

NATIONAL PRESS CLUB LUNCHEON WITH SECRETARY RAY LAHOOD

SUBJECT: THE AMERICAN JOBS ACT AND THE ROLE OF TRANSPORTATION IN AMERICA

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ANGELA GREILING KEANE: (Sounds gavel.) Good afternoon, and welcome to the National Press Club. My name is Angela Greiling Keane, reporter for Bloomberg Government and Membership Secretary of the National Press Club. We are the world's leading professional organization for journalists committed to our profession's future through our programming 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 the Eric Friedheim National Journalism Library, please visit www.press.org/library.

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. And if you happen to hear applause in the audience, we note that members of the general public are also attending. So it is not necessarily evidence of a lack of journalistic objectivity. I'd also like to welcome our C-SPAN and Public Radio audiences. Our luncheons are also featured on our member-produced weekly Podcast from the National Press Club available on iTunes. You can also follow the action on Twitter using the hashtag NPCLunch. After our guest speech concludes, we'll have a question and answer session, and I will ask as many questions as time permits.

Now it's time to introduce our head table. Please note that a journalist presence at the head table does not imply or signify an endorsement of the speaker. I'd ask each of you at the head table to stand up briefly as your name is announced. From your right,

Jennifer L. Michaels, editor of *Aviation Daily*; Chuck Lewis, senior editor at Hearst Newspapers Washington bureau; the Honorable Roy Kienitz, Undersecretary for Policy at the Department of Transportation and a guest of our speaker; Sylvia Smith, features editor for *State News* at the AARP Bulletin and the Speakers Committee member who organized today's lunch. Thank you, Sylvia. Ed Wytkind, President of the Transportation Trade Department of the AFL-CIO and a guest of the speaker.

Skipping over the podium, Marilyn Geewax of National Public Radio, and vice chair of the Speakers Committee; skipping over our speaker for a moment, Jerry Zremski, Washington bureau chief of the *Buffalo News*; Jill Zuckman, assistant to the Secretary and Director of Public Affairs, and a guest of our speaker; Patrick Host, a freelance reporter and vice chair of the Press Club's Young Members Committee; Katherine Skiba, reporter for the *Chicago Tribune* Washington bureau; and Matt Mlynarczyk, President of the Advocatus Group. (Applause)

We last invited Secretary Ray LaHood to speak at the National Press Club luncheon when he was the newly minted Secretary of Transportation. He was one of two Republicans in the new Democratic President's cabinet. So say it's been a rocky road since that May 2009 appearance would overstate history and torture a metaphor. But LaHood's tenure as Secretary of Transportation has not been without some bumps. In the past three years, transportation issues and in industry segments made headlines frequently. FAA partially shut down during the debt ceiling standoff, Republican governors sending back stimulus money intended for high speed rail projects. Toyota cars recalled worldwide over safety issues, fighting successfully, I may add, with New Jersey Governor Chris Christie over money that the Department gave New Jersey to build a tunnel that Christie decided not to build.

There was a near showdown over the Highway Bill, though at the last minute, Congress did pass a temporary extension. But that did not address the underlying issues of how to fund the nation's infrastructure needs without addressing the long-term funding issues.

Mr. LaHood has been the most high profile Transportation Secretary in a long time, and he helped the stimulus money that was the first big transportation infusion in many years. And Mr. LaHood has put one of his personal passions, distracted driving, on the radar across the U.S. But perhaps one of the biggest expectations of Mr. LaHood as the Transportation Secretary had nothing to do with planes, trains, trucks, highways, fuel economy standards, or seatbelts and buses. As a long-term and well liked Republican Congressman who had planned to retire at the end of 2008, LaHood's presence in President Obama's cabinet was expected to give the Democratic White House a vehicle to work with Republicans in Congress. The kind of description we can apply to that relationship right now is it's a work in progress.

Transportation, whether it's to work, for personal pleasure, for shipping what America makes and buys, or for the jobs it provides, touches all of our lives. Please join me in welcoming Transportation Secretary, Ray LaHood. (Applause)

MR. LAHOOD: Thank you. Well, good noontime, everyone. Thank you all very much. Thank you for the invitation from the Press Club to come back. This is my second visit, and I'm delighted to be back. And before I begin, I want to say a special word of thanks to Jill Zuckman who for the last 2 ½ years has been in charge of our public affairs and has put the Department of Transportation, I think, on a level with certainly other high profile cabinet organizations. And we're going to miss Jill. She's put together a great team of others, and we're grateful for her service.

I also want to say a special word of welcome to these Georgetown students who are here. I hope you're here because you're interested in transportation, but I probably know better than that. Maybe you're just here because your professor told you you had to be here. But in any event, we're delighted that you are here. I wish you well in your studies.

I want to say to begin with that what I'd like to do is talk for a few minutes about some issues that I feel very, very strongly about and then obviously I'll be happy to answer any and all questions that Angela decides she wants me to answer. I want to talk about what I believe is on the minds of Americans today, which is getting family, friends and neighbors back to work. Since Labor Day, I've been to ten states around the country. And what I found is that every family knows somebody that's unemployed in America today. And every family has somebody that's unemployed in America today. I don't know if that condition has ever existed during the time that I've been in public service for 35 years, but it exists today.

