DEPARTMENT OF TRANSPORTATION | NEWS

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WASHINGTON, D.C. 20590

17-DOT-72

EXCERPTS OF REMARKS BY UNDER SECRETARY OF TRANSPORTATION JAMES M. BEGGS TO THE DEPARTMENT OF TRANSPORTATION SEMINAR ON LASH/SEABEE MARITIME TRANSPORTATION, WASHINGTON, D.C., MARCH 7, 1972

Secretary Volpe and the rest of us here in the Department are particularly aware of our responsibility for the transportation policies and programs of the nation ... and this means all aspects of transportation, for transportation means mobility, whether it be people or goods. And, maritime transportation is a vital element in that mobility.

It seems to me the Lash/SEABEE operations are both designed to contribute significantly to this, and even more, towards facilitating the intermodal transfer process - which is the key to efficient, balanced transportation. Certainly these two new approaches to marine cargo transportation represent some of the most imaginative and flexible steps forward in this direction that we have seen in a long time.

We at DOT realize that we must play a strong role in every aspect of the movement of goods and people if we are to fulfill our statutory responsibility to provide leadership in the development of national transportation policies and programs - in short, to develop a total transportation system.

And this is vitally important in the maritime field. We must facilitate the flow of goods if our nation's industry is to be able to trade efficiently and economically in the international sphere. The volume of U.S. import/export cargo has reaches some 18 million shipments per year of goods valued at almost $90 billion. However, as last year's balance of trade figures demonstrated, we are not holding our own on the export side. Industry and government must do everything possible to improve our export position. Certainly more efficient and economical service - particularly in the maritime field - will help us go a long way towards achieving this goal. We at DOT stand ready to help.

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DEPARTMENT OF TRANSPORTATION | NEWS

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WASHINGTON, D.C. 20590

18-DOT-72

REMARKS BY UNDER SECRETARY OF TRANSPORTATION JAMES M. BEGGS BEFORE THE CAR AND TRUCK RENTAL AND LEASING ASSOCIATION, FAIRMONT HOTEL, SAN FRANCISCO, CALIFORNIA, THURSDAY, MARCH 9, 1972

I appreciate this opportunity to participate in your discussion of "the critical years -- 1972-77." A revolution in American transportation thinking in the last five years certainly is evident today. And there is little doubt but that the next five years will be filled with evolutionary -- if not revolutionary -- changes in our national mobility requirements. This is especially true in urban areas, where the converging hazards of air pollution and auto congestion have forced governments, politicians, and urban leaders to echo the commuters' lament, "There must be a better way."

And it's true, of course. There must be a better way -- a better way to move people in and out of center cities, a better way to move automobiles on city streets, a better way to move people from one mode to another, a better environment, and a better safety record. The problem that makes the next five years so critical is that no one now has a "best" way. We're searching for solutions And the car renting and leasing industry has a large stake in the results.

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Let's start with the cars and trucks themselves -- the technology problem. Just the idea that there is a problem seems foreign to most people. The automobile and mass production are among our greatest engineering achievements. So great is the economic impact of the motor vehicle today that its numbers are often cited as a measure of a country's prosperity and progress.

Those of you who watched the President's historic arrival at Peking three weeks ago undoubtedly noticed the lack of automobiles. One television reporter even commented that most of the cars in Peking -- a city of over 7 million people -- were probably at the airport when the President arrived.

This is in stark contrast to America's automobile population. We now have 108 million registered vehicles travelling more than 1 trillion miles annually. In 1969, our total highway transportation bill was over $156 billion -- over 16 percent of our gross national product. And in our urban areas, nearly 97 percent of all person miles traveled is by highway vehicle.

I cite these statistics to illustrate the personal impact of the auto -- and to point out that no one wants to give it up. Yet nearly everyone wants to make it safer and more compatible with the environment and urban life. That is the challenge -- the paradox -- we face in the next five years. For I know that even as I watched the empty streets of Peking on television, and took a special pride in our own automotive achievements, I also noticed with envy the casual and relaxed citizens who quietly bicycled to work on uncongested streets.

Yet I'm certain that China's lack of automobiles is not by social design. And neither are the congested streets in America. Until the last five years, the social ramifications of automotive technology were seldom considered as they should have been. Although there were some episodes in the auto's historical development that might have been heeded as forewarning.

The very first gasoline-engine powered handcart, built by Siegfried Marcus in Vienna, Austria, was policed off the streets for making too much noise. And in 1900, when there were only 8,000 cars and a handful of trucks, farmers planted broken bottles, knives and nails in the roads to keep the noisy, smelly machines from bothering people and animals.

