department play in that?

Answer. Choices will have to continue to be made between funds needed for ongoing operations and those needed to make investments. It is likely that the primary functions funded in the Operations account, namely air traffic control, safety inspection, and security, will continue to be manpower intensive activities that will require staffing to keep up the growth and increased complexity of the aviation industry. From fiscal year 1995 through fiscal year 2000, the safety-related part of FAA's Operations-funded workforce increased by approximately 1,000 while the remainder of the Operations workforce declined by almost 400.

FAA has clearly been increasing its "front line" workforce and reducing its administrative workforce. The safety workforce is highly trained and, therefore, more costly than a typical government workforce. I will encourage this trend of focusing on the "front line employees." I am also strongly supporting FAA's development of a cost accounting system. FAA has recently begun producing monthly cost accounting information for portions of air traffic service costs. This information is now being released to the air traffic managers. We expect to see what typically happens when cost data is published and shared corporately—a level of awareness and competition between regions or centers or towers based on the cost to provide air traffic services. This internal discussion and competition will help us better understand FAA's business and identify best practices. According to experts from the private sector, this does not occur overnight, but I expect to see benefits soon.

With a stronger focus on front line employees and a cost accounting system, I expect to continue to place pressure on FAA to control its operation costs. I want to make sure that the resources we receive are spent in ways that are most beneficial to the users of the system and the flying public.

Question 27a. In 1998, the FAA and the National Air Traffic Controllers Association (NATCA) agreed to a new collective bargaining agreement, which significantly increased controllers' salaries. In addition, the agreement, which the FAA negotiated under authority granted by personnel reform, called for productivity enhancements that would offset the cost of higher salaries. It is uncertain, however, if the FAA will realize any of these offsetting productivity enhancements.

Do you believe the FAA will realize the savings associated with greater productivity, and what evidence do you have of that?

Answer. FAA continues to work with the National Air Traffic Controllers Association to evaluate the agreement and expects to realize partial cost offsets over the life of the contract through initiatives such as the increased use of controllers-in-charge (CIC) and the corresponding reduction in supervisors.

The expanded controller-in-charge effort is intended to provide watch supervision for the continuous operation of a facility or area where a supervisor is not available. Assignments of employees to CIC duties are necessary to supplement the supervisory staff. This initiative was implemented January 1, 2001, for all airport traffic control towers and en route facilities.

Concurrent with the implementation of revised CIC duties, the terminal and en route facilities have begun to move toward a 10:1 employee-to-supervisor ratio. The reduction of supervisory positions will be accomplished through attrition.

In transitioning to the expanded CIC role while moving toward the 10:1 employee-to-supervisor ratio, it is of the utmost importance that the Air Traffic organization maintain its current high standards for safe and effective watch supervision. Therefore, the terminal and en route facility managers are carefully monitoring this transition throughout its evolution and will provide quality assurance direction as needed.

Question 27b. What effect do you feel the NATCA agreement will have on future collective bargaining agreements within the agency?

Answer. The NATCA agreement for air traffic controllers has been cited by unions in other labor negotiations as a proposed baseline for all FAA employees. The FAA has not accepted this premise. FAA will negotiate each individual contract based on the workforce and their needs.

AIRPORT INFRASTRUCTURE

Question 28. According to the Department of Transportation Inspector General, in the last 5 years, only three new runways were put into service at our 28 largest

airports. Unfortunately, some of the very passengers that are complaining about delays exhibit a “not in my backyard” mentality and do everything possible to prevent new or expanded airports to be built.

As Secretary of Transportation, what would you do to expand airport capacity to help reduce delays and congestion, and how will you deal with the local politicians and interest groups that are opposed to this needed expansion?

Answer. I will expect to use the full array of measures to increase capacity. This means using technological and procedural measures that are directly under Federal responsibility and control, as well as raising the visibility of the need for new runways and assuring that the Department of Transportation takes appropriate steps to assist local governments in planning and building runways.

Airport development is ultimately a local responsibility. The Federal Government should—

- Identify national system needs;
- Provide financial assistance for excellent short and long range airport planning;
- Perform effective and efficient Federal reviews, including safety, airspace, environmental reviews;
- Provide financial assistance for runway construction; and
- Provide timely air navigation procedures and equipment to make new runways operational.

I think it is important for DOT/FAA to take steps to raise the visibility of identified system needs to stimulate local governments to address airport capacity shortfalls and for DOT/FAA to assure that responsibilities and reviews within its purview do not provide a drag on the process of achieving solutions.

There will continue to be legitimate differences of opinion on airport expansion and the legitimate expression of other interests that do not favor expansion. There are processes in place to evaluate environmental impacts, to address community concerns, and to consider options. These are valid and important processes that should not be bypassed. We are examining the extent to which we may be non-productively extending the timeline on such processes.

Question 29. Some have suggested that certain airports are critical to the national transportation system and the nation’s economy and that the Federal Government should be prepared to step in when reasonable efforts to reach agreements regarding airport expansion with surrounding communities have failed.

Would you be in favor of establishing a system of “critical airports?”

Could you foresee the Federal Government stepping in to move a project forward that would improve the capacity of the overall airport system?

Answer. I would be in favor of identifying critical airports that should receive the highest priority attention for DOT/FAA support and services that are necessary to plan, evaluate, construct, and operate new runways. FAA already keeps a list of airports generating the greatest number of hours of aircraft delay. If we can “step in” and make a difference within the clear areas of Federal responsibility, we should. However, we should not attempt to substitute the Federal role for the local role. I would not favor “Federalizing” airports or airport projects.

Question 30. Hub airports cannot be expanded infinitely, even under the best of circumstances. At some point, doesn’t there have to be a natural shift of service to so-called secondary airports, many of which may now be underutilized?

Answer. There has to be a market advantage for an air carrier to shift to another airport from an existing base. Yet, while there are strong economic advantages of centralization at a hub (including maximizing connecting opportunities for passengers and making viable air service to smaller communities), despite congestion, airlines have been developing service at airports located near the major hub airports.

Question 31. Airport development is key to expanding capacity. The construction of new runways and maintenance of existing runways are options for improving the capacity at existing airports. However, airports face a challenge in building new runways. They must address the potential environmental impact of aircraft noise and air pollutant emissions that the new runway is likely to generate. Shortcomings in the environmental process—including overlapping Federal and State requirements and duplicative requirements under Federal law—add to the challenge and can result in delays without necessarily providing commensurate environmental benefits.

How does the Federal Government strike a balance between the need to protect the environment and the need to expand the capacity of the national airport system?

Answer. We need to keep environmental protections in place, but streamline the way we go about them. This is the current subject of intensive FAA review and discussion with the industry and with other agencies that have environmental respon-

sibilities. DOT/FAA will submit an environmental streamlining report to Congress in April 2001, in addition to undertaking administrative initiatives to make the environmental process more timely and less burdensome. As your question notes, communities are often concerned about the noise and air quality impacts of expanding airports, which can be addressed through the environmental process and noise abatement planning activities.

INTERNATIONAL AVIATION AGREEMENTS

Question 32. What is your position with regard to the U.S./U.K. bilateral, and what will you do to ensure that the United States is not put at a disadvantage with respect to slots at Heathrow?

Answer. Replacing the restrictive U.S.-U.K. aviation agreement with an "Open-Skies" agreement is a U.S. aviation priority. No negotiations are currently scheduled because of U.K. unwillingness to move forward until British Airways has finalized its commercial strategy. We will look for opportunities to make progress with the U.K., but will also concentrate our efforts on partners that are ready for liberalization.

I recognize the importance to U.S. carriers of access to Heathrow. I also recognize that Heathrow is a highly congested airport and that it is critical for the slot allocation system to continue to be transparent and nondiscriminatory. In an open skies environment, the ability of U.S. carriers to establish a competitively effective presence at Heathrow will be a key consideration if British Airways seeks antitrust immunity.

Question 33. What are your views on cabotage, and do you believe U.S. air carriers would be at an advantage or disadvantage if the Congress changed the cabotage laws?

Answer. This is an important issue for both our domestic and foreign aviation policy, as well as for the transportation parties concerned. I am familiar with the divergence of views in this area. Globalization of the airline industry, the growing number of carrier alliances, and consolidation concerns, for different reasons, have all spurred calls to reevaluate constraints that limit the markets that airlines can enter. However, there are also important competing factors, such as our defense posture, that argue against any change in the cabotage prohibition.

I believe that U.S. airlines have shown both domestically and internationally that they are effective, adaptable competitors. The specifics of any "advantage or disadvantage" would depend on how Congress changed the cabotage laws and the international response to the change.

Question 34. If confirmed as Secretary of Transportation, would you encourage the Congress to amend the Fly America Act, or do you support the current law?

Answer. Code sharing and the growing number of alliances between U.S. and foreign airlines have lessened the economic importance of this issue. However, "Fly America" requirements continue to be a sensitive issue in some of our international aviation negotiations, as well as for the transportation parties concerned and the Department of Defense.

There is some scope under the Fly America Act for the United States to offer access to Fly America traffic to our international aviation partners in exchange for benefits for U.S. aviation interests. However, there have also been competing considerations, such as our defense posture, that have caused us to limit our use of the current negotiating flexibility. There continue to be divergent views on this issue that I want to consider further.

ADDITIONAL AVIATION QUESTIONS

Question 35a. As you know, under U.S. law, an "air carrier" must be owned and controlled by U.S. citizens, but certain other aviation-related businesses, such as "air freight forwarders," may be owned and controlled by non-U.S. citizens. Some in the aviation industry are concerned that foreign governmental entities, which may be able to subsidize improperly the operations of their subsidiaries, are obtaining authority to operate companies in the U.S. that compete with private enterprises. The main fear is that such foreign-owned companies will have an unfair advantage over U.S. competitors.

Apart from air carrier-related matters, does the Department of Transportation review the ownership status of a company seeking a license that will allow it to compete with private businesses?

Answer. Yes. For example, the Department requires that applicants for foreign air freight forwarder licenses specify the ownership of the company.

Question 35b. If a company seeking a license from DOT is owned or controlled by a foreign government, does DOT consider whether that company will have its operations in the U.S. subsidized by the foreign government?

Answer. An application for a foreign air freight forwarder license would indicate the percentage of any government ownership. If issues were raised regarding whether licensing the applicant would result in unfair competition, such issues would be included in our overall review of the public interest.

Question 35c. What sort of public interest considerations are a part of nonairline license reviews at DOT?

Answer. The statute (49 U.S.C. 40101) specifies the matters that are to be considered in determining the public interest.

Question 36. In recent weeks, many consumer groups and low-fare carriers have advocated a moratorium on airline mergers and asset transfers in order to give DOT more time to review these transactions. What is your position on a moratorium?

Answer. I believe that airline consolidation is and will continue to be one of the most important and most challenging issues for the government to deal with. I want to take a little more time to examine this phenomenon and consult with the Department of Justice before reaching any conclusions about how we should proceed.

Question 37. As a Member of Congress, you were outspoken on the use of computer reservations systems as competitive weapons against new entrants. The Department has been attempting to complete its CRS rulemaking for 3 years. Are you prepared to make this rulemaking a high priority?

