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REMARKS BY U. S. SECRETARY OF TRANSPORTATION JOHN A. VOLPE TO THE COMMON CARRIER CONFERENCE, IRREGULAR ROUTES, AMERICAN TRUCKING ASSOCIATION, AMERICANA HOTEL, BAL HARBOR, FLORIDA, SUNDAY, FEBRUARY 27, 1972 8:00 P.M.

The image of the American trucker is an image of someone who gets the job done -- no matter what -- and that's my kind of person.

But getting the job done -- providing service -- is only part of your reputation. The other part is written by men in places like Wall Street, and over the past several months, their response to your earnings reports has been significant indeed.

Twenty out of 21 trucking stocks reviewed by Standard and Poor's Weekly Outlook Section closed 1971 with higher prices. The majority of the gains were of outsized proportions, with 12 trucking stocks doubling in price.

The ATA has estimated net income for class one and two carriers in 1971 to have been a record \$295 million, and revenues for class one, two and three carriers are expected to be a record \$17 billion. Furthermore, the average operating ratio is expected to be 94.4, a healthy drop from 1970's 96.6.

These are tremendously promising trends. And to quote George Allen, Coach of the Washington Redskins, "The future is now." Right now is the time to build economic stability -- to plan for long-term growth and to face up to long-term problems as well.

One of these challenges is environmental protection.



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Now I know it is easy for you people to say "okay -- when Detroit builds and sells clean-burning trucks, that's what we'll buy and drive."

But air pollution is only part of the environmental challenge.

The larger challenge -- to your industry at least -- is reflected by a recent letter to the editor of one of Washington's newspapers two weeks ago. The writer claimed that over-the-road trucking should be banned -- and that all long-haul traffic should be carried piggyback by the railroads. While this one letter -- by itself -- certainly won't effect your way of doing business, it should make you well aware that America's environmental mood is impatient. People want action. And they want it soon. And trucks are a very visible target.

The facts are: trucks do make noise. They do give off exhaust. And they can -- on inadequate roads especially -- take more than their fair share of space. And this sometimes makes people forget those very true words: "if you've got it, a truck bought it."

What needs to be done, by government and industry working together, if that slogan is to continue to hold true?

Well, as the ATA has pointed out so many times, a prosperous trucking industry is totally reliant upon a proficient system of highways.

The interstate system -- that great monument to the vision and foresight of the late General Dwight Eisenhower -- was built so the American public and the trucking industry could travel with safety and efficiency between cities and across the nation at a speed-limit pace. We are at the point now, however, when the average speed on some of these expressways is only 8 to 10 miles an hour at certain times of day. Over and above the aggravation, the waste of time and the curdling of tempers -- this costs you money!

This Administration is convinced that the problem can be solved. We are convinced that if highways are to really be "expressways", then they should not be the only mode of transport for purely local traffic. Another way of saying this is that commuters in private cars must be provided with an attractive, efficient, inexpensive, alternate way of getting to and from work. And this means public transportation.

It is simple, plain economic good sense to get mass transportation of commuters away from highways and onto some other mode. Or -- where the situation is appropriate -- to build exclusive lanes for commuter buses, where they won't interfere with vital intercity traffic. We are experimenting with this in Washington, in New York, in Seattle and in Los Angeles. What we are doing is urging people to give themselves a choice between transit and highways -- and then choose transit, leaving the highways to those who have no choice.

To give the commuters that choice, we must invest sizeable sums of money in public transportation, over and above the somewhat limited amounts provided for by our Public Transportation Assistance Act of 1970. And I solicit your continued help, because it is -- as I said -- in your best interests as an industry.

A few years ago it was close to heresy to suggest that transit money might be taken (to some extent) from the highway trust fund.

Well, we live in times of change. Even Detroit has endorsed a swing in that direction. The automakers know that the number of registered automobiles increases by close to 11,000 per day. And they know that the point of diminishing returns is very near. In fact, I told the Automobile Manufacturers' Association in Detroit a few years ago that if they didn't support public transportation, the day would come when people wouldn't be able to get through the traffic jams to visit their showrooms!

Now I certainly am not saying that we have to stop building highways. There will be a continuing need for new highways, and I will continue to fight for highway construction where such projects will serve to unclog congestion. Our Northeast Corridor Report is a case in point -- where we recommend upgraded intercity rail service, but at the same time call for a better inter-linking of highways to provide for sharply-improved utilization of highways already in place. We don't want to pave over the traffic jams -- but we do want to provide you with the capability of going around them!

But while I fight for needed additional highways, I will also fight equally hard for public transportation where that will unclog congestion.

We have to use every technique available -- as well as some that will one day be available -- to make transportation compatible with urban living. And what that means is that the trucking industry -- indeed our entire surface transportation industry -- must, to some degree, anticipate and experience change.

Another area that we believe should be subject to marked change is the matter of regulation. Some of my more "prudent" advisors urged me to stay away from this subject in this speech, but it affects you and I'm sure you expect me to talk about it.

