

52)

U.S. DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20590

REMARKS PREPARED FOR DELIVERY BY SECRETARY OF TRANSPORTATION,
ALAN S. BOYD, BEFORE THE EUGENE F. RYAN AWARD DINNER, AT THE
MAYFLOWER HOTEL, EAST ROOM, ON TUEADAY, OCTOBER 22, 1968,
7:00 P.M., WASHINGTON, D.C.

I am honored by your award - and most proud. One measure of the value of a tribute is the worthiness of the donor. Our donor firm and its President, Mr. Ryan, stand tall among those who have contributed to transportation progress. Their achievements make this award meaningful.

My pleasure in being selected for this tribute is balanced equally with a sense of sheer human delight with the perquisite that goes with it - the \$5,000 scholarship - and the privilege of selecting a worthy recipient. Few things have pleased me more. This is generosity of magnificent proportions - and generosity directed to a most deserving cause. This business of getting on with life offers few satisfactions that exceed that of furthering the hopes of a bright and hard-working young man.

We are now engaged in the difficult task of studying the qualifications of a list of youngsters - all capable and all deserving - to select the best recipient of your prize. I congratulate the Rail Trailer Co. for its wisdom and generosity in providing such an award.

I could not help but think as I moved among you earlier how things have changed. The common denominator among us is the container and its intermodal use. I have - in the long past - attended other meetings dedicated to the same subject. They were not, however, black tie affairs . . . they were not preceded by any friendly reception. And the thought that the members of these meetings would join together in a pleasant banquet was impossible to conceive. The aim of the Chairman was, indeed, to keep participants from getting too close together. And most of these meetings had a tendency to end abruptly.

Many people are responsible for this change. A lot of men had to reason and argue and plead and be patient. One of the men who did the reasoning - one of those who was most persistent was Eugene Ryan. I would like to look into his story. It has significance for the future.

An invention, once invented, is immediately obvious. A new technique, once put to use, is immediately understood and appreciated. But this is after the fact. To be an innovator, to try the new - to be a man with an idea - this is another matter. The supreme realist, Machiavelli, said it best. "There is nothing more difficult to take in hand - nothing more perilous to conduct or more uncertain in its success - than to take the lead in the introduction of a new order of things." Eugene Ryan took the lead.

He went out to sell the idea of piggyback transportation. And, as he puts it, he was thrown out of all the best offices in town. He was, moreover, frequently met with valid specific objections of feasibility. To overcome these, he had to go home and invent new systems. But gradually, his persistence and the persistence of others, paid off and we have today, in successful operation, a valid intermodal rail and trailer operation.

I cite these achievements because we in transportation are again in need of such pioneering. We must once more summon up similar courage and persistence.

The fact is the container revolution has only begun. We shall be seeing an ever increasing use of containers in practically all modes of transportation. This great advance, however, is not going to be automatic. It will come about only if there is continuing effort by all of us in government and industry to eliminate the still existing barriers. These barriers - I remind you - are not technological but institutional - man-made obstacles of time, tradition and prejudice. These barriers, unfortunately are often the most difficult to overcome. To realize the full potential of what you men in the transportation industry have accomplished, then, we must all be prepared to meet and beat those old and vulnerable enemies of all human progress - fear, habit, custom and self-interest.

This job cannot be done by one man - nor can it be done by a small group. It is going to require work by all of us. Our purpose is the removal of impediments to the efficient and effective movement of people and goods. There is enough here for everybody.

Our government contribution is our proposed Trade Simplification Act.

The container has given us the potential for packing various kinds of cargoes at inland cities for thorough, undisturbed shipment for long distances. The container technology has eliminated any requirement that the contents be handled en route. Yet, a prospective American shipper is faced with an array of requirements and circumstances which seem to be designed to offset the advantages of this new technology. If his shipment must move by more than one domestic transportation mode, he will be unable to find a single factor through rate from origin to destination. On a movement to Europe - employing several modes, he will find a separate rate quoted for each mode.

He may also find his surface tariffs have been set on the basis of weight while his maritime tariff will be based on measurement. The bills of lading attesting his shipment via each mode are complex and voluminous.