On the other side of the argument, of course, stood the overwhelming need for better transportation. The automobile promised unlimited mobility for everyone. In fact, that venerable magazine, Scientific American, printed around the turn of the century that the automobile was the ultimate answer to the problems of pollution and congestion.

The arguments for and against the auto have raged ever since. And many people have made their feelings unmistakably known -- through earth day activities, picket signs, law suits, elections and nearly every other democratic process available. Environmental concern has now become a concern of all of us,

not just the sign carriers and the activists. The message is clear in America today: environmental deterioration must be more than just halted, it must be reversed.

Bill Ruckelhaus, the Administrator of the Environmental Protection Agency, pointed out the other day that Thomas Jefferson should be re-read as we consider the environmental question. Jefferson once said: "The earth belongs always to the living generation. They may manage it then, and what proceeds from it, as they please during their usufruct."

The concept of doing as we please has always appealed to Americans. And we can now see and experience some of the results of our mindless despoilation of our nation's resources.

Note that term "usufruct." Under an agreement of usufruct, a tenant may use the fruit or the orchard and the land, but he is bound to preserve the basic resources as they were received. He has the use of the land in his own time, but must pass it on without damage.

As President Nixon said on February 8, in a message to Congress covering 18 environmental programs, "What began as environmental awakening must mature finally into a new and higher environmental way of life."

The President took a large step in that direction with the Clean Air Act Amendments of 1970. They require that harmful exhaust emissions in all 1975-1976 model cars be reduced 90 percent from the emission levels in 1970 models.

This single requirement has spawned the greatest revolution in engine technology since the Duryea brothers rolled out America's first gas car in 1893. The auto industry has focused primarily on development of exhaust emission control devices for the internal combustion engine. Controlling the emissions from existing engines promises the most immediate results. For the longer term, however, research and development programs are underway in steam, electric, turbine, natural gas and various other propulsion systems.

To increase the effectiveness of the emission control devices, the Environmental Protection Agency only three weeks ago proposed a requirement that gas stations must offer unleaded, phosphorus-free gasoline by July 1, 1974. One of the primary objectives of this requirement is to protect the catalytic converters, probably employing platinum catalysts that are expected to be a key feature of the auto emission control systems.

Undoubtedly, these developments -- the converters and unleaded gas -- will add to your costs. The initial purchase costs, however, should be transferable to the resale value. But upkeep will probably be ever more critical to resale value after 1975 than it is today.

Before ending this discussion, I want to stress that while the automobile is responsible for the largest amounts of air pollutants, it is not responsible for the most harmful ones. For example, much of the harmful effects of air pollution -- in terms of health and environmental destruction -- are due to particulates and sulfur oxides. But the automobile causes only about three to four percent of these pollutants.

It's clear that cleaning up the car alone will not do the job. We must determine the areas of greatest impact and act accordingly. This is particularly true in terms of trying to assess the relationship between consumer costs and environmental benefits. We are going to have to examine this pollution problem from every angle -- and that includes stationary sources as as well as vehicles.

Looking a little farther down the road -- into a crystal ball if you will -- there are several innovations underway that may benefit your industry. The first, and most comprehensive, is a general emphasis on safety and utility over design and styling.

I say this in the wake of Motor Trend Magazine's selection of the Citroen SM as its "Car of the Year." In announcing this selection, one of the judges said, "Although the SM may represent a branch of automotive engineering that may not survive ... it is nevertheless the kind of mutation which must appear if automobile design is not to slip back into a dark age of total safety and utility."

After reading that statement, I must also express my concern. I don't regard our attempts to save over 55,000 lives a year as moving back into the "dark ages." I don't regard the development of a car that stays together during a crash as a "dark ages" undertaking. I do regard that statement as "dark ages" thinking -- a chrome-plated blindness to the realities of modern transportation requirements.

I'm happy to say that I do not believe this attitude prevails among auto manufacturers. The new small cars, for the most part, have undergone few styling changes. And our auto safety standards -- for such items as bumpers, steering columns, seat belts, etc. -- are insuring a uniform safety element. Indeed, the whole world is searching for a safer car. We now have agreements with more than a dozen nations relating to development of an Experimental Safety Vehicle. All of these advancements are conducive to improving resale values -- and profits for your industry.

You might also consider this recent headline in the Wall Street Journal: "The Wankel Engine is Coming, All Right, But Not Tomorrow." The Journal reports that General Motors may produce a limited number of Wankel driven cars in 1974. That's well within the time frame of our thinking here today. And Japan's mass produced Mazda, which is already on America's streets, is powered by a Wankel.

Since the Wankel has 38 percent fewer parts than piston engines, and could cost 15 to 35 percent less, the effect on your industry could be significant if American manufacturers adopt this engine.

