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U. S. DEPARTMENT OF TRANSPORTATION
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REMARKS OF ALAN S. BOYD, SECRETARY OF TRANSPORTATION, PREPARED FOR DELIVERY AT THE SOUTHEAST TRANSPORTATION LUNCHEON OF THE TRANSPORTATION ASSOCIATION OF AMERICA, REGENCY HYATT HOUSE, ATLANTA, GEORGIA, 12:00 NOON, JUNE 13, 1967

I feel privileged to be asked to this luncheon.

The Transportation Association of America is looked upon by the Department of Transportation as its chief mentor and ally in the transportation industry--as the private organization in the transport field that is most concerned with the public interest.

I am proud to acknowledge our partnership in that pursuit.

And I am grateful for this opportunity to talk about the regional effects of transportation.

As George Bernard Shaw once observed, "When a man has anything to tell in this world, the difficulty is not to make him tell it, but to prevent him from telling it too often."

I am greatly impressed by the breadth and diversity of interests represented here. In a way, it poses a problem for the speaker, not unlike the story that an old Governor of Wyoming used to tell on himself.

He was visiting the State Penitentiary, one day, and when the prisoners assembled for their evening meal, the warden--without prior warning--asked him to make a few remarks.

The governor began in his usual manner: "Fellow citizens..."

But this produced smiles in the audience, reminding the governor that all of these men had lost their citizenship when convicted.

He started again: "Fellow convicts."

This was even worse.

So, in desperation, the governor said: "Men, I don't know what to call you, but I certainly am glad to see so many of you here."

You are all--in the best sense of the word--men of conviction.

I know that when I come to a meeting co-sponsored by the Atlanta Chamber of Commerce; the Georgia State Chamber of Commerce; Delta Nu Alpha; the Georgia Motor Trucking Association; the Southeast Shippers Advisory Board; the Atlanta Freight Bureau; the Transportation Club of Atlanta; and the Atlanta Chapter of the National Defense Transportation Association..I am with people who believe in the growth potential and growth actual of this historic region.

You are the builders. You are builders of one of the great cities of the North American continent. You are builders of the fastest growing regional economy in our nation. You are builders of the Great Society in the Southeast.

These 300,000 square miles, comprising Georgia and five adjoining States [Florida, Alabama, Tennessee, and the Carolinas] have a personal interest to the Department of Transportation

The Secretary of that Department is from Florida. His Assistant Secretary for Policy Development is from Alabama. His Deputy Under Secretary is from Georgia.

But apart from the sensitivities and sentiments of these officials, the Southeast **region**, in its own right, commands a healthy slice of the Department's overall budget.

We have personnel assigned to over 400 facilities in this region. Between the Federal Aviation Administration, the Federal Railroad Administration, the Federal Highway Administration, and the United States Coast Guard--which are the largest agencies under Department of Transportation jurisdiction--we have around 9,500 employees stationed in the Southeast.

Our combined expenditures within its boundaries come pretty close to \$600 million a year.

I hasten to add that this figure does not represent the total Federal input. Additional funds for building and operating your intercity transportation system come from the Corps of Engineers, the Maritime Administration, and the regulatory agencies, none of which are lodged in the Department of Transportation.

I want to say further that the \$600 million disbursed by the Department is not a very heroic figure alongside the total public investment of the region itself. State and local governments in the Southeast are currently spending more than double that amount on transportation facilities.

You and 26 million other people who inhabit this region spend each year approximately one and one-third billion dollars of your own tax revenues in support of travel and freight movement. You do this not only to satisfy your

present transportation needs but in the expectation that it will accelerate the economic growth of this area.

That is a reasonable expectation. But it is not a proven axiom or a scientific truth. As all of you gentlemen know, progress is not the automatic result of large public expenditures on transportation.

Without careful analysis of all relevant factors, without thorough planning and coordination, transportation investments are sheer speculation.

One of the prime purposes of the new Department of Transportation, besides disbursement of a lot of money, is to help the public and private investors in transportation decide where to put their chips.

