

REMARKS PREPARED FOR DELIVERY BY SECRETARY OF TRANSPORTATION BROCK ADAMS,
AT THE PARKS COLLEGE COMMENCEMENT, ST. LOUIS, MISSOURI, JULY 31, 1978.

The reputation of this college, as the nation's first aviation school, is well known and highly respected. You have an Air Certificate from the Federal government issued by what would now be the Department of Transportation attesting to this school's lineage, and a long line of successful alumni to vouch for the quality of its instruction. You have good reasons to be proud of your alma mater.

I am also aware that while this college and I are of the same age, since your school was founded the year I was born, that only goes to prove how young aviation is, and how fast it has grown in a single lifetime.

We are celebrating this year the 75th anniversary of powered flight. But 51 years ago, when Mr. Parks had the foresight to see a need for a formal aviation school, flight was still in its infancy;

- Only nine U.S.-built aircraft had been certificated...
- The first regular commercial airline service was just being started between New York and Boston...
- The biggest passenger plane in use was the Ford Tri-Motor...
- And, earlier that year, Lindbergh had flown the Atlantic.

We need only to reflect that the man who taught Lindbergh how to fly died but a few weeks ago, to realize that we have, indeed, come a long way in the last 50 years. And the rate of aviation development is accelerating.

The number of airline passengers has doubled in the last 20 years. Traffic has been growing by two million passengers a month in 1978. This year 260 million people will travel the scheduled airlines. Millions more will fly in private, business and charter aircraft. As one airline executive facetiously said: "America's sudden fling at air travel could become a permanent phenomenon."

You graduate, then, at an opportune time. Never has the outlook for jobs, or rapid promotion in the aviation and related fields been more promising. Never has transportation been in greater need of your skills, your talents and your ideas.

You also graduate at a time, long overdue, of equal opportunity for women in transportation careers. The aircraft companies are hiring women engineers. The airlines are hiring women pilots. The government is recruiting women astronauts. There are now a number of women on my senior staff at the Department of Transportation, and we will employ more. So I extend my special congratulations to the women of this class and to Mrs. Anna Jo Waggener in particular who, as a housewife and mother of three, is graduating today magna cum laude.

My message to you is brief. And it is in three parts:

First, I want to make just a few comments on the professional challenges ahead of you...

Second, some thoughts on the social challenges you must meet...

And, third, several observations on the personal challenges before you, which will determine how successfully you handle the other two.

II. THE PROFESSIONAL CHALLENGES

Taking these from the top, I think aviation is one of today's best career choices because, first, the industry is expanding tremendously; and -- second -- it's becoming much more competitive. Aviation is going to need top professional people to keep pace with demand, and to compete successfully.

In other words, after years of having the world market for jetliners pretty much to themselves, U.S. aircraft manufacturers are being challenged now from Europe. And after four decades of Federal economic protection, the airlines are experimenting with a wide range of discount fares which -- in my judgment -- are a prelude to the regulatory reform legislation soon to come.

Some were saying a year ago that without complete economic regulation the airlines would perish or the industry would fall into chaos. This has not happened. We've had the "super-savers" and the other promotional fares -- and the airlines have filled a lot of empty seats, attracted new customers, and improved service.

They haven't gone broke. They haven't seen their best routes lost to other carriers. What has resulted instead are some of the highest load factors in history -- Allegheny, for example, had an 84 percent occupancy rate in June -- and the best profits ever: \$745 million for the scheduled airline industry in 1977.

What I'm saying is that the airlines have made the pleasant discovery that competition can be good for business. So they're committed to it. And when the regulatory reform bill now in Congress is passed -- and the Administration has been working hard to get that bill through and I'm confident it's going to happen this year -- we're going to see more competitive fares and more customers in line to take advantage of them.

The airlines set new records for the busiest month, the busiest week and the biggest weekend in their history in June. Airlines that pioneered low fares in the non-regulated markets, like PSA in California and Southwest in Texas, now can hardly wait to compete in a larger market. They're not afraid of reduced regulation. They're not reluctant to compete. So what I'm saying is that legislative reform will guarantee that shifting to a new competitive environment will continue. That's good for the consumer. It's good for the airlines. It's good for the people in the air carrier and aircraft industries. It's what's going to happen and you who graduate today are the beneficiaries of this dynamic growth and progress.

It's good news for the aircraft companies, too. A few years ago the airlines were burdened with over-capacity, and the outlook for aircraft production was gloomy. The upsurge in air travel has changed all of that. The demand for new aircraft, worldwide, is now estimated at \$70 to \$100 billion over the next 10 to 15 years. Boeing announced earlier this month that it would build a family of new airliners, starting with the 767 -- 30 of which have been ordered by United for delivery early in the 1980's.

All of these prospects for progress, however, do not come free of problems. There are difficult challenges to be met -- and it will take capable, well-educated, dedicated people to meet them. Here are a few, for example, that concern me because they affect the future of air transportation and the U.S. aviation industry.

1. How do we assure that U.S. flag carriers are free to compete fairly and profitably against foreign airlines, many of which are subsidized by their governments? We must do it through an international air transportation policy that says, 'Look, we stand for free market competition.' In other words, we do not believe that the traffic in a particular market should be divided among the carriers according to some arbitrary standard. We believe market share should be a matter of passenger choice and the competitive instincts of the carriers. This is basic to our international policy. It is a doctrine that must be continuously defended because it will be repeatedly challenged.