The new legislation has been proposed by us as public servants, and it affects you as public taxpayers. I am well aware that not all of you agree with all the points we are making, but as one who has spent 20 years in public life, I know that nothing gets done unless reasonable men face challenges together, examine alternatives together, and aim for the best products of intelligent, rational thinking. Let me explain our bills.

The Transportation Regulatory Modernization Act of 1971 (S.2842) and the Transportation Assistance Act of 1971 (S.2841) have been generally referred to as our "regulatory package" and our "financial package." Those who only skim the tops of things look upon them as oriented totally toward "bailing out" the railroads.

Just for the record, let me say that we don't think the railroad industry needs "bailing out", although they certainly do need help. Secondly, the effects of this legislation --the beneficial effects -- will touch upon much more than our traditionally privately owned railroad system. These Bills will be good for the other modes, they will be good for shippers, they will be good for consumers -- in short, good for the American system, good for the American public.

As the President said in his State of the Union message, "By encouraging competition flexibility and efficiency among freight carriers, our proposals could save the American People billion of dollars in freight costs every year, help to curb inflation, expand employment and improve our balance of trade."

On February 2, Peter Flanigan, Assistant to the President, spoke at the Transportation Association of America's National Transportation Institute. Appearing before users, financial people and providers of transportation, he explained the philosophy of these two bills.

Peter said, "Systems devised to meet the needs of yesterday may not solve, but may even create, the problems of today. Government economic involvement is sometimes a help, but sometimes the best help is disinvolvement. Reliance on competitive forces, and a free market within which carriers may respond to these forces, will in the long run best preserve an efficient and effective, privately owned transportation system."

More specifically, the Nixon Administration wants to allow rates to respond to costs; to allow abandonment of facilities which are no longer needed, and which hinder the achievement of financial health where they must continue to exist; and to allow the surface modes -- rail, highway, and water -- to compete more effectively.

I am well aware that the matter of "entry" is of considerable interest to you. It's always handy to know who your competitors are -- or might -- be. Opponents of easier entry say that open entry would mean almost certain chaos and long-term service loss to shippers. Well, we are not asking for total de-regulation. In fact, the phase I refer to is "re-regulation." We have proposed a revision of entry restrictions for truck and water carriers while retaining certification requirements and much of the present process. The requirement for an ICC Certificate to enter new markets is retained as is the present requirement that an applicant be "fit, willing and able" to perform common or contract carriage. Entry could not be denied solely because it would adversely affect a competing carrier, unless the overall quality of service would suffer. Then entry could be denied.

Rail line abandonments will cause increases in the demand for trucking in those areas, and unless entry procedures are liberalized, shippers in those areas will suffer.

Lest you think we are proposing radical changes in the way business is conducted, let me assure you there are provisions in the legislation which will permit the effects of these changes to be absorbed gradually, rather than be thrust immediately upon an industry which has learned to live under the present system.

We feel that our proposals are both workable and fair. Naturally, we are open to suggestions from you -- and from everyone. And the legislation will, of course, be given a fair hearing on the Hill. But our proposals reflect what we feel to be the best interests of the Nation.

Now let's turn to another area which is a long-term challenge to motor transportation. I speak of safety on our highways. And I'm delighted to see that Gerry Davis of our Bureau of Motor Carrier Safety is here at your conference. Again, we want to work with you as we seek a common goal.

Just 24 hours from now, we will have killed 150 of our fellow Americans. That statistic is ridiculous, it's shameful, it's wasteful, and it's totally unnecessary. It is not a regular cost of mobility. And it must be stopped. There are those in the Industry who perhaps resent the Bureau -- or who feel that we are too strict. I'm sorry, but against figures like that, nothing can be too strict. The killing must stop.

To what degree is this a responsibility of the trucking industry? In terms of actual fatalities measured against miles driven, truck operator fatalities are probably very small. But in your industry the responsibility is magnified by the inherent danger in the size of your vehicles, by the mileage you roll up, and by the necessity to keep those rigs moving in order to stay in the black.

Yes, I am quick to praise your overall safety record. But the statistics prove that we can do better. Our published accident reports show just how crucial it is for motor carriers to choose good drivers. What am I supposed to say when I pick up a report and read about a driver carrying an oversized load under special permit, operating after dark against the requirements of that permit, not wearing his glasses, and speeding as he approached a narrow bridge where the load was dislodged? Two killed, two others injured. Innocent victims coming the other way in a passenger vehicle.

So don't for one minute think that safety restrictions will be eased. They won't. And when and if we find they need strengthening, that will happen too.

Truck drivers have tough jobs. No one denies it. So make sure you get the best man possible behind that wheel, and then make sure he is in a position to obey regulations at all times. No exception. No chance-taking.

As I said at the beginning, your industry is doing a tremendous job. Change is coming, yes; but you can make that change work for you as it works for the nation.

I am sure that you can -- and will -- do your part.

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