

public in accordance with the provisions of 5 U.S.C. § 552, will be available for inspection and copying at the Commission's Public Reference Section, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such filing also will be available for inspection and copying at the principal office of the Phlx. All submissions should refer to File No. SR-Phlx-96-32 and should be submitted by January 27, 1997.

#### IV. Conclusion

For the foregoing reasons, the Commission finds that the Phlx's proposal is consistent with the requirements of the Act and the rules and regulations thereunder.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,<sup>10</sup> that the proposed rule change (SR-Phlx-96-32), as amended, is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>11</sup>

Margaret H. McFarland,  
*Deputy Secretary.*

[FR Doc. 97-148 Filed 1-3-97; 8:45 am]

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## DEPARTMENT OF TRANSPORTATION

### Aviation Proceedings; Agreements Filed During the Week Ending 12/20/96

The following Agreements were filed with the Department of Transportation under the provisions of 49 U.S.C. 412 and 414. Answers may be filed within 21 days of date of filing.

*Docket Number:* OST-96-2026.

*Date filed:* December 17, 1996.

*Parties:* Members of the International Air Transport Association.

*Subject:* PTC3 0026 dated December 10, 1996 r1; Within Southeast Asia (US Territories); PTC3 0031 dated December 10, 1996 r2; Southeast Asia-SW Pacific (US Territories); (Summary attached.); Intended effective date: expedited January 15, 1996.

*Docket Number:* OST-96-2027.

*Date filed:* December 17, 1996.

*Parties:* Members of the International Air Transport Association.

*Subject:* PTC3 0024 dated December 10, 1996 r1; PTC3 0025 dated December 10, 1996 r2-3; PTC3 0027 dated December 10, 1996 r4; PTC3 0028 dated December 10, 1996 r5-6; PTC3 0029 dated December 10, 1996 r7; PTC3 0030 dated December 10, 1996 r8; PTC3 0032 dated December 10, 1996 r9; PTC3 0033 dated December 10, 1996 r10; PTC3

0034 dated December 10, 1996 r11; Expedited TC3 Resolutions; Intended effective date: expedited January 15, 1996.

*Docket Number:* OST-96-2031.

*Date filed:* December 19, 1996.

*Parties:* Members of the International Air Transport Association.

*Subject:* COMP Telex Reso 033f; Local Currency Rate Changes—Pakistan; Intended effective date: upon government approvals.

Paulette V. Twine,

*Chief, Documentary Services.*

[FR Doc. 97-124 Filed 1-3-97; 8:45 am]

BILLING CODE 4910-62-P

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### Notice of Applications for Certificates of Public Convenience and Necessity and Foreign Air Carrier Permits Filed Under Subpart Q During the Week Ending December 20, 1996

The following Applications for Certificates of Public Convenience and Necessity and Foreign Air Carrier Permits were filed under Subpart Q of the Department of Transportation's Procedural Regulations (See 14 CFR 302.1701 et. seq.). The due date for Answers, Conforming Applications, or Motions to modify Scope are set forth below for each application. Following the Answer period DOT may process the application by expedited procedures. Such procedures may consist of the adoption of a show-cause order, a tentative order, or in appropriate cases a final order without further proceedings.

*Docket Number:* OST-96-2028.

*Date filed:* December 17, 1996.

*Due Date for Answers, Conforming Applications, or Motion to Modify Scope:* January 14, 1997.

*Description:* Application of United Air Lines, Inc., pursuant to 49 U.S.C. Section 41101, and Subpart Q of the Regulations, applies for renewal of authority to engage in scheduled foreign air transportation of persons, property, and mail between the terminal point Los Angeles, California, and Mexico City, Mexico, and beyond Mexico City to the following points: Guatemala City, Guatemala; San Salvador, El Salvador; Tegucigalpa, Honduras; Managua, Nicaragua; San Jose, Costa Rica; Panama City, Panama; Barranquilla, Colombia; Maracaibo and Caracas, Venezuela; Port of Spain, Trinidad and Tobago; Georgetown, Guyana; Paramaribo, Suriname; Sao Paulo, Rio de Janeiro, Brasilia and Belem, Brazil; Montevideo, Uruguay; and Buenos Aires, Argentina.