All of these developments -- emission control devices, unleaded gas, and totally new power systems -- will greatly affect your buying policies in the years ahead. And it's quite possible that as new car prices increase, so will the used car market, which might be an unexpected benefit to your industry.

A second critical area in the next five years for your industry is the evolving role of the automobile as part of the urban system. Here again, environmental concern and congestion are the primary catalysts in our national mandate to find a better way.

In April 1971, the Environmental Protection Agency set national ambient air quality standards for six major pollutants -- to be met by 1975. Of the pollutants, carbon monoxide and oxides of nitrogen -- the auto's principal emissions -- are among the most difficult to deal with. In fact, an initial survey by EPA indicates that at least six major cities will not be able to meet these standards unless rigorous steps are taken to alter present auto use patterns and commuting habits. And this is in spite of the pollution reduction anticipated from automotive emission control systems.

Judging from some of the editorials and "letters to the editor" I've seen, a lot of people are using this opportunity to cry, "Ban the Automobile." I don't need to point out to you the dangers inherent in that kind of reaction.

Clearly, however, some immediate actions are necessary. Most states have now submitted plans for meeting these standards and you may be interested in some of the proposals. New York City, for example, proposes to meet the standards by requiring all fleet vehicles (excluding rental vehicles) to convert to natural gas by 1974, banning gasoline-powered vehicles from the Central Business District by 1974, prohibiting on-street parking in designated areas, and requiring all diesel-powered vehicles in the city to reduce nitrogen oxides emissions to 20 percent of 1970 model emissions.

We in the Department of Transportation believe the best way to meet these standards -- and to provide improved inner city vitality -- is through a balanced transportation system. I use that highly publicized term to indicate a wide-ranging series of urban improvements needed in the years ahead -- from rapid rail systems to exclusive bus lanes and automated highways.

We must provide attractive, convenient, comfortable and efficient mass transit alternatives -- especially for the commuter. And President Nixon's Urban Mass Transit Program gives us, for the first time, the means for tackling this problem.

The President has proposed $1 billion for urban mass transportation funding in fiscal 1973, a $400 million increase over the 1972 level. In the three years since enactment of the Urban Mass Transportation Assistance Act, this Administration will have funded a total of $2 billion for mass transit. This is more than two and one-half times the total amount of Federal support in all the years prior to passage of the act. There can be no mistake about our commitment.

And I urge your support for mass transit programs. Mass transit is not a case of destroying the auto. It's a matter of saving the auto -- saving the freedom of automotive mobility that we have cherished for so many years.

In closing, I want to briefly comment on one other important interest shared by your organization and the Department of Transportation -- the reform of our outworn and inefficient motor vehicle accident reparations system.

After more than two and one-half years of very detailed study, we concluded that this $16 billion "... system ill serves the accident victim, the insuring public and society. It is inefficient, overly costly, incomplete and slow. It allocates benefits poorly, discourages rehabilitation and overburdens the courts and legal system. Both on the record of its performance and on the logic of its operation it does little if anything to minimize crash losses."

Indeed, without all of its other failures its inefficiency alone would be enough to condemn it. Our studies and others have repeatedly shown that less than half of the motorists' insurance dollar is ever returned to victims in terms of benefits for their losses. The problem with this inefficiency is not simply that it is wasteful of our dollars, but more important it deprives needy victims of benefits they might otherwise have.

Some states are now pioneering with new approaches to auto accident reparations. Led by Massachusetts in 1970, a half-dozen states or territories now have some type of statutory first party benefits, albeit not all of them on a no-fault basis. Some of the benefits of these kinds of reform no longer remain in the realm of conjecture. Massachusetts officials, for example,have claimed that their citizens saved some $76 million during 1971 because of their limited no-fault plan compared to what they would have paid had they not had that reform. Most states whose legislatures are in session have the issue of reform on their legislative agendas this year. We in the Administration are hoping that 1972 will see the enactment of improved reparations systems by many of these states.

On the basic philosophical issue involved, we apparently see eye to eye. And we are not unsympathetic to the desire of commercial insureds for uniform or at least compatible no-fault reform nationwide. However, this does not mean that we think that a Federally imposed plan now is the best way to reach this objective. We believe strongly that insurance regulation should,if at all possible, remain at the state level. We further believe that the detailed fashioning of the best no-fault approach can benefit greatly by some experimentation by the states. Uniformity can come later, after we have some good real world experience under our belts. Our sponsorship of the model bill drafting effort of the National Conference of Commissioners on Uniform State Laws should assure you of our own commitment to the desirability of ultimate uniformity in this area -- hopefully a uniformity to be achieved by state action.