Answer. I fully recognize the importance of completing the CRS rulemaking and the need to prevent efforts to use the systems in ways that would prejudice airline competition and the ability of consumers to obtain accurate information on airline services. Due to the complexities of the issues and the major changes in airline distribution that have occurred since the Department's last review of the rules, however, making a decision on what rules should be adopted will require some time. In the meantime, the existing CRS rules continue to govern.

Question 38. Recently a significant number of airlines formed to create a Internet site called Orbitz that would offer fares that would only be available from Orbitz or the individual airline. The fares would not be available from traditional CRS sources or other Internet sites, such as Expedia or Travelocity. Many consumers have raised concerns about the potential for collaboration among the airlines in this venture. Do you have concerns about this issue?

Answer. The Department's staff has been informally studying these issues to see whether the structure of Orbitz' operations may lead to anticompetitive conduct. The Justice Department is also investigating Orbitz' planned operations, and DOT will be discussing the issues with the Justice Department. I will carefully review the results of these investigations and then determine whether DOT intervention is necessary.

Question 39. Do you believe CRS rules should be extended to cover Internet sites like Orbitz?

Answer. The Department asked the parties in the pending CRS rulemaking to comment on whether the rules should cover the use of the Internet for the distribution of airline tickets. A number of parties submitted comments arguing that new rules are necessary to prevent Orbitz from engaging in conduct that would be anticompetitive or limit the ability of consumers to obtain information on airline services and fares. We will carefully consider their arguments along with the counterarguments made by Orbitz and other parties. We recognize the importance of these issues and the issue of whether the rules should be changed to cover Internet sales of airline transportation.

Question 40. Presently, there are 199 airports participating in the FAA Contract Tower Program, which continues to enjoy bipartisan support from Congress as a cost-effective way to improve air traffic safety at smaller airports. The program also receives high marks from the Department of Transportation Inspector General, National Transportation Safety Board, airports, and aviation users as an important contributor to aviation safety. Please provide the Committee your recommendations for new steps the Department will support to assure that DOT and the FAA enhance the current contract tower program, including the cost-sharing program?

Answer. Two steps are currently under way to ensure the Contract Tower Program will continue to be successful:

- The recently awarded 5-year contract contains language specifying a new monthly reporting system the contractors are required to adhere to. This monthly report will allow the Program Office to better track staffing levels in the individual towers, thus providing enhanced oversight of program efficiency as well as system safety.

- At the annual Federal Contract Tower conference, a more comprehensive equipment list for towers entering the program was developed and coordination with airport managers is in progress.

Questions 41-42. Last year, Congress passed the National Parks Air Tour Management Act as part of AIR-21. This law governs many aspects of the operations of air tours over national parks. Part of the law requires the FAA and the National Park Service (NPS) to work cooperatively on several matters, including the development of air tour management plans (ATMPs) at each national park where there are commercial air tours. ATMPs are to be developed over a 2-year period.

Apparently, neither FAA nor NPS has been able to allocate the funds necessary to develop all the ATMPs within the timeframe set by Congress. Are there any plans to address the resource needs associated with development of ATMPs?

Answer. I hope that sufficient resources will be made available to support this important initiative in a timely manner. To begin cooperative efforts with the NPS this fiscal year, the FAA has set aside \$367,000 in fiscal year 2001 to cover startup costs for training, travel meetings, development of draft ATMP procedures, and the purchase of specialized mapping software/equipment to track air tour routes.

Question 43. In addition to providing adequate resources, what can be done to ensure that the FAA does its part to act expeditiously when developing ATMPs?

Answer. The FAA has assigned the Western Pacific Regional Administrator to lead the agency's implementation of the ATMPs. Western Pacific has the majority of the affected parks, and has the experience of working on Grand Canyon air tour issues. The Regional Administrator has developed a strong working relationship with the NPS' Soundscape Office in Fort Collins, CO, their lead office. The agencies are putting together an implementation plan and training for the local park and FAA officials who will be responsible for the individual ATMPs. Focus will be on the local effort, but a national team of experts from both agencies will be available to facilitate local efforts, and develop lessons learned as the process matures.

Question 44. As Secretary, what direction will you give to the FAA to fulfill its duties with respect to managing commercial air tours over national parks and working cooperatively with NPS?

Answer. I can think of no better example of direction than the effort both agencies gave in their support of the National Parks Overflight Working Group (NPOWG). NPOWG was a group of aviation, environmental and Native American representatives chartered to find a solution to the park air tour overflight issues. Recognizing that agency interests may differ at times, the goal was for divergent interests to find the common results that make both sides a winner in the final analysis—a win-win. FAA and NPS worked with the NPOWG representatives to define a process that will allow constituents of all sides of the air tour issue to realize some measure of satisfaction. Their process was the basis for the enacted legislation.

Question 45. What is your perception of the division of responsibilities between the FAA and NPS with regard to determining how commercial air tours impact the ground-based assets and resources of national parks?

Answer. The development of ATMPs is a cooperative interagency process. ATMPs are to be established by the FAA "in cooperation with" the NPS. The Act also establishes that the FAA is the "lead agency" and the NPS is a "cooperating agency" for purposes of compliance with the National Environmental Policy Act and its implementing regulations. Under environmental law and other guidance, the lead agency supervises the preparation and has the ultimate responsibility for the content of environmental impact statements. The lead agency must use the environmental analysis and proposals of cooperating agencies with jurisdiction by law or special expertise, to the maximum extent possible consistent with its responsibility as lead agency. So I believe it's clear that although the FAA has the ultimate responsibility for impact determination, any input from the NPS must carry considerable weight and be recognized as such. Moreover, the Act requires that both agencies sign the Record of Decision for an ATMP.

SURFACE TRANSPORTATION

Amtrak

Question 46. When Amtrak was created in 1971, it was expected the corporation would become self-sustaining within 2 years. Yet 30 years later, Amtrak has received \$23 billion in taxpayer assistance—and it is currently seeking billions of additional dollars, despite the fact that just over 3 years ago, we enacted reform legislation intended to reduce Amtrak's dependence on the American taxpayers. Given the fact Amtrak was never expected to be funded like our highways or transit systems, I find it disingenuous when I read about Amtrak crying "poor" and arguing its case by comparing its subsidies to other transportation modes. Again, it was

never the intent of Congress to fund Amtrak infinitum. It was to be free of all Federal assistance after 2 years.

What are your views on Amtrak? If appropriate, please differentiate between your views about passenger rail service and that of Amtrak.

Do you believe that Amtrak should be the only provider of intercity passenger service and high speed rail service?

Do you believe Amtrak will meet the statutory requirement that it operate free of Federal assistance by 2003?

Answer. With the exception of my final few months of service in the House of Representatives, railroads in general and Amtrak in particular, did not fall under the jurisdiction of the committee on which I served and was honored to chair, the Committee on Public Works and Transportation (now the Committee on Transportation and Infrastructure). Therefore, I want to qualify my response by saying that I am less familiar today with Amtrak than with other modes of transportation. I will be able to address Amtrak-related issues in more detail in the future after I have had an opportunity to participate in detailed policy discussions within the Department and with my colleagues on the Amtrak Board of Directors and on the Amtrak Reform Council.

I do believe that there is a role for intercity rail passenger service in our national transportation system. I have been a longtime supporter of a balanced transportation system that includes public transportation where it can enhance overall mobility and address other important public policy needs. I was one of the first supporters of making transit, including commuter rail service, a partner in surface transportation funding. While this is largely taken for granted today, it was a radical concept in 1983 when we first included it as part of what had traditionally been highway legislation.

The issue is whether and how the potential of passenger rail service can be effectively realized. For example, states have made a strong statement that there are specific intercity rail passenger routes and services that are important to them and have provided funding for these routes and services.

State financial support of Amtrak will total \$162 million this year which is about one-third the level of Federal support provided in fiscal year 2001. In addition, states are independently funding investments to facilitate improved intercity or high-speed rail service.

The Amtrak Reform and Accountability Act (ARAA) of 1997 was the first real attempt by Congress to try to change Amtrak's focus to behaving more like a private business, but such cultural transformations take time. I look forward to working with Amtrak's Board of Directors, the Amtrak Reform Council, the Department's Inspector General and others to determine the progress that has been made in transforming Amtrak into a business-like organization, and what additional steps the Department can take in aiding this transformation. Whether Amtrak should be the only provider of intercity or high-speed rail passenger service is a complex issue that I would like to learn more about.

Question 47. Amtrak and some of its supporters in Congress have crafted a plan to provide Amtrak with \$10 billion in bonding authority that would be supported through a Federal income tax credit for the holders of the Amtrak-issued bonds. The generated funding is expected to fund "high speed rail" across the country, even though we have no actual cost estimates for funding high speed rail nationally.

Have you had an opportunity to review Amtrak's proposal and, if so, what are your views on the proposed bonding plan?

In lieu of the bonding proposal, what alternative funding approaches could you suggest to provide long-term capital funding for intercity passenger rail service?

In terms of developing a national, high speed rail system, has the DOT determined the actual level of capital funding that would be needed, and if not, when should we expect such information?

Answer. I have not yet had an opportunity to study in detail the legislation recently introduced by 51 members of the Senate, including the majority and minority leaders, that would create a program of funding high-speed corridor investments through Amtrak-issued bonds, with Federal tax credits in lieu of interest on the bonds. I will be working within the Bush Administration to quickly develop our position on this pending legislation.

A challenge facing intercity rail passenger service is the lack of a reliable and dedicated source of capital investment. Intercity rail passenger service, including high-speed rail, competes for Federal funds with other important transportation investment needs, such as replacement of the Coast Guard's deepwater assets or expanding RSPA's pipeline safety program. The amount of uncommitted Federal funds available for transportation today makes for some very tough tradeoffs among worthwhile programs and projects. The so-called high-speed rail bond bill would pro-

vide for high-speed capital investments a reliable source of \$1 billion annually that would not be in competition with other transportation funding priorities.

The Department has no definitive estimate of the cost for developing a national high-speed rail system. The Inspector General has estimated that \$1.39 billion will be needed in overall capital expenditures (which would include a portion for high-speed rail) for the fiscal year 2000–02 period.

Question 48. Do you believe the American taxpayer should continue to subsidize Amtrak?

If so, to what extent and why?

If not, what should be done to eliminate the subsidy?

Answer. The intercity rail passenger service provided by Amtrak has the potential to play an important role in a balanced national passenger transportation system. As with all other components of that national system, to achieve its potential intercity rail passenger service will require continuing capital investment (as opposed to operating subsidies) by the Federal Government, the states and other stakeholders.

The challenge facing this Administration is that in an environment of limited funds available for all modes of transportation, Amtrak must compete with other critical transportation investment needs. In the end, it will be about choices among competing worthwhile investment priorities. Amtrak's current authorization runs through fiscal year 2002. That means that by October 1 of next year, the Congress and the Administration need to act on the future of Amtrak. It is not too early to begin the debate on the issues that have generated so much attention and so many differing views for three decades. I look forward to working with the Committee to try to develop a shared vision for the future of Amtrak.

TRUCKING

Question 49a. Last January, after much debate, the Federal Motor Carrier Safety Administration (FMCSA) was finally established. One of the main reasons we worked to create a separate truck and bus safety agency was because we found a lack of necessary leadership and priority for truck safety when it was a mere component of the Federal Highway Administration. Unfortunately, the Clinton Administration never nominated an Administrator to head up this new agency and it only filled its associate administrator positions in the last month.

