

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 ANNUAL MEETING OF THE
OHIO VALLEY SHIPPERS ADVISORY BOARD AT
SHERATON-GIBSON HOTEL, CINCINNATI, OHIO
AT 1:30 P.M., WEDNESDAY, JANUARY 19, 1966

More than 100 years ago, our early settlers rolled their
Conestoga wagons onto railroad flatcars, and headed for the
wide open spaces. *of the West.*

at the birth
Thus was ~~born~~ the idea of piggybacking -- ~~or TOFC, or~~
~~trailer-on-flat-cars as it is known in the shipping and~~
~~transportation terminology of today.~~ *so for as we know*

But it has taken us more than a century to make this
highly-efficient and extremely sensible mix of transportation
modes available to shippers ~~on a coast-to-coast basis.~~

from coast to coast
And even now, the coast-to-coast service is available
on only the most limited terms -- one railroad and one ~~big~~
~~trucking~~ firm having announced its availability to ~~its~~
customers.

The workability of today's version of piggybacking was
established for nearly 20 years before we put it into
operation on a scale of any importance at all.

About 10 years ago, however, the railroads and the
truckers were in the business at a tempo of about 168,000
carloads of TOFC freight a year. This past year, the carry
topped the one million carload mark.

The Association of American Railroads reported recently that TOFC represented 3.5 per cent of the railroads' revenue last year, about \$29.5 million.

Thus, piggybacking appears to have been established firmly as a highly-profitable technique. It makes sense, too, from an efficiency point of view, coordinating as it does the long-haul advantages of railroad transport with the flexibility of the truck.

And add to this the fact that every truck trailer riding on a flat car means one less vehicle on our crowded highways.

Since it does make so much sense, since it is profitable and efficient, I think we have to ask ourselves:

"Why did it take us more than a century to start taking advantage of this remarkable tool?"

This little tale of tardy technological advance helps to explain why President Johnson, in his State of the Union message last week, called for the establishment of a Department of Transportation "to bring together our transportation activities . . . to serve the growing demands of the Nation, the needs of the industry (and) the right of the taxpayer to full efficiency and frugality."

The President noted that some 35 different agencies of Government currently are involved in transportation matters.

He did not mean to imply, I am sure, that by creating a Cabinet-level Department of Transportation we could solve all the problems of the transportation industry and its shipping customers overnight.

But what I am sure he did mean is that it is high time we got started helping the industry to solve its own problems to the mutual benefit of industry and users.

Not many of the myriad problems that beset us in our daily lives is subject to easy solution. We live in a viable, dynamic and free society which by its very own action creates problems as fast -- and sometimes faster -- than it solves them.

It is easy to pick out examples of tardiness and delay and procrastination like the piggybacking experience, but despite all this, the fact remains that we do have in this Nation today the greatest system for moving people and goods that the world has ever seen.

We also have with us, and will always have with us, a school of thought that says:

"If this is the greatest transportation system in history, why tamper with it?"

We also have with us, thank goodness, another school of thought which maintains:

"Nothing is so good that it can't be improved upon."

It is this latter school, of course, which supports the idea of a Department of Transportation.

As I said before, we don't see the Department as something that will cure the Nation's colds and chilblains.

We see it as the most logical answer to an urgent need for developing an updated national transportation policy which will apply to the total transportation system.

We see it as a central organization for the allocation of resources where the resources to be expended by the United States are competing for relative priority only against the requirements and demands of other transportation functions -- and not against totally unrelated objectives of government.

And most important, we see it, in the light of rapid population and community growth, as a strong agency capable of coordinating and fostering and promoting and inspiring utilization of much needed total transportation research and development.

For if we are to meet the needs and demands of the next 20 years and the remainder of this century, we simply must create the technology -- and the policies -- which will permit our transportation system as a whole to support the demands which inevitably will be made upon it.

As President Johnson has pointed out time and again, this Nation's population -- and all the things needed to service it -- will double by the end of the century.

This is a gigantic challenge. It means, generally speaking, that we virtually have to double the Nation's resources in all walks of life in the next 34 years.

The challenge in transportation is even more pressing. So are the opportunities. Economic forecasts show that if transportation's growth simply keeps in stride with the forward thrust of our economy, the demand for moving people and goods will double in the 20-year period ending in 1980.

And if things keep going like they have for the past five prosperous years, it probably will mean we will have to double our transport capacity again in the last two decades of the 20th century.

To make the decisions and the adjustments and the readjustments, the assessments and re-assessments, that this sort of challenge poses, we must know more about where the economy is headed and when and where and how that direction might change.

This calls for research and development -- and a monitoring and coordination of these efforts -- on an unprecedented scale. The Federal Government already is heavily involved in this kind of R&D work and undoubtedly will become more and more committed.

But we want to make it clear that we have no intention of trying to pre-empt this field from private industry. We need their know-how, their help and their cooperation, especially in the hardware phase of development. For they are the people who have to make things tick.

