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REMARKS BY ALAN S. BOYD, SECRETARY OF TRANSPORTATION,
PREPARED FOR DELIVERY BEFORE THE NARUC CONVENTION,
MIAMI, FLORIDA, TUESDAY, OCTOBER 31, 1967.

During the first seven months of operation of the new Department of Transportation, it has become clear that transportation is many things to many people.

President Johnson, in his message to Congress urging creation of DOT, called transportation "the web of the union" -- which was appropriate in that he asked us to get the bugs out of it.

To the poor commuter, transportation is a road to hell paved with good inventions.

To the carrier and shipper, it is a knot of government red tape that can be untied only by lawyers, tax consultants and lobbyists.

To cities which need better transit systems, transportation is a desire named streetcar.

To the air traveler, transportation is the friendly skies full of fast planes, slow ticket counters, and hundreds of suitcases that look exactly like his.

To the social scientists, of course, transportation is an intermodal, multi-purpose capability inherently responsive to the parametrical methodologies of interfacing disciplines.

Transportation to me, however, is an opportunity for the governmental process -- at all levels -- to be considerably more constructive than it is when it causes cement to be poured.

(I promised myself I wouldn't say that that means we will have some concrete suggestions).

I mention all this because if you change your organization's title to include the word "transportation" you should be aware of all that it implies.

In any event, you who are putting new emphasis on transportation at the state level, and we who are doing it at the Federal level must, in the process, focus our attention on the problems and prospects of Federal-state relations.

This one thing, more than any other, is going to be the key to the success of both our efforts.

For some time, a kind of Federal versus state debate has been waged in the nation's press -- mostly spurred by the idea of the so-called Heller Plan.

For instance, an editorial in the Dallas Morning News last week found fault with the Department's timetable on the highway safety standards.

The editorial closed with this paragraph:

"Federal bureaucrats have rarely evidenced an understanding of state government. Again they demonstrate their inadequacies. And again we see state government swamped by unthinking federal regulation."

Although I am quite prepared to argue the charge as it relates to the highway safety program, as a lawyer I am not sure how good a case I would have if I had to defend the whole past attitude of the Federal Government towards the several states.

I would like to present to you the attitude and effort of the new Department of Transportation in this field and then confidently leave it up to you whether the word "unthinking" is appropriate or not.

As those state officials most concerned with transportation and its regulation, you are the ones who are going to feel the impact of this new attitude the most.

Without going into the many similarities between Lyndon Johnson and George Washington, let me merely emphasize that President Johnson was the only other President to have created two new executive departments.

He did this in response to two of the most prominent desires of the modern American: first, the overwhelming preference of our citizens to live in or near a city; and, second, the insistence on being able to get from one place to another swiftly, safely and economically.

But the Departments of Housing and Urban Development and of Transportation were not created to extend the authority of the Federal Government for President Johnson knows better than anyone else its limitations.

They were created to give urban Americans and traveling Americans a stronger voice in decisions that affect the way they live.

But, without the full support and participation of state and local government, the urban and transportation efforts of the Federal Government would produce little more than new reports, more plans and more speeches.

It should be abundantly clear, however, that the involvement of state governments does not just mean the delivery of a birthright or cutting them in for a piece of the action.

It means, quite frankly, states making the hard decisions, taking some of the heat -- suffering the aches and pains commensurate with the amount of medicine dispensed.

For too long I think the states and the Federal Government have looked at each other and seen only stereotypes.

I know that many in Washington have in years past looked at the states as vestigial organs on the body politic or as barnacles on the ship of state.

At the other end the states have looked at the Federal Government as something akin to that definition of the wife as "someone who will stick by you through all the troubles you would not have had, had you not married her."

This era is over and attitudes are changing for one very basic and economic reason: given the present state of world affairs, the states have the ability to raise considerably more revenues for domestic programs than the Federal Government does.

Federal funds are more and more used as seed money and Federal regulation is more a stimulant for state enforcement than an end in itself.

Statistically, that translates into the fact that during the past two decades Federal expenditures for domestic programs have diminished as a percentage of total national effort.

At the same time, state and local expenditures have proportionately grown.

In 1946, for instance, the Federal share of our total public domestic expenditure was 37.4 percent.

In 1963, the latest year for which complete figures are available for all levels of government, that share had dropped to 30 percent.

It has been the states who have picked up the major bulk of the increase in public expenditures.

Put another way, over that same period of time (1946-1963), Federal expenditures for domestic programs have increased by 375 percent -- yet state expenditures for the same purposes have increased 539 percent and local expenditures have increased 502 percent.