What action will you take to ensure the Federal Motor Carrier Safety Administration has the leadership it needs to help meet its statutory mandates to improve bus and truck safety?

Answer. I believe getting leadership in place at the FMCSA is critical. Recently we have made progress. Julie Anna Cirillo has recently been appointed Assistant Administrator and Chief Safety officer of the FMCSA, and we now have all Associate Administrator positions filled. The next step will be to fill the top political positions in the agency—the Administrator and Deputy Administrator.

Question 49b. In addition to the critical area of leadership, what actions will you take to advance the previous Administration's goal to reduce truck-related fatalities by 50 percent?

Answer. This year the FMCSA intends to issue a long-term strategic plan to reduce truck and bus related fatalities and injuries. The plan will establish targets for reducing fatalities and injuries and identify specific approaches to improving motor carrier safety. Work is well underway on this plan. Over the last 8 months, FMCSA has worked with the National Highway Traffic Safety Administration, Federal Highway Administration, and the Joint Program Office to develop a long-term strategy.

As directed by the Motor Carrier Safety Improvement Act of 1999 (MCSIA), the strategy addresses the following goals:

- Reduce the number and rates of crashes, injuries, and fatalities involving commercial motor vehicles;
- Improve the consistency and effectiveness of commercial motor vehicle, operator, and carrier enforcement and compliance programs;
- Identify and target enforcement efforts at high-risk commercial motor vehicle, operators, and carriers; and
- Improve research efforts to enhance and promote commercial motor vehicle, operator, and carrier safety and performance.

Question 50. As you know, the most contentious issue for the Federal Motor Carrier Safety Administration last year was its proposal to revise the more than 60-year-old Federal hours of service regulations governing the driving and on-duty time for commercial motor carrier operators. The proposal was resoundingly rejected by both industry and highway safety advocates.

How do you plan to advance the Department's efforts to revise the hours of service regulations?

Answer. A thorough and complete evaluation of the 50,000 comments is the next appropriate step, and this is underway. The regulatory process can accommodate significant revisions to the original proposal and provide additional opportunities for public involvement. We also may need additional studies to address some of the comments received.

Question 51a. As you know, in December 1995, the Clinton Administration delayed at the 11th hour implementation of the cross-border trucking provisions provided for under the North American Free Trade Agreement (NAFTA). Under NAFTA, the U.S./Mexico border states were to be open to commercial motor carrier traffic. Yet for more than 5 years now, the Clinton Administration has remained relatively silent on implementing NAFTA's commercial vehicle access provisions.

What can we expect from the new Administration in regard to fulfilling our duties under NAFTA and addressing our crossborder trucking dispute with Mexico?

Answer. The United States will continue to fulfill its international obligations, without allowing a compromise in highway safety, and will consult with Congress, State governments, and other interested parties, as well as talking to the Mexican government, as we proceed.

Question 51b. With regard to the cross-border trucking issue, please provide to the Committee a list of specific safety conditions and concerns that exist today that have not been addressed.

Answer. Over the past 5 years the Department has been working with our Mexican counterparts to define critical safety areas in Mexico's safety system that need improvement. While this work is not yet completed, all elements of the department are in agreement that substantial progress has been made and that this progress is continuing in the following areas: (1) training Mexican inspectors and instructors on U.S. safety inspection techniques; (2) developing electronic data bases to exchange safety information on companies, drivers, and vehicles; and (3) signing a memorandum of understanding on drug and alcohol testing procedures. The Department has provided both technical and financial assistance to Mexico to assist them in achieving these improvements.

Question 51c. What role will you play in addressing US/Mexico border crossing problems?

Answer. I believe that the United States has an obligation to meet its NAFTA land transportation commitments, and that the Department's role is to ensure that these commitment can be met with adequate safeguards to prevent any compromise to our highway safety standards.

PIPELINE SAFETY

Question 52. This Committee worked long and hard during the last Congress to develop comprehensive pipeline safety improvement legislation. As a result of our bipartisan efforts, we unanimously approved pipeline safety legislation last September. Unfortunately, the House failed to approve a pipeline safety measure, so needed improvements have not been implemented.

I am hopeful that this new Congress will act quickly to take the overdue action necessary to improve pipeline safety before additional lives are lost. While we have reintroduced last year's Senate-passed bill, we will be eager to receive recommendations from the new Administration to further promote pipeline safety.

When can we expect to receive input from the Department on proposals to strengthen our pipeline safety policies?

Answer. I am aware of the Senate's interest in expeditious action on this important safety issue. I consider pipeline safety one of my top priorities and will work to develop an Administration proposal at the earliest possible time. I look forward to working with you to enact pipeline safety legislation during this session.

FREIGHT RAIL

Question 53. What are your views regarding the role of the Surface Transportation Board, and what type of relationship do you hope to establish between the Department and the Board?

Answer. The Surface Transportation Board (STB) performs a number of essential functions that most likely can only be carried out by an independent regulatory agency. It ensures, to the best of its ability, that rates and services for captive shippers are reasonable, and that carrier mergers, abandonments, and trackage rights agreements consider the needs of shippers, communities, and the financial health of the railroads. While organizationally and for administrative purposes the STB is part of the Department of Transportation, the Board's decisions are completely inde-

pendent. The Department offers its views on policy matters in STB proceedings, the same as other government agencies and private parties.

I intend to develop a cooperative relationship with the Board to exchange ideas and discuss matters of mutual interest (excluding ex parte communications on matters in adjudication). It is our mutual goal to see to it that the Nation has a competitive, efficient, and viable rail transportation system.

Question 54. What are your views on the Surface Transportation Board's proposal to revise its railroad merger rules?

Answer. I believe the Board's initiative to reassess the rules that guide its merger decisions is timely. The railroad industry has undergone significant changes in the last 20 years, and the Class I rail sector has become more and more concentrated as a consequence. I share the Board's concern with the implications of a merger "end game" that could lead to two major transcontinental carriers serving the nation. The potential risks and uncertainties of this industry structure require that any new merger proposals undergo much more intensive scrutiny.

The evidentiary phase of the proceeding on new merger rules ended in early January, and we await the Board's decision in June. The Department submitted comments that supported the judicious application of competition enhancements and suggested ways to resolve the operational problems that have characterized recent mergers. I expect to review the Department's position on these issues in the next few months.

Question 55. What is your general philosophy concerning the proper role for the Department to address concerns raised by captive rail shippers?

Answer. The proper role of the Department would be to consider the concerns of captive shippers in the context of the overall DOT policy for transportation in the nation. DOT will provide a forum for all interested parties—shippers, railroads, communities, local governments and private citizens—to express their concerns and suggestions for rectifying problems.

MARITIME

Question 56. What can and should be done to address the relatively high operational costs of American-flagged maritime carriers?

Do you support subsidies to offset the high costs of these operations?

Why or why not?

Answer. The cost of U.S.-flag operations reflects America's high standard of living and its business operating environment. This includes the Nation's tax laws, employment standards, labor laws, environmental protection laws, as well as ship construction and operating laws and regulations. The U.S.-flag fleet competes with shipowners operating in low-cost countries, including "open registry" or "flag of convenience" countries such as Panama, Liberia, or Malta, which are essentially tax-havens and have minimal standards for vessel operations. The merchant fleets of all traditional maritime countries with high living standards, regulatory standards, and tax rates (such as those in the European Union and Japan) have been in serious decline as a result of the same cost and regulatory disadvantages suffered by the U.S.-flag fleet compared with flags of convenience. There is no way to compete with flag-of-convenience countries without a blend of government support and regulatory enhancements. The alternative path to competitiveness would involve the adoption of U.S. standards that would compromise our protection of the natural environment, safety, and our national security readiness, and that would be unacceptable.

Programs such as the Maritime Security Program/Voluntary Intermodal Sealift Agreement, cargo preference, and the Jones Act are the principal means currently available to sustain U.S.-flag carriers. Moreover, these programs and policies provide important benefits to our economic and national security by ensuring the availability of a U.S.-flag privately owned merchant fleet to carry U.S. domestic and international waterborne commerce and to enhance sealift capability to meet the unique responsibility of the United States as the world's only military superpower.

Question 57. Following Operations DESERT SHIELD and DESERT STORM, changes were made to the operation of the Ready Reserve Fleet (RRF). In addition, the Voluntary Intermodal Sealift Agreement (VISA) Program and the Military Security Program (MSP) were created to ensure we could better meet the demands of such a large scale military operation in the future. Please explain how you view these programmatic changes.

Answer. The programmatic changes to the RRF and the creation of the MSP/VISA programs have resulted in increased readiness, improved capacity and the establishment of a core fleet of U.S.-flag militarily useful commercial vessels and associated intermodal systems.

Significant programmatic changes to the RRF since the Persian Gulf war have upgraded readiness and improved the overall composition of the RRF to better meet DOD mission requirements. Thus, the RRF is maintained in a readiness posture to assure its rapid availability to provide critical sealift to the Department of Defense. Fourteen Roll-on/Roll-off ships were added to the RRF, and the decks of 5 existing Ro/Ro's were expanded.

Readiness has been significantly improved by the use of permanently assigned 9 or 10 person crews on all high readiness vessels, required to be activated in 4 or 5 days; systematic no-notice test activations and regularly scheduled maintenance seatrials; outporting of all 4 and 5 day ships in close proximity to probable DOD loadports; development of an automated data base system (MARTS) to record and prioritize deficiencies, estimate costs associated with these deficiencies and assist in preparing budget submissions; and the development and expansion of a logistics support program to ensure all ships are provisioned with adequate spare parts to enable continued operation in contingencies. The RRF is the most costeffectively administered element of the Government organic sealift programs, while adhering to the highest readiness standards.

MARAD's MSP and VISA programs enable the U.S. commercial maritime industry to readily assist DOD in meeting sustainment sealift needs. These programs are meeting the statutory goals of retaining a core fleet of militarily useful vessels under U.S. registry and providing assured access to associated intermodal systems that support DOD contingency requirements. MSP also contributes to maintenance of a labor base of skilled American seafarers available to crew the U.S. Government-owned strategic sealift fleet during emergencies, as well as the U.S. commercial fleet. DOD estimates that the cost to replicate the capabilities of MSP/VISA would exceed \$12 billion for initial construction, and \$1 billion annually in operating costs. The costs for providing trained crews and the supporting intermodal structure would be additional.

Question 58a. Through much of the last century, our nation's maritime policy was directed toward supporting our national defense needs. While meeting our defense needs should and must remain a top priority, changes in the global market and advances in the maritime industry have clearly put new pressures on the industry that were not contemplated during the development of many of the laws and regulations that come together to form our current maritime policy.

What specific changes would you propose to bring our nation's maritime policy in line with the maritime industry today?

Answer. U.S.-flag vessels compete globally on a quality basis, offering premium service that assures timely and reliable transportation to U.S. and foreign shippers at reasonable prices for these services. U.S.-flag vessels cannot compete easily with lower-cost competitors in the world market, despite the premium services offered by U.S.-flag vessels, if their costs are substantially higher. If U.S.-companies do not earn sufficient returns to cover costs and the continuing investments required in this extremely capitalintensive industry, these companies will not be able to keep pace, let alone lead, in the world market. Given this marketplace reality, I will be carefully analyzing and assessing the options which might be available to us in the near term.