These services are authorized on segment 4 of United's Certificate of

Public Convenience and Necessity for Route 566.

Paulette V. Twine,

*Chief, Documentary Services.*

[FR Doc. 97-125 Filed 1-3-97; 8:45 am]

BILLING CODE 4910-62-P

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### Office of the Secretary of Transportation

[Docket No. OST-96-1188]

#### National Freight Transportation Policy

**AGENCY:** Office of the Secretary of Transportation, Department of Transportation.

**ACTION:** Final Policy Statement.

**SUMMARY:** The Department of Transportation is publishing a final policy statement on freight transportation that establishes the most important principles that will guide Federal decisions affecting freight transportation across all modes. The aim of these guiding principles is to direct decisions to improve the Nation's freight transportation systems to serve its citizens better by supporting economic growth, enhancing international competitiveness and ensuring the system's continued safety, efficiency and reliability while protecting the environment. We are maintaining Docket No. OST-96-1188 to receive comments or suggestions that could be useful in preparing future editions of this policy statement. It is our intention to update the statement periodically as warranted by changing conditions and events.

**EFFECTIVE DATE:** January 6, 1997.

**ADDRESSES:** Submit written, signed comments to Docket No. OST-96-1188, the Docket Clerk, U.S. Department of Transportation, Room PL-401, C-55, 400 Seventh Street, SW., Washington, DC 20590. All comments received will be available for examination at the above address between 9:00 a.m. and 5:00 p.m., ET, Monday through Friday, except Federal holidays. Those desiring notification of receipt of comments must include a self-addressed, stamped envelope or postcard.

**FOR FURTHER INFORMATION CONTACT:** Mr. Carl Swerdloff, Office of Economics, at (202) 366-5427, Office of the Secretary, 400 Seventh Street, SW., Washington, DC 20590. Office hours are from 8:30 a.m. to 5:00 p.m. ET, Monday through Friday, except Federal holidays.

Summary of Written Submissions to the Docket

Written responses to the Notice of Proposed Policy (NPP) were received

<sup>10</sup> 15 U.S.C. § 78s(b)(2) (1988).

<sup>11</sup> 17 CFR 200.30-3(a)(12).

from a total of 18 organizations representing a broad range of governmental and private sector entities. Virtually all commented favorably on the DOT's decision to prepare a freight transportation policy, in response to the Intermodal Surface Transportation Efficiency (ISTEA), which emphasized that freight transportation needed greater attention by planning and development agencies, and because it would be useful to State and local government to set out a framework for addressing freight transportation issues. Some suggestions for modifying the statement appeared in several submissions and are discussed below.

Several commentors were critical of the NPP because it was at too high a level of generality and that it was, therefore, of less utility to those outside the Department seeking information on future Federal priorities and programmatic or regulatory directions. Some thought that the policy statement should expand upon the general principles and include how the DOT would apply them in establishing strategic plans for addressing national freight transportation requirements. Several stated that the policy should, in fact, include specific actions the DOT anticipated for improving the freight transportation system. On the other hand, one commentor was concerned that the DOT's expressed role in freight transportation infrastructure planning and development not extend beyond general principles and broad national goals, leaving to the States the responsibility for setting local priorities and solutions that reflected local political and economic realities. The policy statement and the principles presented are intended as guidance for the development of more specific strategic action plans, proposals or decisions by the DOT, Congress, and State and local governments. We believe the policy principles presented in the statement describe, in general, the role and responsibilities of the DOT in freight transportation matters. In response to the comments that the policy statement include actions the DOT anticipates for improving national freight transportation, an addendum has been added to present examples of such activities that are either underway or to be initiated in the near term.

