

NATIONAL PRESS CLUB LUNCHEON WITH SECRETARY ANTHONY FOXX

SUBJECT: U.S. TRANSPORTATION INFRASTRUCTURE SPENDING

MODERATOR: ANGELA GREILING KEANE, PAST PRESIDENT OF THE NATIONAL PRESS CLUB

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ANGELA GREILING KEANE: (Sounds gavel.) Good afternoon, and welcome to the National Press Club. My name is Angela Greiling Keane, I'm a White House correspondent for *Bloomberg News*, and I was the 2013 President of the National Press Club. The National Press Club is the world's leading professional organization for journalists committed to our profession's future through our programming with events such as this while fostering a free press worldwide. For more information about the National Press Club, please visit our website at www.press.org. To donate to programs offered to the public through our National Press Club Journalism Institute, please visit press.org/institute.

On behalf of our members worldwide, I'd like to welcome our speaker and those of you attending today's event. Our head table includes guests of our speaker as well as working journalists who are Club members. If you hear applause in our audience, I'd note that members of the general public are also attending, so it's not necessarily evidence of a lack of journalistic objectivity.

I'd also like to welcome our C-SPAN and Public Radio audiences. You can follow the action today on Twitter using the hashtag NPCLunch. After our guest's speech concludes, we'll have a question and answer period. I will ask as many questions as time permits.

Now it's time to introduce our head table guests. I'd ask each of you to stand briefly as your name is announced. From your right, David Shepardson, *Detroit News*,

Washington bureau chief; Bill Cassidy, senior editor, *Journal of Commerce*; Martin Di Caro, transportation reporter for WAMU 88.5 and WUSA 9 Television; Gary Gentile, chief editor for Platts Oilgram News; Aaron Kessler, an automotive writer for *The New York Times*; Sarah Feinberg, Chief of Staff of the U.S. Department of Transportation; Jerry Zremski, the *Buffalo News* Washington bureau chief, and the chairman of the National Press Club Speakers Committee.

Skipping over our speaker for just a moment, Myron Belkind, 2014 National Press Club President and an adjunct professor at George Washington University School of Media and Public Affairs, and a former international bureau chief for the Associated Press; Jeff Plungis, *Bloomberg News* transportation reporter; Brian Bean, *Automotive News*, Washington correspondent; April Ryan, American Urban Radio White House correspondent; and Tony Cerise, director of academic seminars at the Washington Center for Internships and Academic Seminars. (Applause)

Our guest today has been in his post as the top U.S. transportation regulator for just over a year. Since he assumed the job of Transportation Secretary, shipping oil by train has become a hot button issue. The U.S. suffered its first fatal commercial aviation crash in more than four years, and the pot of money that pays for roads and bridges in this country found itself on the verge of running out of money.

Anthony Foxx is the head of the U.S. Department of Transportation, which is sometimes overlooked, but which in recent months has been at the front and center of the news. When transportation runs smoothly, no one pays attention. But when bridges fall down, trains derail, or more people die in traffic crashes after years of decline, it's the transportation secretary who hears about it and has to try to figure out a solution.

Foxx previously was the youngest mayor of Charlotte, North Carolina, elected in 2009 and serving a single term. When the city slipped in the financial crisis shortly after he was elected, Foxx looked at transportation to revive the local economy, and he later brought thousands of visitors to the city when it hosted the 2012 Democratic National Convention.

The father of two won a rare, unanimous confirmation from the Senate, and he keeps a reminder of home, a Carolina Panthers helmet, in his office. Please help me give a warm, National Press Club welcome to U.S. Transportation Secretary, Anthony Foxx. (Applause)

SECRETARY FOXX: Angela, thank you very much. And I also want to thank Myron Belkind, your current president, for welcoming me here, and to thank all of you for taking time from your busy schedules and days to be here at the National Press Club.

Almost since I assumed the role of U.S. Secretary of Transportation, I have been ringing the alarm bell about the looming crisis with our highway trust fund, the federal source that is used to pay for highways and for transit. It is unfortunate that it has taken months of ringing this alarm bell, traveling the country in April on a bus tour, putting up

a trust fund ticker on the DOT website, meeting with dozens of governors and mayors across the country, putting shoe leather on Capitol Hill, to get to the point where just last week, U.S. House of Representatives passed the measure to avert the immediate crisis of our highway trust fund and to pass, in effect, a ten month patch for the system.

