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# DEPARTMENT OF TRANSPORTATION

# NEWS

## OFFICE OF THE SECRETARY

WASHINGTON, D. C. 20590

STATEMENT BY SECRETARY OF TRANSPORTATION CLAUDE S. BRINEGAR ON  
AVIATION FUEL CONSERVATION, NOVEMBER 30, 1973

The Nation's airline industry has this week been asked to make further cuts in fuel usage in December and to prepare for additional cuts in the first quarter of 1974. This will mean additional flight cutbacks.

It is important to understand that these fuel cuts are the result of a serious and immediate shortage of the specialized jet fuels used by the commercial airlines. Hopefully, the Nation's oil refiners will soon be able to adjust their operations in order to produce additional jet fuel and less gasoline, as the President has requested. But until this happens there is no alternative other than making these fuel cuts.

I believe that the airlines deserve recognition for their many fine accomplishments thus far in finding ways to conserve fuel. Through a great variety of actions they have already reduced fuel usage by over 800 million gallons a year.

We now are entering the holiday season facing most difficult transportation problems. I am confident that the airline industry, which has done so much already, will continue to do all it can to adjust to these necessary changes in a way to have the least impact on its employees and on the thousands of people who must travel during the coming weeks.

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The following telegram was sent today, Thursday, December 6, 1973, by Secretary of Transportation Claude S. Brinegar to the Governors of all the 50 States:

I urgently solicit your support in restoring the efficient flow of transportation on the Nation's highways.

Reports reaching my office indicate that demonstrating truck operators are continuing to block key highways at various points in the country. This is resulting in the disruption of our very important motor truck transportation system upon which so much of our economy depends as well as interfering with the free movement of private traffic on our public highways.

As Governor of your State, you can be of great assistance in bringing this situation to an end.

The Federal Government already is moving to resolve some of the difficulties over which the truckers are protesting. The Internal Revenue Service is now investigating alleged price gouging on truck fuel sales. The Office of Petroleum Allocation is reviewing the availability of fuel at truck stops. An investigation of problems arising from the impact of sharply higher fuel costs on rate schedules is now under way.

Representatives of my Department who have visited the scenes of some of the demonstrations report to me a lack of understanding among the truckers of the positive actions being taken to meet problems over which they are protesting. In meetings my staff and I have had with representatives of the truckers---meetings which are continuing--- I have attempted to make our actions clear.

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The truckers also need to be reassured that there is a genuine fuel shortage and that they are not being singled out for discriminatory treatment. We found it helpful to point out that many other segments of the economy are being allocated even smaller percentages of their normal fuel demands.

You can take the lead in your State in this effort by using all means available to you to communicate with the truckers. One of the means proved effective in reaching the truckers has been the citizens band broadcasting network and I urge that you and your representatives use this medium to communicate with them. We will continue to publicize the progress of Federal efforts to ameliorate the difficulties confronting the truckers.

I hope you will impress upon the truckers in your State that actions taken in violation of existing laws are not in their own best interests; that the Federal Government is aware of their problems and is moving to meet them; that the Federal Government insists, however, that our important motor truck transportation system be kept moving and that order be maintained on our public highways. Your personal action in this critical situation is urgently requested.

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26-S-73

EXCERPTS FROM REMARKS BY SECRETARY OF TRANSPORTATION, CLAUDE S. BRINEGAR, TO THE ANNUAL NATIONAL FORUM OF THE TRANSPORTATION DATA COORDINATING COMMITTEE, WASHINGTON, D. C., DECEMBER 4, 1973

It's a great personal pleasure to meet with this distinguished group today. The work of the Transportation Data Coordinating Committee is an outstanding example of how a common interest can bring diverse points of view together to the benefit of all. Your efforts to make modern computer and data transmission technology available to the entire transportation industry are most welcome and most commendable, and I pledge continuing cooperation from the Department of Transportation.