Several comments suggested that the NPP include greater attention to multi-state, regional and local economic and transportation differences that need to be taken into account in developing freight transportation solutions. This issue was also raised in regard to the general concern that as a nation we

should address the growing demand on our domestic freight transportation systems from international trade. These commentors noted that the Federal Government should consider these impacts on our transportation facilities as part of future international trade agreements. The policy statement has been revised to account for variability in State, regional and local requirements and conditions that must be considered in applying these policy principles.

The integrated nature of the Nation's transportation system, freight and passenger, has been noted in the final policy statement in response to a suggestion of one commentor.

Concern was expressed by some that although there is agreement with the general goal of greater freight transportation efficiency, we should, at the same time, understand that other important goals, such as improved air quality and safety, present restraints that may not allow for maximum efficiency in our freight transportation systems. While this point is well taken, it applies to a number of the general principles stated in the policy. Under varying circumstances or local situations a number of the guiding principles can be in conflict, necessitating trade-offs and compromises in reaching solutions that satisfy all parties. We believe the original policy statement addressed this point and that added discussion is unnecessary.

Several commentors questioned the policy principle that efficient pricing systems are to be encouraged that reflect the full costs of developing, maintaining and operating public transportation infrastructure. They noted that this could lead to higher user costs or be exploited by local governments as a source of general revenue. The policy advocates the use of appropriate and efficient pricing which does not include excessive charges for general revenue purposes. We believe the principle, as presented, is correct and should be advanced.

A number of other wording changes have been made in response to specific comments submitted to the docket. These changes are, for the most part, for clarification or emphasis purposes and have not altered the purpose or objectives of the principles as stated in the NPP.

#### Freight Transportation Policy Statement

##### *I. Introduction*

This statement of guiding principles for the Nation's freight transportation system sets forth a DOT policy

framework that will help shape important decisions affecting freight transportation across all modes. Our interest is to ensure the nation has a safe, reliable, and efficient freight transportation system that supports economic growth and international competitiveness both now and in the future, while protecting and contributing to a healthy and secure environment. The goal of this statement is to provide guidance for making the Nation's transportation system serve its citizens better. To achieve this goal, new partnerships must be formed among public agencies, the freight transportation industries and shippers.

Highways, airports, rail facilities, ports, pipelines, waterways, intermodal transportation, and the freight carriers and shippers they serve all play a vital role in the Nation's economic health. The integrated nature of the Nation's transportation facilities and operations is an important feature that must be accounted for in the establishment of principles and actions that are directed at improving freight transportation. An efficient transportation system results in lower production and logistics costs for U.S. firms and better prices for consumers. In order to compete successfully in international markets U.S. firms must be able to rely on an efficient domestic freight transportation system that is effectively managed. The system also must support achievement of other national goals by fostering safe, effective, timely and environmentally sound freight transportation that improves the quality of life for all U.S. citizens.

Effective freight transportation policy and planning must consider that much of our transportation infrastructure is provided by the different levels of government and that major portions are put in place by private capital. The policy must allow for variations in State, regional and local conditions, requirements and resources. Further, the fusion of public and private investment creates economic opportunities but also may raise regulatory conflicts, and both must be considered in national freight policy and planning.

##### *II. Recent Trends in Freight Movements*

Freight moves on systems of increasingly integrated supply chains and distribution networks operating in States and metropolitan areas, as well as regionally, nationally, and internationally. Reliance on just-in-time production and current inventory management practices have increased the demand for more efficient and reliable freight transportation. Shippers are increasingly rationalizing the mix of

transportation, inventory, handling, and loss and damage costs, striving to reduce their total logistics costs. They are using increasingly fast, reliable transportation in place of large inventories.

The productivity of freight transportation firms and their ability to provide timely and reliable service depends not only on the efficiency of individual modal systems and the effectiveness of the laws and regulations under which they operate, but also on the efficiency of intermodal facilities that govern the effectiveness of their connections to one another. U.S. intermodal freight transportation links the various modes to meet customers market needs by providing integrated origin-to-destination service. It utilizes advanced technologies and operating systems designed to enhance productivity, reduce transportation costs, increase service speed and quality for shippers and lower prices for consumers.

