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REMARKS PREPARED FOR DELIVERY BY ALAN S. BOYD, SECRETARY OF TRANSPORTATION AT THE 96TH ANNUAL MEETING OF THE MANUFACTURING CHEMISTS ASSOCIATION, THE GREENBRIER, WHITE SULPHUR SPRINGS, WEST VIRGINIA, FRIDAY, JUNE 7, 1968, 7:00 P.M.

I didn't anticipate when I accepted your invitation how delighted I would be to be here. We have sent a number of bills on Aviation, the Maritime Industry, and other matters to the Congress during the past few weeks and the reception of some of them has been less than enthusiastic. Our Aviation Bill was welcomed with open arms - some of them of rather high caliber.

I was very happy, consequently, to pick up an old brochure on White Sulphur Springs and read about the healing powers of the waters. "The Springs cure the following diseases - Yellow Jaundice, White Swelling, Blue Devils and Black Plague; Scarlet Fever, Yellow Fever, Spotted Fever . . . and all diseases and bad habits except chewing, smoking, drinking, and swearing. . ."

I'm ready to take to the waters.

The making of government transportation policy involves at several points, the figurative placing of our proposals on the table and then walking around - looking at them from all angles. From the viewpoint of the passenger. . .the viewpoint of the carrier. . .the shipper. . .the customer. . .the taxpayer. . .the Congress. I'd like tonight to look at some of our plans from the angle of the shipper - the man who buys transportation.

The traditional ways of moving goods and materials are on the verge of a vast upheaval - and the name for this new departure is the container revolution. I say "verge" because we have not yet realized anything like the potential of the container system. Its full significance is ahead of us. One of our major purposes, consequently, is to further this container revolution.

It is a fact of the recent human story that technology is outpacing our traditions. We have - with the development of the container - greatly enlarged the common denominator of all means of transport - the truck, the train, the ship, and the plane. We in the Department, now want to help unify the supporting elements of this container system.

We are, consequently, looking to the establishment of common marking and common security and safety criteria - criteria that will be applicable to all means of transport. We want also to eliminate restrictions on the use of containers. Foreign-owned containers, for example, often cannot be loaded in this country.

We have not taken a position on the best standard size for containers. This is a mighty important decision - one that can be best solved with time and in the market place.

We have introduced a Bill in the Congress that we hope will assist the container system by eliminating some of the red tape and paperwork. We call it the Trade Simplification Act of 1968. The emphasis is on 1968. We hope it passes this year.

This Bill will make possible joint rates - from inland cities in the United States to an inland city abroad. Our goal is a through rate agreed to by all the carriers participating - the domestic truck or train, the ship, and the foreign domestic carrier.

We also intend, through our Bill, to encourage the participating carriers to honor a single bill of lading. This single document would suffice as a contract of carriage from the manufacturer's shipping platform right through to the purchaser's warehouse - whether it be in Paris, Istanbul, Lahore, or Rangoon.

We are hopeful, too, that our Bill will ultimately provide a uniform liability system. The legislation deals only indirectly with this question but it is our intention that it will provide a foundation for a private solution to this insurance problem.

These measures will help cut through the paper jungle - through the paperwork that is both costly and time-wasting. Last year our export-import trade had a total value of \$58 billion. The paperwork associated with this trade cost an astounding \$5 billion. That is far too much.

We intend that our work in standardization and our trade simplification proposals will contribute to the eventual realization of the land bridge. The development of this concept involves utilizing the continental United States as a bridge for shipments between the Orient and Europe and vice-versa. The land bridge planners are working to make our coast-to-coast ground transportation so efficient that it will offer savings over the long Panama Canal sea route. The land bridge would, of course, mean greatly expanded business for our railroads and truckers. But it would also mean speedier and lower cost transportation for our West Coast manufacturers who ship to Europe and our East Coast businessmen shipping to the Orient. Similarly - the advantages of unit trains, improved interchanges and simplified documentation - will be available to domestic shippers on long haul routes.

This land bridge concept can save everybody time and money.

I would not have you believe we think the job of facilitation - of simplifying documentation - will be disposed of by the passage of a piece of legislation. We have a regularly sitting committee whose sole job is to tear down the paper walls of the import and export trade. I suspect their task will be lifelong.

Shippers, and the businesses they represent, will also prove the beneficiaries of our planned participation in cases before the economic regulatory bodies.

I personally believe that doing business by regulation is often not the most efficient way. In transportation, regulations are designed too often to protect competitors from each other. They are not necessarily designed to protect the user. As a result, the regulated dome, in time, to cherish the regulations. Often these same regulations sustain the inefficient and freeze initiative. And the shipper finds himself doing business with a committee.

We find too, that many regulatory cases are incomplete in their presentation. Most witnesses are participants of special interests. The broad public interest - better service and lower rates - sometimes goes unrepresented. The result is that the agencies frequently do not have sufficient facts to make proper judgments. In effect, the cases are decided by default.

