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**DEPARTMENT OF
TRANSPORTATION**

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NEWS

OFFICE OF THE SECRETARY

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REMARKS PREPARED FOR DELIVERY BY SECRETARY OF
TRANSPORTATION JOHN A. VOLPE BEFORE THE MID-SOUTH
TRANSPORTATION CONFERENCE AT THE RIVERMONT HOTEL
MEMPHIS, TENNESSEE ON WEDNESDAY, MAY 13, 1970
AT 7 P. M. CDT

I've seen your agenda for today's meetings, and I'm sure you're all aware that transportation of people and goods in these United States accounts for more than 20-percent of our gross national product every year. In terms of cold hard cash, that comes to \$170 billion each year just to keep this country moving. And the way things are going, by the end of the Seventies, we will be spending a total of \$320 billion every year!

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 14,000 flights a day, maintains several thousand navigational aids that provide guidance over nearly 700,000 miles of airways.

Our Federal Highway Administration builds about 2,000 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.

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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 last week, 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 Alaska 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, as well as marine inspection, port security, and oil pollution prevention and control.

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

We have, then, a vast transportation industry assisted by major government transportation programs. And yet -- as all of you know -- more must be done.

We hear more and more, every day, about congested highways. We hear about boxcar shortages and long-delayed deliveries. We hear about air freight making the Atlantic a so-called "six-hour ocean," yet we know that the figure is more like six days because by the time the paperwork is complete, those goods have been sitting on loading docks and in warehouses for three days on each end of the flight.

We hear about city buses and subways being crowded and dirty. We are faced with the fact that in recent years some 235 bus and transit companies have gone out of business.

We hear about pollution from automobiles and from aircraft. We hear complaints about noise from jet planes. We have seen our transportation network come altogether too close to the saturation point on altogether too many occasions.

And if you think things are a little sticky right now, just wait until your children are running the nation in another few years.

By then, America's population will be closer to 300-million than the 200-million we have now.

By then, close to 85-percent of our population will live in urban areas.

By then, our highways will be clogged with more than 150-million automobiles and trucks traveling bumper to bumper.

By the turn of the century the wide-bodied jet aircraft we marvel at today will be run-of-the mill, and will be dumping well over 500 people into our airport facilities every time they land.

And if you think that the turn of the century is too far away to worry about, try 15 years from now -- in 1985 -- when our population will have increased to the extent that we will add as many people as now live in all the states west of the Mississippi River!

We are adding more than 10-thousand additional vehicles to our highways every day. Domestic airlines will triple passenger miles in 10 years. Truck tonnage will rise 50-percent by 1980. The railroads with the aid of automation are accounting for 15-million additional ton-miles every day.

In fact, the demand for transportation services of all kinds is far outstripping population growth and most other forms of economic activity in this country. The result is obvious when you project the figures on the charts -- we have to double our transport capacity within 20-years. Let me put that another way. We must double what has been put in place since the founding of this republic.

Now we are not going to achieve our goal by just adding more boxcars, building more airports, more highways, or making bigger trucks. We can answer this challenge only by increasing productivity and increasing efficiency and we see this increased efficiency in the new technology now being put to use -- particularly in the premise of intermodality.

But there is a "rub" if you will.

Containers, piggy back operations, the new "LASH" ship and automated transfer terminals all offer great promise for change 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!

Why, just to process a single shipment -- or a single passenger clearance -- it takes a roll of 101 government documents 103 feet long before that ship can leave the dock! 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. It will benefit business.

On the domestic scene, we are concerned with regulation. Regulation was originally conceived to protect the shipper against the monopoly power of the railroads. In the past 30 or 40 years, however, it has seemed to trend towards protecting the carrier. But the Nixon Administration has a firm commitment to increasing beneficial competition. We shall, consequently, be proposing revisions to regulation and the regulatory process. This concern and review of regulation should mean -- to all users of transportation -- more flexible responses by the common carriers -- better service and generally lower cost.

Also of interest to the business shipper is the problem of car service. Over the years shippers, carriers, and Congressional leaders have been expressing concern over deficiencies in railroad freight car service. In large measure, this is an ICC responsibility, but we clearly are concerned. We have underway a study which is looking at some of the economic considerations involved in freight car distribution. We expect this study to tell us something of the impact of the supply deficiency on various sectors of the economy (for example, the forest industries) as well as who bears what part of the burden. We may expand the scope of this study to include some specific recommendations on just how car utilization can be improved.

We also expect sound transportation dividends from our new Railroad Safety Bill. This measure would prescribe Federal safety standards for most areas of railroad safety such as maintenance of way, rolling stock, and the like. The bill would also authorize a program of railroad safety research. This program will translate into better transportation. Railroad accidents (which continued upward last year for the 12th consecutive year) are causing significant loss and damage to railroad equipment as well as to shipments traveling in this equipment. This loss and damage takes a financial toll on the railroad industry. Even more important it delays service and decreases an already inadequate supply of equipment. Improvement in railroad safety can only, in the long run, improve service.

I would not have you believe our interests in the Department center only on freight shipments and their problems. We worry about moving people as well as goods, as I am sure you are aware.

One of our major pieces of "people moving" legislation -- our Public Transportation Bill -- is designed to provide our nation's cities large and small with the money they need to help revitalize and upgrade public transportation systems. I spoke at length on this matter to the Memphis Chamber of Commerce this noon. In just about every city and town in the nation, public transit is in difficulty. The facts speak for themselves:

In 1950, there were 1,400 transit companies. In 1967, only 1,100 were left. 300 had gone broke.

In 1950, transit companies operated 87,000 vehicles. In 1967, that number decreased to about 58,000.

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.

These are some of the facts I presented to the Congress and these are some of the arguments that won us victory in the Senate. The bill is now in the House and I am optimistic that it will also be successful there.

And I expect the President will be signing into law this week his great Airport and Airway Development Act of 1970. This will provide 15-billion dollars over the next ten years to expand and modernize the nation's airports and our air navigation and control system. These funds will be used to buy new radar, build new facilities and furnish the manpower necessary to give us an aviation system that will meet the tremendous future demand. This is one of the greatest pieces of aviation legislation ever passed by the Congress.

Ladies and gentlemen, I have been telling you about transportation tonight in terms of legislation, technology, regulation and Federal grants. But that is only part of the transportation story. I should also like to talk about the things we are not doing. We are not, for example, going to permit a jet airport in the Everglades. We are not going to build a freeway through the Old Quarter of New Orleans. We are not going to build a superhighway through the beautiful Franconia Notch in New Hampshire. We are, in sum, going to protect the environment in every way we can. Transportation ultimately -- like every phase of our economy -- should have as its goal the enriching of men's lives. We intend to see that it reaches that goal.

Another theme that has been running through my remarks tonight is safety. This, again, is another major goal of our Department. More than 56,000 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 28,000 accidents every day and these accidents brought bodily injury to more than 6,000 persons a day. Total economic loss -- about 20-billion a year. We are determined to reduce this fearful toll.

This, then is my docket of transportation challenges. But it is not mine alone -- for these are the transportation problems of the nation -- the problems of you people here tonight.

And I might say that especially after having looked at your program, anyone who sat through all those sessions today is probably qualified to be Secretary of Transportation!

It was a full agenda . . . and a good agenda.

The conference sponsors are to be congratulated for their planning and hard work. And all of you are to be congratulated for your interest, and for your dedication to your profession.

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