



**Remarks of  
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**NATO Civil Aviation Planning Committee  
Training Seminar and Meeting  
Crystal Gateway Marriott  
Arlington, VA  
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On behalf of President Bush and Secretary Mineta, I want to welcome NATO Civil Aviation Planning Committee to Washington, as well as the experts in civil aviation who are participating in this important meeting.

This is the first time in many years that the U.S. has hosted the NATO CAPC. And it is the very first time the U.S. Department of Transportation has had the pleasure of hosting the CAPC on behalf of the United States. I understand that our Defense Department hosted CAPC meetings at Scott Air Force Base a long while ago, but perhaps only Lou Berman and Lloyd Milburn are old enough to remember those days! Actually, I'd like to take this opportunity to recognize Lou and Lloyd, both of whom have been associated with the Committee since 1978 and are its longest-serving participants. I also want to recognize and applaud the Office of Emergency Transportation in DOT's Research and Special Programs Administration for its superb work in organizing this gathering.

It's a great privilege for me to be with you, and to have this opportunity to share some thoughts about the backdrop for your work this week.

For a great many Americans, last week was filled with emotion. Our national mourning of Ronald Reagan's death surprised many of us with its depth and intensity, and the extent to which it dominated the news for so long.

Undoubtedly much of that was a consequence of President Reagan's ability to connect so personally with Americans of every station, in every walk of life. He had a largeness of spirit that most citizens came to see as a reflection of our character as a nation.

But the outpouring of sentiment last week also had a lot to do with the changes that took place during Reagan's presidency and, undoubtedly in large measure, because of it. We had begun to forget the way history changed during those eight pivotal years, and last week helped to remind us of the importance of that change.

It had profound implications for peoples everywhere. That is surely what brought so many present and former heads of state from our NATO allies and other countries around the world to Washington last week. Mikhail Gorbachev was there – the man who came to power as head of what Reagan famously called the “evil empire” and who ultimately became Reagan's partner in bringing the Cold War to an end.

I think most Americans were astonished at the number of other leaders – past and present – who visited Washington last week. We expect this sort of attendance when a leader dies in office, or shortly after leaving it. But Ronald Reagan left office fifteen years ago! Margaret Thatcher and Tony Blair were there, and Brian Mulroney. Gerhard Schroeder came, and Silvio Berlusconi, and Kofi Annan. Far too many prime ministers and foreign ministers to list by name. Americans began to understand that, by coming here to honor the memory of Ronald Reagan, these leaders were also expressing a kind of tribute to the country he led, and sharing the sadness of the American people over his loss.

It was deeply moving to all of us. Given the challenges we face today – in a world wracked by the threat of terrorism and, yes, some differences of view between our governments over the best means of neutralizing that scourge – the leaders' appearance in Washington said something even more important: The bonds that draw our nations together – founded on a set of core values that all of us share in common – will always be far stronger than the differences that occasionally separate us.

If I were to offer any critique of last week's events, it would be that much of what we heard painted too rosy a picture of President Reagan's years in office. Those of us who worked under Reagan recall a far more contentious and controversial time than was described in many of the speeches and eulogies and commentaries. President Reagan faced challenge and opposition at every turn as he worked to realize his vision of a world at peace. He was sharply criticized for insisting on a dramatic increase in America's defense budget – new spending levels that many opponents said were fiscally irresponsible and that would break the bank.

His attraction to “supply-side economics” was equally controversial – along with his conviction that reducing the tax burden on our citizens would get the economy moving again.

Fortunately for all of us, President Reagan's most conspicuous quality was the strength of his resolve. He didn't come to his conclusions lightly, but once he set upon a course, no matter how difficult or unpopular, he stayed that course. Last week's recollections of the Reagan presidency paid insufficient attention, I think, to the obstacles he had to overcome to achieve the very breakthroughs for which he is today most admired. His defense build-up worked; the U.S. economy soared.

The geopolitical changes set in motion during the 1980s are still unfolding. They led, of course, to a transformation and broadening of NATO's mission, and of its membership. The spread of democracy and freedom spawned by the events of the 1980s were what made it possible for President Bush to welcome seven new NATO members to the Organization at a White House ceremony last March.

Now 26 nations strong, our great transatlantic alliance has transcended its original purpose – the assurance that America would come to Europe's assistance in time of need. It now represents, as President Bush said when he welcomed our seven new NATO allies, “a solemn commitment that America and Europe are joined together to advance the cause of freedom and peace.” It is an alliance of strong friends mutually committed to that cause, and it will serve as an enduring beacon of hope for the rest of the world.

You are here this week to focus on an essential element in our ability to meet that commitment -- the contribution that civil aviation makes to our mutual security.

Speaking of change, no industry is more in the throes of transformation right now than the airline industry. A lot of attention is being focused on the so-called “legacy carriers” in the United States. They are immersed, as you know, in a major effort to reduce costs, and to become more effective in domestic competition with a relatively young cadre of leaner and more efficient low-cost carriers.

But the challenges faced by the larger airlines in the U.S. are also being felt by airlines abroad. It is a global phenomenon, and some believe that a fundamental restructuring of the air transport sector is currently underway. It bears close watching by those who rely on civilian airlift as an essential supplement to organic military assets.

In addition to the financial stresses being experienced by many of our better-known airlines, changes in the regulatory framework for international civil aviation are also in the works. Most of you know, I'm sure, that the U.S. has been engaged over the past few months in intense negotiation with representatives of the European Commission over the terms of a new transatlantic air services agreement. The intention is to create a single transatlantic market characterized by far more competitive opportunity than exists today, lower costs for travelers and shippers, and an improved quality of services.

The U.S. and EU delegations, after exploring a variety of proposals for the further liberalization of transatlantic air services, agreed on a carefully balanced first-phase agreement. It had to be approved, however, by the EU Council of Ministers. I am sorry to report that the Council, meeting in Luxembourg on Friday, voted not to accept that package. We are just now considering next steps.

There is probably little likelihood of putting the pieces back together in a way that satisfies the Council of Ministers prior to the U.S.-EU Summit later this month in Dublin. The Council's refusal to approve the package last week represents a setback for the time

being. My guess is that not very much can happen on this front before next year at the earliest.

I also believe, however, that further liberalization along the lines discussed by the two delegations is probably inevitable, whether sooner or later. Airlines and governments do want to remove the residual regulatory barriers that have for so long restricted airline competition; they will find a politically acceptable formula for doing so, I predict, in the not very distant future.

Again, it is critically important that those responsible for civil aviation's role in war fighting and other military missions stay in close touch with those developments. Liberalization and national security are not in any way incompatible objectives. Indeed, a liberalized, more competitive, and generally healthier global airline industry is precisely what our respective defense organizations should want. But change is always a worry, and so it is important that everyone who has a stake in the outcome of the negotiations pay close attention to what's unfolding – whenever it actually begins to unfold.

This is, in other words, a time fraught with change – change in NATO's core mission, change in NATO's membership, and change in the civil aviation industry with which defense organizations must partner if we are to have the airlift we need in times of emergency. I know that you have assembled here for some important training and to work through a very busy, very practical agenda on Thursday and Friday. As you do so, please be mindful of these larger themes. They will ultimately have profound implications for your very important mission.

Thank you for allowing me to share these thoughts with you this morning, and please accept my warmest wishes for a very successful week.

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