International freight movement takes advantage of the latest innovations in the global marketplace that reduce cost and better serve the customer. Customers are establishing global supply chains. Innovations that are developed by individual carriers are copied by others when results in savings or service are seen. The use of real-time, interactive electronic data interchange, and vessel/asset sharing agreements all provide more efficient and rapid transportation of international freight movements.

Contractual regimes governing the movement of freight have been established by the private sector which sometime result in conflicts with public regulations and create impediments to the safe and efficient operation of freight transportation. Government typically regulates the safety, and environmental aspects of infrastructure and equipment. It also may be appropriate for Government to facilitate problem solving and provide technical assistance where private and public sector requirements create barriers to safe and efficient freight movement. Economic consequences are increasingly a matter of market decisions by the private sector.

### *III. Principles of Federal Freight Transportation Policy*

The following eight principles provide the basis for a Federal freight transportation policy and describe the Federal role in freight transportation:

1. Provide funding and a planning framework that establishes priorities for allocation of Federal resources to cost-

effective infrastructure investments that support broad national goals.

2. Promote economic growth by removing unwise or unnecessary regulation and through the efficient pricing of publicly financed transportation infrastructure.

3. Ensure a safe transportation system.

4. Protect the environment and conserve energy.

5. Use advances in transportation technology to promote transportation efficiency, safety and speed.

6. Effectively meet our defense and emergency transportation requirements.

7. Facilitate international trade and commerce.

8. Promote effective and equitable joint utilization of transportation infrastructure for freight and passenger service.

1. Provide funding and a planning framework that establishes priorities for allocation of Federal resources to cost-effective infrastructure investments that support broad national goals.

Enactment of ISTEA, with its requirement for greater emphasis on intermodal and freight policy issues, marked a new era in transportation investment decision-making. The transportation planning process has become increasingly important. Metropolitan and State officials are now encouraged to include major freight distribution issues in their planning processes. They are also urged to work with carriers and industry to find ways for improving the efficiency of freight movements while protecting the environment. Thus, the transportation planning procedures adopted in ISTEA are aimed at an improved approach to developing freight transportation policy at all levels of government.

While much of the surface transportation infrastructure is provided by the private sector (e.g., rail freight facilities, waterside and truck terminals, oil and gas pipelines), much of the infrastructure would not be built or maintained without public financial support that is affected by Federal policies. Private facilities are often dependent on public investment for their effectiveness, (e.g., waterside terminals that require public channels, etc.). Federal participation may be appropriate when infrastructure investment projects have a national or regional significance or when Federal involvement may facilitate the resolution of a freight transportation problem. The value of a particular transportation facility is often dependent on the existence and effectiveness of a regional or national

network that is a Federal concern and responsibility.

In cooperation with DOT and other Federal agencies, the Office of Management and Budget (OMB) has established guidelines for the economic analysis of Federal infrastructure investments.<sup>1</sup> The guidelines apply rigorous cost-benefit standards to all proposed investments, including a provision that requires the measurement of costs and benefits over a project's life-cycle. The OMB guidelines also encourage, when appropriate, private sector participation in infrastructure projects and more cost-effective State and local infrastructure investment programs.

2. Promote economic growth by removing unwise or unnecessary regulation and through the efficient pricing of publicly financed transportation infrastructure.

Although freight transportation services are provided almost exclusively by the private sector, the Federal Government plays an essential role in maintaining competition in the transportation marketplace and in protecting the public from unsafe and environmentally damaging transportation operations. By promoting competition, Federal policies can help to foster an environment that encourages improvements and changes that reduce transportation and logistics costs. National objectives for the freight transportation system can be addressed through Federal activities such as the deregulation of entry and ratemaking in the trucking and air cargo industries, in order to foster an effective, competitive freight transportation environment.

