

**REMARKS FOR
THE HONORABLE MARY PETERS
SECRETARY OF TRANSPORTATION**

AASHTO ANNUAL MEETING
PORTLAND, OR

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10:00 AM

Thank you, thank you so much for that very warm welcome. And I want you to know how much I appreciate all the congratulations and kind words you have sent my way.

And Harold, thanks for that wonderful introduction. It is great to be back at AASHTO!

You know, in a very real way AASHTO introduced me to the national transportation scene. My first meeting was in Boston. I see a lot of folks I met for the first time there. Many of us were just starting to work our way up through the ranks.

I was a staffer with the Arizona Department of Transportation, and was so excited when I was asked to serve on a committee. I want to thank Hannah Whitney and Frank McCoy, who took me into the organization and showed me the ropes. I guess I did something right, because people kept giving me new assignments.

And then the really big one – last month, the President of the United States, George W. Bush, asked me to serve as the 15th Secretary of Transportation.

As you can imagine, it has been something of a whirlwind since I raised my hand and took the oath of office. And I can't think of a better way to wind it up my first month than here with all my friends at AASHTO. I want to congratulate John Horsley and the AASHTO staff for a truly outstanding meeting.

And Matt Garrett, thanks to you and the Oregon Department of Transportation for hosting us here in your beautiful state.

I have really been looking forward to this meeting. It is a lot like going to your class reunion. You have the opportunity to get back together with colleagues, many of whom also are very good friends.

It has been especially great to see my former Deputy, Victor Mendez. Victor is a just a super guy, and we recognized his talent very quickly at the Arizona Department of Transportation. Today, he does a terrific job heading up A-DOT,

and I know that he is going to be absolutely wonderful as AASHTO's new president. Congratulations, Victor!

TRANSPORTATION PRIORITIES

It is nice to be among so many old – and new – friends, and to reflect back on where we've been. But the real reason I wanted to be here today is that I need you to help me keep the promise I made to the President.

When I took the job as Transportation Secretary, I promised President Bush that we would not shy away from the tough issues. I told him we are going to meet today's most pressing transportation challenges head on.

Safety is, and continues to be, my top priority at the Department of Transportation... just as it was when, as FHWA Administrator, I moved my desk onto a busy construction interchange to highlight the need for work-zone safety. And I want to thank John Nord, for letting me use that idea, which he first had in Utah.

We have had our successes – record numbers of Americans are wearing their safety belts today. And aviation has an unparalleled safety record – before Lexington, a record 2.7 billion passengers flew without an on-board fatality.

But that tragic crash serves as a reminder that we must continue to build safety considerations into every transportation decision – across the spectrum.

One area of particular concern to me is motorcycle safety, where the data is screaming for something to be done. Last year you saw my arm in a sling as a result of a motorcycle spill.

Motorcycle fatalities have been going up steadily for eight years – they have more than doubled over the last decade. Among older riders like me (the 50-plus age group), crashes have gone up an astonishing 400 percent in the last 10 years!

I have already started meeting with motorcyclists and manufacturers. I was at the Harley Davidson plant in Wisconsin on Thursday and with Don Vaughan of Alabama at the Motorcyclist Advisory Council meeting on Tuesday.

Don also serves as a member of AASHTO's Standing Committee on Highway Traffic Safety, and it is great to have that link between the two groups because we need to make sure states incorporate the motorcycle community as you develop your Strategic Highway Safety Plans.

I also want to ask AASHTO to help me by working within your states to make sure that manufacturers, dealers, and others are able to offer their safety training

programs to motorcycle riders.

Hand in hand with improving safety, our priorities must include improving system performance and reliability, and finding 21st century solutions for our 21st century transportation problems. These priorities are closely related and link directly to the congestion initiative that the Bush Administration launched last May.

It is important for every one of us in this room to understand that we can't assume the methods of the past will work for the future. Instead, we are going to have to recognize that our transportation challenges have changed dramatically – and so must our approaches.