Later this week, the U.S. Senate is expected to take up a similar measure. If this short-term patch passes, it will not be time to celebrate. It's hard to imagine that Congress will not push the snooze button on this issue again until crunch time. Come May 2015, if we're not careful, we'll be right here again with the shot clock set to expire, looking for an easy solution to patches for a few more months, leaving the real conversation for another time.

And I can hear folks on Capitol Hill now, "Gosh, you know, this transportation thing is really important but we just can't figure it out right now. So let's just do what we can and keep moving." Well, today and until Congress passes a long-term bill, I'm urging the American people to say no more delays, no more gimmicks, no more short-term patches or Band-Aids. Build our country, put us to work and get America moving again and help future generations move forward in the process.

Because folks, if we're only building for the present, we are building for the past. That's just the reality. It's a sad commentary that we are, in effect, managing a declining system, a system that is crumbling before our eyes, a system that is growing potholes, a system that is creating longer commute times and a system that will cause us to lose jobs we have no business losing in America.

Why? If this system were a patient, we'd want to look at what the symptoms are and we'd want to figure out what the underlying disease was. Well, on the surface, our system suffers from chronic underinvestment, an old project delivery system that makes projects take too long and cost too much. And a set of priorities that are more like Model Ts-- a set of policies that are more like Model Ts than Teslas.

Beneath the surface, the American people are confused about who to hold accountable, even as they sit in longer and longer traffic jams, even as those traffic jams are expected to get longer over time.

What I am saying, in effect, is that America needs more than just an incremental adjustment. We need a transportation reset, and it's got to be big. So let me talk about the symptoms. First, our chronic underinvestment in transportation feels normal. You know, we treat it like it's just the way it is, the way it's supposed to be. We talk about the infrastructure deficit, it is the normal course of things. And every year, the cost of catching up grows farther and farther out of reach.

The American Society of Civil Engineers, for instance, estimates that at current levels, current spending levels, we will fall almost \$850 billion short of transportation needs nationally by 2020. But you don't have to just look at a big aggregate number like that. Go to Rhode Island, where I was just a couple of weeks ago. We talked to Governor

Chafee and his DOT director and they can show you that at current levels, even if we get a patch, even if we get 50 more patches, at current levels over the next 20 years, roads in Rhode Island are going to get worse. And Rhode Island's not by itself.

Just a few weeks ago, pieces of the Brooklyn Bridge fell to the underpass below closing the underpass. And I could go to Nashville and point to three bridges that are doing the same thing. This is happening all over America, and we have no shortage of high profile bridge collapses in this country, including up in Minnesota and Washington State. And as the President said, we have 100,000 bridges old enough to qualify for Medicare.

So, we're piling up deferred maintenance and it's not a surprise that our system is falling apart. So, I characterize the first symptom as we've got a big problem that we're treating like a little problem. That's the first symptom.

Second, we are understating the cumulative effect of these short-term measures on the system. Over the last five years or so, we've had 27 short-term measures passed by Congress. So, we get into the 11th hour, Congress shuffles around, tries to find an answer, we patch ourselves together for a few months, everything is supposedly okay. But it's not. You know, when I used to go shopping as a kid, I'd go with my grandmother a lot of times and she'd take me, and I'd get to a store and I'd pick up a toy or something and I'd say, "Let's get this." And she'd say, "No, put it down. We're just browsing." Well, I learned later what browsing meant. Browsing meant we have no intention of coming back to get that toy. (Laughter)

That's what Congress is doing. Every time they do another patch, they're just driving another nail into the idea that America's going to solve our long-term transportation problems, creating less confidence at the state and local levels. This is something I know a little bit about because I was a mayor. And I can tell you that when you're trying to put millions of dollars on the table just to plan a project without knowing whether the federal government's support is going to be there, it gets harder and harder and harder to get those projects going.

So, instead of ramping up transportation construction, we're actually ramping down. And that has consequences. Without planning, you can't design a project. You don't design it, you can't engineer it. If you don't engineer it, it doesn't happen. If it doesn't happen, there's no relief. It's a big, looming problem in America. And that's the second symptom.

Which leads me to the third one: in addition to stockpiling a huge infrastructure deficit, chilling activity at the state and local levels through short-term measures and indecision, the [00:24:45] in Washington is starting to make the most practical answers to these questions seem impractical, and the most impractical answers seem practical, like it's upside down. What's right is wrong, what's wrong is right. The American people are wise, and when we explain the facts to them, they make the right choices. And I've talked to them, talked to many of them over the course of this past year. You give them a choice

between a temporary, imperfect, more expensive solution, and a real lasting cheaper solution, they're going to take the latter just about every time.