In terms of transportation expenditures, the annual Federal funds have reached a level of about \$5 billion.

The annual state and local expenditures, however, are at the level of more than \$12 billion -- or 140 percent more than the Federal effort.

That is the fact of life which, more than any other, has influenced the Department's taking advantage of and counting on the governmental process which operates under the label of "creative federalism."

I will go so far as to say that, if that process does not work, then the transportation system of this nation will never be a system but an uncoordinated tangle of short-term improvements leading to long-term congestion and failure.

If that happens, the commerce of the country, which is expected to generate a Gross National Product of one trillion dollars by 1970, will become a vast merchandising traffic jam.

It doesn't take a Nostradamus to predict the attendant effects on our cities, our natural resources, our welfare and our mobility in general.

There are those in the academic and planning fields who have already predicted this kind of a Rube Goldberg transportation system for us.

I think they are premature and that something can be done about it.

I would like to give you a very timely example of what is being done and what is being asked for in this new concentration on federalism as it affects specifically this group and the member commissions.

That example is Senate Bill 1166 -- the Natural Gas Pipeline Safety Act of 1967.

Last Thursday, the Senate Committee on Commerce approved what will probably be the substance of the bill that we expect will be cleared by at least the Senate this Congressional session.

It is important to realize that this bill was introduced not because, as some have charged, the nation is sitting on a million mile fuse of dangerous and dilapidated gas pipelines -- but because such regulations as do exist are not uniform in coverage, enforcement and application, are not mandatory, and do not cover both new and existing pipelines in all three types of systems -- transmission, gathering and distribution.

The legislation was not premised on the safety record of the gas industry -- which is good, but on the coverage and enforcement gaps in existing regulations.

The Department, in cooperation with NARUC, conducted a survey of all the state utility commissions and this provided the major backup which led to the bill the Senate Commerce Committee approved.

I would like to summarize several parts of that survey, for I believe it illustrates some aspects of Federal-state relations which we must deal with in the very near future.

Answers to the survey were received from 40 states.

All percentages following below are in relation to these 40 reporting states.

First, while all of the reporting states said they have statewide authority for privately-owned gas systems, only 25 percent have the authority to regulate publicly-owned gas utilities.

Fifty-five percent of the states said that this authority exists at the municipal or county level, but only 35 percent of these have any type of enforcement.

In the important area of testing and inspecting of gas facilities, only 23 percent of the states have a program for the inspection of existing pipelines.

As for the accidents and pipeline failures which do occur, 35 percent of the states do not collect accident statistics; 15 percent do not require the gas companies to report accidents; and 45 percent of the states reporting do not determine the probable cause of accidents.

These statistics indicate a far from uniform emphasis on the safety of a commodity upon which more than 120 million Americans depend -- with millions more to be affected if that commodity is not transported with absolute safety.

An important point, which I brought out in my testimony on the bill and which was emphasized by others who testified, was the role of the states in present regulations and any future ones that would be prescribed.

As I said at that time: "We see the role of the Department of Transportation as one of imposing minimum adequate standards and of cooperating fully with the states.

"I might mention that we will cooperate fully with the states in other areas of transportation safety.

"For example, the Department is authorized to enter into cooperative agreements with the states as to highway safety enforcement; there is every reason for similar cooperation with the states and local interests in improving natural gas safety."

As a result of this and other testimony, the bill the Commerce Committee approved puts great emphasis on the role of the states in the area of enforcement of standards affecting distribution systems.

We heartily support the broad outlines of this bill and see it as a vehicle for implementing the Department's intention to depend on the states in areas such as this.

This intention, moreover, can be seen within the organization of our Department.

Under the Assistant Secretary for Public Affairs, we have set up an office of Intergovernmental Liaison which will be a two-way street between all activities of the Department and the states and local communities.

I believe that the programs and activities of the Department are uniquely adapted to this approach.

We do not intend to sit in Washington and make sweeping generalities or regulations affecting the other levels of government without having those levels participate in the decision-making process -- providing us with the information which they have, suggesting alternatives or modifications which may be demanded by local or state circumstances.

In return I think we can expect agreement that the worst way to work out differences is by press release.

We are in a time when government must more and more be thought of as a process and less and less be considered just a set of buildings.

I think it is in our hands to control which way it goes.

It makes me think back to what Harry Truman always said was the best epitaph he ever saw and one which he wanted -- just, "He done his damndest."

I think that's a noble aspiration and one which we in the Federal Government and you in the states can subscribe to in our immediate efforts.