There is still another matter in this issue of no-fault reparations which I know troubles many of you -- that is the differential treatment of heavy commercial vehicles so as to allocate to them a greater share of the loss burden in collisions with lighter passenger cars. Frankly, we believe that this is one of those areas which would benefit from some experimentation with different approaches by the states. I venture to recommend that you not resist this experimentation. Certainly today heavy commercial vehicles bear a disproportionate share of the loss burden because of their relative unpopularity with juries and their plainly apparent "deep pocket." It seems to me that you should not allow your hostilities to the concept of differential treatment under a reformed system to obscure the fact that even with such treatment you are still likely to realize significant net savings.

I urge that you join the Administration in seeking the passage of good first party, no-fault plans at the state level.

As we take a look at the "critical years," it's easy to fall into a negative pattern of discussion. And I hope I haven't dwelled too long today on our problems, because I believe your future to be very bright indeed. The economy is recovering at an encouraging pace. Business is picking up. Almost all modes of transportation are now showing rising profit trends. And the auto industry is still the yardstick for measuring economic activity.

We have problems. But they can be solved. By working together -- government and industry -- we can make the next five years among the best in history.

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DEPARTMENT OF TRANSPORTATION NEWS

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15-DOT-72

REMARKS BY UNDER SECRETARY OF TRANSPORTATION JAMES M. BEGGS BEFORE THE METROPOLITAN GROWTH CONFERENCE, SPONSORED BY THE MID-AMERICA REGIONAL COUNCIL, HOTEL CONTINENTAL, KANSAS CITY, MISSOURI, MARCH 10, 1972, 9:30 a.m.

I appreciate this opportunity to speak on the "challenges of change" in urban transportation, especially as they relate to regional and metropolitan planning. One of the significant urban failures of the past is that transportation planning often took place in a vacuum. Streets, subways, highways and all modes were too often developed without regard for each other, the community, or their effect on urban growth.

As President Nixon said in his State of the Union address, "Historically, our transportation systems have provided the cutting edge for our development. Now, to keep our country from falling behind the times, we must keep well ahead of events in our transportation planning."

These conferences offer compelling evidence that people now realize the need for comprehensive planning -- and are willing to get involved.

We all now must recognize that transportation, like housing, utilities, health services, etc., is just one link in the physical development of a city. And transportation planning must be considered in that context.

The examples are endless of how we have let transportation rule us, rather than vice versa. But perhaps the first and most drastic example took place in 681 B.C., when the King of Assyria, worried, I suppose, about his journey to the great beyond, decreed from his death bed that anyone whose property encroached upon the Royal Road, should be impaled on a pole erected in front of his own house.

In today's enlightened world, this proclamation appears so cruel as to be ridiculous. Yet our transportation planning for the skyrocketing growth of the Twentieth century has often been almost as heartless. Not by design, but by neglect and ignorance of the social ramifications of urban systems.

The news media in recent years have been embarrassingly helpful in pointing out these public planning deficiencies. Relocation, split neighborhoods, urban sprawl, economic isolation, urban blight, congestion and environmental destruction are just a few of the charges recently hurled at public planners. Perhaps they are justified, perhaps not. But certainly no one element of the urban system is entirely responsible.

Unfortunately, most critics have lacked the background or the inclination to concentrate on all facets of urban growth. Consequently, public concern often jumps from one problem to another with each new urban gladiator. Squeaky wheels get oiled. New agencies and commissions get formed. And the granddaddy of all rectifiers, the Federal government, organizes accordingly, and I'll comment more on that later.

My point is that you, as locally elected officials and as regional planners, must insure that transportation development is considered within the context of total urban growth.

Transportation is, after all, only a support service for our other basic facilities. When we have perceived it as more than that, or less than that, our major difficulties begin. The success of one mode in one area should not give that mode universal preference. Each system must be judged according to locally established needs and objectives.

When Secretary of the Treasury Albert Gallatin in 1808 first proposed a national system of roads and canals to open the West, there wasn't much cause for concern about just where in the West people might go. Needless to say, planning is much more critical if you're trying to develop West Kansas City, or West St. Louis, or West Omaha.

Gallatin knew the west should be developed, but he didn't particularly care how. Today the situation is reversed. We must decide the "why" and the "how", before we decide the "should."

At the turn of the century, New York City built it's giant subway system to relieve congestion, undoubtedly thinking it was close to a total solution. Fifty years later Los Angeles decided on its extensive freeway system, undoubtedly with the same thought in mind. Noted urban planner Wilfred Owen uses these two examples to point out that additional capacity never will overcome congestion if there is no control over transportation demand. And demand is determined by all the things we are considering here today -- housing, commercial development, public services, recreation, and so on.

In short, we must first decide how we want to live -- and then decide what kind of city, what physical characteristics will yield that kind of life.