But that's exactly what we've tried to do with the Grow America Act. I'm sure all of you have read it. If you haven't, I would commend it to you. It is a bill that we put forth in this administration to end the hand wringing on this issue and put American on a long-term path to growth. Let me describe the bill to you in summary fashion. It not only stabilizes the highway trust fund, it actually increases investment in the highway trust fund to the tune of 37 percent; \$22-plus billion over a four year period of time going into our system creating jobs, creating the kind of activity we need.

It substantially invests in critical repairs, it puts in place money to build a national freight network so we can capitalize on the growth in manufacturing activity we're seeing. It helped deal with the complaint that projects take too long by streamlining the federal permitting process and incentivizing states to do the same, reducing costs and creating more value for the taxpayer dollar. It brings rail into the dedicated funding family along with highways and transit. It strengthens buy America and local hiring. And even helps by directing some dollars directly to local communities so they can get projects moving.

And the kicker is that Congress can pay for the Grow America Act without raising deficits or rates by just doing some commonsense pro-growth business tax reforms like preventing companies from moving profits overseas. So, this bill or something like it, ought to be a lay-up. They ought to be easy. But when you talk to members, essentially the argument against it is we can't do it because we can't. Ladies and gentlemen, the idea that Congress can't pass a multi-year forward thinking transportation bill is one of the biggest self-fulfilling prophecies in American politics today.

And by the way, it is killing our transportation system softly, one of the building blocks of our economy. So here we are, we're on the eve of another patch, another short-term measure, another cloud of uncertainty that will certainly grow our infrastructure deficit and roll the drawbridge up just a little more on the next generation. Meanwhile, our Congress is running out of mattresses, out of child seats and rocks to look under to patch us for just a little while longer.

And that brings me to the disease, and it's Congress, but it's deeper than that. I said this before, but I really believe Abraham Lincoln was right, that he said that the American people when given access to facts will do the right thing. I'm paraphrasing. But when they don't have the facts we can get stuck. Well, on this issue the American people need the facts. Now, in reality they know something's wrong because they're stuck in traffic. They've been patiently awaiting the new bypass or the new bridge or the new transit project or the new rail passenger service for years and years and years.

And unfortunately for them, they can't put a finger on who to hold accountable. There's not like a sign on the freeway that says, "Your commute would be shorter if Congress just took action." The dots aren't connected. And it gets even more confusing,

frankly, when they hear that Congress passed a bipartisan measure to keep highway funding going because it sounds like something that ought to happen. But they're not told to read the fine print. And the fine print says that this fix is temporary, it's not really going to fix what's broken and it's not really going to do what we need it to do.

If they knew these facts, if it were put squarely in front of the American people, they'd demand a solution. Clearly, we need a moment of clarity and a moment of political courage and that will not happen without the American people raising their voices.

And the good news here is that it's starting to happen. We've got governors, 30 of them who are Republican, by the way, who are asking for a bill that allows them to plan more than ten months out. They are not alone. Last week, 62 associations, including the National Association of Manufacturers, joined together calling on Congress for a long-term proposal. They are not alone. Eleven of my predecessors and I are joining to push for a long-term solution. Secretaries LaHood, Peters, and Mineta, Slater, Pena, Skinner, Card, Burnley, Dole, Coleman and Boyd, taken together, the 12 of us has served 35 years standing watch over our nation's roadways and railways and transit systems. Five of us served under Democratic presidents, seven of us served under Republican presidents. And while I'm sure there are issues on which we may not all agree, there is one issue on which we are united; and that is for America to reach her potential, we have to have a long-term transportation investment plan and we need it as soon as possible.

And so today we are releasing an open letter to Congress calling on Congress to do just that. If the 12 of us can stand together, Congress can stand together and get something done. But we won't stop there, I won't stop there. I'm not going to stop inside the beltway pushing this issue. I'm going to do everything possible until this gets acted on to make sure the American people know they are in charge.

We've got to convene leaders in all 50 states to make the case for ending gridlock on this issue. Right now, Washington is dictating outcomes to the American people, but in our democracy it should work the other way. So we've got to let the American people decide whether their futures are worth fighting for.

As a department, we recognize the trends and challenges that are coming around the corner in America. And we're going to work hard to make sure these trends and challenges are more clear to the American public and to policymakers. We have to look past our noses and to do that, one of the tools we're going to use is a 30 year transportation vision that's going to look at these trends and challenges and by the end of the year, we will have that available to the American people.