And we have millions of people who want their job back and countless construction jobs waiting to get started. So if you'll indulge me for a moment, I'd like to start by reading the words of a newsmaker from another time. And I'll begin with this quote. "One of America's great material blessings is the outstanding network of roads and highways that spreads across this vast continent." He continued. "Freedom of travel and the romance of the road are vital parts of our heritage. They also form a vital commercial artery unequal anywhere else in the world." And the passage goes on, "But let's face it. Time and wear have taken their toll, so I'm asking the Congress to approve a new highway program. It will stimulate 170,000 jobs, not in make work projects, but in real worthwhile work in the hard hit construction industries; and an additional 150,000 jobs in related industries. As a result," the speaker concluded, "we will be preserving for future generations a highway system that has long been the envy of the world."

Nobody in this room will be able to guess who said that, so I'm going to tell you. President Ronald Reagan gave that speech. The date was November 27th, 1982, just 40 days before President Reagan made the Surface Transportation Assistance Act a law by signing it into law. In a five week period, which included Christmas and New Year's, Reagan's Transportation Jobs Bill passed a Congress controlled by the opposition party which only weeks before had picked up 27 seats in the 1982 midterm elections. And by the way, that particular piece of legislation also extended unemployment benefits which President Reagan himself called, I quote, "Badly needed assistance."

Talk about a bipartisan jobs package, that was it. Wouldn't it be great if we could recreate that kind of history today in Washington? And I remember this very clearly because I was about to start a new job as a staffer for Republican Leader Bob Michael, the man they called the greatest speaker the House never had. Leader Michael fought tenaciously for President Reagan's Transportation Bill, but only because he was the President's ally in Congress. But also because he knew that investments in roads, bridges, transit systems, were an essential way to put our Illinois constituents and Americans back to work.

So, here we are today, three decades later, and these same American roads and bridges and transit systems are in greater need of repair than ever before. Today is the 35th day since President Obama took to the House rostrum and asked Congress to pass the American Jobs Act. And unless there's some kind of miracle between now and the next Tuesday, the 40th day will come and go with no relief for friends and neighbors looking for work. The fact is, we have a crisis in our country. Our citizens, our friends and neighbors, family members, are struggling amidst the worst economic conditions of a lifetime. Our transportation systems are overburdened and fast becoming obsolete. Our politics are so broken that we can't connect to people who need work with the work that needs to be done.

Our institutions of government have become so paralyzed that we can't enact tried and true policy prescriptions, bipartisan remedies that have a track record of improving our economy's well being. Think about the reality I deal with every single day as your Transportation Secretary. America's roads are so choked with congestion that the average commuter, all of you know this, spends 242 percent more time stuck in traffic than when President Reagan signed that Surface Transportation Bill in 1982. This drains \$100 billion in wasted fuel and lost productivity from our economy annually. That's as much as the United States spent on R&D for the entire Apollo space program adjusted for inflation.

At the same time, bridges are crumbling beneath our wheels. More than one in four of America's bridges are substandard; one in four, including an astonishing 12 percent that are structurally deficient. That's 68,858 bridges that while safe to drive on are nearing the end of their life span. Just look at the Sherman Minton Bridge, where I was at recently which links Louisville, Kentucky with southern Indiana. Three weeks ago, officials discovered significant cracks in the steel support beams of the 49 year old bridge. As a result, they were forced to shut the whole bridge down, all six lanes, of I-64 and U. S. 150. The local traffic was so bad that residents have dubbed the situation Shermageddon.

Our aviation system is reaching its capacity, too. United States is now home to the world's worst air traffic congestion. A quarter of our flights arrive more than 15 minutes late. And our national average for delayed flights is twice that of Europe. Meanwhile, compare this to transportation systems around the globe. The Chinese just opened the world's largest bridge; long enough to cross the English Channel with six miles to spare.

They're also paving tens of thousands of miles of expressways. By the end of the decade, they'll surpass the United States in total highway distance. And the port of Shanghai now moves more container traffic every year than the seven top U.S. ports combined.

Or think of this. In the 14 countries with true high speed rail, passengers can ride a total of more than 15,000 miles at speeds faster than 220 miles per hour. In the United States, they can ride exactly zero. This about sums it up. As recently as 2005, the World Economic Forum ranked America's infrastructure as the best in the world. Today, we're not even in the top ten. What's more, while it may feel like we're saving a few bucks by doing nothing, the long-term costs of inaction are staggering. One recent report estimates that our poor infrastructure shaves .2 percent points off of our GDP every year.

Former Homeland Security Secretary Tom Ridge, and others, conducted a study that said our deferred maintenance adds \$175 billion to our national deficit annually. By 2035, our bill for deferred transportation maintenance will be someplace in the neighborhood of \$5 trillion. Just for comparison sake, that's roughly the size of Japan's entire economy.