As the logistical requirements of businesses become more complex, some shippers and transportation providers will rely increasingly on intermodal services. Such services should not be hindered by artificial constraints. Physical and institutional barriers that impede the flow of freight from one mode of transportation to another should be eliminated. The elimination of physical and operational barriers to freight intermodal operations is primarily the responsibility of transportation carriers, shippers, and State and local government. The Federal Government, however, may take action to improve inadequate public infrastructure to support essential freight intermodal operations or to reduce legal and regulatory barriers such as those that until 1996 impeded

<sup>1</sup> Executive Order 12893, "Principles for Federal Infrastructure Investments," Federal Register, Volume 59, No. 20, January 31, 1994.

railroad ownership of barge and trucking companies. The Federal Government may also encourage State and local governments to take necessary action, or in extreme cases even preempt them, in order to reduce statutory impediments to intermodal transportation.

The prices charged for public sector transportation facilities and services determine whether they are used efficiently. Public facilities costs that are not included in the transportation rates paid by shippers may lead to inefficient use of the Nation's limited transportation resources. Whenever feasible, fees and taxes adequate to cover the cost of building, operating, and maintaining public infrastructure facilities should be recovered from the parties that use and benefit from them. However, fees that exceed the cost of providing freight services will adversely affect the efficiency and effectiveness of the transportation system and should be avoided.

Federal actions must be evaluated not only for their short-term impacts but for their longer-term consequences for maintaining viable, competitive, multimodal freight transportation to serve the Nation. Therefore, freight regulatory and investment policies must take into account the linkages between freight transportation performance and economic performance at the local, regional, national, and international levels both today and in the future. The DOT has completed a comprehensive assessment of its regulations as part of the National Performance Review. It will reexamine its policies, programs, and regulations periodically to assess their effectiveness and whether they should be continued.

### 3. Ensure a safe transportation system.

Making the transportation system safer is a critical Federal policy objective. Because the marketplace alone may not be effective in producing an acceptable level of public safety, the Federal Government will continue to promote transportation safety through regulation; through enforcement, engineering and education; and through support of voluntary compliance efforts by industry. Success in maintaining and improving the safety of our freight transportation networks requires the cooperation of each level of government and the private sector.

The Federal Government will continue to support safety research and the dissemination of information related to safety. The DOT will continue to support activities to improve the information base needed to monitor the safety performance of all freight

transportation modes including the full social costs of accidents. Federal research will focus on the causes of transportation accidents: the role of truck, rail, aircraft, and vessel design and performance in accidents and their solutions, as well as the contribution of human factors and infrastructure design. The Federal Government will also continue to work with the private sector on a cooperative basis, to ensure that proven safety advances are rapidly incorporated into practice, especially when substantial public benefits will result from their adoption.

### 4. Protect the environment and conserve energy.

Responsible environmental protection is another important Federal policy objective and, like transportation safety, environmental protection requires the cooperation of all levels of government and the private sector. The total social costs of environmental degradation are not borne by the transportation users (e.g., the social costs associated with pollution are not reflected in the costs incurred by the users or prices charged for transportation services). Thus, the Federal Government plays, and must continue to play, an important role in reducing these social costs and ensuring that they are more accurately reflected in the price of transportation services through appropriate regulation or modifications to existing programs. In addition, the Federal Government will continue to support research and technology development that is directed at increasing transportation productivity while maintaining environmental protection.

In pursuing its environmental protection objective, the Federal Government needs to continue to assess the impacts of environmental regulation on the performance of transportation operations and will work with the private sector and the environmental community to implement appropriate environmental protection measures and technologies in a cost effective and environmentally sound manner. The Federal Government will seek to develop regulations that contain performance based rather than technology specific standards or criteria so as to permit industry flexibility and innovation in meeting regulatory requirements. DOT will continue working to promote and develop techniques for conserving energy and for better quantifying the social costs of environmental and community degradation.

5. Use advances in transportation technology to promote transportation efficiency, safety and speed.

Application of advanced technology in the transportation system offers significant opportunities to improve its safety, efficiency, capacity, and productivity.

