



DEPARTMENT OF TRANSPORTATION

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REMARKS PREPARED FOR DELIVERY BY SECRETARY OF TRANSPORTATION JOHN A. VOLPE BEFORE THE NATIONAL COAL ASSOCIATION'S 52ND ANNIVERSARY CONVENTION, MAYFLOWER HOTEL, WASHINGTON, D.C., 12:00 P.M., JUNE 16, 1969

I'm very happy to be here today -- for many reasons.

One is that I think the more meetings there are between government and business or any other section of our people, the better for all concerned.

And let me say this --

-- I can't resist telling you that many many years ago, when a little Italian youngster from Boston was sent out by his mother to pick up lumps of coal from along the railroad tracks on chilly afternoons, he had no idea whatsoever that one day he would be addressing the National Coal Association.

So -- in that context -- it is a proud pleasure for me to be here. In more ways than one.

It is wonderful to be with you -- it is thrilling to be part of this new administration that will -- I am sure -- do so much to keep our nation great; and at the risk of being a little corny, let me say it's great to be an American.

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Just last Thursday afternoon I returned from eight days in Europe -- meeting with transportation officials in several countries; inspecting such things as France's tracked air cushion vehicle, America's Boeing 747 jumbo jet and the Anglo-French Supersonic Concorde jet -- both at the Paris Air Show, and Finland's approach to coordination between new towns and transport corridors; and despite progress and advances being made there, despite the problems and challenges that we face here -- we still have the greatest transportation capability of any nation in the world and the prospects for making it even better are bright.

That's not to say that we in government -- and especially in the Department of Transportation -- foresee clear sailing ahead in all fields.

Sometimes I get the feeling government progress is like that of the airliner crossing the Atlantic. The pilot's voice came over the intercom. "Ladies and Gentlemen, I have two bits of news for you. One is bad and the other is good. I'll give you the bad news first. We're lost. But the good news is that we are making excellent time."

The point of course -- is that we have "made great time" in the history of American transportation; but perhaps our destination, our goal, has never been clearly outlined.

One of the most disturbing elements of the transportation picture today is the lack of knowledge among some of our nation's business leaders of the importance of the railroad industry to our economy. There simply is no substitute for the railroad. Our economy cannot increase unless the railroads increase with it. If the railroads were to cease operations, all other forms of commercial transportation could only handle about 10% of the tonnage railroads handle. Yet few people realize this. If there is one message we in the Department of Transportation can make known, it will be this: the renewed vigor of the railroad industry is vital to our country. A truly balanced efficient system of transportation must include, therefore, a healthy, growing and prosperous railroad industry.

But we in the Department do not intend to limit our interest to mere public relations. We want to help. I think, since we are a relatively new agency, a few words on who we are and what we do are in order. It will help you appreciate the kind of assistance we can give.

Our Department was created in 1967 to help formulate government policy and planning in the field of transportation. We include within our ranks -- in rough alphabetic order -- the Federal Aviation Administration, the Federal Highway Administration, the Federal Railroad Administration, the St. Lawrence Seaway Development Corporation, the Urban Mass Transportation Administration and the United States Coast Guard. We also have under our

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roof the National Transportation Safety Board which reports directly to the Congress.

In terms of numbers the Coast Guard and the FAA are largest -- each with more than forty-five thousand employees. In terms of resources, the Federal Highway Administration is the richest with the four point five billion dollar trust fund as its responsibility. The biggest in terms of problems? You can just about take your pick.

I have been very fortunate in being able to bring into the Department a first class team. I have as my strong right arm, my Under Secretary Jim Beggs -- from NASA. Our Railroad Administrator is Reg Whitman who came to us directly from 35 years experience with the Great Northern. Our Policy Chief is Paul Cherington -- Professor of Transportation at the Harvard Business School. We have a second transportation expert from MIT -- Secor Browne. It was my intention that our team would be strong on two things -- experience and R&D. I think we made it.

We are not, however, just interested in the future. We have to produce -- every day. A run down of our activities shows that we perform some 45,000 maritime search and rescue missions every year.

We also provide air traffic control for 14,000 airline flights a day, while we adopt and enforce regulations to insure the safety of 150-million airline passengers;

-- help build nearly 15-thousand more miles of Interstate highways, to add to the 27-thousand already completed;

-- set standards of safety to be followed in the manufacture of about 10-million automobile vehicles each year; and standards of safety affecting 100-million vehicles on the road today;

-- work with and assist the nation's cities with their urban mass transportation problems.