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This is the principal idea behind most of the new town concepts now being developed. At Reston, Virginia, for example, the principal commercial area is surrounded with high-density housing to facilitate walking as the primary form of transportation. The next ring of development features mostly townhouses and plenty of bicycle paths for access to the shopping mall area. Further out are the detached dwellings with auto access routes.

My point is that in Reston the housing plan helps to control the transportation demand through location, density, and population limits. We must find ways of instituting the same demand control principle in existing urban areas. This is one of the primary reasons why serious consideration should be given to staggered work hours, the four day work week with staggered working days, car pool incentives, and similar other administrative innovations.

The time for ingenuity is at hand. And I believe that people are eager for it. We are in a time of transition - when values are changing and people are vociferous in their beliefs.

It's interesting to note that the first highway law in America, passed by the Virginia legislature in 1632, reads that "Highways shall be laid out in such convenient places ... as the parishioners of every parish shall agree." Unfortunately, that kind of public involvement soon fell victim to population growth and governmental complexity. And we never worried much about adequate replacement techniques until housewives, baby carriages and picket signs suddenly appeared in front of our bulldozers. Then polling the parish became fashionable again.

People are concerned about the kind of life they lead. And it is our responsibility as elected officials, public planners, and government leaders to investigate their desires, determine urban growth alternatives, and lay out a plan for development. The longer we wait, the greater will be the constraints, the more difficult will be the decisions.

The most immediate need for action relates to environment protection. In April 1971, under the Clean Air Amendments of 1970, the Environmental Protection Agency set national ambient air quality standards for six major pollutants. And nearly all of them affect transportation in one form or another. The carbon monoxide and nitrogen oxides problem, of course, is especially difficult.

EPA Administrator Bill Ruckelshaus warns that at least six major cities -- possibly more -- will not be able to meet these standards unless rigorous steps are taken to alter present auto use patterns and commuting habits.

New York City, for example, proposes to meet these standards by requiring all fleet vehicles to convert to natural gas by 1974, banning gasoline powered vehicles from the Central Business District by 1974, prohibiting on-street

parking in designated areas, and requiring all diesel powered vehicles in the city to reduce nitrogen oxides emissions to 20 percent of 1970 model emissions.

These are stringent actions -- with a lead time for implementation of only two or three years. The urgency and severity of these proposals serves to emphasize the need for long-term solutions. Only through adequate land use planning, zoning, and controlled urban growth can more permanent solutions be formulated.

As President Nixon said on February 8, in a message to Congress covering 18 environmental programs, "What began as environmental awakening must mature finally into a new and higher environmental way of life."

One of the issues most basic to reaching this goal is land use planning. This Administration now has before Congress a National Land Use Policy Act that calls upon the states to do several things: identify and control the use of land in "areas of critical environmental concern;" control all large-scale development and land use around key public facilities such as airports, highway interchanges, and parks; and assure that development needed by a region not be unreasonably restricted by local government. In addition, the Act proposes $100 million in matching Federal funds over the next five years to help the states with implementation.

This legislation is particularly significant to transportation planners. As those of you from Kansas City and St. Louis well know, highway and airport locations are no easy matter. They require the most sincere regional and multi-jurisdictional cooperation possible. They require a thorough evaluation of all the alternatives. And a good regional land use plan would greatly enhance this process.

For most cities, however, environmental maturity means solving the commuting problem and downtown congestion, especially during peak hours. As at least a partial solution, the Department of Transportation has called for a balanced transportation system which really means a more rational combination of alternatives.

It is generally conceded that in lieu of long-term urban designs that relieve traffic congestion, we must find a way to lure people out of the automobile and into public transit systems. I use the word "lure" with some optimism, however, because the day may be soon at hand when travelers will not have that choice -- when traffic bans will force people out of their cars.

In either case, however, we must be prepared to offer attractive, convenient, comfortable and efficient mass transit alternatives. The Urban Mass Transportation Assistance Act of 1970 gives us for the first time in history, a fighting chance at achieving that goal.

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When the UMTA Act passed, there was an estimated national need for mass transit investments of about $33 billion. That figure reflects the neglect of nearly 30 years, certainly since World War II. So our primary task was preservation -- preserving service -- keeping our major transit systems running until effective long-term solutions could be developed.

Since 1965 the Federal government has preserved or stabilized 60 urban bus systems; purchased 7,827 new buses, 1,072 new rail rapid transit cars, and 885 commuter railroad cars. We've also helped build 70 miles of rapid rail extensions, 47 bus garages and service facilities, and 181 miles of commuter railroad modernization projects.

Admittedly, most of these are holding actions. But we have reached the point in mass transit development where new systems are under construction or on the drawing boards. This requires a very high quality of planning and intergovernmental cooperation. We cannot spend for spendings sake. We must not build expensive new systems that will be outdated or ineffective 10 or 20 years from now. This problem is especially acute in terms of rapid rail improvements which are relatively inflexible to urban growth changes once the lines are in place.