2. How do we maintain our commercial aircraft superiority?
I'm not in the business of building airplanes. Some of you will be. So you can assume that if U.S. manufacturers are to continue to dominate the non-Soviet world market, they must continue to build the best product. And that's correct, but other complex factors are involved today, not the least of which are favorable financing arrangements and joint production agreements such as 30 percent of the A-300 being American-made. What I'm saying is, America's aerospace leadership is being challenged, for the first time in many years, and we will have to combine technical excellence with economic and political ingenuity to retain it.
3. How will the airlines pay for the new equipment they need? The U.S. carriers' needs over the next 10 years are estimated at \$35 to \$40 billion, and while recent profits have been good there have been many lean years of low earnings. The Administration has taken the position, (1) that lower fares would induce more traffic, load factors would go up and profits would improve. That, in fact, has happened; (2) the President has recommended that a portion of the ticket tax be allocated to the carriers for the retrofit or replacement of aircraft to meet 1985 noise regulations. A bill to that effect is now pending in Congress and I expect favorable action on it this year.
4. How do we improve safety, as air traffic increases; and what can be done to further protect air travelers against piracy? I think air safety must depend increasingly on new technology. The new microwave landing system, for example, will be a vastly better precision approach landing aid. And the anti-terrorism agreement reached in Bonn earlier this month is part of a movement to produce a strong deterrent to international piracy.
5. How do we expand capacity without building many large new airports? What is the proper mix of people and machines in air traffic control? How do we improve weather forecasting to prevent meteorological surprises? How do we guard against pilot error?

These questions and more -- not all of which will be resolved satisfactorily in my Administration or perhaps in my lifetime -- I leave to you and your co-professionals, who clearly thrive on challenges and welcome them or you would not have made aviation your career choice.

III. THE SOCIAL CHALLENGE

Second, let me touch on the social challenges you will face, by virtue of the career fields you have chosen.

One is noise. Aircraft are intrinsically noisy, and while everyone who travels wants an airport to be convenient, no one wants one close by.

We have to solve that dilemma. One way is to reduce the noise at its source. The new aircraft coming on line are quieter, which is why this Administration supports the legislation I mentioned earlier to help defray the costs of replacing the oldest, noisiest planes in the airline fleet.

Another way is to reduce the disturbance level at the airport -- and we're doing that by working with local airport operators on traffic patterns and what we call "integrated noise models."

But we tolerate noise in a variety of forms in our society -- a passing jet is no worse than some of the motorcycles I've heard, and a good stereo system can outdo the whine of the biggest turbine. I don't say we should accept excessive aircraft noise, but I think there's a lot we can do to learn to live with it while we work to reduce it -- and I hope you will take that as a social challenge worthy of your efforts.

A second issue that will get bigger and harder to solve is the energy situation.

Aviation is not the major consumer of petroleum. It accounts for about four percent of present demand. But fuel has become a significant factor in operating costs, which is another reason the airlines need the new, more fuel-efficient next generation aircraft. And it is why those of you going into aeronautical engineering and engine maintenance can expect to see a growing emphasis on performance efficiencies.

In fact, energy is the principal factor to be considered in all the transportation decisions we make today. Anyway, unless we conserve oil more effectively, and use it more efficiently, we're soon going to find ourselves without the oil we need at prices we can afford to pay. And that would be devastating to the transportation industries and disastrous for the country.

IV. PERSONAL CHALLENGES

Finally, taking the license reserved for all commencement speakers, I offer some parting advice that, for want of a better label, I will classify as "personal challenges."

First, view the excellent education you have received here as the starting point to a life-long career learning experience. For those of you who are veterans, or pursuing a second career, you have already experienced the challenge of continuing intellectual inquiry. I urge all of you, never hesitate to investigate what you do not understand, or question what you already know.

Second, don't expect swift or regular promotions. Career progression occurs at different rates for different people. It also brings different degrees of satisfaction. And whether you feel compelled to strive for the top, or feel more comfortable at some other level, remember that genuine progress is always earned. An employer, or "society," cannot give you anything beyond what you are capable of acquiring through honest effort.

Third, if you are a bit frightened by this graduation event -- by the transition from "learning" to "earning" -- remember that a certain amount of fear is healthy. It's the fear of failure that spurs us to succeed. The fear of the unknown leads to knowledge. And I wouldn't want to fly with a pilot who didn't admit a degree of fear -- it's the most effective safety reminder.

Fourth, learn to make decisions. Don't defer them to others, or dodge responsibility when it is clearly and correctly yours. One of the things that troubles me today is the tendency I see in government to avoid decision-making, or to leave to the judicial branch issues that should be dealt with by the executive or legislative branches.

I devoted the first months after my appointment to the resolution of long-standing issues -- some of them 15 years old. I made a decision on air bags, on the Concorde, on controversial highways and on the future of Lambert field. The question of a new airport for St. Louis had been kicking around for a long time and the prolonged indecision -- in this issue as in others -- had become a chronic irritant. As Justice Brandeis said, it's often better to take an issue and decide it promptly than to wait forever and do it perfectly.

Fifth, keep your sense of humor and your perspective on life. The world can be a serious place, but sprinkled through it there can and should be humor and laughter. Enjoy those moments, as you do your job and your friendships.

Last, I would encourage you to take pride in your life, your profession and your achievements. Maintain a sense of high self-esteem. Stand accountable for your actions and your convictions. Be optimistic about the future, tolerant of those you may not agree with, and gracious to your fellow human beings. It you don't like yourself think of what others may be thinking about you.

If you succeed in all, or even a few of these endeavors, you will enrich not only your own life but the lives of all those you meet.

V. CONCLUSION

It's been my pleasure to have this time with you today. I congratulate you and wish you much success. Like the marines' posters say, transportation too, "is looking for a few good people." By your performance at this college, you have demonstrated your interest in and aptitude for transportation careers.

I say, welcome to the ranks. We need your skills, your dedication and your commitment.

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