Some of our other responsibilities include running the St. Lawrence Seaway, operating the Alaska Railroad, managing two of the nation's major airports, (Washington National and Dulles) and participating in high-speed train demonstrations in the Northeast Corridor.

My personal belief about the long range prospects for railroads is that if the industry can survive the crunch of this difficult transition period, they have the potential for great profits -- for once again becoming a great growth industry.

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My optimism derives from my experience with railroad people. I have seen among them the new breed of managers utilizing the newest management tools -- computers -- systems analysis and television and microwave communication.

I have also seen the effects of new innovative approaches -- the success of piggyback operations. I know, too, railroads are carrying a large share of automobiles because of the introductions of double and triple deck cars. And to you members of the coal association, the worth of the "unit train" is an accomplished fact.

I also anticipate a resurgence in some aspects of rail passenger service. Our early success with the Metroliner and the Turbo train have been most encouraging. We believe that there are other additional medium distance routes that could be similarly exploited -- with a profit -- by the introduction of new technology that will enable railroads to provide fast, convenient, clean and courteous service.

But our topic here today is rail freight, and I certainly don't want you to get the impression that the Department is interested only in passenger service.

During fiscal year 1970 we intend to fund the construction of short experimental track and roadbed sections for field testing. We hope to complete design and begin fabrication of a wheel dynamic facility. We plan to build and test improved components.

On the research and development side, we have begun studies on automatic couplers and on protection of freight shipments. We are also in the initial stages of trying to develop a new type freight car.

We intend, also, to encourage change in the rate structure. The present complicated railroad rate structure is the result of a long history of economic warfare and good, old fashioned politicking. These rates are not, in any sense of the word, true transportation prices.

I might point out that we are not "star gazers" or dreamers. We are realistic enough to know that this change will not come about rapidly. What we are looking for at this stage is a continued and accelerated trend toward reduced economic controls over the transportation industry -- less regulation so that carriers and shippers can respond more rapidly to changing demands in distribution. This may prove to be an uncomfortable time for both carriers and shippers. But change must come. I am sure you agree that greater efficiency and equality of treatment are needed in rail transportation.

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Let me mention at least two specific areas of interest.

At present, the railroad freight car fleet is earning money, on the average, for only an hour and a half each day. We want to help the railroads show improvement here. We at the Department of Transportation intend to find out the economic effect of freight car shortages. We also plan to learn how to forecast in advance freight car demand on specific commodities. Our work here can be most worthwhile.

We are also concerned about railroad safety -- particularly the increase in train accidents. One of my first actions as Secretary was to set up a special task force on railroad safety. The group includes representatives of railroad management and labor, from State Utility Commissions and from our own Railroad Administration. Their report is due at the end of this month.

The improved conventional train is just the beginning. New kinds of trains -- the tracked air-cushion vehicle, tube flight, the gravitrain -- for both passenger and goods -- are bound to come into use. The potential demand is there and we already have the basic technology.

The idea, my friends, is to think big.

Here in America we take it for granted we can do most anything we decide to do. Project Apollo is proof of that. Far more significant than any purely technical improvements in railroading is the unrecognized potential of rail and rail-type transportation within the overall national transportation system that President Nixon has called for.

And I might say that President Nixon's thinking on the larger perspectives of transportation over the next fifteen to twenty years is typical of his systematic approach to many different kinds of challenges. Since the inauguration we have seen a new logic and confidence in the White House, a sense of calm assurance combined with firm direction and unassailable moral authority. We have seen the President's skill in searching for a patch through the tangled thicket of peace negotiations. We have seen his determination to crush the forces of crime. We have noted his uncompromising stand against campus violence. We have seen him wrestling with inflation -- as deadly an enemy we could have. And we have seen his cool courage in pursuing an ABM defense for our nuclear deterrent. The President has called for an integrated, balanced transportation system because of the undeniable fact that we need one. President Nixon knows that in combination with judicious deployment of highways and airways, fast efficient surface transport of goods and people -- in quantity -- can help us preserve and restore the good life for millions of Americans.

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We are working toward that balanced system of transportation now -- and railroads are very much a part of it. I think our most important assistance to this industry will not be in the direct contributions we make to it. I think we shall be far more effective in the long run as a spokesman for the railroad industry in the Executive Branch of the government. I want to emphasize that one of our roles in the government is to assist the railroads -- to further their cause -- to work with them in whatever way we can to insure their success. This is a new approach in Washington and it may take some time for everyone to get in tune. For our part you will find a willingness to listen -- a willingness to work together. I want to assure everybody here that our new approach begins at the top. To railroad people both shippers and carriers my door is always open.

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