We review all rapid rail grant applications with this in mind. We must insure that the proposed system is required and there is convincing demographic data to support the application; that the proposed location will not become obsolete in the near term due to shifts in population and transit demand; that the benefit cost analysis substantiates the need; and that the proposal includes local commitments to meet the full operating costs, including any deficits that might be incurred by the new rapid transit facility.

These requirements are not meant to discourage rapid rail development. Rather they are designed to encourage top-notch transit planning -- planning that takes a look at the entire metropolitan area; planning that includes housing and commercial development; planning that reflects the wishes of the people; and planning that involves regional and multi-jurisdictional considerations.

I have singled out rapid rail only because it is the most obvious example, but the same criteria will apply to all public transit systems, whether they be bus, tracked air cushion, or any other advanced system.

Too often these long-term glamor systems cloud our awareness of possible short-term improvements -- improvements that require low capital investments yet produce high yield returns in terms of capacity. Exclusive bus lanes, priced parking, and new traffic flow techniques are just a few examples.

In the Washington area we have an exclusive bus lane on one of the most congested commuter highways in the East. Since the service was started last June, more than 2,000 passengers have deserted their cars to use the

buses. And according to the Northern Virginia Transportation Commission, the number of cars on the road during the morning rush hours has dropped from about 8,400 to 5,700 -- a decline of nearly 33 percent.

The President has proposed $1 billion for urban mass transportation funding in fiscal 1973, a $400 million increase over the 1972 level. In the three years since enactment of the UMTA legislation, this Administration will have funded a total of $2 billion for urban mass transit. This is more than two and one-half times the total amount of Federal support in all the years prior to passage of the Act. There can be no mistake about our commitment.

I might add that our fiscal 1973 budget proposes the expenditure of $450 million for research, development and demonstration in all areas of transportation. This is a 50% increase over 1972 -- a clear indication of the emphasis we are placing on the application of technology to transportation needs.

We know that buses can be attractive, comfortable, efficient and fast. We know that subways can be clean, safe, reliable and efficient. And perhaps most importantly, we know that the American engineering and design genius can produce almost any technological miracle that society can define. The space program taught us that.

The problems lie in artificial obstacles - the multitude of institutions and governmental jurisdictions that must be included in technological growth and development.

I recall Dr. Werner Von Braun once saying that transportation systems are much more complex than space systems. What he was really saying, I think, is that you don't have to go through Kansas City on the way to the moon. There are no toll takers, Councils of Government, counties, States or communities that have to agree on the best space route to take.

This may not be flattering, but it certainly points out the need for regional and intergovernmental cooperation. It points out the interrelationships between all aspects of urban life, the need for transportation to be developed in tandem with other urban facilities. And in Washington, we want to practice what we preach.

"As we work to make State and local government more responsive -- and more responsible," the President said in his State of the Union Message, "let us also seek these same goals at the Federal level."

We are doing that in the form of revenue sharing and government reorganization. Under the President's reorganization proposal, housing and transportation would be within the same Department -- Community

Development. Our planners would be able to work together just as we are urging your planners to do. In short, we would begin planning for cities, rather than for systems.

The revenue sharing plan, coupled with reorganization, would focus our talent and our money on the central problems at hand. And the primary decision making responsibilities would be on your shoulders -- where they ought to be.

I believe that local governments -- locally elected leaders -- are far more responsive to local problems than distant bureaucrats in Washington. Certainly, if they aren't they should be. And we owe it to our democratic heritage to restore that responsiveness where it is lacking.

The leadership here today -- in particular the Councils of Governments -- demonstrates to me that effective and responsive planning can be a hallmark of this region.

In closing, let me give you just three or four of my ideas about what comprises an effective local transportation planning unit.

First, I believe there should be a single metropolitan area focus for transportation planning in all modes. Second, this focus must be politically responsive. Third, land use planning and comprehensive planning must be a part of the focus. And fourth, planning must lead to implementation.

At the present time these principles are most nearly embodied in the Councils of Government. Certainly, there are imperfections in the Councils, and imperfections in the planning process, but I believe you are the best qualified to work them out. I believe that our urban areas can be made attractive, exciting, and vital places to live and work. Our citizens demand it -- and they deserve it.

Thank you.

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DEPARTMENT OF TRANSPORTATION | NEWS

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20590

FOR IMMEDIATE RELEASE
March 10, 1972

DOT-R-15
Phone: (202) 426-0398

Secretary of Transportation John A. Volpe has announced the selection by President Nixon of Robert Lee Kessler as Chairman of the Regional Council for Federal Region Eight.