Question 58b. How would these proposed changes provide growth opportunities for our nation's merchant marines and allow them to compete better in the global market?

Answer. Policies that have focused on carrier operating costs and made U.S. carriers more competitive have attracted or maintained investment in the U.S.-flag fleet. For example, during the 1996-1999 implementation of the Maritime Security Program/Voluntary Intermodal Sealift Agreement program (MSP/VISA), 14 vessels were added to the U.S.-flag liner fleet in order to participate in MSP, and another four were re-flagged under U.S. registry and enrolled as non-MSP, VISA vessels. The addition of these vessels halted the evident decline in the U.S.-flag liner fleet, and contributed to a nearly 30 percent increase in average vessel carrying capacity. As part of my overall review of our maritime policies, I will be focused on how we can provide growth opportunities for our merchant marine and the maritime workforce.

Question 58c. How would these proposed changes balance our defense needs with our commercial needs in today's global market?

Answer. A competitive U.S.-flag international trade fleet of militarily useful vessels crewed by U.S.-citizen mariners serves a dual purpose of economic and national security. The presence of U.S.-flag vessels in international trade promotes economic security by providing American shippers with an alternative to foreign-flag operators. The fleet also provides the U.S. Government with legal standing to protect the interests of American businesses and consumers in international negotiations over

shipping and intermodal transportation. This fleet also serves as a vital national security asset for executing the Nation's forward defense strategy, with a central role in military sealift during national emergencies and provides the pool of mariners necessary to crew the government's organic fleet during contingencies. As we move to shape our maritime policy in the years ahead, we will remain focused on the unique dual role of the U.S. merchant fleet, and our need to maintain both the economic and national security interests of the Nation.

Question 59a. As you may be aware, I prefer to eliminate restraints on U.S. businesses' competitiveness rather than provide subsidies that remove incentives for businesses to find new ways to operate and compete in the world market. I continue to believe that U.S. companies are struggling to compete in the international maritime industry in part because of the prevalence of subsidies by other flag-states.

What are your views on maritime subsidies?

Answer. Foreign government subsidies to national industries and restrictions and barriers to free trade have hurt U.S. companies in global markets. U.S. companies will continue to operate at a disadvantage compared to foreign flag shipping lines as long as their governments maintain policies that distort or restrict market access.

Question 59b. If confirmed, what change will you propose to help improve the competitiveness of the U.S. maritime industry?

Answer. The Administration will press foreign governments to eliminate practices which distort the operation of a free marketplace for shipping services and remove restrictions and barriers on U.S. companies so that they can compete fairly in the world market.

Question 60a. Regardless of exaggerated reports on the size of the U.S. merchant fleet issued by the previous Administration, the Jones Act fleet continues to face an uphill battle in meeting the needs of our nation's domestic waterborne commerce. Most users of the domestic water transportation system, except for those of our inland waterway system, face high costs and lack of adequate service. This is not true of our inland waterway system because operators in these areas face competition from road and rail service not available to shippers in areas such as Hawaii and Puerto Rico.

While I have attempted to bring about reasonable debate on the issue for several years, domestic trade vessel operators and shipbuilders who benefit from the barriers created by the Jones Act continue to lobby for the status quo. As with other areas of our nation's transportation system, it is important that we bring change to the maritime industry that will allow for a more competitive environment for the domestic maritime industry.

What are your views on the Jones Act?

Answer. I support the Jones Act. Like domestic rail and truck carriers, domestic vessel operators incur "U.S. costs" to operate under the same legal structure affecting tax, labor, immigration and naturalization, and the protection of public safety and the environment—as do all other American businesses. Many foreign-flag carriers can operate at lower cost than U.S. flag shipping companies in foreign trade, since the former can operate under lower international safety and wage standards, and reduced or negligible tax burdens. However, if foreign-based shipping companies seeking to do business in the United States were required to comply with the same laws as American companies, then the cost differential between U.S. and foreign waterborne carriage would likely disappear.

Question 60b. How would you propose to improve competition in the domestic market and bring about growth in the domestic trade?

Answer. Due to the geography of the continental United States, waterborne transportation usually does not provide the most direct routing for domestic shipments moving from an inland origin to an inland destination. Expensive and time-intensive intermodal transfers to truck and rail feeder carriers on circuitous routes are often necessary to move shipments from land-locked originating points to their final destinations. As a result, some shippers find themselves dependent on rail and truck transportation, which move cargo at faster speeds, but in smaller lots and at much higher cost for each ton-mile traveled.

On the other hand, even with intermodal transfers, water transport can be competitive for moving relatively low-value, time-insensitive bulk goods because it is so cheap, as is the case in the inland river and Great Lakes trades. For relatively high-value general cargo shipped over 1,000 miles in oceangoing trades to Alaska, Hawaii, Guam, and Puerto Rico, large tug/barges, Roll-On/Roll-Off trailerships, and containerships continue to be competitive against air carriage. In recent years, tug/barges and even larger and faster containerships have begun to compete effectively against rail and truck carriers in the medium-distance (e.g., exceeding 500 miles) coastwise trades, as north-south rail and highway corridors become increasingly congested.

I will be evaluating ways to encourage market entry by U.S. vessel operators into the Nation's coastwise and oceangoing trades.

Question 61. The U.S. Maritime Administration (MARAD) has a statutorily mandated deadline for the disposal of obsolete National Defense Reserve Fleet (NDRF) vessels. MARAD currently has 114 vessels awaiting disposal, of which 91 are targeted for scrapping and many of which pose an environmental hazard to the waterways in which they are now moored. MARAD has further been directed to report to Congress on how it plans for disposal of these vessels.

What is the status of that report?

What is it going to cost the Federal taxpayer to dispose of these obsolete vessels? How long will it take MARAD to rid our nation's waterways of these vessels?

Answer. A comprehensive report addressing all ship disposal options is under development and due to Congress this Spring.

The cost of disposal will depend upon the specific method or methods used as well as the competitiveness and capacity of disposal facilities. Preliminary estimates based upon experience with the Navy's pilot program involving few domestic shipyards suggest a cost range from \$2M -3M per vessel depending upon the size, condition, and number of ships made available. However, if foreign dismantlers can be used either for labor intensive cutting of decks and hulls after some "pre-clean" in U.S. yards, or if entire scrapping can be performed overseas, disposal costs would likely be significantly reduced. We are in the process of examining all the options available.

If no systematic plan for disposal is undertaken, then exposure to environmental cleanup liability will likely increase. Interim remedial costs can be expected to increase as well. Four recent incidents at the James River Reserve Fleet in Norfolk cost approximately \$3.7M. These costs were related to spill clean up, emergency fuel removal, and temporary hull plate patching.

The statutory deadline for disposal of all obsolete vessels is September 30, 2006. Even at a vigorous pace of disposal of about 15 vessels per year, it would take approximately 8 years for MARAD to remove the current obsolete ships. Moreover, MARAD expects the current inventory to grow as more obsolete ships are received from other government agencies. Unless domestic ship scrapping/dismantling capability expands, it may not be possible to dispose of the existing ships domestically within the deadline.

Question 62. In the 1970s, there were 30 domestic ship scrapping companies. Today, the Maritime Administration (MARAD) considers only four companies to be viable, and concerns have been expressed regarding those.

Does MARAD have the tools and personnel required to meet its statutory obligation to dispose of these vessels in a safe and cost effective manner?

What actions would you direct MARAD to take in order to draw additional companies to the ship scrapping industry and reduce disposal costs for the American taxpayer?

Answer. Before MARAD can precisely determine what resources will be required to dispose of the obsolete vessels, the long-term program course will have to be decided. Congress provided MARAD \$10 million through Navy's fiscal year 2001 appropriations to begin scrapping the ships in the worst condition. MARAD is utilizing existing personnel from other program areas and has engaged contractor support using a General Agency Agreement to begin this effort. MARAD is also preparing a comprehensive ship disposal report, as required by the National Defense Authorization Act of fiscal year 2001, to be provided to Congress by April 30, 2001. The report will identify program resource requirements, including personnel, to implement a long-term program.

MARAD is also working with the Department of the Navy, which has had a pilot program in domestic shipyards on-going for the past year. Any action to draw more companies into the domestic disposal industry would expand capacity, thereby permitting removal of more vessels in a timely manner. However, a program to a scrap all or most of the vessels in U.S. facilities would require a considerable funding commitment over a period of years. I am assessing all options before I commit to a single course of action.

Question 63. Over the past 2 years, the United States and China have been negotiating a new bilateral maritime agreement. Representatives from the U.S. Maritime Administration and their Chinese counterparts recently met in Seattle. I understand some progress was made toward resolving remaining differences, but a final agreement was not reached.

What are your views regarding bilateral maritime agreements?

What should be done to ensure that our nation's maritime industry does not continue to be subjected to needless discriminatory practices because we can't reach agreements on maritime with our trading partners?

Will you commit to reaching a bilateral maritime agreement with China by scheduling high-level talks on the matter early after being confirmed?

Answer. It has been the policy of the United States to conclude bilateral maritime agreements only in rare cases where circumstances warrant such action. In those cases, such agreements have helped to strengthen market conditions. Our overriding objective is to assist U.S. carriers' activities in China, where their operations are significantly burdened by government restrictions, and thereby improving competitive conditions for shippers as well. A new agreement would help to minimize such restrictions.

Over the years, executive branch agencies working in parallel with the Federal Maritime Commission, have achieved removal of a number of restrictions that U.S. carriers faced in foreign markets—including China—and we expect that this same approach would be the basis for dealing with the PRC in the future.

The talks that the United States and China held in Seattle in December were informal contacts. The U.S. side viewed these contacts as a means of ascertaining whether a basis existed for negotiating a maritime agreement that would ensure verifiable resolution of U.S. carriers' problems in China. Ultimately, the U.S. team, which was led by MARAD, concluded that the necessary basis was lacking and the matter was not pursued further.

Thus, I intend to continue to explore the possibility of renewed discussions with China in an effort to minimize trade restrictions against U.S. companies.

Question 64. The Department of Transportation has recently released a study requested by Congress in TEA-21 on the condition and funding for highway connections to intermodal freight facilities, such as ports. I find that these connections are in poorer condition and receive less funding than other National Highway System miles, and that local governments, which are often focused on passenger needs, do not readily fund these types of freight projects that have beneficiaries well beyond the local area. With projected cargo volumes expected to increase dramatically over the coming years, will the Department, under your leadership, consider ways to give priority to these potential choke points?

Answer. Yes, the Department will consider ways to give priority to connections to intermodal freight facilities. I will work with the appropriate operating agencies, including MARAD, FHWA, and FRA, to address this issue. As an initial step, the Department plans to engage the various constituencies that are concerned with intermodal connections to find potential solutions. I believe that the efficiency and safety of the nation's freight system have important implications for enhancing the nation's productivity and competitiveness in the global marketplace.

During this year, we will be assessing current and future demands on the system and the resulting capacity and investment implications. The Department will hold a series of national freight forums to identify problems and potential solutions for planning, financing, and operating these important assets. This will culminate in a national freight summit at the end of the year to explore policy recommendations for reauthorization of our surface transportation programs.