So we've got to plan for the future, and the American people, I believe, are on our side particularly when they have access to the information that is so critical to this issue. And that's why I believe we're going to get progress on this long-term plan. I think the moment is in front of us.

Why do I believe it? I believe it partly because from Lincoln's continental railroad to Eisenhower's interstate system, we are a yes country, not a no country. Because we're not a country that looks backwards, we're a country that looks forward. Because we're a country that is not stuck in our past, we're a country that is ever focused on the future. And with that, I want to thank all of you, and I look forward to your questions. Thank you. (Applause)

MS. GREILING KEANE: Thank you, Mr. Secretary. As you can imagine, we have a lot of questions on a lot of topics, starting on the topic of surface transportation funding. Are you confident that the \$10.8 billion patch that's now moving will keep the highway trust fund adequately funded through next May as it's supposed to do?

SECRETARY FOXX: I think from a funding standpoint, the answer is yes. But again, I want to reemphasize that the system we have is really a system that depends on certainty. And while there is a patch potentially that Congress passes, that's not going to really help the certainty issue. If we've got a big project that takes multiple years to get done and you're in the middle of a planning process, do you go for the longer term or don't you? With a ten-month patch, you don't know what's on the other end of that ten months and that's the problem we have on our surface system right now.

MS. GREILING KEANE: You're releasing the letter today, the bipartisan letter, with hopes that that will spur congressional action. Do you see any signs that this Congress will work to pass a longer-term transportation bill? Are there any signs that the Congress likely to be elected in November would do so?

SECRETARY FOXX: Well, let me say it this way: we really don't have a choice. I mean, honestly, the gimmicks and smoke and mirrors and the things that have been used in the past just to patch us along, we're starting to run out of those options. And we're reaching a point where we're going to have to do something big or we're going to have to fold the tent. Knowing this country the way I know it, we don't fold the tent, you know? We don't stop building bridges, we don't stop repairing what we've got because it was given to us by previous generations. They paid for it and they bequeathed it to us, and we need to bequeath it to another generation following us. Otherwise, our kids are going to be stuck and not only as the Transportation Secretary, I'm duty bound to fight for this, but I'm a father and I'm a concerned citizen, too. And we cannot allow our politics to screw up a system that was given to us in good faith by previous generations.

MS. GREILING KEANE: One of the things that you didn't mention that President Obama has made clear he will not support is raising the gas tax. Why has the Obama Administration been so adamantly opposed to raising fuel taxes for the highway trust fund long term when the other solutions aren't getting passed, either?

SECRETARY FOXX: Well, what you've heard me say about this is that, number one, we have a proposal that we believe is a 21st century bill, that is paid for through pro growth business tax reform and can be done by Congress without increasing

deficits. We've also said that we're open to other ideas that emerge from Congress and have been very clear not to rule anything out.

But let me say this, too; the gas tax itself has some challenges. No matter where you set the level, the curve of the gas tax is actually downward facing. That's because vehicles are becoming more efficient, good reasons. But that is a structural challenge with the gas tax.

Secondly, historically there's been an 80/20 split between transit and highways using the gas tax. And as we reach into the 21st century, it's becoming increasingly clear that this idea that surface transportation is just highways, just transit, without rail is a question I think we need to grapple with as a country. That's one of the reasons why the Grow America Act actually folds well into a trust fund. But the way we get there is we use a different source of revenue and we add money to the pot, so to speak, so that we're not robbing Peter to pay Paul to get this system going. That's, I think, a conversation that needs to be had and, frankly, even our stakeholders sometimes get mired in the system we've had and aren't focused as much as I'd like to see them focused on the system we need in the future.

MS. GREILING KEANE: Shortly after Ray LaHood stepped down as secretary, he called for raising the gas tax, which he, of course, hadn't done as secretary. Will we some day see a former Secretary Anthony Foxx doing the same thing? (Laughter)

SECRETARY FOXX: I didn't hear the question. (Laughter) I really didn't. Oh, look, I'm going to say this a different way. When our system was built in 1956, there was only growth in the foreseeable future in our revenue stream. We now know that that growth is actually changing because of the increased efficiency and so forth in our vehicles. And we're in a pivotal point where our transportation needs are here, and our revenue is there. So, our proposal introduces the idea of a new way to pay for our transportation system on a long-term basis. But I think we'll continue to have these questions about how to do it long term, and there are many ideas out there in academia, and even pilots that are happening around the country that are interesting, but they're not ready for prime time yet.

