



DEPARTMENT OF TRANSPORTATION

NEWS

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REMARKS PREPARED FOR DELIVERY BY SECRETARY OF TRANSPORTATION JOHN A. VOLPE BEFORE THE BUSINESS COUNCIL, THE HOMESTEAD, HOT SPRINGS, VIRGINIA, MAY 9, 1970, 11:40 A.M.

We are a new Department -- only three years old last month -- yet we were legislated into existence none too soon. Let me outline the dimensions of the transportation challenge that faces us.

We are faced with a phenomenal increase in the demand for transportation services. This increase is startling. Domestic airline passenger miles -- which doubled in the past 4 years -- will triple by the end of the 70's. Truck tonnage will increase by 50 percent in the same decade.

We are adding vehicles to our highways at the rate of 10-thousand a day. Our railroads are accounting for 15 million additional ton miles every day.

I can summarize this startling demand quickly ... we shall have to double our transport capacity within 20 years. We shall have to come up with as much transportation by 1990 as we developed since 1776.

The significance of this challenge heightens when we consider the direct and immediate connection of transportation and business. Speedy, dependable, efficient transportation is the moving belt of the modern production assembly line. America's new supersonic transport aircraft, for example, will represent the involvement of some 15-thousand subcontractors and vendors.

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Beyond manufacturing, sound transportation is the key to volume marketing. Stop in a florist shop this weekend. Chances are most of the Mother's Day flowers here in the east come from California. Lest anyone think that this is an isolated case, I remind you that air freight is one of the fastest growing businesses in the country today -- with an annual expected increase of about 20 percent a year -- every year for the next ten years.

The inference is clear. The success of our future endeavors in transportation will have a direct bearing on the future of the American economy. How we in transportation meet our current and long range problems can affect the growth and prosperity of the individual businesses of you men here today.

And transportation is big business -- more than 20 percent of our gross national product. This bill for keeping the country moving amounts to 170 billion dollars every year. Looking ahead, this figure will jump to 320 billion dollars by the end of the 70's -- 320 billion dollars every year to move people and supplies and products.

Our job in the Department of Transportation is to assist and improve this giant transportation industry in all modes and to provide it with safety standards and regulations.

A Department production report would show that our Federal Aviation Administration provides air traffic control for some 14-thousand flights a day, maintains several thousand navigational aids that provide guidance over nearly 700-thousand miles of airways.

Our Federal Highway Administration builds about 2-thousand miles of interstate highways every year, is assisting cities and towns in modernizing their primary and secondary roads, and in increasing the capacity and safety of their city streets.

Our Urban Mass Transportation Administration is working with America's cities -- large and small -- in their efforts to upgrade dependable and much needed public transportation facilities.

Our Federal Railroad Administration sets standards of railroad safety. And three days ago, the Senate took action that may make us members of a corporation whose function is to maintain railroad passenger service. By a vote of 78-3, the Senate approved a bill to set up a quasi-public corporation to operate passenger trains on intercity routes designated by the Department of Transportation.

This bill will restore a dwindling transportation service. The House has not yet begun debate on the measure but I am confident that it will be well received there. This is a very necessary measure and I am optimistic about its success.

Our other railroad interests consist of sponsoring the High Speed Metroliner and TurboTrain demonstration projects. And we also operate the Alaskan Railroad.

At sea, we are represented by the United States Coast Guard and their production sheet shows more than 48-thousand search and rescue missions this past year.

We are also responsible for administering operation of the U.S. side of the Saint Lawrence Seaway.

So obviously, we have a major interest in intermodality. We want to make it work. We want an effective "interface" between the modes. The question is not as the public assumes -- a problem of hardware or technology. We have the technology. The problem is how to put it to work. The most difficult task in the world is to change people's minds or change their way of doing things. The great industrialist and philanthropist Charles Kettering said, "The world hates change, yet it is the only thing that has brought progress." Nowhere is this more evident than in the matter of transportation documentation.

Containers, piggy-back operations, the new "lash" ship and automated transfer terminals all offer great promise in intermodality. The traditional systems in which they operate, however, have not advanced as fast as the technology. Consider this fact: In international shipments, the bill for paperwork amounts to about 10 percent of the value of the product. The total cost for this paperwork ... a whopping 6 billion dollars a year!

It takes a roll of 101 Government documents some 103 feet long to process a shipment or a vessel or a passenger clearance before sailing. You start with the shipper's export declaration for in transit goods and end with the shipping articles 103 feet later.

We are going to minimize this red tape and the costs that result. We have sent to the Congress a Trade Simplification act which will benefit both shippers and carriers. It provides for a through bill of lading; it would permit the interchange of both transport facilities and equipment between different modes of transportation without incurring antitrust penalties. And it would grant permission to file uniform international single factor freight tariffs for door to door movement.

This bill -- our Trade Simplification act -- will cut through the paperwork jungle and encourage intermodality. The measure deserves the support of the Business Council and its individual members. I urge you to do what you can to help us here.