Of course, this is all taking place at a time when millions of Americans are looking to get their jobs back. Many more are struggling to make ends meet as they work fewer hours for less pay. This is more than an economic problem, this is an opportunity that we're wasting. Every successive day that Congress finds a reason not to act is another day that an unemployed mom or dad decides between the groceries and the rent. It's another day that for someone, the American dream of buying a home or putting a child through college slips further from their reach.

A lot has changed in this town since I arrived more than 35 years ago, but nothing changed more than the evolution of a culture in which elected officials are rewarded for intransigence. For too many, compromise has become a dirty word. And for many, compromise is not even in their dictionary, and cooperation is an unforgivable sin to some. I'm not one of those who pines for yesterday when we remember as far better than it actually was. There was a time when members of Congress got into fistfights on the House floor. I witnessed a few.

A sitting Vice President once shot and killed the former Treasury Secretary. Politics has never been for the faint of heart, but even so partisan rancor somehow feels a lot worse today than it ever has. You know the pattern. One side reaches out, the other digs in their heels. Nothing gets done. The commentators obsess on the cable news channels about who's up and who's down like government is some kind of an endless football game. And the voters tune out. "A pox on both your houses," they say.

After 14 years in Congress myself, I am all too familiar with this dynamic. When President Obama invited me and asked me to serve as a Republican in his Democratic administration, I accepted his invitation not just in spite of our differences on a small handful of issues, but because of them. You see, President Obama didn't ask me to switch from one side to the other. He asked for my ideas, he asked for my perspective. He asked

me to help solve the American people's problems, to stand up for compromise and cooperation in those areas where Democrats and Republicans have almost always agreed. And there's no better example of a traditionally bipartisan issue than transportation. There's no such thing as a Democratic or Republican bridge, a Democratic or Republican road, a Democratic or Republican job repairing bridges or roads that are in danger of falling down.

Our infrastructure belongs to America. American infrastructure has been built by American workers. It's more than the way we get from one place to another, it's the way we lead our lives and pursue our dreams. And furthermore, in this economy, job creation should be everyone's number one priority. That's why when I was in Congress, the House passed America's last two transportation bills with 417 votes; that's about as bipartisan as you can get. That's the definition of bipartisanship. And that was in 2005. In 1998, right after I came to the Congress, it was 337 votes. Again, that's the definition of bipartisanship.

And frankly, that's why President Obama proposed the American Jobs Act, a package of historically bipartisan policy. And that's why I'm barnstorming the country and knocking on every door of every Congressman that'll see me. My message is Congress needs to pass a bill. Here's what President Obama put forward. First, the American Jobs Act includes \$50 billion immediate investment in construction jobs rebuilding America's roadways, railways, transit systems and airports. It will hire American workers to upgrade 150,000 miles of road, to lay or maintain 4,000 miles of track, to restore 150 miles of runways, and to put in place a next generation air traffic control system that will reduce travel time and delays. Anything partisan about that? I can't think of anything.

Second, the American Jobs Act includes a national infrastructure bank with \$10 billion in up front funding. The bank will operate independently and issue loans emphasizing two criteria; how badly a project is needed and how much good it would do for the economy. No boondoggles, no bridges to nowhere, no unnecessary red tape.

Third, through a recently issued memorandum, President Obama has already directed our department and agency to identify high impact job creating infrastructure projects so we can fast track them through the review and permitting process. At the Department of Transportation, we picked six to start with including replacing the Tappan Zee Bridge in New York, Whittier Bridge in Massachusetts, extending transit systems in L. A. and Baltimore, and installing next generation technology to two Houston airports. Seems to me that Democrats and Republicans can both agree that we should speed up project delivery time.

And finally, all of this is funded without putting it on the debt or deficit. The President proposed that we pay for the American Jobs Act through his long-term plan to pay down our debt; a plan that cuts spending and asks the wealthiest citizens and biggest corporations to kick in their fair share in taxes.

This is about priorities, it's about choices. Should we repair those 69,000 worn out bridges or keep tax loopholes for oil companies? Should we hire construction workers to build a national high speed rail network that connects 80 percent of Americans, or let billionaires pay lower tax rates than their secretaries?

We've heard economists and analysts of every political persuasion tell us that the President's Jobs Bill will boost the economy and spur hiring. More importantly, we've heard the uproar of enthusiasm from the American people. I've traveled to more than 200 cities and 47 states during the last three years. Everywhere I go, people come up to me and say the same thing. "Put my neighbors back to work rebuilding our country." Just in the months since President Obama sent the American Jobs Act to Congress, I've met with construction worker building St. Paul's new light rail, Charlotte's new streetcar system, Oakland's new traffic control tower. I've visited with leaders of the American labor movement. I thank my friend, Ed Wytkind for being here today. We met with some of his folks in Las Vegas at a convention, with business leaders in Kansas City, with economic development officials in Anchorage, Alaska. Their response to President Obama's call to action has been overwhelming. At every stop, workers are shouting, "Pass the bill. Pass the bill now."

