

SECRETARY OF TRANSPORTATION ANDREW H. CARD, JR.
INTERNATIONAL INTERMODAL EXPOSITION
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ACKNOWLEDGMENTS

Thank you, Wayne (Schakelford, Georgia Commissioner of Transportation) for that introduction. It's good to be here with some of the most creative minds in transportation. This exposition itself is a great example of intermodalism. And, according to Federal Railroad Administrator Gil Carmichael, it was originated by Nat Welsh. Nat, now chairman emeritus, is here today. Congratulations to a pioneer in intermodalism.

EXCITEMENT

There is a lot of excitement about intermodalism in this room. I arrived in Atlanta intermodally -- landed at Hartsfield and rode downtown on MARTA. While that's just an example of passenger intermodalism, you here today move America's commerce intermodally.

Intermodalism is not a word familiar to most people. We had a group of high school students in from Russia just the other day, who wanted to hear about the future of transportation. The translator was doing fine until somebody said, "intermodalism." There is no Russian word for intermodalism.

Intermodalism even has a language all to its own. Terms like strad, TOFC (toff-see), cans, mules and pigs all have their own intermodal meanings. Though you have your own special lexicon, it is a lexicon of jobs, of commerce, and a thriving economy to all Americans.

WHITE PAPER ON INTERMODALISM

I remember talking about intermodalism as a candidate for governor more than 10 years ago. I called it "multimodalism," but it was the same thing. My campaign consisted of me going alone from town to town with a set of white papers, including one on multimodalism -- improving the connections between Logan Airport in Boston, the Massachusetts Bay Transit Authority, and several major highways in and around the area.

But guess how many reporters showed up for a press conference to unveil my multimodalism white paper? You guessed it. That ten year old paper generated more interest at my Senate confirmation hearing than it did originally.

ISTEA

Today, intermodalism has traveled from obscurity to the title of a revolutionary, new surface transportation bill. The 1987 bill was titled the Surface Transportation Assistance Act. Now we have the 1991 Intermodal Surface Transportation Efficiency Act, known as ISTEA.

Most of all, ISTEA created the opportunity to focus the department on intermodalism.

OFFICE OF INTERMODALISM

At DOT we have an intermodal working group. Its members represent all modes of transportation at DOT. We meet regularly to plan intermodal solutions to transportation problems.

In the next few weeks we will, in fact, create within my office the new Office of Intermodalism. The director of this office will be a key member of my team.

The director will coordinate intermodal thinking and planning within the Department. And the office will do these four things:

First, it will help develop transportation data -- that will assist in planning for the future, and in marketing.

Second, it will conduct and share research and development in new systems. For example, tracking the movement of goods, coding the contents for containers, and other kinds of systems that will improve efficiency.

Third, it will administer seed grants to the states that are developing "model" intermodal plans and projects. In that regard, this week I am inviting the nation's 50 governors to submit proposals for developing model state plans. We all support intermodalism, but I want the states to give us some new insight into how to make intermodalism work best.

And finally, the new office will seek out and break down unnecessary regulatory barriers that stand in the way of an intermodal system.

Let me tell you about the other ways the department has been actively focusing on intermodalism. Here I'm talking about regulatory and maritime reform, and private/public partnerships.

REGULATORY REFORM

The President announced yesterday a number of major regulatory reforms. Tomorrow I will release more details about DOT's reforms. But let me give you a sneak preview of two.

One concerns the stability rules for seagoing vessels. Current requirements were developed in the 1940s for ships of that period. They have proven to be overly restrictive for today's modern container ships. Modernizing these requirements could increase the revenue of U.S.-flag vessels by up to \$250 million annually, by increasing cargo capacity on certain U.S.-flag vessels by up to eight percent.

Another reform concerns railroad operating practices. The Department of Transportation wants to enable a utility brakeman on the railroad to become a member of several crews during one work day. This would permit railroads to take advantage of smaller train crew sizes that were agreed to in the last round of collective bargaining. The Federal Railroad Administration's "blue signal" rule now bars a number of railroads from the benefit of this agreement. This rule could save the U.S. railroad industry between \$70 and \$80 million annually.

The President's regulatory reform package for transportation includes trucking deregulation. We have already sent to the Congress a trucking deregulation bill that would put an end to the great paper chase at the ICC. It would put an end to the tons of paper filed each year.

It would eliminate the volumes of absurdities now used to determine what is and what is not exempt from tariff.

DEREGULATION EXAMPLES

For example, this weekend many of you will tune into the Kentucky Derby. Did you know that transportation of riding horses is exempt from ICC tariffs. But race horses are not? You also have to follow the ICC tariff rules to transport rodeo horses.

Transporting exhibit animals such as those shown by 4-H Clubs is exempt from tariff rules, but show horses -- also exhibited -- are not.

While we are following the horse line, let me add that manure, in its natural state, is exempt. You can even dry it and dehydrate it for the garden and still not fall under the ICC tariff requirements. But if you ferment it, watch out. Now you have a regulated commodity, which means you have to shovel paper, as well as the manure.

Our deregulation bill would also eliminate state regulation of interstate trucking.

The latter step alone will save American consumers up to \$8 billion a year, and take us one step closer to a truly efficient transportation system. Economic deregulation of transportation is the cornerstone of a truly efficient, seamless intermodal network.