Private firms invest in advanced communication, navigation, surveillance, and information technologies which improve the efficiency of their operations. These advanced technologies facilitate the movement and tracking of goods and vehicles as well as the exchange of information among carriers and their customers in the intermodal transportation system. They also offer tools for strengthening intermodal connections. Public and private investments for applying these advanced technologies to the air, highway, marine, and rail infrastructures have improved the overall efficiency of the transportation system.

DOT's Federal role in research and development of technologies is to promote the efficiency and safety of the national transportation system and to support the application of technologies in the movement of freight. Specifically, DOT provides leadership for the interagency coordination of Federal transportation research. This includes maintaining close dialogue with the private sector and State and local governments to ensure that DOT research funding reflects the priorities of freight transportation users and providers. DOT will coordinate Federally funded research to ensure that there is no redundancy. DOT will maintain a leadership role in development of an intermodal research framework.

Advances in information technology are having a dramatic effect on transportation requirements and the planning of future capacity investments. DOT works with the private sector to facilitate communications across modes for intermodal compatibility of technology applications, such as Global Positioning Systems (GPS) and Geographic Information Systems (GIS). DOT coordinates with other Federal agencies, such as the Department of Defense and the National Oceanic and Atmospheric Administration, to ensure that underlying data (such as weather and positioning information) required as input to these various systems continue to be available.

DOT will continue to work closely with the freight industry to ensure that the United States is well represented in

international transportation technology and standards forums.

6. Effectively meet defense and emergency transportation requirements.

Recent changes in our Nation's defense strategy and the downsizing of the U.S. military establishment have increased the need for effective deployment of those forces in times of a national emergency. They have emphasized the need for rapid deployment of large numbers of people and large amounts of material on short notice. Similarly, when natural disaster strikes, a high-quality, multimodal transportation system is critical to ensuring the safety of the affected population and the ability of local, State and Federal officials to start rebuilding devastated communities. Deploying personnel, equipment, and supplies through the air, over land or on the seas, requires well-planned, maintained, and sufficient alternative transportation systems and facilities for both the military mission and disaster relief operations.

The Department of Defense has adopted policies that will require greater use of civilian transportation resources in meeting its transportation needs. The Nation's freight transportation operators, therefore, have an essential role to play in the mobilization and deployment of personnel, equipment, and supplies in the event of a national emergency or a natural disaster. The DOT will continue to work with the Department of Defense, other Federal agencies, and the transportation community to identify short- and long-term national defense and emergency transportation requirements and to ensure that the transportation system can meet those requirements.

7. Facilitate international trade and commerce.

To retain and enhance the Nation's competitive position and its economic vitality, domestic firms must have access to foreign markets through an efficient transportation system. A competitive international transportation industry requires highly efficient connections to and within the domestic transportation system. Where international trade agreements are being negotiated, as in the case of the North American Free Trade Agreement (NAFTA) and the World Trade Organization (WTO), regulatory policy decisions that primarily affect international freight movements will also take into account their implications for domestic freight operations and competition as well as the interests of

States and localities affected by such policy decisions. Government can provide new opportunities for American exporters by leading trade negotiations with the European Union, with other industrialized countries, and with emerging markets, such as those in Asia and Latin America, and by providing technical assistance programs to promote American transportation and infrastructure technologies.

8. Promote effective and equitable joint utilization of transportation infrastructure for freight and passenger service.

The efficient use of the Nation's transportation infrastructure may require the joint use of facilities by freight and passenger transport operators. When appropriate, the Federal Government, in conjunction with State and local agencies and the private sector, will support the equitable sharing of transportation facilities and infrastructure and reasonable compensation for their use.

Potential safety problems and reduced freight transportation operations efficiency may arise from the sharing of facilities. These concerns should be taken into account in policy initiatives that address the joint use of facilities. The DOT will continue to support research in this area and will encourage transportation firms to adopt new technologies and operating practices that would reduce the adverse consequences that may arise from the joint use of facilities.