Businessmen and women tell us we owe job creators and our future the safest, fastest, most efficient ways to move people and products. Moreover, this is no partisan sentiment. In one poll conducted earlier this year, two out of three voters and 59 percent of Tea Party supporters said making improvements in transportation is extremely important. Unlikely allies like the Chamber of Commerce Tom Donohue and AFL-CIO President Rich Trumka are putting their full throated advocacy behind transportation investments. Bipartisan. I've talked with both of them about it at great length, many governors are also rejecting the premise that jobs on transportation projects should be proxies in Congress's political warfare.

At the Sherman Minton Bridge, Kentucky Governor Steve Beshear, a Democrat, and Indiana Governor Mitch Daniels, a Republican, worked together and are working together to repair and reopen that bridge.

Now, I mentioned my service with Republican Leader Bob Michael. He knew how to play partisan, and he could be very tough when he wanted to be. But he also knew how and when to sit down across from the other person to hammer out a deal because it was the best thing for the American people. This is one of those moments when the American people are counting on their representatives in Washington to set aside their differences and achieve the possible, not the perfect. They should expect nothing less.

We've had a rich history in this country of bipartisanship, particularly when it comes to transportation, particularly when it comes to putting friends and neighbors to work. No one can or will get everything they want, and I've personally delivered that message to some of my former colleagues on the Republican side of the aisle. So all those years ago, when President Reagan signed his transportation bill into law, he said that America could once again, and I quote, "Insure for our children a special part of their

heritage, a network of highways and mass transit that has enabled our commerce to thrive, our country to grow and our people to roam freely and easily to every corner of our land.” Our transportation system is a special part of our rich 235 year heritage. The canals that first made interstate commerce possible, the transcontinental railroad that connected our coasts, the interstate highway system that enabled a half a century of unrivaled opportunity and prosperity, American workers dreamed these things and were able to accomplish them. American workers wielded the shovels, forged the iron, laid the tracks and poured the concrete that brought these things to life in America. American workers passed these things on to us, their children and grandchildren. We owe it to them, Congress owes it to them to continue to pass it on to their children and grandchildren.

American workers paid the taxes that were necessary to finance these investments for tomorrow. They sacrificed so their neighbor would have jobs, so their businesses would flourish so all of us would reap the benefit of living in the best country in the world. This was America's recipe for success, this was the way we took responsibility for the future.

The United States isn't a nation that just talks about building big things only to get mired in the smallness of politics. We don't skirt tough issues and kick challenges down the road. That's beneath us. We're better than that. In America, we do big things, we always have. We solve problems, we always have. We put our friends and neighbors to work, we always have. And if Congress passes President Obama's jobs bill, we can once again put people back to work making our nation's transportation system the envy of the world, just to borrow a phrase from President Reagan.

With that, I'll be happy to take your questions. (Applause)

MS. GREILING KEANE: Thank you, Mr. Secretary. We do have a lot of questions. I think they cover every mode and every element of politics. So we'll get started. The next highway bill and complete FAA reauthorization, including next gen., would have been a huge jobs creator. Why didn't the President include those measures in his jobs bill?

MR. LAHOOD: Why?

MS. GREILING KEANE: Why didn't he include them in the jobs bill?

MR. LAHOOD: I mean, if you look at the jobs bill, it's \$440 billion, \$50 billion is for roads and bridges, transit, high speed rail, every mode of transportation, \$10 billion for the infrastructure bank. I think the President was trying to give an infusion so that people could go to work quickly, certainly during the next construction season while the Congress worked on a five year, six year transportation bill. I think the President's notion as a part of the jobs act is let's get some money out there quickly, \$50 billion. We received \$48 billion in the stimulus bill two years ago. We've obligated it all. Most of it's been spent. We created 65,000 jobs and 15,000 projects. We believe \$50 billion we can

spend quickly and put people to work quickly while the Congress passes a transportation bill, the big vision. I think that's the reason the President proposed what he did, with the hope that Congress would then pass-- you know, we've gone 2 ½ years beyond the last transportation bill. And so I think the President believed a direct infusion, the way that we did with stimulus.

And you haven't seen any bad stories written about our \$48 billion. There were no boondoggles, no earmarks, no sweetheart deals, we spent the money. Sixty-five thousand jobs, 15,000 projects. We're ready to go.

MS. GREILING KEANE: The Bowles-Simpson Commission and the Gang of 6 both recommended infrastructure spending as a way to get the economy going again. Is the administration urging the super committee to include infrastructure spending in their recommendations?

MR. LAHOOD: What we're doing is working 24/7 to get Congress to pass a jobs bill. I don't know what the super committee's going to do, but Congress should take action now. They just simply should. This is a no-brainer. Everybody knows what needs to be done. Everybody knows what road needs to be built. Everybody knows what bridge needs to be either replaced or repaired. Everybody knows that next gen. is important. You got states all over the country that want to get into high speed rail. All of these things create jobs. Our mission is to persuade Congress to pass a jobs bill.