Further, the Department will undertake several operational tests this year to demonstrate the capability of ITS technologies to improve the interoperability among the freight modes. The Federal Highway Administration is also conducting a follow-up review of the intermodal freight connectors in cooperation with our field offices, the states, and MPOs to help advance solutions.

COAST GUARD

Questions 65–66. The Coast Guard has begun a significant acquisition program to recapitalize its fleet of 93 Deepwater cutters, 200 aircraft, and the command and control system that link them together. The project is estimated to cost \$10 billion over the next 20 years.

The General Accounting Office has repeatedly stated concerns about this project. In its most recent report, it said the Coast Guard had answered many of its previous concerns, but that it was still concerned about the project's cost and management controls.

What is the Administration's position on the Deepwater project, and how will it prioritize it with respect to overall Department of Transportation funding?

Answer. The Deepwater Project is a priority, for the Department and is one of Coast Guard's top two recapitalization initiatives. This new century will bring greater challenges that the Coast Guard must be prepared to face. We cannot meet the needs of the future with a Coast Guard fleet from the past.

I appreciate the management challenges associated with an acquisition of this scope. The Coast Guard has been responsive to the GAO concerns regarding man-

agement controls and funding for this project. The Coast Guard has addressed concerns tied to the life cycle costs of our current operational assets.

Innovation and sound business practices will serve the successful administration of the project. Taking a holistic approach, the project is avoiding the piecemeal approach traditionally taken with government acquisitions. Rather, the Deepwater Project is designed to provide a widerange of surface, air, command-and-control and communications assets to ensure interoperability between the Coast Guard, DOD and our allies. The Department is addressing the funding issue within the Administration. The Coast Guard is working diligently to manage the project successfully.

Question 67. The Coast Guard's 2000 emergency supplemental appropriation included \$110 million to replace the 60-year-old icebreaker Mackinaw. I understand the actual cost of this single ship acquisition could be significantly higher than the appropriated level. The Great Lakes cutter essentially breaks ice for 4 months per year. While domestic ice breaking is a core mission of the Coast Guard, there may be fewer expensive alternatives to building and manning a new cutter, including a long-term lease agreement.

What is your position on such alternatives, and do you plan to reevaluate the Great Lakes Icebreaker replacement plan?

Answer. The Coast Guard anticipates making an FY01 award to design and construct a multi-mission icebreaker to replace USCGC MACKINAW and has been appropriated funds specifically for this purpose. The total estimated acquisition cost includes estimates for the design and construction contract, project logistics and management, and previously expended concept exploration expenses.

CONSUMER

National Highway Traffic Safety Administration / Tire Recall

Question 68. At the end of the last Congress, Ford and Firestone/ Bridgestone's recall of 6.5 million tires prompted passage of the Transportation Recall Enhancement, Accountability, and Documentation (TREAD) Act. The TREAD Act directs the Secretary of Transportation to undertake 20 separate studies and rulemakings to improve highway safety. Some consumer groups have alleged that Firestone's recall of ATX tires and some Wilderness tires was under-inclusive.

When will the National Highway Traffic Safety Administration (NHTSA) conclude its investigation of the recall and determine whether the scope of the recall was appropriate?

Answer. The Firestone recall covered all ATX and ATX II tires built since 1990 of the P235/75R15 size and all Wilderness AT tires of that size built at Firestone's Decatur, Illinois plant. NHTSA is continuing its investigation into whether ATX and Wilderness tires other than that size and/or Wilderness AT tires of that size from Firestone plants other than the Decatur plant should also be recalled. To date over 400,000 pages of documents have been submitted by Firestone and Ford Motor Company in response to NHTSA's requests for information (with more to come). NHTSA also has contacted seven other tire manufacturers for data to enable the agency to make statistical comparisons. Some of that data has been submitted. NHTSA expects the remainder in February.

NHTSA has also begun the process of testing numerous tires retrieved from the field. The agency has acquired some of the tires to be tested and is continuing the process of locating and acquiring the additional tires needed to complete the test program. Several tests and evaluations will be conducted. The timing of the conclusion of the testing program, and ultimately of the investigation, is dependent upon the rate at which additional tires can be acquired and tested. After reviewing the results of these tests and completing a statistical analysis of the real-world experience of various types and sizes of tires, NHTSA will decide whether to seek to expand the Firestone recall to include additional tires. The agency anticipates making that decision sometime this spring.

Question 69. In September of 2000, I asked the inspector General of the Department of Transportation to review NHTSA's Office of Defects Investigation and to assess, among other things, the adequacy of the office's collection and analysis of data relating to defects and the processes it uses for initiating investigations. I expect the Inspector General's report to be published this spring.

Will you commit to me that NHTSA will carefully consider the Inspector General's report and recommendations when undertaking the internal reviews and rulemakings ordered in the TREAD Act?

Answer. I can assure you that NHTSA will carefully and thoroughly consider the Inspector General's report and recommendations when undertaking the internal reviews and rulemakings ordered in the TREAD Act.

NHTSA has been working with representatives of the Inspector General's office since they began their review, providing them with the information they have requested and answering their questions about the procedures used by the Office of Defects Investigation in opening and pursuing investigations. The agency anticipates that the Inspector General will make valuable recommendations for the improvement of its procedures.

Question 70. Should NHTSA undertake to review regularly and update all of its motor vehicle safety standards?

Answer. Yes, it should. In addition to NHTSA's activities with respect to researching, preparing and adopting new motor vehicle safety standards, the agency expends considerable effort to ensure that its existing standards are up-to-date and continue to be effective.

NHTSA has rigorously evaluated its major programs as a matter of policy since 1970, and began evaluation of the effectiveness of the Federal Motor Vehicle Safety Standards (FMVSS) in 1975. The Government Performance and Results Act of 1993 and Executive Order 12866, "Regulatory Planning and Review," issued in October 1993, now oblige all Federal agencies to evaluate their existing programs and regulations. Previously, Executive Order 12291, issued in February 1981, also required reviews of existing regulations. Even before 1981, NHTSA was a leader among Federal agencies in evaluating the effectiveness of existing regulations and technologies.

Most of NHTSA's crashworthiness and several crash avoidance standards have been evaluated at least once since 1975. A number of consumer-oriented regulations, e.g., bumpers, theft protection, fuel economy and the New Car Assessment Program have also been evaluated.

AIRBAGS

Question 71. The Transportation Equity Act for the 21st Century (TEA 21), which was enacted in 1998, required NHTSA to improve the protection afforded by airbags while reducing the risks they pose to children and smaller adults. Last year, NHTSA issued an interim final rule on "advanced" or "smart" airbags.

Is this rule adequate to protect small occupants in low speed crashes and unbelted large occupants in high speed crashes?

Answer. The May 12, 2000, final rule culminated an exhaustive effort by NHTSA to specify performance requirements leading to advanced air bag systems. These systems will protect all sized occupants and virtually eliminate unintended consequences such as injuries to children and out-of-position adults. To assure that the performance requirements accomplish these goals, the agency has developed a comprehensive plan to monitor advanced air bag technology development and real world performance. The plan has seven emphasis areas:

- Evaluate real-world performance of advanced air bags in both low and high speed crashes;
- Conduct research tests to evaluate the performance of advanced systems (speed, size, out-of-position occupant performance);
- Continue review, research, and evaluation of the technology of advanced airbags;
- Conduct biomechanics research on Injury Assessment Reference Values versus real world injuries. Conduct additional validation of dummies/injury criteria (especially for the neck). Develop additional dummies as needed;
- Monitor compliance testing to assure safe performance of advanced systems; publish annual compliance margin reports; conduct defect investigations as needed;
- Monitor seat belt use. Monitor introduction/effectiveness of technology to encourage seat belt use;
- Monitor costs of advanced air bag systems.

I plan to keep Congress and the public informed as NHTSA implements the plan.

PASSENGER VEHICLE COMPATIBILITY

Question 72. In collisions between small passenger vehicles and light trucks or vans, including sport utility vehicles, passengers in the small passenger vehicles are more likely to be seriously injured or killed. The increase in the overall number of light trucks and vans on the road could compound this problem. Some manufacturers are addressing this issue, such as Ford, which recently said that over the next several years it will lower the steel beams inside the front ends of all Ford sport utility vehicles and pickups to the same height as in cars.

Do you think the market alone will take care of this compatibility problem?

Answer. The increased popularity of light trucks and vans (LTVs)—pickups, SUVs, and minivans—presents a growing safety problem that needs to be addressed. While LTVs account for about one-third of all registered vehicles, they are

involved in half of all fatal passenger car crashes. The safety problem for occupants of passenger cars can be attributed to some inherent design differences in SUVs and other LTVs. Those differences are due to disparities in size (weight and height) and stiffness.

Some automobile manufacturers have voluntarily introduced changes to their light trucks and vans (LTVs) that will lead to improved compatibility in crashes between LTVs and automobiles. The primary focus of these changes has been to improve the geometric mismatch between the frontal structures of the LTVs with those of the automobiles so as to improve the structural interaction during a crash. In addition to lowering the steel beams to minimize the geometric mismatch, Ford also has introduced "blocker beams" (i.e., transverse beams that connect the front rails) in some of their SUVs to improve further the structural interaction in frontal crashes.

NHTSA is currently conducting research to identify vehicle features that affect compatibility and to evaluate their effects in real world crash performance. The agency is also using sophisticated computer models to assess the safety effects of changes in vehicle size. While the agency has identified a number of vehicle improvements to LTVs that can be readily made to improve compatibility, the research program is focused on what changes can be made to the entire fleet (i.e., both LTVs and cars).

ROLLOVERS

Question 73. The National Highway Traffic Safety Administration recently issued comparative rollover ratings for passenger vehicles based on a static test. Some consumer groups and manufacturers have criticized the adequacy of this rating, however, and urged instead that NHTSA develop a dynamic rollover test that could, they claim, more accurately predict a vehicle's propensity to roll over. The TREAD Act requires NHTSA to develop such a test by 2002.

Will you commit to meeting this deadline?

Answer. Yes, I intend to meet all of the Congressionally mandated deadlines contained in the TREAD Act, including the requirement that we develop and carry out a dynamic rollover test program for passenger cars, multipurpose passenger vehicles, and trucks with a gross vehicle weight rating of 10,000 pounds or less by November 1, 2002.

Question 74. While the TREAD Act directs NHTSA to initiate a rulemaking to revise and update tire standards that have not been updated in 30 years, the Act does not require NHTSA to revise other, equally old and probably obsolete standards such as the roof crush standard, despite 10,000 deaths per year in rollover accidents.

What action will you take to ensure that NHTSA adequately revises the roof crush standard?

Answer. Although properly restrained, un-ejected occupants who are injured by roof intrusion represent a very small percentage of fatalities in rollover crashes, research shows that limiting roof intrusion may be effective for these occupants. Accordingly, I will ask NHTSA to investigate the potential benefits that may be gained by stiffer roofs. I understand that the agency is making plans to have a public discussion on this issue this spring.

These actions should be seen in the context of NHTSA's effort to address the rollover problem with a multiple-phase program. First, NHTSA has initiated a consumer information rollover-propensity rating system. This will help consumers make smarter choices when buying vehicles and ultimately reduce the number of rollovers. Partial and complete occupant ejections account for 68 percent of the approximately 10,000 people who die each year in rollover crashes. Preventing ejections may have a significant benefit in reducing rollover fatalities. Public awareness programs such as Buckle Up America continue, in an effort to increase seat belt use, which will reduce occupant ejections and subsequent fatalities. Rulemaking and research programs aimed at preventing occupant ejections include reducing the number of door openings through improved door locks and latches and investigating ways to prevent people from being ejected out of windows. The agency is also investigating ways to enhance occupant protection in rollover crashes through improvements in seat belts and padding.