My strong personal interest in your program can, in part, be traced to my own early business career, which involved a great deal of effort in trying to adapt the then primitive



art of computer technology to the complex elements of the oil industry. Recalling those early struggles with confusing and conflicting industry statistics brings to mind a quote from one of O. Henry's short stories that some of you may find appropriate to this committee's current work. In this story O. Henry related the experiences of two gold miners who were snowbound in a small cabin that had only two books--the Rubaiyat of Omar Khayyam and the World Almanac. Following a quarrel they refused to trade books and each spent the winter reading his one book over and over. The next spring each tried to woo the local widow, a Mrs. Sampson, with his new-found knowledge. I'll give you one guess as to which book prompted this emotional outpouring:

"Let us sit on this log at the roadside, says I, and forget the inhumanity and ribaldry of the poets.

It is in the glorious columns of ascertained facts and legalized measures that beauty is to be found.

In this very log we sit upon, Mrs. Sampson, says I, is statistics more wonderful than any poem. The rings show it was sixty years old. At the depth of two thousand feet it could become coal in three

thousand years. The deepest coal mine in the world is at Killingsworth, near Newcastle. A box four feet long, three feet wide, and two feet eight inches deep will hold one ton of coal. If an artery is cut, compress it above the wound. A man's leg contains thirty bones. The Tower of London was burned in 1841."

"Go on, Mr. Pratt," says Mrs. Sampson. "Them ideas is so original and soothing. I think statistics are just as lovely as they can be."

To find out who won the lady--the poet or the statistician--I'll leave that to your own snowbound reading.

My comments--and time forces me to be brief--will be directed to three major matters that are today occupying a great amount of our department's time and thinking: the Northeast rail situation, the energy crisis, and the development of a National Transportation Policy. As a matter of interest, I'm certain that all of these issues would be more manageable and better understood if today we had access to the "lovely statistics" that will, in time, flow from your project.



For most of 1973 our department's primary job has been that of trying to find a rational solution to the Nation's very serious rail problems. Our first priority effort must, of course, go to Penn Central and related bankruptcy problems, but equally important is the larger question of what to do about improving the financial health of all the rail carriers. An industry of such overall National importance cannot long exist with a return on capital of less than 3%.

These rail issues are being approached from two sides. The Penn Central problems will, hopefully, be solved as a result of legislation that should soon emerge from the Congress. The Bill that has passed the House (H.R. 9142), while offering a reasonable overall framework, has several features that we cannot accept--most particularly in the way that the assets are to be conveyed to the new corporation and in the very broad labor protective provisions. Both of these issues have the potential to become excessively costly burdens on the taxpayers. The parallel Bill before the Senate is significantly better in the way that it handles the asset conveyances, as well as in its general legal draftsmanship. But it too poses

some problems--the labor protective section is similar to the House Bill, and it contains provisions that are largely extraneous to the Penn Central problems. We are most anxious to get an acceptable Bill, and will be working with the Senate and with the Conference Committee on the needed changes.

As soon as an acceptable Northeast Rail Bill clears, we expect to introduce legislation directed to rail's larger problems--especially those posed by inflexible regulatory policy and the lack of access to adequate capital funds. We are confident that this much-needed legislative proposal will receive widespread industry and Congressional support.

The energy crisis is now the Nation's number one discussion topic--and for good reason, for it holds the potential for both National peril and National good.

Liquid petroleum provides almost half of the energy that makes our Nation move, our business prosper, keeps our houses bright and warm, and our living standards the highest in the world. With only some 6% of the world's population we consume over 30% of the world's energy. We are, as a Nation, addicted to energy and the availability of enormous amounts of relatively low-cost fuels.



Unfortunately, starting about three years ago oil from the Nation's oil fields began declining. New oil discoveries--except for Alaska's North Slope--have been disappointing. To offset these declines we have had to reach abroad for new sources--increasingly into the unstable Middle East where enormous oil reserves lay undeveloped. Of the Nation's total present oil usage of about 17½ million barrels a day, over six million--nearly 40%--now come from other countries. And of the six million, nearly half comes either directly or indirectly (for example, after processing in European refineries) by tanker from the Arab world.

Last Spring we were worried about a modest oil shortfall--say in the order of 3-5%. This resulted mainly from inadequate refinery and tanker shipping capacity. A 3-5% shortage can be managed by a few allocations and a few readjustments of oil usage. It was worrisome but not a crisis.