MS. GREILING KEANE: The administration announced this week that it was expediting 14 infrastructure projects that you talked about. Given that President Obama visited the Brent Spence Bridge in Cincinnati as a symbol of the jobs bill, why wasn't that bridge project and the Ohio River bridge projects in Louisville on that list of expedited projects?

MR. LAHOOD: Frankly, we tried to look at projects that we really could expedite and we worked with our partners out in the states. As all of you know, we can't do what we do in terms of implementing programs without partners in the states. And so we look to look to our partners and they gave us some good suggestions. The ones that we suggested are ones that can get started immediately.

MS. GREILING KEANE: Last time around, was it a mistake to build the Obama stimulus bill around funding for states and for long-term projects like high speed rail and green energy? Would the nation have been better off today had that stimulus bill had a higher concentration of truly sheller-ready [?] projects?

MR. LAHOOD: Well, look it. We had \$48 billion. The money's been spent. We put 65,000 people to work, 15,000 projects. You haven't seen any bad stories about what we did. And we didn't write the bill, the bill was written by Congress. The President signed it within 30 days of being sworn in, and we implemented it. We took our cues from what Congress said, and I think the money was well spent and a lot of Americans

went to work and that's why we're encouraging Congress now to look at what the President has proposed in the American Jobs Act and pass it.

MS. GREILING KEANE: You commented at length about the partisan gridlock that ultimately affects employment and safety in transportation. As a longtime politician, what do you think will have to happen to return to a more pragmatic approach to governing?

MR. LAHOOD: Another election. (Laughter)

MS. GREILING KEANE: Carrying on along that line, is it really possible to get a bipartisan agreement on transportation issues without earmarks to reward lawmakers on the Hill?

MR. LAHOOD: I think there is, I really do. Some people believe that because earmarks are banned now that it's going to be more difficult to engage members of Congress. Every member of Congress has a road or a bridge or a transit system or some infrastructure that they know needs either repair or building or repaved. And under a transportation bill, what will happen is we will work with our friends in the states, the governors, the commissioners of transportation, the secretaries of transportation, on what their needs are. And that will filter down to congressional districts. So it can be done.

Look it, Congress passed transportation programs before there were earmarks. And our idea is everybody knows what needs to be done. Everybody knows that what we do with our money puts people to work. And it's not that complicated. So I do think that the needs are there, people know what they are. And even without earmarks, I think we can get a bipartisan bill.

MS. GREILING KEANE: This questioner asks, do you still shoot the bull with Chairman Mica? And if you do, why doesn't he listen to you? (Laughter)

MR. LAHOOD: Well, I have conversations with Chairman Mica on a regular basis and he listens to me. (Laughter) He does listen.

MS. GREILING KEANE: Are we going to see some of your recommendations enacted by the House Republicans?

MR. LAHOOD: Given what Chairman Mica said about the infrastructure bank yesterday, probably-- that's not going very far. But I think, again, Chairman Mica, I think Chairwoman Boxer, who's writing the bill in the Senate, both get it. They know that we need to get a transportation program. We need to put people to work. And I believe that we are going to get an infrastructure program, and I believe it'll happen before the end of the calendar year because I think there's an enormous amount of pressure on Congress when they go back home and they go to their churches and they go to their barbecues and they go to their political events, the one thing they're hearing is, "What are you going to do about jobs and what are you going to do about the economy?"

We know how to fix that, they know how to fix it. Reaching that kind of consensus, I think, is possible.

MS. GREILING KEANE: This questioner says despite recent news about certain transportation bills being “dead on arrival” and the California high speed rail opposition, transportation is a hot issue. What is the Obama Administration doing to get some wins on the board in transportation?

MR. LAHOOD: Well, as I said, we're working 24/7, all hands on deck. As I said, since Labor Day, I've been to ten states. I'm traveling, I think, every day except one day next week. I'll be traveling four days next week. I'm going to be in Detroit, I'm going to be in Florida, I'm going to be around the country. And everywhere I go, I'm going to be talking about infrastructure and transportation and jobs. And just keeping the momentum going.

A lot of other of our cabinet colleagues are doing the same thing, traveling the country and really trying to engage people in the fact that they just have to persuade their representatives and senators that we need a bill.

MS. GREILING KEANE: Can we meet the surface transportation infrastructure needs of our nation without an increase in revenue for the highway trust fund?

MR. LAHOOD: The President's budget originally called for \$550 billion. We felt that that was what was really needed over the next five years to really begin to meet the needs. There are a lot of unmet needs. And obviously, there's not \$550 billion in the highway trust fund. And that's the reason that the President, when he put forth his American Jobs Act, put forth the pay-fors and Congress is going to have to find the pay-fors. There probably not enough money-- well, there isn't enough money in the highway trust fund to meet all the infrastructure needs in America. And the President has made it very clear he doesn't want to raise the gas tax when we have 9 percent, more than 9 percent unemployment. But there are other ways to do it, and you know what the President has said those ways are. And we're willing to work with Congress on finding the pay-fors.