This year, we celebrated the 50th Anniversary of the Interstate Highway System. And without question, it is an achievement worth celebrating – and on a number of levels. I want to compliment AASHTO for the job it did organizing that celebration.

I marvel at the vision of President Eisenhower and the Clay Commission, and at the political skill involved in getting Congress to create a trust fund with a dedicated income source for highways.

The Interstate is a magnificent feat of engineering that all of us can take pride in. And it has transformed our Nation, connecting America and serving as an engine of growth and prosperity for the communities it touches.

Many of us had the opportunity to listen during the celebration in the Reagan Building to a speech from General Colin Powell about our Interstate system. He spoke about how the Interstate system had helped improve the quality of life for many in America's minority community.

But we are fooling ourselves if we think we can continue to travel comfortably along the same well-worn path and achieve a similar level of progress in the next fifty years.

The congestion that is choking our cities and clogging our highways is a symptom that something is wrong, that the model we are using – the model we laid out five decades ago – isn't working anymore.

IT'S NOT THE 1950s

We need to face up to the fact that we are no longer in the 1950s.

The way that we live, how we shop, the very nature of our economy are dramatically different today than they were half a century ago. And all of these changes have profound impacts on the performance and expectations of our

transportation network.

America's population just crossed the 300 million mark, and is expected to reach 400 million by 2043, which is more than twice the population in the 1950s. It is a double-edged sword – more demand on our transportation system, and less space available for building.

In the America of the 1950s, people by and large lived either in cities or out in the country. Today, more than half of our population has moved to the suburbs.

When I served as Federal Highway Administrator, I lived Alexandria, Virginia, a close-in suburb of Washington D.C. I was just 13 miles from my office in downtown Washington, D.C. But it could take 20 minutes to get into the office, or it could take two and a half hours – and I didn't get to pick which would be the 20 minute days.

Commuters all across the nation face this same dilemma. And it affects people's lives in very real ways. Think, for example, of the stress on the mother who hits a traffic jam on the way to pick up her child from day care; who gets hit with a penalty charge for each minute she is late. Does she start cutting short her workday based on the worst-case scenario?

I like to refer to the buffer index – how much wasted time we have to build into our schedules for the unpredictability of our transportation networks.

But demographics are not the only change. Instead of shopping on the Main Streets of our cities and towns, we are going to Supercenters and Megamalls, or turning to the Internet.

Access to products nationally no longer means placing an order from the Sears catalogue we get in the mail and waiting expectantly, often for weeks, for that post card or phone call that tells us we can pick up our goods at the local distribution center.

Today, we can order virtually anything online, and we have come to expect next-day delivery to our home or office.

As a result, our businesses no longer stockpile massive inventories in warehouses. Today, most of our warehouses are containers on trains or trailers behind trucks. Businesses have come to rely on just-in-time delivery from their suppliers. And the result has been enormous efficiency and productivity gains – except when delays shut down an entire day's production.

Businesses today are in competition not just with the shop on the next corner, or even the next town. They are competing with retailers and e-retailers in the next county, the next state, and the next country.

And transportation costs have become a make or break factor for strong businesses. If we can eliminate the freight chokepoints and bottlenecks, how much more competitive would that make American products on the global marketplace? How much more affordable would it make goods and services for the American consumer if companies didn't have to build buffer zones into the schedules?

21ST CENTURY SOLUTIONS

So much is riding on our transportation systems today. Yet even as we continue to spend billions of dollars each year on transportation under the 1950s funding model, performance in a majority of metropolitan areas is deteriorating. Shippers face serious freight bottlenecks at every turn, and congested skies and highways are playing havoc with travel schedules.

It is clear to every serious observer that the problem runs much deeper – and is much more fundamental – than funding.

We need to figure out... and figure out fast... what it is about our current program that is not producing the results we want – the results that people in our states want. Because the public is losing patience with each hour they spend sitting in gridlock.