Volpe said that the action was taken by the President to strengthen the activities of the region and to further the President's goal of Federal-State partnership whereby State and local communities play a larger and more effective role in responding to their particular needs and problems.

The term of the appointment is indefinite. Kessler will serve at the pleasure of the President, Volpe said.

"I am very pleased by the President's selection of Bob Kessler for this important post," the Secretary said.

"Since he joined the Department of Transportation two years ago, Bob Kessler has given us outstanding performance. He is a man of broad vision whose knowledge and ability transcend matters of transportation. He has a profound, first-hand knowledge of the Rocky Mountain area. I have great confidence that his unique qualities will provide the leadership necessary to deal with the wide range of problems that the Council is confronted with in that six-State region," the Secretary said.

Region Eight includes the States of Colorado, Utah, Wyoming, Montana, North Dakota and South Dakota. Headquarters are in Denver.

As Chairman of the Federal Regional Council, Kessler will coordinate the activities of the regional directors from Housing and Urban Development; Health, Education and Welfare; Department of Labor; Office of Economic Opportunity; Environmental Protection Agency; and Law Enforcement Assistance Administration. The President established the Federal Regional Councils to develop and maintain close working relationships with Governors and local chief executives

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to coordinate their grant programs and to develop more effective long-term regional interagency and intergovernmental plans.

Kessler was appointed the Department of Transportation's Secretarial Representation for Federal Region Eight on January 24, 1972.

Prior to that, he served for two years as Chief Counsel of the Department's Federal Railroad Administration and as Acting Deputy Administrator of the FRA since October 1, 1971.

Before joining the Department of Transportation, Kessler served for four years as Assistant Attorney General for the State of Colorado and as General Counsel and Attorney for the Colorado Public Utilities Commission. In this position he represented the Commission in all appeals of its decisions as well as representing the State before such Federal agencies as the Interstate Commerce Commission, the Civil Aeronautics Board, the Federal Power Commission, the Federal Communications Commission, and the Department of Transportation.

Prior to joining the State office, Kessler was engaged in the private practice of law in Denver. Previously he worked for Martin Marietta Corporation in Denver as senior engineer in propulsion and fuel chemistry and later as Chief of the Safety Engineering Section. He also was with Frontier Airlines as a staff engineer.

From 1956-1959, Kessler served in the U. S. Army, assigned as a Chemical Engineer to the Rocky Mountain Arsenal in Denver.

The 39-year old Kessler holds a B.S. in Chemical Engineering from the Universities of Michigan and Colorado, and an LL.B. from the University of Denver. He is a member of the American, Inter-American, Colorado and Denver Bar Associations, the American Chemical Society, the American Institute of Aeronautics and Astronautics, and several other engineering and legal associations. He is also a life-member of International Institute of Space Law.

Kessler is married to the former Mary Jeanne Noonan, the daughter of James Edwin Noonan, recently-retired executive of the Colorado Department of Employment. He has two children: David, 11, and Lauren, 8.

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DEPARTMENT OF TRANSPORTATION | NEWS

OFFICE OF THE SECRETARY

WASHINGTON, D.C. 20590

21-DOT-72

REMARKS BY UNDER SECRETARY OF TRANSPORTATION JAMES M. BEGGS BEFORE THE WASHINGTON ENVOY CONFERENCE SPONSORED BY THE IOWA STATE DEVELOPMENT COMMISSION, QUALITY MOTEL/CAPITOL HILL, WASHINGTON, D. C., WEDNESDAY, MARCH 22, 1972, 3:00 p.m.

Good afternoon, ladies and gentlemen. It's a pleasure to have the opportunity of addressing you, the members of the Iowa State Development Commission and members of the State Business Community. And it's a particular pleasure because the State is Iowa. And in Iowa many...even most of the problems bedeviling the transportation scene, are minimal. For instance, Iowa's Coast Guard related problems are non-existent in spite of the fact that the Coast Guard's 1972 budget in Iowa exceeds $1 million. The activities of the St. Lawrence Seaway at most, have only a fringe effect on the State's transportation balance.

Urban mass transit, in an ascending scale probably ranks third to the Coast Guard and the St. Lawrence Seaway...certainly, it cannot be considered a major issue. Neither is it a negligible issue. So far, four capital grants for urban mass transit have been approved in Iowa, totalling $1.6 million, providing new bus fleets and attendant equipment in Cedar Rapids, Iowa City, Sioux City and Waterloo. Currently pending applications in Burlington and in Des Moines are for an additional $600,000.