So I think I don't know what I'll say. I'm sure I'll say a lot of things when I'm not here anymore. (Laughter)

MS. GREILING KEANE: What about vehicle miles traveled tax? As you said, vehicle efficiency is increasing; therefore gas tax collection is declining. But the amount of driving is not plummeting. Will that be a viable option, or at least something to consider for this administration?

SECRETARY FOXX: I think the crisis that we're in right now is one that has to get dealt with as soon as possible. And I think on the scale of solutions that seem more likely or less likely, I think, VMT is something that is not very likely. But at the same

time, there are pilots out in Oregon and other places and I'm sure that in the future, these things will be looked at. But right now, we need an answer and we've got one that we think is tailor made for this Congress to pass and we want to see Congress do it.

MS. GREILING KEANE: Moving on to the Malaysia air downing, are there other areas of the world given what happened last week with Flight 17, where the FAA should restrict flights by U.S. carriers?

SECRETARY FOXX: We'll say this; we are constantly in touch with our intelligence community, with our national security team, on these issues. And when NOTAMs are issued by FAA, they're not coming out of a vacuum, they're coming out of credible information that's gleaned from sources that we trust. And there are NOTAMs in other parts of the world that are active right now, and we continue to monitor the international situation to insure that U.S. commercial carriers are given the best guidance possible.

MS. GREILING KEANE: When the U.S. banned commercial flights over Crimea, why didn't they extend the restrictions at that time to other hostile areas in Ukraine? And at this point, do you regret that the U.S. did not do that?

SECRETARY FOXX: This is a point at which I figured you were going to ask me some of these questions about Malaysia. And let me just say to your question that even when the NOTAM was issued back in April, there was also general guidance that urged caution among U.S. carriers. But more generally on these questions, let me just say a few words about it.

The President spoke this morning and made clear that this is an evolving situation, but that time is of the essence. And our thoughts and prayers are with the victims and their families. In U.S. DOT, safety is our top priority and we are working closely with our partners in the U.S. intelligence agencies and law enforcement communities on a continuous basis to monitor and analyze intelligence. When an agency receives specific and credible actionable intelligence of a threat to the national air space system, the U.S. civil aviation and its passengers, the agency, provides guidance to carriers and/or institutes flight restrictions including notice to airmen, or NOTAMs, for special aviation regulations, or SFARs.

In April, the FAA's NOTAM warned about the hostilities generally and urged U.S. carriers to take extra cautions. I said a number of operators chose voluntarily to alter their routes beyond just the restriction in the Crimean Peninsula. We also expanded our NOTAM on Friday to cover the entire eastern half of the Ukraine. My comments are confined to what I just said so you can keep asking, but that's what I have to say.

MS. GREILING KEANE: The White House has said that U.S. criminal investigators, as well as transportation safety investigators through the NTSB have been sent to Ukraine to lend assistance. Is there a role for DOT in the response and investigation as well?

SECRETARY FOXX: We stand ready to help, and I stand on what I just said.

MS. GREILING KEANE: In the 2000s, the FAA in partnership with DHS spent millions of dollars studying the possibility of equipping commercial planes with counter MANPAD systems. What is the status of that effort and would these measures have been effective against the missile fired last week?

SECRETARY FOXX: This is obviously, as the President has already said, a very fluid situation. There's a lot that we still need to know. The international community needs to have access to the site of this horrible crash. And, you know, any kind of steps beyond that, I'm not going to comment on at this time.

MS. GREILING KEANE: What about studying in general of the equipping planes with anti-missile technology? Was that project ended in the previous decade or is that still ongoing absent this particular instant?

SECRETARY FOXX: I can't speak to a decade ago. But I can tell you that we continue to monitor the situation and any statement of what we will do or not do will be premature.

MS. GREILING KEANE: Questioner asks when will U.S. aircraft be mandated to be equipped with GPS so they can be located at all times worldwide?

SECRETARY FOXX: Well, this is an area that sort of gets into our next gen effort domestically. We continue to make progress on next gen. I was in Houston just a few months ago, or weeks ago, and we just rolled out about 60 or so new functions that are next gen oriented functions that move us closer to the performance based navigation system which you're talking about.

Even if we get it deployed in the U.S., there's still a lot of work to be done around the world to see this technology advanced and deployed. But we are very bullish on this technology and look forward to working with the international community to see more of it get deployed worldwide.