Our approach to this problem will be in two directions. We shall seek, where we feel it necessary, to amend the statutes. We shall, in our amendments, seek to loosen things up - allow the carriers more initiative and make them more responsible. We shall seek, then, to reward efficiency and performance.

Our Department will also get into those regulatory cases in which the outcome has broad national significance. We shall participate with only one predisposition - we shall represent what we understand as the best public interest.

We are taking no position - either for or against - the railroads' pending request to raise rates. We have studied the matter and determined that the public interest is well represented. We have not been in business long enough - we have neither sufficient staff nor sufficient data to prepare what we consider a soundly documented position. Hence, our neutrality.

There is one particular area of transportation that must be continually studied. It is of special concern to us. It is of special significance to you in the chemistry industry.

Making policy for regulating the shipment of hazardous materials is not too difficult. Putting that policy to work, however, requires long hours of deliberate and painstaking work. And we are going to need your help.

Two actual events dramatize one of our difficulties. When several tank cars were derailed and caught fire recently in Dunreith, Indiana, the local firemen were in a quandary. They did not know what was in the cars. They did not know, consequently, whether it was safe to use water, foam, or chemicals. They resolved the problem by withdrawing to a safe distance and doing nothing.

More recently, in Hagerstown, Maryland, a train and a propane gas truck collided. Local firemen covered the area with foam and water but they forgot that the spark from the ignition system of their truck could have ignited the escaping gas. They were lucky.

The significance of these events is that the materials involved were not new, unfamiliar, exotic compounds. They were, rather, fairly routine products of widespread use. Yet your industry is everyday developing new compounds whose ingredients and properties are known but to few.

At the heart of the matter, then, is the collection, codification and dissemination of a vast amount of constantly changing, highly technical knowledge. This is no small task.

Our obligation, as I see it, is to establish the following: (1) a code of rational and comprehensive regulation that will insure public safety, (2) an enforcement capability, (3) an educational and accident prevention program, (4) a suitable and adequate response in the case of disaster.

We are aware of your current problems - the variation in packaging and labeling regulation that exists with each different type of carrier. Our ambition is to prescribe one set of regulations that will be applicable to all carriers.

We are aware too, that our regulations have not kept pace with the inventiveness of your industry - that for many of your products, there are simply no regulations at all. We anticipate, further, that this situation will continue. We foresee that you will continue to bring out new products faster than we can draw up suitable regulations. It is our plan, consequently, to revise our approach. We shall not attempt to issue a regulation for each product. We hope, rather, to establish generic rules - categories that will be applicable to a number of products.

In all these endeavors, we shall need the help and guidance of the chemical industry. We are even now working on the form this bridge between us will take. Whether it will take the name and organization of a task force or advisory committee, we are not sure. We are certain however, that we need your views right at the beginning. You are a joint partner. Our doors are open.

Such are some of our detailed, specific endeavors. Our major purpose, however - the job for which we were formed -- is the shaping and moulding of a coordinated transportation system. We have now in operation a good transportation system. But it is not good enough. And unless we start thinking about it now, it will be far less than good enough in the future.

Our present system grew by sort of an aimless natural selection. There was a local need for moving goods and people and whatever best satisfied that local need survived and prospered. As each mode of transport developed, it took unto itself importance and independence. Other carriers were regarded with suspicion and fear. Transportation thinking began and ended with terminals.

The need now is for planning - for looking at transportation through the eyes of the shipper - for looking at it in terms of the idea of through routes and through rates. One fact underscores this need. We shall have to double the capacity of our transportation system in the next thirteen years. We no longer have time for waste and inefficiency.

The concept of government planning - because it is misunderstood - often stirs uneasiness. Planning in a democracy begins with foreseeing what our people will be doing and seeking. It is on these premises - and only these - that government planning is based.

For my part, I find the task of preparing for the future a very exciting assignment. We have, in the tools of modern management - in long-range planning and systems analysis - the capability to do the job. We have the tools to collect the necessary vast amount of data. Thanks to the genius of our mathematicians and the electronic industry, we have computers to codify, arrange and analyze this data. And these computers - when queried - can provide us with suitable options - each option bearing its penalty/benefit ratio.

The job, then, can be done. And it needs doing. Think of transportation today and the response picture too often tells of traffic jams, highway deaths, shortages, inconveniences, delays, aircraft noise, air pollution, and on through a host of other problems. This is far from satisfactory. We can do better. We shall do better.

The significant fact is that transportation means freedom. Restrict the mobility of an individual and you restrict his choice in what he can do or see. Freeze the mobility of an economy and you promote stagnation. On the other hand, enlarge and improve the mobility of the individual and you increase the number and diversity of his opportunities. Provide better transportation for the economy and you contribute to its growth.

This enlarged and improved mobility, then, is our purpose.

Thank you.

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