In the long run, this has got to be a matter of both fundamental research and experimentation in the applied areas. Having been in existence, officially, for all of twelve weeks, the Department is not yet in a position to give much advice.

Instead, what I propose to do is present a sort of x-ray picture of Atlanta and the Southeast. We'll take a clinical look at your mobility infrastructure. Like the x-ray plate of a Miss America--exhibiting bones, not beauty--this picture shows only the transportation skeleton of your area.

I think the most significant transportation feature of this region is your long coastline. You have 1,690 miles of it, which represents about 37 per cent of the total U. S. seacoast. In fact, the Southeast, which comprises less than 10 per cent of the continental U. S. area, has a longer coastline than any other region in the country.

It's hard for people to appreciate the fact who live two or three hundred miles inland, but for your region as a whole, this coastline remains the most pervasive of all transportation influences.

Along that coast you have 13 noteworthy sea ports. Or, to put it in comparative terms, you have about 30 per cent of the U. S. total. Unfortunately, none is of the first rank in tonnage, but they are there, for possible future development.

In, or alongside of, this region you have over 5,000 miles of commercially useful waterways. And those rivers and canals and other shallow-draft routes of the Southeastern States represent nearly 23 per cent of total U. S. inland waterways.

Your region holds between 12 and 13 per cent of the nation's railroad mileage, and airports, and automobile registrations. It contains between 13 and 14 per cent of the nation's trucks, buses, and Federally-supported highways.

Taking into account the size of population and average income level, you have a decent share of the total American transportation system.

The population of these six States in 1966 was 12.9 per cent of the U. S. total. And the number of automobile registrations in the region was precisely 12.9 per cent of the U. S. total.

This means a lot more than is suggested by the equal ratio. For we know that the region as a whole has a serious economic handicap. There are 117 places in the Southeast which are still classified by the Department of Labor as areas of substantial unemployment or underemployment. This is a condition which President Johnson is determined to alleviate. And as a matter of fact, 45 such areas have in the past year experienced a healthy economic revival due to the efforts of this Administration, and are being removed from the "sick list" on July first. But even though it is rapidly rising, present per capita income in the Southeast remains 25 per cent below the national average.

Expressed another way, aggregate personal income here is a fraction under 10 per cent of the U. S. total. However, despite that handicap, the region possesses--as I said--its exact share of automobiles, on a population basis, and more than its share (13.4%) of trucks and buses.

To me, this suggests that people in the Southeast place a very high value on personal mobility.

[Allow me to say, parenthetically, that Georgia has hidden strengths in transportation which don't appear on the X-ray plate. I refer to two fine gentlemen in Washington, D.C., Senator Russell and Senator Talmadge, who are among the best friends the Department of Transportation has on the Hill.

[Your State Government, headed by Governor Lester Maddox, has labored diligently--and successfully--on behalf of Georgia's economic development. And I am happy to note that Georgia's leaders have given much attention to the continued improvement of transportation facilities.]

The X-ray plate reveals, naturally, that Atlanta is the marketing and distribution hub of the region. This is not too strong or exclusive a role in terms of your rail and highway network. And the absence of water connections is perhaps beyond remedy.

But to me, the most remarkable transportation feature of Atlanta is its air terminal. I need not remind you of the phenomenal position Atlanta occupies as a connecting point for non-stop and trunk and regional airline routes. You know, of course, that Atlanta's Municipal Airport is fourth-ranking in the entire nation in number of passengers enplaned, and fifth in number of air carrier operations.

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That is to say, in passengers it is exceeded only by O'Hare and Kennedy and Los Angeles, while in carrier operations it also yields to San Francisco. This is formidable enterprise for a city that now ranks only twenty-fourth in population.

Let me give you some figures on the incredibly rapid growth of your airport, a rate of growth which far exceeds that of the nation as a whole in most categories. In the five-year period, 1961-66:

the volume of air cargo handled in Atlanta rose 39 per cent, while in the rest of the nation it rose 18 per cent;

total passengers at Atlanta airport increased 151 percent, whereas at other airports the gain was 87 per cent;

The volume of U. S. mail at your airport climbed 502 per cent, against a 203 per cent gain elsewhere.