MS. GREILING KEANE: Speaking of next gen, we've heard the President mention air traffic control as a source of jobs if the system is modernized in his speeches recently. Is that a message that we're likely to continue hearing out of the administration?

SECRETARY FOXX: It is, because we think next gen is really the cutting edge of transportation. The intersection of technology and the way our airplanes move hold a lot of promise to not only make the air space move more efficiently, make airplanes move more efficiently in the air space, rather, but it has strong environmental benefits and also huge fuel savings for our carriers which hopefully will reduce cost and maybe some of those costs get passed on to passengers, too.

The statistics I've seen show that next gen will reduce airport-- airplane delays for passengers by greater than 40 percent. But it is dependent upon getting us off of a World War II radar system and into a 21st century GPS technology.

MS. GREILING KEANE: Moving from the air to cars, General Motors has, of course, recalled 25.7 million cars in the U.S. this year, and the auto industry has recalled a record 40 million vehicles. Should drivers feel safe and are regulators doing enough?

SECRETARY FOXX: Look, on the latter question, I have to say that the NHTSA has done an incredible amount of work over the last several years. I think over the last ten years, there have been about 1,200 plus recalls affecting 95 million vehicles. That's not counting some of the more recent recalls. That's pretty significant. And our toolbox has actually improved over that time. In the wake of the Toyota situation a few years ago, we developed along with IBM, some analytics that allow us to be more predictive in identifying issues before they emerge. And we continue to look to build a better mousetrap. So I think that when it's all said and done, NHTSA's done an incredible job over the entire trend line.

In terms of the autos and whether they're safe, you know look, we have done our work on the GM issue, if you're asking about GM specifically. We issued the most stringent penalty the agency's ever issued. And if Grow America passes, we'd be able to pass even more stringent penalties because we'd lift the cap from 35 million to 300 million.

In addition to that, we were able to force GM into settling with us with some additional requirements that allow us to focus then on changing the culture at GM and fixing some of the things that were broken that a penalty or a fine won't solve. And so I have high confidence in our team's ability to make this work and we'll keep working not only with GM but also to other automakers to insure that our system is as safe as possible.

MS. GREILING KEANE: GM, as you noted, has come under harsh criticism for other recalls and so far 15 people there have lost their jobs. Has anyone at NHTSA been fired or reassigned for the agency's role in not connecting the dots? And if not, how do you respond to lawmakers who last week called the agency's inactions the "NHTSA shrug?"

SECRETARY FOXX: Well, I think you could sort of cite my previous answer to this. But also, I would add that we, and I, are willing to check our own math here. I mean, I've asked our Inspector General to go through and do an after action on this GM situation to see if there's anything that we didn't do that we should have done, or did that may have been done better. And we will learn from that report. And until that time, we have our team intact and we're continuing to not only focus on GM, but the mass of other automobiles out there that need our attention.

MS. GREILING KEANE: The *New York Times* reported last week that GM failed to assess the root cause of several deadly Chevy Cobalt and Saturn Ion crashes in its correspondence with NHTSA. Why did NHTSA accept what essentially amounted to a no comment from GM on the cause of those crashes?

SECRETARY FOXX: Well, I disagree with the premise of the question because there was activity ongoing at NHTSA to see if there was a data driven reason to step up the level of scrutiny. And as I've said publicly before, had we been given a timely heads up by GM, that would have coupled with what we were already doing, triggered a heightened level of investigation at the beginning. I have no doubts about that. So, I don't agree that NHTSA just took the answer for granted. They were looking for data to suggest that there was a problem. And had they had the information from GM, it would have been material to the outcome.

MS. GREILING KEANE: This questioner asks does DOT and NHTSA now consider stalling to be a safety issue for vehicles? If it does, what prompted the change? And if it doesn't, why not?

SECRETARY FOXX: Clearly, it's an issue. And it's one that our recent experiences giving us even more information on which to look across the industry to insure that these issues are being addressed across the system. So, it's absolutely something that we are focused on.

MS. GREILING KEANE: The pace of technological change in the automotive industry is getting faster. Model life cycles are shorter, mid cycle changes are more significant, especially in the areas of safety. How does NHTSA remain relevant as a standards setter and driver of safety advancements in this new automotive environment?

SECRETARY FOXX: Look, I think NHTSA is actually really focused on this. And let me add another footnote to that. This whole idea that vehicles in the future will communicate with each other is a really big deal. It's a big deal for safety, and it's a big deal to our team because it's an opportunity to engage the automobile in the work of insuring collision avoidance, and not only between automobiles potentially but also with pedestrians and there's even technology that allows the automobile to communicate with the infrastructure around it.