Addendum

The following is a list of near term DOT initiatives that may have significant implications for freight transportation. They are representative of a much larger number of activities underway or anticipated by the DOT that will improve the safety, efficiency, reliability and environmental performance of the freight systems consistent with the guiding principles presented in this policy statement. Included are development, operating, research and regulatory activities that affect individual as well as intermodal freight systems, and the cooperation of public and private entities.

*ISTEA Reauthorization:* The Intermodal Surface Transportation Efficiency Act of 1991 expires at the end of fiscal year 1997, and the DOT has completed its outreach and analysis effort and is in the process of developing the Administration's proposal for reauthorization. The central elements of ISTEA—strategic infrastructure investments, intermodalism, flexibility,

intergovernmental partnerships, a strong commitment to safety, and enhanced planning—have been well received and successful and should be preserved. The goal for reauthorization is to develop a proposal for the next century that allows our Nation to preserve our competitive advantage throughout the world and maintain the well being of our citizens. There are a number of freight transportation issues that are being considered, including:

*Increased Funding Flexibility:* Alternatives are under study for increasing the flexibility for use of Federal funds for projects that improve the connectivity of freight transportation systems and for the development or improvement of freight terminals that serve more than a single mode of transportation.

*Truck Size and Weight Regulation:* The DOT is currently conducting a comprehensive analysis of the effects of changing current truck size and weight regulations on safety, transportation costs, modal competition, and environmental and energy impacts. The results of this effort, which should be completed in early 1997, will be reported to the Congress and used in the evaluation of any proposed changes to current truck size and weight regulations. The range of alternatives being studied include maintaining the status quo, increasing individual State regulatory authority over truck size and weight limits, and increasing Federal responsibility in establishing greater national uniformity.

*Highway Cost Allocation Study:* The Department is conducting an analysis of the responsibility of highway user groups for both the direct and external costs of the highway program as well as alternative methods for collecting revenues from users. This study, which should be completed in 1996, will provide an analytic capability to evaluate alternative highway user tax and other revenue collection options that may arise in ISTEA reauthorization, including the cost responsibility of the heavy combination vehicles.

*National Highway System (NHS):* Programs that provide national connectivity, increase the capacity of the system and improve the flow of traffic, such as the National Highway System and its intermodal connectors, will be continued. The NHS, approximately 160,000 miles of major roads, represents only 4 percent of the total mileage but carries 75 percent of heavy truck traffic. All major rail-truck intermodal facilities will be connected to the NHS.

*Border Crossings:* We are concerned about the special trade-related

transportation needs of certain areas of the country, particularly along the Mexican and Canadian borders and the North-South corridors that serve them, that will facilitate trade resulting from NAFTA. Programs will be considered that are designed to improve the flow of trade and traffic across the borders.

*Intelligent Transportation Systems (ITS):* Consideration is being given to investments in ITS technologies that hold the promise of increasing the carrying capacity and efficiency of our current infrastructure. ITS is expected to increase the capacity of our transportation system at a fraction of the cost of traditional infrastructure building. ITS also is expected to provide substantial safety and environmental benefits. One major element of this program—particularly focused on freight transportation—is the Commercial Vehicles Information System and Networks (CVISN) which will develop standards and protocols to allow freight carriers to electronically exchange information required by regulatory authorities using commercially available communications infrastructure. The goal of the CVISN is to provide greater compatibility of the information systems owned and operated by state/local governments, carriers, and other stakeholders.

*Rail-Highway Grade Crossings:* The current program under ISTEA will be considered for continuation as part of the reauthorization effort. The program provides funds for rail-highway grade crossing improvements and for the conduct of studies and dissemination of information on better grade crossing designs and construction safety measures that will, in part, improve the safety performance of the freight transportation system.

*Implementation of the NAFTA Agreement:* We will continue working with our Canadian and Mexican partners to improve the safety, efficiency, and productivity of freight transportation among the three nations while protecting U.S. safety standards, including the improvement of enforcement of cross-border truck safety requirements.