MS. GREILING KEANE: What do you support as a means of increasing that revenue? You just ruled out gas tax, indexing the gas tax, would that count as raising it? Tolls on interstates, do you have an idea that no one's thought of yet?

MR. LAHOOD: I support what the President talked about in the American Jobs Act to pay for it.

MS. GREILING KEANE: What will happen in the transportation universe if the super committee doesn't come up with a plan by its deadline and the automatic across the board cuts are triggered including in transportation?

MR. LAHOOD: Well, our hope is that Congress will really address the jobs issue, will really address a way to put people back to work quickly. The way to do that is to pass either a transportation bill or the portion of the American Jobs Act that really will put people to work. The \$50 billion plus the \$10 billion for the infrastructure bank.

MS. GREILING KEANE: In a blog post this week, you wrote that the administration is well on its way to realizing President Obama's goal of giving 80 percent of Americans access to high speed rail service within 25 years. How can the administration achieve the President's goal if funding and support for the program is drying up in Congress? Will DOT have a chance to change how it runs the program and focus on a few projects if it gets significantly less money in the future?

MR. LAHOOD: We've invested in the last 2 ½ years over \$10 billion in high speed inner city rail, the largest-- over \$3 billion in California, a significant amount of money between Detroit, Chicago, St. Louis, and then along the northeast corridor. We think these are good investments. We think this really begins to carry out the vision that the President has to implement more passenger rail in America. There isn't enough. If you look at our plan, it's to connect 80 percent of the country over the next 25 years. It costs about \$500 billion to do that. There obviously is not enough money in Washington. That's the reason that when we have traveled around the world and visited just about every country that has high speed rail, we've talked to the manufactures in those countries about coming to America, partnering with states, hiring American workers to build the trains and the infrastructure in America. We believe this is the next generation of transportation; training the next generation of transportation workers to build the infrastructure for high speed rail.

We have a lot of workers. Some of them are prepared to get into the business of helping to build this rail infrastructure. The train cars, and the other infrastructure. We know that there are as many as ten foreign companies in America trying to partner with states that have received the high speed rail money. That's what we need; public/private partnerships. So you leverage some federal dollars with some private dollars and some state dollars and we begin to reach our goal to get passenger rail moving in the United States. And I think we've made a lot of progress. There are a lot of companies that are very interested in partnering in America, to hire American workers to build the next generation of transportation.

MS. GREILING KEANE: As you know, it's been a rocky road between passenger rail service and freight rails on which track most of that service runs. What have freight railroads told you regarding passenger railroads using their tracks?

MR. LAHOOD: We have reached agreements with our friends in the freight rail business. It hasn't been easy, but we've done it. It's been hard work and it's been tough negotiations. But we've also made investments in the freight rail. Over a half a billion dollars we've invested to begin to fix up tracks so trains can go faster on those rails. And we know that we can't implement more passenger rail in America without our friends in

the freight rail system. And they've been cooperative and they've worked with us, and they've signed agreement and we've made investments in their infrastructure so that trains can go faster. And so I'm optimistic that that kind of cooperation will continue. We need our friends from the class one in order to make passenger rail the kind of rail system that we really want in America.

MS. GREILING KEANE: How about Build America bonds for transportation funding? They were extremely popular, but this Congress hasn't committed to reviving them. How hard will you push for inclusion of that program in any transportation bill?

MR. LAHOOD: We like that program very much. It's been very effective. I have told the sponsors of that legislation that we support that legislation. We think it's another way to find the revenue that we need to continue our efforts on infrastructure.

MS. GREILING KEANE: You mentioned the hearing that was held yesterday in the House Transportation Committee that was bashing the infrastructure bank idea that's part of President Obama's platform. Is there any chance of getting congressional support for that proposal? And if there is, how exactly would you reach that?

MR. LAHOOD: Well, we know that in the Senate, Senator Hutchinson from Texas and Senator John Kerry have introduced legislation on the infrastructure bank. That's really when the President introduced his plan, he modeled the infrastructure bank after their legislation. I believe the debate in the Senate, part of the debate in the Senate, will be about the infrastructure bank, about that legislation, about how to implement it. It is a way to leverage billions of dollars to do infrastructure.

MS. GREILING KEANE: In other Republican Hill opposition, recently Speaker John Boehner and Majority Leader Eric Cantor wrote to President Obama urging him to withdraw your proposed changes to the trucking hours of service requirements. Trucking companies and truck drivers also oppose the proposal. Are you beginning to rethink the need for the proposed hours of service changes?

MR. LAHOOD: Well, that is a rule that's pending and so I can't really comment much more than to say it is pending in the administration, in the department. And we'll just ask you to stay tuned and we'll see where it takes us.

MS. GREILING KEANE: Also in trucking, the Mexican trucking program is getting off to a bit of a slow start after you faced a lot of pressure to get that program written and out the door. Are you doing anything to try to get more participants in that program?