DRIVER DISTRACTION BY IN-VEHICLE DISPLAYS

Question 75. Concern about the relationship between driver distractions and accident rates has led some State and local governments to try to restrict drivers' use of cell phones. Even as this is occurring, manufacturers are introducing or proposing

to introduce cars that contain interactive video and audio devices, Global Positioning Satellite displays, and fax machines.

What if anything should the National Highway Traffic Safety Administration do to ensure that these devices don't compromise safety?

Answer. Since 1991, the NHTSA has been researching the relationship between distractions and driving performance. Using instrumented cars, NHTSA has been studying the relative demands of different types of systems, including cell phones, navigation systems, and audio system controls. NHTSA is currently conducting two studies: one is investigating the relative demands on the driver of voice and non-voice technologies for tasks such as phone dialing, radio tuning, and email retrieval; the other is comparing driver distraction as a function of hand-held versus hands-free cell phone use.

As a result of the information gathered during these recent activities, NHTSA is planning to undertake the following:

- Continue research to understand the factors that affect the willingness of drivers to use various technologies and to quantify how drivers' use of technology affects their safety-related driving performance. This research will utilize the capabilities of the agency's new National Advanced Driving Simulator as well as instrumented vehicles on actual roads.
- Pursue consumer and public information efforts to help convey the knowledge gained from research to the public.
- Work with industry to support the development of test procedures and guidelines that can be used to design equipment that minimizes driver distraction.
- Monitor products to determine how well manufacturers have addressed the safety impact of new technologies prior to their introduction into the market place.
- Continue to encourage the development and deployment of technologies that can address the safety problems caused by driver distraction, such as collision warning systems and integrated driver support systems.

CORPORATE AVERAGE FUEL EFFICIENCY (CAFE) STANDARDS

Question 76. Because of appropriations bills riders, the Corporate Average Fuel Efficiency Standard for light trucks has remained at 20.7 miles-per-gallon since model year 1996.

Should the fuel efficiency requirements for light trucks be raised?

Answer. As you point out, provisions in the DOT Appropriations Acts for the last 6 years have prohibited the Department from conducting any analyses to determine if the CAFE standards should be revised. However, the fiscal year 2001 DOT Appropriations Act included language calling for a National Academy of Sciences (NAS) study on the effectiveness and impacts of CAFE standards. The Department is funding this study and is working closely with NAS to ensure its completion by July 2001.

We are hopeful that the results of the NAS study will provide Congress and the Administration with the information we both need to make a determination about any changes to the CAFE standards.

Question 77. The Alternative Motor Fuels Act of 1988 gave vehicle manufacturers that make vehicles that run on alcohol or natural gas, either exclusively or in addition to gasoline, a credit toward the manufacturers' corporate average fuel efficiency standard. The Act required the Secretary of Transportation, in consultation with the Environmental Protection Agency Administrator and the Secretary of Energy, to submit a report to Congress by September 2000 on the success of the CAFE credit in promoting alternative fuel use. It also required the Department of Transportation to decide by the end of this year whether to continue the credit until 2008 or end it in 2004.

When do you expect the Department of Transportation to submit the report required by the Alternative Motor Fuels Act?

Answer. The draft of this report has been completed. I hope to be able to submit the final report as soon as we receive clearance from the coordinating agencies.

COMMERCIAL SPACE TRANSPORTATION

Question 78a. Given the recent discussions on the importance of space-based assets on national security, along with a growing economic reliance on communications satellites, do you believe the Nation has the necessary space transportation infrastructure to support these priorities?

Answer. Yes, current infrastructure for space launch operations is sufficient for current demand and the U.S. commercial space transportation industry has proven that it can conduct a significant number of commercial launches (e.g. Iridium) while continuing to launch civil and military spacecraft. However, industry and govern-

ment agree that modernization of the antiquated range infrastructure by the Air Force (AF) is a priority as the current system is costly to operate. These costs are passed on to the commercial user and decrease the competitiveness of U.S. commercial space launch providers. Commercial use of the launch range was greater than military use since 1998 and the commercial industry is concerned that AF modernization proceed as quickly as possible and that commercial requirements are considered.

If DOD and Congress choose to go ahead with proposed constellation programs such as Discoverer II, or other unannounced commercial constellations emerge, we believe that the U.S. commercial launch industry and the Eastern and Western Ranges are capable of handling the demand. Also, increased efficiency is expected when the new Evolved Expendable Launch Vehicles (Delta IV and Atlas V) will enter service in 2002.

Question 78b. How can commercial space transportation better enable or promote the national security interests of the nation?

Answer. Commercial space transportation enhances U.S. national security by reducing costs while increasing efficiency. The development of the Evolved Expendable Launch Vehicle (EELV) which will be used for both military and commercial launches included commercial industry input and requirements from the FAA Commercial Space Transportation Advisory Committee. The commercial industry sought changes, which were accepted by the Air Force, that will decrease the time the vehicle occupies the launch pad, decrease processing costs and allow operational flexibility at the launch ranges. Recently, the FAA and the Air Force signed a Memorandum of Agreement to work together to achieve common safety requirements for military and commercial space launches. This change will decrease the costs of commercial providers to meet safety requirements. Just as commercial airlines, trains, and ships support national security interests through transportation of goods and services on a reliable and efficient basis today, commercial space launch will support reliable, efficient operations including decreased costs for the security of our Nation.

Question 79. In the Department's role as a regulator for commercial space launches, given the expected increase in commercial launches and activities, what priority do you intend to place on commercial space transportation within the Department of Transportation vis-a-vis other modes of transportation?

Answer. The Department has given a high priority to space transportation and will continue to do so. The Office of Commercial Space Transportation is a distinct line of business within the Federal Aviation Administration and has developed a full program of regulatory and commercial space development projects. The Associate Administrator for Commercial Space has an active regulatory program that is fully supported by the Department. They have completed new regulations during the past 3 years for launch operations, launch site operations, reentry vehicles, and financial responsibility for launch and reentry vehicles. The Commercial Space Transportation Office's public/private partnership, under which the government works smartly with industry, is a strategy it plans to continue in order to foster the further development and increased competitiveness of the U.S. commercial space transportation industry.

Question 80. What needs to be done to ensure the international competitiveness of the U.S. space transportation industry?

Answer. The recent extension by Congress, under the Commercial Space Transportation Competitiveness Act of 2000 (P.L. 106-405, Nov. 1, 2000), of liability risk-sharing provisions ensures continuation for an additional 4 years of the benefits of stable and predictable risk allocation for commercial launch activities. Retention of the existing risk-sharing regime has been considered critical to technology development and international competitiveness of the U.S. launch industry. Congress also directed the Department to conduct a comprehensive study of the need to continue the program beyond 2004. The Department is committed to conducting the study to include public and government views on this important issue.

The Department has given a high priority to space transportation and will continue to do so, as I outlined in my previous response.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. TRENT LOTT TO
NORMAN Y. MINETA

Question 1. Secretary Mineta, while much of the focus of the Department of Transportation is aviation and highways, maritime transportation is often an afterthought. With approximately 90 percent of our Nation's international trade, and a significant percentage of our domestic trade, carried by water, one of your most important jobs will be to ensure our maritime infrastructure, our ports, waterways,

and maritime industry, are capable of meeting the transportation needs of this new century. Much of this infrastructure is aged and in need of refurbishment and modernization. Will you commit to work with the agencies within your Department (the Maritime Administration and the U.S. Coast Guard) and in other Departments (the Army Corps of Engineers) to ensure adequate funding is requested to meet these needs and improvements in these systems are not slowed by unnecessary regulations?

Answer. The Administration will work hard to ensure that the Nation is served by an intermodal transportation system that is supported by a modernized and efficient maritime infrastructure. We will work with Congress to provide adequate funding and remove unnecessary regulatory barriers to meet these vital infrastructure needs in a timely and cost-effective manner.

Question 2. Secretary Mineta, the U.S. Coast Guard and the Department of Transportation are nearing a critical decision with regard to the replacement of the Coast Guard's deepwater assets. A majority of the Coast Guard's aircraft and large cutters are nearing obsolescence during the next decade. Implementing the Deepwater Capability Replacement Program will require a significant increase in the Coast Guard's Acquisition, Construction, & Improvement (AC&I) budget, commencing in Fiscal Year 2002. Do you support the Deepwater Program? If so, will you ensure the Administration requests adequate funding for the program?

Answer. The Deepwater Project is a priority for the Department. Obsolete and ineffective Deepwater assets will be replaced or modernized to provide a highly integrated system that will provide effective and interoperable assets for the next three generations of Coast Guard personnel.

The Coast Guard has taken an active part in enhancing the affordability of the Deepwater project in numerous ways, including leveraging technology to reduce the number of replacement assets needed, structuring the acquisition in phases, and adhering to the principles of good project management as outlined in OMB Circular A-11. Rather than replacing the assets on a one-for-one basis, the Project follows a mission-based performance acquisitions approach that describes the capabilities the service needs to perform its deepwater missions. This approach will result in a truly integrated, cost effective, and efficient 21st century Coast Guard. The integrated system is a set of diverse yet complementary surface, air, command-control-communications, surveillance, and shoreside infrastructure assets that optimize mission performance while minimizing total ownership costs.

Question 3. Secretary Mineta, the 104th Congress worked with the Clinton Administration in a bipartisan manner to enact the Maritime Security Program. The Congress has fully funded MSP every year. While MSP stopped the erosion of the U.S.-flag commercial fleet, I am concerned that this fleet, along with its intermodal capabilities, will not be sustainable without further progress in improving the competitiveness of the U.S.-flag fleet in the international market. Without sufficient militarily useful U.S.-flag ships, and U.S.-citizen crews to man them and the Ready Reserve Fleet, our Nation's ability to transport and sustain our military equipment and forces will be dependent on foreign-flag ships in a crisis. What will YOU do as Secretary of Transportation to work with the Department of Defense to develop a solution to this problem?

Answer. The downsizing of the U.S. military's presence overseas has resulted in an increased reliance by Department of Defense (DOD) planners on commercial vessel capacity to meet potential contingency requirements. The Maritime Security Program (MSP) was designed to preserve a core U.S.-flag liner fleet of militarily useful vessels operating in international trade, that is available to support sealift operations and which would also contribute to maintenance of a labor base to crew the Government-owned strategic sealift fleet during emergencies. The MSP is authorized through 2005, and is subject to annual appropriation.

In anticipation of the MSP expiration, it is essential that we begin now to assess what steps are needed to assure that we maintain our ability to meet national security and economic interests beyond 2005. In the same context, the best means to sustain a sufficient workforce of qualified mariners is to sustain long-term private sector employment on U.S.-flag ships. The Department of Transportation, through the Maritime Administration, is working with the Department of Defense to develop solutions to crewing issues in order to assure adequacy of qualified manpower resources in the future, and will be considering various alternatives to assure the continuation of a U.S.-flag fleet to meet sealift requirements.