But suddenly the Middle East once again erupted into war--its fourth since the end of World War II. The Arab world, because of our direct support of Israel, has successfully embargoed all Arab-source oil imports into the U.S. Whereas we thought we were dealing with a 3-5% oil shortfall, we now

face a near-term 15-20% oil shortage. And no matter how you look at it, a 15-20% shortage is a crisis of major proportions.

What do we do?

We do as we have done in other National crisis. We use our heads and our ingenuity to manage as best we can. With care and cooperation we can squeeze the "slack" out of our energy usage without major impacts on living styles or employment. Disruptions, yes--but not frozen homes or massive unemployment. But it will take much positive and quick action.

President Nixon--in two nationwide television speeches--has set forth some early directives for dealing with the shortage. I should like to re-emphasize here the major transportation actions thusfar. The President has called for:

1. A closing of service stations on Sunday in order to discourage leisure driving.
2. A nationwide speed limit of 50 mph for private cars and 55 mph for trucks and buses.
3. A reduction in the production of gasoline, and increases in the production of the middle distillates used by the industrial sector.



4. Reductions in the deliveries of fuel to both general aviation and the air carriers.
5. Reductions in fuel deliveries to various categories of rail, trucking, and marine operations.

With transportation using some 50% of all liquid fuels, it is obvious that the transportation sector will be heavily affected by the fuel shortage. By squeezing as much "slack" as possible out of unnecessary automotive uses, we are hopeful of being able to hold these disruptions to a minimum.

This might be an appropriate audience to make one additional comment on the short-term fuel crisis. Some of the early cut backs -- for example, the deep fuel cuts by the airlines as contrasted with little or no cuts by intercity buses -- have been criticized as being unfair. I'd like to

stress that the immediate problem is simply that of spreading the supplies of available fuels. Unfortunately, in the very near term--like the next few weeks--the highly specialized aviation jet fuels will be the most critically short fuel. Perhaps additional jet fuel supplies can be produced next year but now, at least, the airlines must find a way to get by with what's on hand. And, I wish to add, they are all doing a remarkably good job in learning how to do just that.

For the long-term, this sudden energy crisis may actually have a brighter side. By awakening the Nation now to the seriousness of relying excessively on foreign sources of oil, I believe we still have time to develop secure alternate energy sources. But if the cut-off had come four or five years from now--when our dependence had reached the point that we could not sustain our economic and our National security without Arab oil--if that had happened we could well have been forced to yield to foreign blackmail. Our Nation, if it pulls in its belt a bit, now has breathing room to regain its independence. Let's use this time wisely.

Finally, I'd like to offer a few brief comments on the subject of National Transportation Policy.



During my roughly 300 days as Secretary of Transportation--and some have indeed been rough--I've many times been reminded about the shortcomings of America's National transportation system. I've noted that this lecture often ends with a similar theme: if only we had a decent National transportation policy these problems would all be solved.

I accept, in a general way, this criticism and I have a considerable effort underway to see what we can do about it. But a word of caution is in order.

I don't believe that it's as well recognized as it should be that we already have a number of National transportation policies--although not all are to the liking of everyone, including me, and not all are necessarily followed regularly. Clearly, some of our present Federal policies are conflicting and some treat the various modes unevenly. These and other valid criticisms we are endeavoring to deal with, either by new legislation or by administrative actions. It is our hope that this action will, in time, lead to the development of a recognizable and coordinated National transportation policy. But don't expect the "impossible dream." Our dynamic processes--the tugs and pulls of our various

sectors--will always bring a mixture of progress and problems. Some will see only the problems; others will see and appreciate the progress. Our job is to tip the scales in the direction that best serves the needs of the Nation as a whole.

Finally, let me note that despite the many problems we now face, our Nation has, in fact, made significant transportation progress in the last decade. To cite just a few examples, our 42,500-mile Interstate Highway network has been pushed essentially to completion; various safety improvements have caused our highway death rate to fall significantly; we are well into a Federal program to stimulate the rebuilding of our Nation's urban transit systems; our National system of airports and airways is the world's best; and, by world standards, our National 200,000-mile rail freight system even looks good--at least in terms of ton-mile costs to our shippers.

So, though we have much to do--as we always will--we nevertheless have much to be proud of.

Thank you.

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