This unpredictability has a cumulative effect which has too frequently discouraged shippers from entering the export trade. And the more hardy shipper feels these unnecessary impediments in the form of increased costs and delays to his cargo.

Our Trade Simplification Act would satisfy a number of basic needs. First, it would remove the obstacles to the publication of through, single-factor tariffs. It would put to rest any reservations the regulatory agencies may have about their power to accept intermodal tariffs for filing.

There is also, the need to eliminate the present chaos in commodity descriptions. We believe the bill will go a long way toward promoting uniform commodity descriptions in tariffs and that it will complement activities already in progress both in and out of the Department.

Our bill would also make an initial assault on the paperwork problem by permitting all the carriers participating in a through movement to issue a single bill of lading for the entire trip - door to door.

In this bill, we are trying, again, to create a mechanism which will allow competitive market forces to work toward uniform liability. The Bill will provide the impetus for carriers to assume full responsibility for loss or damage, and to reflect their costs in the joint rate.

Our Trade Simplification Act, finally, will permit carriers to interchange equipment. Containers and their related equipment do not come cheap and their maximum utilization is essential to an efficient intermodal transportation system.

Certain basic premises about the bill need emphasizing. It permits a voluntary approach. Carriers and shippers would be permitted to establish and to use joint rates and through routes. They would also be permitted - not required - to devise simplified, through bills of lading. In the same vein, no new type of carrier would be created or certificated by the bill. All existing types of carriers would be free to enter into joint rates with all other types of carriers.

The Trade Simplification Act proposes no extension of Federal controls over transportation. It is designed, rather, to make the statutes more responsive to carrier initiative and more responsive to today's needs.

It is, in sum a shipper's bill - a bill designed to help the shipper by enabling carriers to provide better international service to their shipper customers. The bill is part of our continuing effort to help cut through the red tape associated with transportation - to eliminate waste and increase efficiency.

We think of the Trade Simplification Act as a first step - a step toward the kind of transportation service which this nation needs.

We have, thus, made a beginning in facilitation. We are achieving the rudiments of true intermodality. Ultimately, trade simplification will be accomplished and will make possible a quantum leap in commerce among nations, with consequences for international amity and union that are incalculable.

We have made these efforts none too soon, for this nation very much needs a balanced system of transportation. The present arrangement, is a product of random historical forces and is, thus, not a system at all. It is inherently irrational. We do not need a group of exotic technologies shooting off like fireworks in all directions, but we do need a system that is rational, efficient, and thoroughly integrated. Such a true system would find each part of the transportation network - as they say - doing its own thing.

For those who really know the present state of American transportation, this concept may seem like an impossible dream. But it must become a reality if we are to meet the needs of the era of total mobility beckoning on the other side of the sixties.

Where do we stand today?

Ours is undoubtedly the most complex and least integrated transportation net in the world. But it meets diverse needs and makes possible a continental economy. We have invested \$500 billion in it. It generates about 18 percent of our Gross National Product and provides jobs for nine million people.

Vast and relatively flexible though this system is, the demands we will be making upon it in the next few years could bring it to the point of collapse.

By 1975, for example, the number of private aircraft will have nearly doubled. Commercial air travel will rise 300 percent. Automobile traffic will be up 40 percent. Railroads, which now haul 750 billion ton-miles a year will be hauling one trillion ton-miles. Trucks, now carrying 400 million ton-miles, will carry half again as much.

In fact, if the demand for transportation continues to match America's economic growth, we will have to double in less than two decades the capacity of a system that has taken the lifetime of a nation to build.

The signs of strain have already begun to show. We face multiple problems of congestion, ugliness, pollution, and urban decay stemming from decisions that we have made and not made about the kind of transportation we want in this country. Almost everyone of us suffers daily from some form of delay, extra expense or personal irritation that can be blamed on the various modes themselves or the linkages between them.

System-wide problems like these generate feelings of futility. Some citizens have persuaded themselves that we can do no more to relieve traffic jams than we could do to stop a hurricane.