A few months ago, we announced that we're going to be doing a rule making on vehicle to vehicle technology. And we think this will be pace setting in terms of rule making because it will basically provide the ground rules on which industry will then enter in and do what they do best, which is to innovate. So this is not an issue that we, you know-- we think there are lots of opportunities for our NHTSA team to engage in not only following the trends in the industry, but also setting the pace and setting the bar high for safety in the future.

MS. GREILING KEANE: In terms of that rule making, you've said that you would like to issue it by the end of President Obama's term. Is that still the plan in terms of the timeline and what needs to happen to make that rule making possible?

SECRETARY FOXX: I would like to issue it tomorrow, but you know, the process is what it is. And we're on pace and I feel like we'll keep working as hard as we can. If we can beat it, we'll do it.

MS. GREILING KEANE: At NHTSA are you concerned about the perception of a revolving door where top officials have left jobs at the agency to go work for the automakers that they were regulating? Do you think there should be a ban on that practice or at least a cooling off period?

SECRETARY FOXX: We have fairly strict ethical requirements in this administration that really put a silencer on folks coming back into the agency and trying to influence outcomes immediately after they leave. And I think that's an effective way of dealing with the problem you're identifying. Because if the concern is undue influence over the agency itself, we have ethical requirements that really guard against that.

MS. GREILING KEANE: Moving over to rail, rail executives have expressed concern about an upcoming crude by rail rule making that is rumored to include speed limit restrictions as low as 30 miles an hour. Is that provision included? And given the rising volume of crude being sent by rail, how do you best balance the needs of commercial shippers with the obvious need for increased safety?

SECRETARY FOXX: Are you asking me to comment on a rule before the rule is issued?

MS. GREILING KEANE: Yes. (Laughter)

SECRETARY FOXX: Okay. Look, I think it is undeniable that we are a country that has a chance to build a new economy on our energy production. It's really one of the drivers of our economic growth today and really will probably be so for the near future. But one of the things we recognize as an agency has had my full attention since I came in, is that in order to realize that future, we've also got to step up our game on the safety front. Without getting into details, I can tell you what I know about this issue is it has to be dealt with comprehensively. It can't be dealt with-- so many folks out there say, "Well, just figure out what the tank car ought to look like." And that's one piece of it. But, you know, speed is an issue and there are several other components of this.

And we're working as hard as we can in promulgating a proposed rule so the public can comment on it. And I hope we get that done very soon.

MS. GREILING KEANE: As part of the rule making, will you require that producers of oil from the Bakken region take steps to stabilize their product before it is shipped?

SECRETARY FOXX: I'm not going to comment on what the rule says or doesn't say. I will say that what we're finding in places like the Bakken, unlike in parts of Texas, let's say, where there's an industry built up around oil production, refining, separating material, using other pieces of the material that are separated, we basically have infrastructure in North Dakota that's excavating this material. And so the question of stabilization is an issues that is at the forefront of my mind, but I'm not going to comment on what our approach is going to be on that yet. But it is an issue that I'm very well aware of and that we as an agency are very well aware of.

MS. GREILING KEANE: How has the oil industry responded to FMSCA and DOT's request for more information on the chemical properties of the Bakken crude? And has DOT been satisfied with the response and with the amount of chemical data that is available?

SECRETARY FOXX: Well, the information that we've received from industry has gotten a little better. We've gotten some information that is consistent with what we've seen in our own studies. We've seen some information that is entirely inconsistent and isn't apples to apples, the same type of study that we would have undertaken ourselves.

There's a fair amount of confusion, I think, that's generated when the industry says, "Well, this is just the same type of stuff that'd being pulled out of some other part of the country," because there are a couple of things that are different. Number one, you pointed out in some parts of the country there's more stabilization activity that occurs before it's actually transported.

And secondly, there's also the fact that these trains are moving in huge units, sometimes a hundred at a time. And so the sheer scale of the impact of these trains can be a bit of a challenge. So we are very focused on this. We're pushing as hard as we can. Everybody in the administration is working hard on this and I look forward to getting something out very soon.

MS. GREILING KEANE: On biking, this questioner asks how do we make American cities more like Copenhagen for biking? And do you think that is a worthy goal?