I see no signs of a slackening in this pace. The average daily operations out there for the first five months of this year have risen 16 per cent over the same period last year. And I understand that last month, May, 1967, was the busiest month in the history of Atlanta Municipal Airport.

At this rate, you will probably be handling 11 million passengers (in and out) during 1967.

What intrigues me is the fact that only about 40 per cent of your air travelers are coming from, or going to, this

particular metropolitan area. Atlanta does indeed serve as the great regional hub. The other 60 per cent of the passengers are making connections to or from other points, largely in the South.

Even so, you will have around 5-1/2 million air travelers this year for whom Atlanta is the origin or destination. And possibly over 6 million next year. And up and up and up in each subsequent year.

It of course raises the question of future airport capacity. It also reopens the question of planning for surface access--to and from the airport, to and from the city, to and from the suburbs. I have the impression that the rate of growth of air travel in this region is outrunning the most optimistic projections.

A review of future airport access requirements would doubtless have implications for urban mass transit, as well.

Believing, as I do, in a balanced transportation system, I am delighted to see the progressive attitude Atlanta's leaders have taken towards mass transit. Transportation in urban areas such as Atlanta has a profound impact upon the kind of city that you are and the sort of city which you are to become. Transportation can hinder city development as well as help it, and it is important that people be presented with reasonable transportation alternatives as they move about their city.

The benefits of modern mass transit, whether it be rail or bus, frequently cannot be discovered on profit and loss statements. But while many such systems have not distinguished themselves at the fare box, they nevertheless have a salutary effect on the total city and its inhabitants.

Traffic congestion and air pollution will be abated and parking problems will be eased. And even though Americans will continue to rely primarily on their own automobile for urban transportation, they will have a choice they have not previously enjoyed.

If Atlanta thinks of itself as one of the great vigorous cities of the world; if its citizens think their city can be distinguished from other cities on the basis of quality as well as mere size; if Atlanta seeks to preserve and promote its historic greatness; then it cannot ignore the many direct and indirect benefits of mass transit.

Along the way, however, your skills and your resources and your leadership are going to be needed to help determine the destiny of the whole Southeast region.

For Atlanta's roots are in that region, it draws its strength from that region, and nothing that is bad for that region can end up being good for Atlanta.

There is a transportation dilemma that hangs over most of the Southeast. It has to do with the future of smaller cities. It has to do with industry location. It has to do with capital expenditures and modernization and enlargement of transport facilities.

I foresee a great accession of knowledge and sophistication is going to be demanded of us. In order to meet that emerging challenge successfully, we're going to have to get in training as transportation philosophers.

Not long ago, a firm in England attracted considerable attention in the business world by running an advertisement saying it wanted to hire "a one-armed economist." The company was trying to find an expert who, whenever he was asked for an opinion, would be unable to say, "On the one hand...but on the other hand..."

In the same spirit, I wish it were possible to make some simple, unqualified statements about the effects of transportation investment on metropolitan and regional development. We have learned, however, that this is not a simple process in a free and abundant society such as our own.

Transportation is a force in our lives that often pulls and pushes, simultaneously. In geographical terms, it can be pulling people together at the same time it is pushing them farther apart. It can be dispersing industrial activity at the same time it is concentrating that activity. This is happening at the present moment in Atlanta and every other large city in America.

I suppose there are times when those opposite tendencies are evenly balanced and cancel each other out. But usually there is a net effect that can be observed over a period of months and years. Usually, you can see a trend in one direction or another, expressed as a transportation advantage.

Sometimes that trend will be a microscopic one, or beyond human powers of detection. But even when the net effect is obvious, there are always contrary motions below the surface, cross-currents and undertows that careful planners and investors should take into account.

On the one hand, our highway technology has burst open the central city. It has not only syphoned off growth and capital to the contiguous suburbs, it has carried away large segments of the core population and industry, and set them down in the far out countryside. We have watched trucks and automobiles eliminate many of the exclusive advantages of giant cities, and turn the smaller, more isolated communities of the region into industrial and residential competitors. We have wondered whether or not the mighty municipalities have been made obsolete by pneumatic-tire transportation.

