

UNITED STATES DEPARTMENT OF

COMMERCE

John T. Connor, Secretary

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REMARKS BY ALAN S. BOYD, UNDER SECRETARY OF COMMERCE FOR TRANSPORTATION, PREPARED FOR DELIVERY BEFORE THE COMMON CARRIER CONFERENCE (IRREGULAR ROUTE) OF THE AMERICAN TRUCKING ASSOCIATION AT THE WALDORF-ASTORIA HOTEL, NEW YORK, N.Y., TUESDAY, OCTOBER 26, 1965, AT 11:15 A.M.

It is a pleasure to participate in this membership meeting of the Common Carrier Conference of the American Trucking Association.

In announcing my appearance here, your Washington headquarters billed it as a discussion of "a subject of vital importance to the entire transportation industry."

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I don't mean to imply any pride of authorship in these remarks, but I do agree with your announcement that what we will be talking about here today is of vital importance -- to the transportation industry, to industry as a whole, to the economy of our nation and perhaps even the future course of world history.

We meet in a time of great and rapid changes in the transportation industry. In the months and years ahead, we will be called upon to form policies and arrive at decisions that may well hold the answer to whether or not we are worthy of the role of global leadership which has been thrust upon us in today's divided world.

We meet also in the developing days of a new era of partnership between private industry and Government, an era which demands swift technological change and advance to meet the rapidly-increasing needs of our record-breaking economy at home and our commitments around the world.

We have some hard decisions ahead of us, decisions which will put that partnership to stern testing. We will need all the dialogue, all the discussion, all the advice and counsel we can get to help us produce the judgments and policies that will enable us to maintain and expand our vast network of transportation which today represents the best that man has ever known.

I think we can all agree, generally, on the broad outlines of transportation policy which are required.

President Johnson set the tone for us in calling for more reliance on competition in shaping the nation's transport.

We can all agree, I am sure, with the precept that maximum reliance be placed on unsubsidized, privately-owned facilities, operating under the checks and stimuli of free competition.

The substitution of broad guidelines for detailed rules and regulations also should find ready acceptance throughout your industry.

There is no quarrel, either, with the thesis that our transportation system should offer common carrier service without discrimination to the general public and be amenable as well to contract and private carriers.

Also, that it should be fast, efficient, economical and safe and be capable of supporting our national security objectives in time of normalcy and emergency.

I think we can obtain general acceptance, too, of the idea that the users of transportation services should bear the full cost of those services whether they are publicly or privately provided. But when we speak of user charges, we are getting into a scale which could produce a few discordant notes among this gathering. This is what I mean, however, when I say we need sane and sensible discussion, negotiation, advice and counsel.

Users of highways, as President Johnson noted in a message on excise and fuel taxes in the last session of Congress, "come closer to reimbursing the Federal Government for its transportation investment than any other group." But I think you are all aware, too, that many of the highway user taxes have not been applied with an even hand, that revisions are due if we are to meet the increased costs of completing the Interstate System and expanding and maintaining the primary and urban systems.

This administration has made it clear that it is willing to accept increases in the size and weight limits of trucks, but this goes hand in hand with the hard decisions we face on user charges in all forms of transportation.

I would hope that our approach to these problems would be based on reason and sound judgment rather than emotion and self-serving stubbornness.

The need for the kind of industrial statesmanship which I am trying to emphasize here, was pointed up rather vividly earlier this month when the Interagency Maritime Task Force, which I am privileged to chair, suggested a series of policy changes designed to strengthen our subsidized merchant fleet -- designed to make it more productive, more efficient and more responsive to foreign competition.

Release of the task force's report, which represented long and careful study by representatives of nine different departments and agencies of Government, was greeted with charges that we were trying to wreck our merchant fleet.

This kind of statesmanship we can do without. What we want is for those segments of the maritime industry who disagree with us to come forward with constructive and creative suggestions, with the kind of argument and persuasion that has been known to make reasonable men change their minds.

I mentioned earlier the need for swift technological change and advance. In this respect, we were pleased to note the recent announcement that the Union Pacific Railroad and Consolidated Freightways have reached agreement on providing coast-to-coast piggyback movement of freight.

The only thing wrong with this heartening breakthrough is that it was so long in coming and is confined to such a regionalized piece of our whole rail-truck transportation system.

The attitude of some of our railroads, especially those in the east, against publishing Plan I tariffs has severely limited common carriers use of piggyback, and has deprived major segments of our economy of this modern, through system of transportation. We need a breakthrough here as well as in coast-to-coast service.

Piggybacking, as I'm sure we are all aware, was delayed in the beginning for two decades because of arbitrary rules and regulations and the opposition of the traditional defenders of the status quo. Once accepted, however, it has enjoyed remarkable acceptance.

Ten years ago, the railroads were carrying 168,000 carloads of piggyback freight. This year the carry will exceed one million carloads. That it has taken 10 years to make this service available on a coast-to-coast basis is hard to believe.

One thing is certain, however; we can't afford that kind of procrastination over the remainder of this century when freight and passenger hauls are expected to more than double. We simply must do better.

Another recent breakthrough in transportation -- in the field of containerization -- offers evidence that we do have the wherewithall to meet the demands of tomorrow.