Another one of our bills is designed in part to restore and revitalize the downtown business center. Our Public Transportation act will provide the nation's cities and towns with Federal funds to improve and upgrade their deteriorating public transportation systems.

Urban traffic jams are stifling downtown business and adding heavily to business costs. The most effective answer to this is improved public transportation -- rapid rail transit or better busses and better bus systems. Yet in almost every city in the nation, public transportation is in difficulty. Consider these facts:

In 1950 there were 14-hundred transit companies. In 1967, only 11-hundred were left. 300 had gone broke.

In 1950, transit companies operated 87-thousand vehicles. By 1967 that number had dropped to about 58-thousand.

In the same period, the number of passengers dropped 50 percent and operating income fell from a plus 66 million dollars to a minus of 67-million dollars.

Our bill would immediately obligate more than 3 billion dollars in Federal funds for public transportation assistance.

This bill will benefit residents of cities both large and small, in an urban metropolitan area -- the downtown businessman, the suburban commuter, the impoverished ghetto worker who can't get to a job because he has no transportation, the aged and the infirmed. It's good for business; it's good for everybody. The bill passed the Senate by an overwhelming vote of 84-4. The measure will be coming before the house in the next few weeks for floor debate. Again, I urge your support.

We are well on our way with a solution to another urgent transportation problem -- the insufficiency of support facilities needed to accommodate aviation growth. Our Airport and Airway Development Act of 1970 will provide 15 billion dollars, mostly in user taxes, over the next ten years to upgrade our air navigation and traffic control system. Funds from this bill will enable us to build some 900 new airports and enlarge and improve about 27-hundred others. We will at the same time get funds to buy new radar and other equipment, bring in new manpower and establish the new facilities needed to expand and modernize our control and navigation systems. That bill sailed through the House of Representatives by a vote of 337 to 6 and whizzed through the Senate by a vote of 77 to 0. I expect the President will be signing it into law next week. We shall now have an adequate and modern aviation system designed to accommodate aviation's fantastic growth.

I should like to turn now to the challenge I mentioned early in my remarks -- the task of providing twice as much transportation capacity as now exists. It is here in this tremendous future demand that the close relationship of business and transportation is crucial. Our failure to meet this demand could inhibit the growth of our economy and mean the death of our nation. Let me say right here, I don't intend to let that happen.

This great job of building -- of enlarging -- of increasing and of expanding must, moreover, be carried on in conformity with two very prominent sets of guidelines.

Our first concern is that this expansion of transportation must be done with complete dedication to the task of protecting and preserving and even developing our environment. I do not minimize the difficulties of this assignment. President Nixon put it in true perspective when he said in his great State of the Union Message earlier this year: "The environmental problems we face are deep rooted and widespread. They can be solved only by a full national effort embracing not only sound, coordinated planning, but, also an effective follow-through that reaches into every community in the land."

The big question here, I remind you, is not only the quality of life. It is life itself -- your's and mine.

The other concern -- equally important -- is safety. We must -- and we shall -- reduce the toll of transportation accidents. More than 56-thousand persons were killed on our highways last year -- the highest toll ever. 150 per day. Figures for February of this year show that there was an average of 28-thousand accidents every day and these accidents brought bodily injury to more than 6-thousand persons a day. Total economic loss - about 20-billion a year. We are determined to reduce this fearful toll.

But I am not dismayed. We are going to achieve our goal -- we will have the transportation facilities needed to meet the demand of the future. But I emphasize right here we shall have them, not merely by adding more highways -- more airports -- more boxcars or by bigger and better trucks. We are going to get this job done only by increasing productivity and increasing efficiency. It is, indeed, the task of everyone in a concerned America.

I have found, over the years, that when presented with the cold hard facts of an overwhelming challenge -- just about every good American citizen in this country will rise to meet the challenge. So, at the outset, our job is an educational task. America must recognize the dimensions of the transportation challenge. America must understand the ramifications of the challenge. The nation must know without a doubt what will happen to our entire social and economic structure if we cannot provide efficient movement of people and goods.

With that understanding, that knowledge, we will be able to meet the demands. I know from experience. Our success so far with the Airport-Airways bill and with the Public Transportation bill can be keyed directly to education of all parties involved. We told our story, presented the facts, highlighted the alternatives ... and we're getting results. It can be done. It is a task that must be done. We in Washington can provide grants; we can sponsor specialized research and development; we can conduct demonstration projects of new techniques, and we can provide guidelines. But the creative genius that can bring us new techniques must come from your plants and your laboratories. And the "can-do" spirit must come from your front offices. I would urge you, then, to look at the transportation market. It will be constantly expanding. It is looking for new thinking and new departures. There is risk, certainly, but there is far more promise. And you will be rendering service. Maybe there's a better proposition, but I doubt it. I know businessmen and I know this is the kind of challenge you like. It's time to go to work.

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