SECRETARY FOXX: Okay, so true confessions. I have been trying for the entire year to figure out how to bike to work. (Laughter) And I finally got it figured out, so like two weeks ago, I finally biked into work. I was very proud of myself, and I just wanted you all to know how proud I am. (Applause) Thank you.

Let me say this. When you have a hundred million more people to move around over the next, I don't know, 35 years, we're going to see more congestion if we're not careful. A lot of our population is concentrated in metro areas which usually has a city in the middle and suburbs in rings and rural areas around it. But I really believe that

bicycling is part of the transportation ecosystem that we're going to need. And, in fact, if you look at folks who are younger than me, who are moving into these communities, many of them are not driving cars and many of them are trying to locate in central areas so that they can actually use bicycling more.

So, I think it's happening at the local level. In fact, last week I was with Mayor Ballard, the Republican mayor from Indianapolis, who has-- his city is so bicycle friendly that he was invited to speak to Portland, Oregon's community. (Laughter) And so you're starting to see this proliferation of communities that are figuring out how to create more bike friendly areas.

And one of the things Mayor Ballard said to me, I think it was instructive, he said that there's a company that wanted to make a \$100 million investment in Indianapolis, put a new facility in place, but they insisted on being near the bike path. And you talk to mayors in this country enough and you'll find that that's happening more and more and more. So I think it's happening. But we can play a facilitative role and that's one of the things I'd like to do as Secretary, is to help not only with the growth of this, but also insuring that bicyclists and pedestrians as well, are as safe as we want folks in automobiles and other modalities to be.

MS. GREILING KEANE: We've included a drone question, too. A recent IG report said the FAA won't be able to incorporate the use of unmanned aerial vehicles into the national air space by the 20s-- I'm sorry, I can't read the number, maybe the deadline, 2015 deadline? Thank you. What will you do to make sure the FAA reaches its deadline?

SECRETARY FOXX: As I understand it, we're on track to meet our 2015 deadline on small UAFs. And so we'll keep working towards that. There's another convergence of technology and transportation and it's an interesting and exciting way, but we've got to figure out a way to do it safely and that's what we're working towards.

MS. GREILING KEANE: And passenger rail. Any comment on Amtrak removing California from the high speed next gen procurement?

SECRETARY FOXX: Now, that one's an interesting question. Removing California from high speed next gen procurement. I'd have to get more clarification on that question because that's mixing rail and air space to me. And that's an interesting convergence of transportation, but I'm not sure I'm ready to comment on that. (Laughter)

MS. GREILING KEANE: We are almost out of time, and I think we've covered most of the modes. But before asking the last question, I've got a couple of housekeeping matters to take care of. First of all, I would ask that the audience remain seated when the program concludes. The Secretary has an important meeting to get to, so we're going to let him exit before we all stand up.

Second, I would like to remind you about upcoming speakers at the National Press Club. Tomorrow, July 22nd, we will have Dr. Thomas Frieden, the director of the

Centers for Disease Control who will address the MERS virus and other key health issues. On August 1st, we will have His Excellence, Denis Sassou Nguesso, President of the Republic of Congo. He will discuss peace, security and stability of the central Africa region, and oil investments in his country. And on August 4th, we will have His Excellency Jacob Zuma, President of South Africa.

Second, I would like to present our guest with the traditional National Press Club mug.

SECRETARY FOXX: Thank you, thank you very much. (Applause)

MS. GREILING KEANE: It can go in your office right next to the Panthers helmet. And finally, one last question: I understand that your daughter is quite the constructive critic when it comes to transportation. So, I would like to hear what advice, what useful ideas, she's given you lately?

SECRETARY FOXX: That's very good. Very good question. So my daughter is ten, and I brought her to work one day and she went off into another part of the office while I went and did meetings. And she came back and she said, "Daddy, you know, do you think that you can influence a bill?" And she knows this because she's seen the schoolhouse rock on how bills get made. And I said, "You know, maybe. I don't know." She said, "Well, I have some ideas for you on an airplane." We had just come back from a vacation to my wife's family in Baton Rouge. And she said, "Well, here's my bill." So she handed me a piece of paper and it said, "You know, number one, airplanes should not have first class. Everybody should have big seats. Number two, the bathrooms need to be cleaner. And number three, when you land, they need to come up with a technology that prevents your ears from popping." (Laughter) So that's the advice she's given me. Thank you very much, it's been great to be with you. (Applause)

MS. GREILING KEANE: Thank you, Mr. Secretary. We are adjourned. (Sounds gavel.)

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