Question 4. Secretary Mineta I recently addressed the U.S. Conference of Mayors on railroad issues. While you may be familiar with the efforts in the Congress to provide Amtrak with the ability to obtain badly needed capital through a multi-year bonding authority, I discussed a new proposal with the mayors. All across America, there are cities and towns that grow up around railroad tracks. As motor vehicle

traffic grew in these cities, road-rail at-grade crossings increasingly developed conflicts between trains and motor vehicles. Today, most freight rail customers are located on the outskirts of cities and towns. Especially in cities infrequently served by passenger trains, downtown railroad tracks create traffic delays for both motor vehicles and trains. In many situations, the best solution is to relocate the railroad track, rather than close roads or improve their grade-crossing signals. While TEA-21 included some innovative mechanisms to address the problem of at-grade crossings, I believe current programs are grossly inadequate. I intend to introduce legislation this year to improve this situation. Will you work me to develop a better solution to this problem?

Answer. I will be happy to work with you and all interested parties to develop solutions to this nationwide problem. Both the Federal Railroad Administration and Federal Highway Administration are working with states and municipalities to address this growing crucial issue. As motor vehicle and rail freight traffic have dramatically increased, municipalities are experiencing significant increases in noise and congestion, and concomitant declines in quality of life. Track relocation projects are extremely costly. No specific TEA-21 programs directly address this issue, although track relocation is sometimes eligible for National Highway System, Surface Transportation Program, or Congestion Mitigation and Air Quality Program funding. I agree that together, we must explore ways to enable states and municipalities to more easily resolve this problem.

Question 5. Secretary Mineta, the Title XI shipbuilding loan guarantee program is critical to the maintenance of an adequate commercial shipbuilding industrial base in the United States. Foreign shipbuilding subsidies crippled the U.S. shipbuilding industry. Without an adequate U.S. commercial shipbuilding industry, we will be dependent on foreign shipyards to produce the drilling rigs and platforms required to maintain and develop our domestic energy sources and the double-hull tankers required to protect our environment. Without an adequate domestic shipbuilding capability, we can not reduce our dependence on foreign sources for our Nation's energy needs. The Title XI program was reinvigorated during the previous decade, which allowed U.S. commercial shipbuilders to regain their feet. However, during the past 2 years, the previous Administration reduced its support for the Title XI program. I believe the Title XI program needs to be funded at least at historical levels (\$50 million annually), or more. How will you support the Title XI program during your tenure as Secretary of Transportation?

Answer. The Title XI program has been instrumental in helping the U.S. shipbuilding industry become more competitive during the past decade. Over the coming months, I would like to work with the industry to evaluate innovative technologies and financing mechanisms, including Title XI, to help American shipbuilders improve their competitiveness and productivity.

RESPONSES TO WRITTEN QUESTIONS SUBMITTED BY HON. SAM BROWNBACK TO
NORMAN Y. MINETA

AIRPORT CAPACITY

Question 1. Mr. Secretary, over the past decade or so, overlapping, duplicative, and time consuming environmental review processes have hampered the ability of airports to undertake and complete capacity-enhancing projects throughout the country. A runway project in Memphis, for example, took nearly seven years to complete. Given the problems of aviation system congestion that are sure to be compounded as travel explodes to a projected one billion passengers annually, something must be done to address this problem.

- What role do you envision the Department playing in helping to facilitate the completion of critical capacity-enhancing projects in a more timely fashion?
- Can the Department, in your view, play a more active role in coordinating the environmental review process for these projects with other Federal, State, and local entities, so as to ensure completion in a timely manner?

Answer: We will examine DOT/FAA responsibilities to assure that we are giving the highest priority attention to important capacity-enhancing projects and that our reviews, requirements, and processes are not providing a drag on the already difficult task of bringing new runways on line.

DOT/FAA will play a more active role in coordinating environmental reviews with other agencies to reduce overall review timeframes as much as possible. There are specific laws and regulations in place that dictate certain requirements and timeframes. These certainly will not be ignored, and they place limits on completing all

environmental reviews simultaneously. However, we can do a better job of coordinating reviews, and I will see to it that such coordination is one of our priorities.

FAA-LABOR COSTS AIR TRAFFIC CONTROLLERS—CONGESTION

Question 2. Mr. Secretary, the recent report of the National Civil Aviation Review Commission largely ignored the independent audits discussion of the importance of controlling costs.

- Do you feel the labor agreements between the FAA and the Air Traffic controllers, with its ensuing effects on other parts of the FAA, has helped or hindered the process of controlling costs and avoiding gridlock?

Answer: The current labor environment at FAA began with Congress' enactment of FAA personnel reform provisions in the fiscal year 1996 Transportation Appropriations Act. The consequences of that statutory change continue to play out at FAA.

In my view, the FAA must ensure that growth in salary costs has been partially offset by cost saving provisions in the agreement. In addition, part of the NATCA agreement is that the union agrees to support FAA efforts to introduce new technology aimed at making operational improvements. This more cooperative atmosphere should enhance air traffic efficiency.

FAA CERTIFICATION PROCESS—NEEDS STREAMLINING

Question 3. Mr. Secretary, I hope you would agree that aviation safety is a major priority for the Department of Transportation. Fortunately, manufacturers have developed numerous new products that could lead to major safety improvements, in both commercial and general aviation, however, they must go through the often byzantine FAA certification process.

- Would you make streamlining the FAA certification process a priority, so that safer and more efficient products could be brought to market?

Answer: I understand the need for new technologies and the need to integrate them into the cockpit as expeditiously as possible. The FAA has already taken several steps to streamline the process of integrating new technology into the general aviation and commercial fleets but should review the process to see if more can be done. At the request of the Administrator, the RTCA Select Committee on Certification is addressing 15 certification-related recommendations that were contained in the February 1999 report from the Task Force on Streamlining Certification (RTCA Task Force IV). Solutions to all recommendations have been developed in cooperation with many aviation industry groups.

One of the outcomes of the work under way by the Select Committee is the FAA's recent decision to establish a prototype "designee managed organization" (DMO) for general aviation avionics. This delegation is specifically designed to speed up the process for issuing supplemental type certificates (STC), which are the official FAA stamp-of-approval for alternations to aircraft. This DMO for general aviation avionics is a prototype that will run from four to 6 months. Lessons learned from this initial prototype could be expanded to other products and possibly into the commercial aviation field.

Also noteworthy is the Certification Process Improvement or CPI, a program jointly developed by FAA and its industry partners and customers. The CPI concept advocates an up-front partnership between the FAA and a certification customer or applicant, where roles and responsibilities are clearly defined for a particular certification project. A Project Specific Certification Plan (PSCP) is laid out and agreed to by all parties involved in the project. This PSCP delineates milestones and deliverables. The CPI principles, when properly employed, help ensure that everyone's resources are maximized and certification projects are completed in a timely and efficient manner.

I intend to build on these efforts, ensuring that we follow through on any initiative that can improve the certification process.

WRITTEN QUESTIONS SUBMITTED BY HON. DANIEL K. INOUE TO
NORMAN Y. MINETA

Question 1. Mr. Secretary-Designate, there are a number of major ship building construction contracts that are pending over at the Maritime Administration. For a long time we had a surplus in the Title XI account, but last year, we almost completely used all of the Title XI funds. This program is vitally important to continue, and I would hope that you will be committed to ensure that it is properly funded?

Question 2. Mr. Secretary-Designate, the last administration established an overall study of the needs and future development of our marine transportation system. This study, called the MTS study, indicates that we will see a doubling of our maritime trade by 2020, the study also set up a system for bringing in the private sector to discuss the issues surrounding the expansion of trade. I would hope that you would continue and encourage this MTS effort?

Question 3. Mr. Secretary-Designate, we enacted Maritime Security Program to ensure that the United States has a substantial presence of U.S.-flag ships in international trade, and to ensure that we can act unilaterally as a Nation with respect to our economic and military security. Other nations have similar programs. The Maritime Security Program will be expiring in the next few years. I hope we can count on your support in crafting new legislation to continue these policies?

RESPONSES TO WRITTEN QUESTIONS SUBMITTED BY HON. JOHN EDWARDS TO
NORMAN Y. MINETA

Question 1. My State of North Carolina is still suffering from the devastating consequences of Hurricane Floyd, one of the worst natural disasters ever to hit the state. For 2 weeks more than 70 percent of the State was flooded under two feet of water. As a result, thousands of people saw their possessions destroyed or seriously damaged, including their cars.

Around 75,000 cars were flooded by Hurricane Floyd, according to AAA. I am very concerned that these cars are being rebuilt and sold by unscrupulous individuals who aren't disclosing the damage. We know this problem is occurring. In fact, the North Carolina Attorney General's office has received a number of complaints from consumers on the matter.

The problem is as follows: Assume that a consumer buys a used car in North Carolina. North Carolina has strong laws that require car titles to indicate whether the car was flooded or had been in a major wreck. That way the buyer knows what he or she is getting into. However, assume also that the buyer then takes the car to another State that doesn't have these strong laws in place. When the car is resold there to someone else, the seller isn't required to tell the new buyer about the flood or wreck on the prior title. The title is essentially "washed" clean. The irony of this is that the car can then come back into North Carolina with no indication it had ever been damaged. North Carolina's strong laws have been circumvented. And, the critical point is that these cars pose an unknown threat to their occupants and to everyone that shares the road with them.

I suggest that the creation of a national data base either run by, or overseen by the Department of Transportation (DOT) to keep track of these flooded and wrecked cars, may be a solution to this problem. Consumers would be able to go online, type in a vehicle's identification number and obtain accurate information about a car's history.

Would you be willing to work toward the establishment of such a data base?

Question 2. During the last Congress, I cosponsored a bill authored by Senator Feinstein that contains strong consumer protections and would help put a stop to this serious problem. And last July, Senator Feinstein and I sent a letter to Secretary of Transportation Slater asking that DOT investigate the possibility of a study to examine the correlation between prior vehicle damage and fatality and injury rates. We have not yet received a response to this letter. However, I know you want to improve vehicle safety.

Will you respond to our letter? Will you work with supporters of the Feinstein bill to establish a uniform set of standards for titling flooded and wrecked vehicles?

- Given that President Bush as Governor of Texas signed .08 BAC into State law, will he continue to support the .08 standard?

Drunk Driving.—In 1999, 16,000 people were killed in the United States as a result of drunk driving. The US DOT has a goal to reduce drunk driving fatalities by 2005 to 11,000 per year.

- How do you propose the US DOT work toward reducing 5000 drunk driving fatalities per year?

General Aviation California.—We are all familiar with airline delays. The images of crowded airports with people spending the night on cots or on the floor are becoming more common. As a result, there has been an interest in redesigning the National Airspace System in order to create an aviation network that will work more efficiently. The emphasis has been on the Northeast. However, we in California are facing a similar crisis in our crowded airspace.

- Are you going to direct the FAA to redesign the airspace in California?

San Francisco Airport.—In the San Francisco airport, we have extreme congestion, especially during times of poor weather and fog. There is controversy in the area to build a new runway, which will take at least 8 years and not solve the immediate problem.

- Without runway expansion, what else can be done at San Francisco to decrease the chronic delays and cancellations?