It is in the "soft" area of research -- in the field of ideas, of concepts and procedures and policies and the coordination of these efforts -- that a Departmental effort on the part of Government might be expected to make its greatest contribution. The Government's research efforts should and will be in those areas where private management is not in a position to do the job, and the findings will be available to all.

We already are at work -- with leading universities and private transportation experts and consultants -- in some of these areas. We are working on such projects as:

-- Trying to establish the feasibility of putting all freight rates -- some one trillion, in all -- onto computers.

-- To develop the kind of administrative systems required for cost accounting for control and decision making for various modes. This includes procedures and techniques for the collection, classification and analysis of expenses and revenues.

-- Development of a general-purpose transportation simulator that will give us a systems analysis approach to a wide variety of transportation problems. This may concern different modes, different traffic and environmental situations in varying combinations.

-- To determine the cost of shipping selected commodities in ocean-going trade and to seek an understanding of the factors influencing the level of those costs.

-- To investigate the possibilities for transportation companies to expand the offering of coordinated or multi-modal services and thus improve the system through reduced cost or improved service. This effort also will try to determine the extent to which expanded coordination can provide benefits to the national economy and create profit opportunities for carriers and savings for shippers. It also will review the effects of regulation on coordination efforts.

The last session of Congress also authorized us to take a far-reaching look into the problems and possibilities of high speed ground transportation research and development.

To carry out this assignment means we also will have to look at and be aware of all developments in all other modes -- sea, air, inland waters, pipelines.

The Bureau of Public Roads has a wide range of research effort underway in cooperation with the state highway departments. The Maritime Administration, too, is involved on a more or less moderate scale.

So are many of the numerous other Governmental agencies which are charged with transportation responsibility.

It seems only logical that these efforts should be more closely aligned, more compatible and more comprehensive.

That's one of the major reasons why a Department of Transportation makes so much sense.

The administration, as you know, already is committed to the idea that more reliance should be placed on competition than on regulations in the operation and development of our transportation industry;

That broad guidelines should be substituted for detailed rules and regulations to give management more freedom and flexibility to meet the mounting demands of tomorrow;

That as to general proposition users of transport services should pay the full cost of these services;

And that our transportation system operate as efficiently as possible without interfering with other social or economic resources and at the same time be adequate to serve the Nation in times of peril and in times of peace.

This concept -- of broad freedom to operate and prosper -- will require a new Governmental approach, a new comprehension of problems, a new spirit of team work, a new peak of coordination among all the modes of transport and the people who operate and use them.

I want to make it clear, however, that this new approach, this idea of a Department of Transportation, does not contemplate any change in the economic regulatory processes of the Federal Government.

These responsibilities now are carried out by independent agencies created by the Congress to set the rules and regulations and rates under which our transportation facilities serve the people. And they will remain so whether we have a new Department of Transportation or not.

The need of today and tomorrow is more harmony, more working together, a greater coordination of modes; in short, the movement of an increasing number of people and goods over the fastest and most convenient and most economical network possible.

The population boom and the record-breaking expansion of our National economy are not the only phenomena we have to face in future transportation planning.

There is also a rapid rush of technological changes and advances which demands that we maintain a constant awareness of what is going on at all times, in all spheres of transportation, and how these changes affect the various pieces of the puzzle.

For example, our Maritime Administration is currently involved in research and development of surface effects ships. These are vessels which in the not too distant future are expected to be skimming over the ocean on bubbles of air at speeds of 100 knots an hour.

At the higher speeds, these craft will be designed to lift off and glide a few feet above the water. They will, in fact, be about half ship and half airplane.

And where would we categorize them in today's fragmented governmental approach -- a responsibility of the Maritime Administration or the Federal Aviation Agency?

¹⁹
o The same dilemma faces us in the containerized movement of freight where we are in the midst of a series of breakthroughs -- the standardization of container sizes, the standardization of hardware fittings for handling, etc., and in the whole broad field of international exchange and commerce.

The United States and Great Britain will launch next month a pilot project designed to iron out details and problems in moving containers from inland cities here to inland cities abroad.

³¹
This modern, efficient through system of transportation represents one of the most important developments of our time.

When perfected, these containers will move by truck, by rail, by inland waterways, by sea and by air.

How do we propose to categorize and promote this kind of activity within the Federal Government?

In summary, let me say that there is a crying need to update and expand our National transportation policy so that all Government agencies involved in transportation policy will be operating with the same policy objectives in mind.

Also, that they will be in a position as a result of that updated and expanded policy to consider alternative solutions in the resolution of problems.

There is an urgent requirement for an understandable, clearly articulated set of policy objectives to be utilized in the public interest for the allocation of resources to transportation within the Federal Government.

There is no other way to provide the impetus for the continued improvement of our transportation system -- the best in the world -- at the government level.

This is not being done today.