MR. LAHOOD: Our people are working very hard to get companies from Mexico certified. When we rewrote the program, the Mexican truck program, we rewrote it around what members of Congress told us was their number one priority, which is safety. Making sure that the trucks were safe mechanically and that they would be inspected; making sure the drivers were well licensed and well trained. That we could

also put on board recorders in the vehicles to make sure the truck drivers were not exceeding their hours that they were driving.

We put all of that in the proposal and we've signed an agreement with Mexico. Fifty percent of the tariffs have been removed on the day that we signed the agreement, and the other 50 percent will come off when we certify the first trucking company.

MS. GREILING KEANE: Also yesterday on the Hill, there was a hearing criticizing the new fuel economy standards that your agency and the EPA put out a couple of month ago. Opponents are saying that the standards may jeopardize vehicle safety and they're framing it as a debate about how the rule was written, the process in which it was written. How do you respond to those criticisms that are getting an increasing amount of attention?

MR. LAHOOD: The way I respond is they're without merit. I mean, we spent a good deal of time. One of the first executive orders the President signed was to raise gasoline standards in 2012 and 2016. And within a year, we worked with our friends at the EPA and the automobile manufacturers who stood with the President a year after that executive order was signed in the Rose Garden and agreed to 2012 and 2016 standards. Every car company, every car manufacturer was there, both foreign and domestic.

And now they're about meeting those standards; 25, 26 miles per gallon in 2012; 35, 36 miles per gallon in 2016. Then we got about the business of writing a standard for 2017 to 2025 and we're going to finalize that very soon here. And again, when the President made the announcement about getting 54 miles per gallon, again every car manufacturer representative, almost every with the exception of maybe two foreign manufacturers, were again at the Washington, D. C. civic center for the announcement.

This is a significant accomplishment. This is something that the President felt very strongly about, he talked about it when he was running. But to be able to get the car manufacturers to agree to these because they believe in it, not because they were forced, is quite an achievement for all of us being able to drive more fuel efficient vehicles, for saving a lot of gasoline and for cleaning up the air, taking the carbon monoxide out of the air. This is a big deal, and it was done in a very collaborative, cooperative effort. The last thing that our safety agency NHTSA, would ever do is to put out a standard that would make cars less safe. The last thing that a car manufacturer would do was to agree to a standard that would allow their cars not to be safe. That just simply belies belief that anybody would even suggest that.

This was done with total collaboration and cooperation with the car manufacturers, both foreign and domestic. It's a good thing for America.

MS. GREILING KEANE: Moving over to aviation, how well the Delta-U.S. Airways slot swap that the DOT approved this week giving U.S. Airways dominant at National and Delta dominance at LaGuardia, how will it reshape the DC aviation market? And why did the DOT allow that deal to proceed?

MR. LAHOOD: Well, this was an agreement that was really reached between the two airlines, and we felt it was good for both the airlines, for the airline business, for the hubs that these airlines will be operating on. But more importantly, good for the flying public. That's the reason. But it was an agreement that was forged, really, between the airlines. But one of our metrics is, and one of the things that we care about is, how does it affect the flying public? And is it good for the flying public? And the answer is that it is, and it's good for the aviation industry, it's good for these companies. But most important, it's good for the flying public.

MS. GREILING KEANE: The Justice Department closed its investigation of the Delta-LaGuardia piece, but it's still investigating the U.S. Airways-National side of that deal. Can you tell us about the significance of that?

MR. LAHOOD: I really can't. You'd have to get Eric Holder to come.

MS. GREILING KEANE: We'll invite him next. In early 2009, 50 people died in the crash of the Continental Connection flight 3407 near Buffalo. Neither pilot got a full night of rest before that flight. But now the new rules that are aimed at controlling pilot fatigue appear to be stalled at OMB. Why are they stalled and can you commit to us today that a final flight and duty time rule for pilots will be completed during your tenure as Transportation Secretary?

MR. LAHOOD: We have worked very hard with particularly the families who lost loved ones in the Colgan air crash. They really have been the ones that have been the loudest voices in terms of telling us that changes need to be made. Right after the Colgan air crash, our administrator, Randy Babbitt, the FAA administrator, traveled the country on listening sessions. He met with the airlines, he met with the pilots, he met with flight attendants. He met with everybody in the industry. Randy and I have met with the families on a number of occasions. And we really tried to figure out what was necessary to make regional jets and flying on regional jets the safest that it could possibly be.

If you look at what the NTSB said, there was fatigue, but there was also poor training for these pilots. They did exactly the wrong thing when their plane started icing up and they were descending into Buffalo. So what we've tried to do is to put together a rule that addresses pilot training, fatigue, safety, training, and shortly we will be announcing what that is.

MS. GREILING KEANE: Under your leadership, DOT has focused on airline passenger protections more than any of your predecessors. There's one last rule making in that realm that DOT has promised dealing with airline price transparency. Do you think the public can expect the new rule to come out before the next election?