On the other hand, some of the recent and impending advances in rail, maritime and air transport technology seem likely to favor--if not the giant city itself--then the major metropolitan area. I am thinking now of unitized trains, containerships and jumbo jets which offer economies of scale beyond the reach of all but perhaps the thirty or forty largest American cities.

Ships and trains and planes need greater volumes to hold down their costs. Under this pressure, they are all expanding their capacities.

Ocean carriers are getting larger all the time. The volume and draft requirements of the largest ships now on the drawing boards will almost certainly bring about a greater concentration of traffic in fewer ports having the massive facilities needed.

What are we going to do about Elizabeth City and Wilmington, Charleston and Savannah, Brunswick and Jacksonville, Panama City and Mobile Bay?

Railroads are discontinuing service to more and more of the smaller communities. Lines are abandoning, merging, consolidating. Trains, meanwhile, are getting longer and larger. As a result, only the major users of bulk commodities and mass shipments will derive the full cost-benefits.

What, if anything, should we do for small towns and industries who are unable to gain the rate advantages that accompany an ability to purchase, let us say, a unitized trainload of coal?

Should we be concerned about the fact that the advantages of piggyback are confined to those relatively few places where the volume of traffic is large enough to justify the high terminal costs?

Planes, also, are getting bigger all the time. The continuing development of larger aircraft almost inevitably favors the large-city airports. And the SST, when it comes,

may possibly yield its greatest benefits to the major metropolitan centers on both coasts.

If so, what does the future hold for the large inland airports at Memphis and Atlanta?

In truth, even the highway mode is showing a tendency to reach for economies of scale. In trucking, the emergence of double- and triple-bottoming can be viewed as another development in favor of major urban centers. And though the Federal Interstate Highway system has improved access to many small communities along the way, the system as a whole benefits the larger cities.

I am forced to conclude that at the present time there is only one transportation mode in which technological progress is not generally weighted in favor of major metropolitan areas. That is in the inland waterway system.

Let me avoid a misunderstanding. Of course there are economies of scale in river and canal shipping. But the new shallow-draft equipment--towboats and barges and the like--do not result in far greater capacities and do not demand super-costly terminal facilities. There are improvements in efficiency but not the kind that require a much larger operation.

For the bends in the river, and the bridges, and other constraints of the mode, set definite limits on the length of

a tow. A mile-long train of barges on the lower Mississippi, for example, is beyond the present state of the art. So, for this reason, progress is not imposing any greater disadvantages on smaller shipping points along inland waterway routes than may already exist.

For a region such as your own which, though comprising less than 10 per cent of continental U. S. land area, includes nearly 23 per cent of the nation's commercial waterway mileage, I see at least one implication. And that is the likelihood that rural industrial sites along inland waterways will remain a stable locational pattern here in the Southeast.

Actually, we find that the centralizing trends arising from large-scale economies in transportation rarely restore the action to the central city where it once was. Because the factors that encourage this concentration generally seem to work against the location of activities in the original core areas. This is due to a whole new set of problems, including difficulties of access and the high cost of land in the heart of the city.

Truck terminals, freight yards, airports, harbors-- usually get pushed farther and farther out on the edge of metropolitan areas.

Nevertheless, the argument for concentration remains a strong one. For where there is a greater volume of

movement, whether of freight or of people, there is more frequent service. There is also a greater variety of service in terms of carriers and routes. Under these circumstances, other businesses are attracted to the transportation center. And the presence of a large number of diversified activities, in a compact urban area, automatically gives rise to many other kinds of advantages, including availability of skilled labor and specialized financial and legal services. And a new cycle of attractions and benefits may be set in motion.

It is not my purpose to explore every stage in this elaborate tug-and-pull process. You have to assume that a spatial reorganization is continually underway, not only within the metropolitan complex but over the entire Southeast region.

The challenge to you--your obligation as transportation men--is to understand this process, make money from this process, and guide this process in the public interest.