The use of containers in our sea-going trade is in about the same position piggybacking was a decade or so ago. American shippers currently are using some 120,000 containers of varying sizes and shapes. Of these, 21,000 are involved in ocean-going trade, and 7,000 of them are of a standard, approved size.

Last month, an agreement was reached through the International Standards Association on hardware fittings for containers in international trade, marking the end of a lengthy period of discussion and debate which found opposing sides changing their minds on several occasions before a final agreement was hammered out.

The support of the American Trucking Association and the American Association of Railroads played a major role in bringing these deliberations to a successful conclusion. This represents industrial statesmanship at its finest.

This is a breakthrough comparable to coast-to-coast piggybacking, but it doesn't mean we have the containerization problem licked. We still have mountains of work to do.

We will be participating in discussions in Geneva early next year regarding such containerization problems as customs, health, specifications, safety, uniform markings, rates and regulatory procedures, especially in the field of documentation.

The documentation dilemma represents a paper barrier to the smooth flow of commerce in this field that simply must be erased. Studies show there are as many as 810 combinations of import documents which can become involved in shipments entering the United States. On exports, there may be as many as 86 documents.

Industry and Government have been working side by side on this problem and are beginning to show results. The West Coast maritime industry took the lead here. Numerous agencies and departments of the Federal Government and the American Merchant Marine Institute joined in. And their efforts have produced a standard export document package which greatly reduces the paper work. Regional differences at home and abroad are causing some delay in its acceptance, but we are making the kind of progress that raises hopes for the future.

We are setting up a pilot project with Great Britain. It is scheduled to get underway next February and March and we are confident it will show the way for doing something about the mountain of paper work that now confronts us in this field.

As of today, container shipments are moving satisfactorily on a pier-to-pier basis in foreign trade. There is some activity on a plant-to-plant basis, too. But our record in container shipments from inland U.S. cities to inland points abroad leaves much to be desired. Containers now must be inspected at dockside here, at dockside abroad and at their final destination. It seems within the realm of reason that agreements for a single inspection could be worked out. The pilot operations may shed some light on this aspect, too.

Plans are underway to consolidate and stuff commercial cargoes at Chicago and St. Louis in standard 20-foot containers. Export and import customs inspections will be made before export and following the import movement. New York, Norfolk and New Orleans have been selected as ports of entry and exit. The ports abroad have yet to be designated.

Alternative inland transport modes linking these U.S. ports with consolidation centers are being programmed with particular emphasis on transit time and cost in an effort to achieve the best possible container routings.

This will include rail and truck transport -- and piggybacking where appropriate -- and I'm sure that some members of this audience already are involved in this planning.

The containerization story is cited here as an up-to-date and important development in the overall transportation picture. It is but one in a series of similar developments industry and Government will be called upon to face up to and solve if we are to provide the fast, low cost, fully-integrated and coordinated transportation service which today and tomorrow require.

Another important problem which we face every day and will continue to deal with as far ahead as we can see is highway safety.

I know of no other segment of American industry which has a bigger stake in highway safety than the trucking industry. As you know, we have been losing ground in recent years in this field. In the mid 1930s the death rate per 100 million vehicle miles of travel was 15. By 1961 it had been reduced to 5.2, but in the past three years it has been climbing. In 1964 it was up to 5.7.

In other words, 48,000 people were killed in highway accidents last year; 1.7 million suffered injuries. There were 12.3 million accidents and the loss in these mishaps is estimated at around \$8 billion.

President Johnson has categorized this as a national problem which calls for "a significant national effort."

The President recently signed into law legislation which directs that each State should by December 31, 1967, "have a highway safety program approved by the Secretary (of Commerce), designed to reduce traffic accidents and deaths, injuries and property damage resulting therefrom, on highways on the Federal-aid system .."

It calls for uniform standards to be approved by the Secretary of Commerce, for an effective accident records system, and measures calculated to improve driver performance, vehicle safety, highway design and maintenance, and correction of high or potentially high accident locations.

In signing the legislation, President Johnson described it as providing "the tools for a coordinated attack on highway accidents ..."

The approach, the President noted, is in keeping with the traditional Federal-State relationship under which the Federal aid highway program has functioned so successfully down through the years.

In helping to draw up uniform traffic standards, we will be looking to all disciplines, all organizations and societies, all levels of government, all segments of industry involved for their cooperation.

In the Department of Commerce, we are taking a new look -- the kind of look a scientist takes at a problem -- at the highway safety puzzle. And the first thing we have learned is that we don't know enough about the cause of accidents. Despite the fact we register more than 12 million mishaps a year on our highways, there does not appear to be any great statistical frequency yet identifiable among these accidents.

This new legislation will enable us to make in-depth regional studies and surveys with highly-trained personnel to get the kind of knowledge we need to determine the why and wherefore of these accidents.

The Bureau of Public Roads is stepping up its spot improvement program in an effort to bring the number of accidents down. The Bureau now has some 275 such projects underway or planned, and is shooting for 600 for the next fiscal year. The Bureau also has a number of research programs underway, trying to learn what can be done to give the driver more assistance in the days of thickening traffic.

As I stated at the outset, we need your help, the benefit of your experience in highway commerce, to help us find the way on these and many other problems which must be solved if we are to provide for the nation and demonstrate to the world that free men, working in a free and competitive society, can keep men and materials flowing fast, economically and safely and in harmony with the rest of our society.