We have got a great team at the Department of Transportation focused on solving the transportation problems that this country faces. And I want to recognize members of our top leadership who are here today: our Highways Administrator, Rick Capka; our Executive Director, Bud Wright; Deputy Administrator of the Motor Carrier Safety Administration, David Hugel; and Federal Railroad Administration Deputy Administrator, Clifford C. Eby.

They, along with Deputy Secretary Maria Cino, helped put together the Department's congestion initiative, which I mentioned earlier. This strategy is an important part of our effort to find the right solutions for our transportation challenges.

I hope you will join us in this campaign and encourage you to consider partnering with us in two important programs that are key to the congestion initiative. Our Urban Partners and Corridors of the Future will help us test leading-edge policies and find better and more effective ways to keep America moving.

But many forward-leaning states are not waiting for the federal government. They are already taking advantage of the flexibilities in SAFETEA-LU to find fresh angles and creative ways to improve the performance of their transportation systems.

Oregon is one of them. Just yesterday, I got to check out how on-board mileage counters are offering an alternative to the “pay at the pump” gas tax. People in the test group are paying user fees based on actual mileage traveled, not fuel consumed. And higher fees during peak travel times offer a real-life test of congestion pricing to ease rush-hour commutes.

Texas has moved out to take advantage of the private activity bond options in SAFETEA-LU. Last week, we cleared the way for them to seek more than 1.8 billion dollars from the private-sector for road work in the Dallas-Fort Worth area.

Private companies and financiers are indicating a growing interest in transportation. But your states must first adopt public-private partnership laws that allow you to tap into the billions of dollars that companies are anxious to invest in highway projects in this country today.

Aside from the enormous pool of capital that is available to invest in our infrastructure, states that are partnering with the private sector are discovering other benefits that are equally important. Those include incentives for innovation, better budgeting, faster project delivery, and improved management of new and existing transportation facilities.

Many of you heard me talk as Federal Highway Administrator about the need for innovation in the way we build our projects. And I am excited that, tomorrow, Administrator Capka will announce the first three recipients of our Highways for Life grants. These grants encourage innovation in highway construction, getting projects delivered faster, and delivering projects that last longer and need fewer repairs – a concept of “get in, get out, and stay out” the Department has championed.

SAFETEA-LU COMMISSION

All of this innovation feeds directly into the work of the National Commission that was created by SAFETEA-LU to figure out how we can better meet our surface transportation needs.

Yes, I have some ideas of my own – some rather strong ones. But let me be clear: As Secretary, I see my role not as pressing any specific solution, but as making sure that we address the core problems.

This is our moment in history to forge a consensus.

During my confirmation process, I heard the message loud and clear from members of Congress that they’re going to be looking to the work of this commission to inform their policy decisions during the next reauthorization.

I understand that you had a very productive roundtable session with the

commission here on Friday. AASHTO is fundamentally important to this effort. I am calling on you, as an organization, and through your state DOTs, to be part of this debate in a meaningful way.

We are hearing a lot about needs. But the input that we are looking for is not just “how much” but also “how to.”

How do we design in flexibility, because our systems will need to adapt to a rapidly changing economy?

How do we encourage and reward innovation, and take better advantage of technology?

How do we make sure that our projects reflect a sound investment strategy?

And how do we give consumers a better voice in directing investments to the right infrastructure, so dollars are not wasted on projects that benefit relatively few people, or are not really necessary?

Albert Einstein once defined insanity as “doing the same thing over and over again, and expecting different results.”

We can continue to watch the performance of our transportation system deteriorate while we talk about the need for more funds, the way we always have.

Or we can take responsibility for developing a sane transportation policy that makes as much sense for the 21st Century, as Eisenhower’s plan did for his time.

The choice is that stark.

So, let’s join together and find the road that will lead America to a confident and prosperous future. I know we are all up to it.

I look forward to working with you to ensure our nation continues to have the best transportation network in the world. May God bless each of you, and may God continue to bless America.