You do not have to look beyond this audience to see many intermodal success stories sparked by deregulation. Transportation rates are much lower today as a result of efficiencies achieved by deregulation, and a case in point is Don Schneider, who says "The free market will ultimately drive things to their best value."

Mr. Schneider is here today. He was a speaker at this exposition. His Green Bay, Wisconsin, company was doing zero business with Canada and Mexico a couple of years ago. Today, Schneider Transportation moves 800 loads a week between Canada and the U.S., and 100 loads a week between Mexico and the U.S. And can reasonably expect more as the North American Free Trade Agreement grows closer to permitting the free flow of vehicles on our continent.

MARITIME REFORM

Clearly the role of ports, and the issues of landside access to ports and smooth cargo transfers at ports, are critical to intermodal efficiency. We need to provide for efficient ports in order to sustain our U.S. economy.

At the same time, I must admit my personal bias reflects the hope we also can maintain a good portion of the commerce into our country moving on U.S.-flag merchant vessels.

A great number of things have got to change before we can ensure an efficient and competitive maritime industry. Out-of-date, restrictive measures that hamper our operators' ability to compete internationally must be removed. We need to build a new climate that will make investment in maritime industries an attractive proposition.

I recommended to the President that a Cabinet-level interagency group be pulled together to review maritime policy. He established a Policy Coordinating Group to do just that. It has already begun its very intensive review and we expect to see results by June.

The federal government is not the only driving force behind transportation reform. Under ISTEA, state and local governments have more power than ever before to direct where transportation dollars go, how those dollars are invested, just as the President proposed.

PRIVATE SECTOR INVOLVEMENT

I'm pleased to report that many state and local governments are running with the ball. Last month, I toured an intermodal facility in Huntsville, Alabama, that the airport authority there is directing. Blair Conrad, the Huntsville airport executive, is here today. Blair was in Oshkosh, Wisconsin, before he went South. Not to frighten the folks here in Atlanta, but Huntsville is developing a new gateway to the Southeast. Aside from rail and truck facilities, a 747 Cargolux flight flies each week between Huntsville and Europe.

Just as importantly, there are new opportunities for private sector involvement and investment in transportation. CALTRANS has four toll road projects that are privately funded.

The private sector was the genesis of the intermodal movement. And the private sector continues to lead the way.

INTERMODALISM EXAMPLES

UPS just moved its corporate headquarters to Atlanta. There are some UPS people in the audience today. As a result of fully integrated distribution systems such as UPS has, intermodal traffic is the greatest growth area for our transportation industry.

Also Atlanta is the home of the 1996 Olympics in no small measure because of intermodalism. A multi-modal passenger terminal is planned for downtown Atlanta. It will link Amtrak, Greyhound, sight-seeing buses, MARTA and the airport with downtown. Congratulations to Atlanta, the Atlanta Regional Commission and the State of Georgia for taking the first steps toward true intermodal passenger service.

Just last week, I paid a visit to the Port of Philadelphia, where intermodalism has been in practice for a long time. They have one private intermodal container facility and are about to complete construction of a new public facility that will open, we hope, next month. The Canadian Pacific railroad recently purchased 240 miles of track that opens up a gateway between the Port of Philadelphia and Canada.

And last summer, President Bush traveled to Los Angeles to herald one of the latest and best examples of intermodalism at work, the Interstate 105 -- Century Freeway Project. The President stood near a new freeway with an exit ramp to Los Angeles International Airport. That new freeway will also improve access between the LA area ports and several major interstate highways. And in the median strip of that highway is the Green Line -- a new high-tech, driverless mass transit system that will help unclog congestion and clean the air in LA.

NEW TECHNOLOGY

Earlier I talked about the excitement of intermodal transportation. And there's a lot of exciting technologies out there that will further join the various modes of transportation ever closer together.

As your aware, intermodalism is not limited to connectivity between modes. A satellite system -- Global Positioning System -- that was used to guide our troops, our ships and our airplanes during Operation Desert Storm is now helping guide railroads, aircraft, ships and even trucks here at home.

But the real strength behind the explosive growth in intermodalism has been your focus on meeting consumer needs with hard work and high tech. That's why we've seen so many changes in electronic data interchange, damage prevention, and quality programs.

CONCLUSION

But what's the driving force behind all this creativity? Competitiveness. The drive to move more goods, damage-free, at less cost.

We at DOT want to increase competitiveness. That's why we're so serious about deregulation, and removing regulatory roadblocks. That's why we're so serious about investing in or commercializing high tech solutions, like Global Positioning System. And that's why we're literally changing our culture and reinventing the way we operate at DOT. But it all began here.

I'm reminded of the theme of our National Transportation Week activities next month, when we also commemorate the 25th birthday of the Department: "The Future Starts Here. " The future really started here, with many of you, the pioneers of a movement that will keep our transportation system the envy of the world.

The President brought us a revolution in surface transportation, the biggest since President Eisenhower launched the Interstate System. He brought the world a revolution in democracy. Now he's going to carry that revolution to education, health care, world trade, and our legal and legislative systems. With you as partners, that revolution will succeed.

Thank you ...

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