*Deploy Global Positioning System for Transportation Purposes:* The DOT is the designated lead agency for all Federal civil GPS matters and will coordinate the development and implementation of Federal augmentation measures to the basic GPS for civil transportation applications. We will coordinate activities to minimize cost and duplication. The DOT will work to augment GPS to: improve aviation navigation during adverse weather conditions and increase

airways capacity and efficiency; facilitate railroads' ability to implement positive train control systems increasing safety and capacity; be a component of the Intelligent Transportation System (ITS) reducing congestion and improving railroad grade crossing safety; improve harbor approach and intra-harbor safety nationwide and track movement of tankers through Prince William Sound; improve safety and efficiency of ships moving through the St. Lawrence Seaway and Panama Canal; and more rapidly locate and respond to motor vehicle accidents, hazardous materials spills and vessels in distress.

*Pipeline Risk-based Programs:* The DOT will continue the examination of gas and hazardous liquid pipeline regulations to incorporate up-to-date technology and to more fully incorporate risk-based factors in the prioritization and selection of safety requirements.

*Conclude Additional International Aviation Agreements:* We will continue efforts to reach new agreements with other nations that open new and improved opportunities for U.S. airlines in international passenger and air cargo markets, and strengthen and expand the competitive international aviation marketplace.

*Shipyards Revitalization Initiative:* Assist efforts within the shipbuilding and repair industry to compete internationally by helping firms convert from defense to civilian markets. This includes ensuring fair international competition, improving competitiveness through technology transfer and applied research, eliminating unnecessary regulations, financing ship sales for both export and U.S. flag operations, and assisting in international marketing.

*National Dredging Policy:* We are implementing the report of the Interagency Working Group on the Dredging Process, by working with Federal and State agencies to resolve impediments to dredging projects that are necessary to maintain shipping channels in the major U.S. ports.

*Voluntary Intermodal Sealift Agreement:* We will continue development of this program in partnership with U.S. flag carriers and the Department of Defense to achieve agreement from carriers to commit intermodal sealift capacity in time of war or national emergency and to maximize DOD's use of the U.S. maritime industry's intermodal capacity.

Issued in Washington, DC on December 27, 1996.

Federico Peña,  
Secretary of Transportation.  
[FR Doc. 97-139 Filed 1-3-97; 8:45 am]

BILLING CODE 4910-62-P

## Federal Aviation Administration

### Aviation Rulemaking Advisory Committee Meeting on Transport Airplane and Engine Issues

**AGENCY:** Federal Aviation Administration (FAA), DOT.

**ACTION:** Notice of meeting.

**SUMMARY:** The FAA is issuing this notice to advise the public of a meeting of the Federal Aviation Administration's Aviation Rulemaking Advisory Committee to discuss transport airplane and engine issues.

**DATES:** The meeting will be held on January 22 and 23, 1997 beginning at 8:30 a.m. on January 22. Arrange for oral presentations by January 15, 1997.

**ADDRESSES:** The meeting will be held at Allied Signal Engines, 111 South 34th, Phoenix, Arizona 85034 in the Kachina Conference Room.

**FOR FURTHER INFORMATION CONTACT:** Jackie Smith, Office of Rulemaking, FAA, 800 Independence Avenue, SW., Washington, DC 20591, telephone (202) 267-9682.

**SUPPLEMENTARY INFORMATION:** Pursuant to section 10(a)(2) of the Federal Advisory Committee Act (Pub. L. 92-463; 5 U.S.C. App. II), notice is given of a meeting of the Aviation Rulemaking Advisory Committee to be held January 22 and 23, 1997 at Allied Signal Engines, 111 South 34th, Phoenix, Arizona.

The agenda for the meeting will include:

- Opening remarks.
- FAA Report.
- Joint Aviation Authorities Report.
- Review Action Items.
- Executive Committee (EXCOM) Report.
- Significant Regulatory Differences Discussion.
- Flight Test Harmonization Working Group (HWG) Report.
- Engine HWG Report and Vote.

Thursday, January 23, 1997

- Powerplant Installation HWG Report.
  - Electromagnetic Effects HWG Report.
- HIRF  
—Lightning
- Loads and Dynamics HWG Report and Vote.