MR. LAHOOD: One of the things that we are very proud of is that we have looked out for safety in all of our modes of transportation. We get up every day and that's what we think about safety. Trains, planes, automobiles, motor coaches, pipelines. We

have a lot of jurisdiction over a lot of different things. Safety is number one. So, when we think about-- and one of the things I ordinarily say is that all of us, everybody in this room, either got in your car, on a metro train. When you get on an airplane, we never think about the safety. We think the pilot's going to be well trained, the plane is going to be mechanically okay, the metro train is going to be okay. The train driver knows what he's doing, the automobile's going to be fine.

But that's what we think about, because we know that when Americans use transportation, whether it's their car, a train, a plane, a motor coach, they don't think about safety. But we do. And so the other thing we think about are the people that have to use these modes of transportation. And what we have done, I think, for passengers that are flying is try and really look after them in terms of their ability to be treated well by the airlines. And so when the next rule comes out, which I believe hopefully it'll come out next year, there'll be plenty of transparency so that when you show up at the airport, you'll know what you're being charged, why you're being charged that, how much it is and you'll know that well before you make your decision about buying a ticket. We think transparency is the one way that people have assurances that they're being treated fairly.

MS. GREILING KEANE: We're going to wrap up with distracted driving. We can't let you out of here without talking about that. The questioner asks are we making any real progress on distracted driving? And if you say yes, how exactly do we measure that progress?

MR. LAHOOD: The way we measure it is when we started this campaign, I don't know if was 11 or 8 states had distracted driving laws. Now there's around 36. We started this 2 1/2 years ago. There's no line item in our budget for distracted driving, we just did it by using the bully pulpit, by talking to people, by traveling the country, by persuading people that if you have one of these up to your ear while you're driving that it's dangerous. Is there anybody in this room that doesn't have one of these devices, either a cell phone or a Blackberry? Now, I'm not going to ask the question, how many of you have used these while you're driving? Because I know the answer, everybody has. And you all know that when you do it, it's dangerous. You can't drive safely when you have one of these up to your ear, you just can't.

So we've met with all the automobile manufacturers and we've asked them to address this issue and to look at the technology they're putting in cars and to really examine are they making cars safer with all of these technologies? And we've engaged with insurance companies who've taken up the cause of distracted driving. And we're going to continue our efforts. We want Congress to pass the law, we want every state to have a law, we want good enforcement. But the one way that we know that we can really correct this very dangerous behavior is if people take personal responsibility. When you get in a car, put this in the glove compartment. Can you think of a call that you've ever taken that was so important that caused you to be distracted?

How many of you have been in accidents or got rear-ended or rear-ended somebody else because you were on your cell phone? You know people that have. This is

as dangerous as drunk driving and as driving without your seat belt. When NTSA started the seat belt program almost nobody was wearing a seat belt because it was uncomfortable, it wrinkled our clothes, blah, blah, blah. You heard all the excuses. Today, because of what NTSA has done and others have done, 85 percent of the people buckle up. That's the first thing people do when they get in their car.

The second thing that I want people to do is put these in the glove compartment. There is no call that's so important it can't wait until you get to your destination. I know you want me to get off the podium, Angela. I'm not done yet. (Laughter) All right? You know I'm right on this. We've made progress. We have a long way to go. We need your help. Personal responsibility. The best and that I have seen is the Subaru and where the guy is looking in the passenger side of the automobile at a little girl who's maybe about ten years old. And he hands her the keys and she morphs into a teenage girl. And he said, "Don't call me and don't text me while you're driving." That's what you would tell every one of your children or grandchildren. Well, that's what you should be telling yourselves.

If you put this in the glove compartment when you're driving, you will save injuries and lives and you'll be taking personal responsibility. That's what we owe one another as we're driving around. Thank you, Angela. (Applause)

MS. GREILING KEANE: We're almost out of time, we have one more question for you. But before I ask it, just a couple of housekeeping matters to take care of. First of all, I'd like to remind you of our upcoming luncheon speakers. On October 19th, we have singer Natalie Cole, who will talk about the American Liver Foundation's national public health initiative, Tune in to Hep C. On October 24th, we have TMZ's Harvey Levin who will talk about the changing landscape in entertainment news coverage.

On October 31st, we have Herman Cain, candidate for the Republican presidential nomination who will talk about GOP presidential issues. On November 3rd, we have Tom Brokaw, journalist and author. Second, I'd like to present our guest with the traditional National Press Club mug.

MR. LAHOOD: Thank you.

MS. GREILING KEANE: You're welcome, thank you. And one last question. A questioner asks, "Mr. Secretary. If I get one of those new cars made by Google that drives itself, will I be able to start texting on my way to work again?" (Laughter)

MR. LAHOOD: No. (Applause)

MS. GREILING KEANE: Well, thank you, Secretary LaHood for being our guest today. I'd also like to thank the National Press Club staff including its library and broadcast center for organizing today's event. And finally, here's a reminder that you can find more information about the National Press Club on our website. And if you'd like to

get a copy of today's program, please check that out at www.press.org. Thank you, and we are adjourned. (Sounds gavel.)

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