Rollover.—According to NHTSA, in 1999, 10,657 people died in rollover crashes—almost 30 percent of all highway fatalities. Nearly two-thirds of deaths in SUVs are as a result of rollover accidents versus 22 percent in passenger cars. NHTSA recently came out with the first rollover standard. However, the standard was based on static measurements versus a dynamic test that would be more accurate.

- Under your direction, will NHTSA use the best science to develop an accurate driving rollover standard?

CAFE Standards.—Today, Support Utility Vehicles (SUVs), mini-vans, and other light trucks are about half of all new vehicles that are sold. In 1975, when Corporate Average Fuel Efficiency (CAFE) standards were first adopted, they were only 20 percent of the market. The current standard is 27.5 mpg for passenger automobiles and 20.7 mpg for light trucks. SUVs are categorized as light trucks—instead they are used as passenger vehicles.

- As Secretary of Transportation, will you support increase CAFE standards for SUVs?

Widening Roads and Gridlock.—One transportation myth is that widened roads create excess capacity. However, the reality is “induced traffic.” When roads are widened, more drivers take those routes and development occurs around them. The result is the initial gridlock that was eliminated returns to the roads in a few short years. A University of California study checked 30 urban counties from 1973 to 1990 and found that for every 10 percent increase in new lane-miles there was a 9 percent increase in traffic. We can’t build more roads to end our congestion problem.

- How do you propose to reduce gridlock on our nation’s highways?

Increasing Transit Funding.—Every year during the appropriations process, funding for the New Starts Transit program is extremely competitive. There is not enough money for new transit systems. By having light rail systems, people will be able to commute to work without driving, which will improve congestion. Additionally, transit is key for low-income workers—there would not be welfare-to-work without transit. 48 percent of the riders on Los Angeles County MTA’s buses have household incomes less than \$15,000.

- During the reauthorization of TEA-21, will the Administration support expanding transit funding?

Transit Minimum Allocation.—In the transit debate, there have been discussions on changing transit funding based on a state’s need to implementing a spending cap for each State or equally dividing the funds between the states. This doesn’t make sense to me. States have different transit needs and should continue to be funded by need. For example, in California, transit carries 38 percent of all trips in the San Francisco Bay Bridge Corridor and 30 percent of all trips into central Los Angeles. Without public transit in the Bay Area, San Francisco would need to increase its freeway capacity by 50 percent. Both drivers and transit riders would suffer without Federal transit funding.

- What is the Administration’s position on how to fund transit fairly?

Bigger Trucks.—Currently, there is a freeze on bigger trucks—both in length and weight. Triple trailer trucks are involved in fatal accidents 11 percent more than a single trailer trucks. As truck weights increase from the current limit of 80,000 pounds, braking ability of the trucks decrease.

- Does the Administration support the current freeze on bigger and heavier trucks?

Hours of Service.—Last year, DOT proposed anew rule on bus and truck driver hours of service. It was alarming to me because it increased maximum continuous drive time from 10 to 12 hours. In 1999 over 5,200 people were killed and 127,000 injured in crashes involving large trucks. DOT research shows that driver fatigue may be a factor in up to 15 percent of all heavy truck crashes.

- Does the Administration support strong safety laws for truck and bus drivers?

US Coast Guard: Support for Two Rock.—The only Coast Guard training center on the West Coast is Two Rock. Almost every year, there is some threat to close it down.

- Will the Administration support keeping this training center open?

US Coast Guard: General Budget.—The Coast Guard is an incredibly valuable part of DOT. They have a broad mission that keeps growing. With the firewalled transportation funds for both highways and aviation, Coast Guard does not receive enough funding without additional appropriation—either supplemental or defense.

- Does the Administration support adequate funding for the Coast Guard?

Amtrak.—Since 1997, Amtrak has operated under a Federal mandate to become independent of Federal operating assistance by fiscal year 2002. According to the Inspector General, it is a challenge for Amtrak to reach that goal. We have all heard the importance of Amtrak for the Northeast. Well, Amtrak is also very important for California to assist in reducing our congestion problem.

- Is the Administration going to support Amtrak and the US having a national passenger railroad?

High-Speed Rail.—In California, our airports are extremely delayed and congested. The airports are almost at their maximum capacity. To ease congestion at airports, it is key that California have high speed rail, which is very common in Europe.

- What will the Administration do to support the development of high speed rail outside of the Northeast?

Intelligent Transportation Systems.—The last Administration had recently announced two intelligent transportation systems (ITS) goals: (1) to equip 10 percent of new light vehicles and 25 percent of commercial vehicles sold by 2010 with collision avoidance systems and (2) to deploy signage and in-vehicle electronic warning to alert drivers to hazardous situations.

Passage of the fiscal year 2001 NDAA, after the FY01 Transportation Appropriation was enacted, significantly improved pay for military personnel. The Coast Guard is mandated by to match these increases, which created a shortfall of \$36 million in its enacted budget.

After the Coast Guard's budget was enacted, the Department of Defense adjusted its contract fuel costs. The impact on the Coast Guard budget of this decision has been an additional budget shortfall of \$28 million. Meanwhile, the Coast Guard currently has a \$27M shortfall in aviation spare parts funding, directly impacting aviation operations.

These three funding issues total \$91million. The funding shortfall will result in severe consequences and reductions to vital services unless addressed.

Absent immediate relief, and to live within the fiscal year 2001 appropriation, the Coast Guard was recently forced to redirect resources by curtailing operations nationwide. These reductions, which will impact law enforcement, fisheries, and illegal migrant operations, are necessary to cover the shortfall, which in large part were created by circumstances outside the Coast Guard's control.

I know that DOD is presently putting together a supplemental appropriations request, and I understand the Coast Guard's \$91million supplemental package will mirror the readiness needs that DOD will be submitting in its supplemental request. What are your plans to address and support the Coast Guard's immediate needs outlined in its fiscal year 2001 supplemental request? Also, will you address the long term problem of building Coast Guard funding needs into the budget process rather than continually relying on emergency supplementals to carry out critical operations and maintain basic services?

COAST GUARD #2

The Commercial Fishing Vessel (CFV) industry is one of the most hazardous in the nation. On average 78 crewmember deaths were recorded per year between 1992 and 1999. As you may know, the Occupational Health and Safety Administration ranks commercial fishing as the most hazardous occupation in the country. I'm sure you are familiar with the book *The Perfect Storm*. While the storm depicted in the book may have been a once in a lifetime event, I can assure that the Coast Guard performs hundreds of such daring rescue operations each year in the Northeast. Gloucester is but one example of the toll it has taken on our coastal fishing communities. Since 1650 the sea has claimed an estimated 10,000 Gloucester fishermen. During the 19th Century, Gloucester would typically lose 200 fishermen annually—about 4 percent of the city's population—to storms in the Gulf of Maine and the Grand Banks. The Coast Guard's Commercial Fishing Vessel Safety program is something I care deeply about. While the National Weather Service provides timely and accurate forecasts so that we no longer have entire fleets caught on the fishing grounds during a major storm, the tragic statistics continue to roll in.

Last year the First Coast Guard District—whose area of responsibility stretches from Maine to New Jersey—reported the death of 13 commercial fishermen. In addition, the District reported saving 47 fishermen whose vessels had either sunk or caught fire. The Coast Guard estimates that 23 of those fishermen are alive today because they had a life rafts and immersion suits. The Commercial Fishing Vessel Safety Program explains to fishermen the importance of having an electronic beacon and life rafts and immersion suits. Fishing and fishermen are something that we

all care deeply about on this committee, in these days of tight budgets can you assure us that the Coast Guard will continue funding the Commercial Fishing Vessel Safety Program?

WRITTEN QUESTIONS SUBMITTED BY HON. RON WYDEN TO NORMAN Y. MINETA

AVIATION—NOISE

Question 1. How will DOT coordinate with Congress and the aviation industry regarding the ongoing international discussions regarding Stage 4 noise standards?

Question 2. The Committee on Aviation Environmental Protection (CAEP) of the International Civil Aviation Organization (ICAO) just completed its meeting in Montreal on January 17th. CAEP 5 included discussions on the Stage 4 noise standard. Although an agreement was reached for no global phaseout of Stage 3 Aircraft, EU countries are pushing for regional phaseouts. If one of the EU countries acted unilaterally to implement a regional phaseout, how would you respond?

WRITTEN QUESTIONS SUBMITTED BY HON. MAX CLELAND TO NORMAN Y. MINETA

Question 1. This past December I chaired a Commerce Committee field hearing in Atlanta on rail passenger service. Testifying at that hearing, among others, were former Secretary Slater, then head of the FRA Jolene Molitons, and Amtrak President George Warrington. Because of Metro Atlanta's traffic congestion and air quality problems, Georgia's transportation planners are looking more and more at options other than cars for moving people: for example, intercity bullet trains, light rail, and commuter rail lines serving downtown Atlanta from corridors extending to Athens, Bremen, Griffin and Senoia.

What do you see as the role of the Department of Transportation in assisting the development of regional commuter and intercity passenger rail service? In your view, how can the Congress assist the U.S. Department of Transportation in expediting the development of regional passenger rail service?

Question 2. As you know from experience in your home State of California, our metropolitan areas face challenges in transportation, air quality, and traffic safety issues that involve all modes of transportation—highways, inter-city and commuter rail, bus and rapid transit systems, pedestrian and bicycle paths. Georgia's population growth is double the national average, and metropolitan Atlanta is struggling mightily to escape traffic gridlock and polluted air. At my request, former Secretary Slater agreed to establish a regional task force of U.S. DOT officials from the various transportation modes to work with the Georgia Regional Transportation Authority and help cut through red tape and provide immediate assistance to their efforts to improve mobility and air quality.

PREPARED STATEMENT OF THE AIR CRASH VICTIMS FAMILIES GROUP¹, SUBMITTED BY A. FRANK CARVEN III AND HANS EPHRAIMSON-ABT

Mr. Chairman: We respectfully endorse the nomination of the Honorable Norman Y. Mineta, the outgoing Secretary of Commerce, as the new Secretary of Transportation.

As bereaved families who lost their loved ones in aviation tragedies we have worked with the Government, Congress and the transportation industries to improve safety, security and the relationships among all interested parties.

Mr. Chairman, you and your Committee have been extraordinarily helpful in addressing our issues: the passengers assistance Acts of 1996 and 1997, last year the passage of the "Death Of The High Seas Act" amendment—and hopefully this year, with the Senate's Advice and Consent the new "Montreal Convention".

In order to continue the improvements which were achieved over three Administrations we need knowledgeable and experienced leaders in our Government, able to address our common issues, most particularly in the Department of Transportation.

Secretary Mineta brings with him the needed experience of an able administrator in Government, Congress, business. and a record for the public's concerns His record

¹The Air Crash Victims Families Group is an informal alliance of "The American Association for Families of KAL007 Victims", "The TWA800 Families Ass., Inc" "The Swissair 111 Families Association" the "EgyptAir990 Families Association and families as well as survivors of other air tragedies.

shows that he is uniquely qualified to continue, carry on and improve the far-reaching policies of his predecessors at the Department of Transportation: Secretaries Samuel Skinner, Andrew H. Card, Jr, Federico F. Pena and Rodney E. Slater to which he has already contributed in other positions.

We would welcome your Committee's confirmation of Secretary Mineta's appointment as Secretary of Transportation.