But President Johnson and the 89th Congress read the danger signals two years ago. They called for more intelligent planning, more research and development and more prudent investment of transportation funds. And they created the Department of Transportation and assigned to it the job of leading the way and making this country's transportation system conform to the needs of the people instead of forcing the people to conform to the system.

This was just one of many actions by this Administration to give Americans safer, more efficient and more convenient transportation. They include the country's first automobile and highway safety programs; research on high-speed ground systems; efforts to control air pollution and air craft noise; the start of an investigation of auto

insurance; programs to restore fast and attractive public transportation to the cities; a gas pipeline safety program; and legislation to preserve the nation's outstanding air safety record.

But the job of coordinating and improving service in a network as massive and complex as that of American transportation will require analysis, research and comprehensive planning on a scale never before undertaken in this country. And on that job we have only begun.

We will be faced with the task of making an historic, fundamental analysis of the larger purposes of transportation. We will have to apply social and economic penalty-benefit ratios rigorously to each of the options technology affords us. We must estimate the demand, not only for sheer movement, but for traveling and trading in circumstances which ensure the amenities of civilized life. We will have to ask in advance what our goals are, how we will achieve them, and what kind of life for the next generation we wish to make possible.

What I am asking for is that we apply a highly sophisticated systems approach to find out what our transportation needs and desires really are and then have the courage to implement them. Systems analysis, after all, is just common sense plugged into computers. The jargon of dynamic progression and optimized flow may be new, but the inner idea is simplicity itself, and it is very old.

I remember that Pope Julius was unnerved by the methods of the new painter he had hired. After watching him work for a while, he scratched his head and said, "I don't know about that Michelangelo . . . He begins a painting by starting at the end." That is systems analysis in a nutshell - knowing where you are going before you set out.

The problem of transportation in the cities can perhaps provide the classic example of our systems approach, in which all parts of the problem are considered together.

First, we are determined to look at highways and rapid transit systems not as separate, self-contained functions each struggling for space and a part of the public dollar, but as partner modes, each of which has a role in the urban environment.

Second, we evaluate the job an urban transport net is doing in terms of the total city and the people it ostensibly serves, keeping in mind that poorly planned systems can disrupt communities, isolate the poor, pollute the air, intensify congestion, raise the cost of doing business and reduce the tax base.

Third, we depend upon the cities themselves to tell us what they want and what their needs are, for no city is exactly like any other or holds the same aspirations.

These concerns came to fruition in this year's Highway Act. Under this historic legislation we can:

- authorize highway departments to buy up rights of way in advance to help assure better planned, less expensive, less controversial routes;

- provide up to \$250 million per year in matching funds for cities to improve the flow of traffic;

- help with the construction of fringe parking lots tied to mass transit into the nucleus of the city;

- and even insist upon effective guarantees of equal employment when the new facilities are built.

At the same time, we have begun to implement meaningful safety programs on the highways, in the air, on the rails. We are pushing the design of safety test cars and better signs and signals. Federal engineers are working throughout the states identifying the most hazardous sections of roadway. We have ordered tighter safety standards for all new cars. We assist the states in carrying out their own safety programs. We support driver education improvements and conduct research on the causes of accidents. Dozens of such related measures and others now planned can reduce death and mutilation on the highways by 70 percent within the next 10 years.

The systems approach guarantees a big payoff. The Department of Transportation provides a natural canopy for this creative work. The big puzzle can be

looked at both synopically and analytically. The pieces can be arranged in different combinations and attractive theories can be put to the test. A forum is developing where spokesmen for the transportation industry and the general public can come together and make their requirements known. As a result, for the first time there are purpose and direction, as well as sheer momentum, in transportation planning.

The key word in this planning is of course, inter-modal. We nailed the intermodal sign over the door the day we opened for business. And we have insisted on it ever since. I hope, then, you can appreciate my pride and satisfaction in being the first to receive the Eugene F. Ryan award. We, in the Department of Transportation felt for a time that we were but voices crying in the wilderness. Your award convinces us we have listeners.

Thank you very much.

#