The down-to-earth people of Iowa have, traditionally had their feet planted in the rich soil of its farmlands. But that is not to say they haven't occasionally had their eyes on the sky. Accordingly, the

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Department of Transportation has recently approved a grant of over $80,000 for the State to prepare a state-wide airport system plan to determine its present and future aviation requirements. Additionally, under the airport development aid program, the FAA has approved planning grants of more than $90,000 for Waterloo and the Central Iowa Airport Authority. Further allocations awaiting placement include almost $3 million in funds to be distributed, in varying amounts in Algona, Carrol, Cedar Rapids, Mason City and Waterloo. Still another 1-3/4 million for Fort Dodge and Sioux City is currently under consideration at FAA headquarters.

In the field of highway safety programs, quite recently, Sioux City was designated by National Highway Traffic Safety Administration to receive $2.1 million for a Federally funded contract for the war to remove the drinking driver from the highways. Thus, Sioux City joins 35 other Alcohol Safety Action Projects throughout the Nation. These ASAP projects have broad objectives, including the identification of drunk drivers, and decisive actions leading to their control...their broadest objective, of course, is to eliminate the more than 27,000 alcohol-related deaths on the Nation's highways. President Nixon has continually given this effort his strong endorsement in messages to Congress, and Secretary Volpe asserted: "The message to the American public is that the drunk driver will not be tolerated in this country."

The activities of the Federal Highway Administration in Iowa have been more widespread, more noticeable, and certainly more dramatic in its effect on the State's economy. As of January 1, 1972, more than 77 percent of Iowa's Interstate Highway System had already been completed, and only six percent was still in a preliminary status or not yet in progress. To date this Interstate System has been financed at a total cost of $505 million, of which $455 million were Federal funds, and those interstate projects currently underway represent $88 million including $79 million in Federal funds.

Primary, secondary and urban Federal-aid projects totalling more than 12,000 miles have been completed at a cost of $534 million, more than half of which were Federal funds. But Iowa's highway story doesn't end there.

The real effects of the Federal-aid Highway Act of 1970 are only just beginning to be felt. The comprehensive and uniquely progressive provisions of this Act mark it as the most important and effective piece of highway legislation since the original highway act establishing the Highway Trust Fund and providing for the construction of the Interstate System.

Some of the more significant new programs and modifications to existing programs include such diverse activities as bridge replacement, highway beautification and railroad grade crossing safety. For instance, the nationwide bridge inspection and replacement programs calls for all of the 236,000 bridges on the Federal-Aid Highway Systems to be inventoried,

and classified as to serviceability and safety. Many of our bridges are 40 years old, or even older, and the need for this program is self-evident. Certainly we cannot tolerate tragedies such as that which occurred as the result of the collapse of the Ohio River Bridge at Point Pleasant, West Virginia in 1967.

As a result of this program, during Fiscal 1972 alone, more than 50 bridges in 49 States have already been slated for replacement. In Iowa, the Missouri River Bridge on U.S. Highway 20 at Sioux City and the Prairie Du Chien Bridge on U.S. 18 over the Mississippi River have been selected for this initial program.

Another provision in the 1970 Act was the creation of an 11-member Highway Beautification Commission to make a thorough study of all phases of roadside beautification...with particular emphasis on control of outdoor advertising and junkyards. Since Representative Fred Schwengel from Davenport is a member of this Commission, I certainly hope he won't find it necessary to remove any of his own campaign posters next fall, in order to comply with the findings of the Commission.

Only last week, March 14 to be exact, Secretary Volpe sent to Congress the 1972 Highway Needs Report. In this report, the Secretary recommended the Highway Trust Fund be utilized for financing urban transportation projects regardless of mode. This would mean that the initiative for solving transportation problems would be placed where it can do the most good...specifically, in the hands of the local leaders. In the words of Secretary Volpe: "Washington cannot legislate programs to meet the needs of all urban centers."

As you must know, this Administration has already brought many, meaningful transportation programs into being. As a result, all public transportation facilities are being given new life. Airports and air traffic control is being expanded and modernized, and pending legislation is designed to strengthen the position of our railroads.

To quote Secretary Volpe once more: "We have brought an end to a period of neglect through which some of our modes have suffered severely." Naturally, extensive research and development programs, instead of crystal balls, will be needed for a hard clear look into the future, but the entire approach has the support of President Nixon, and his active participation in the planning stages demonstrates the concern of the entire Administration for the domestic needs of the people. Perhaps the keynote of his message to the Congress is best summed up in one of the Secretary's concluding remarks: "We are moving to solve the present problems and striving to prevent new ones...instead of waiting for them to occur."

We are now taking, what I believe to be two gigantic steps in solving some of those problems. The most recent, of course, is the Secretary's recommendation to Congress of March 14 for using highway

trust funds for either urban transportation or highways, and the second consists of two bills currently before Congress referred to as the "Transportation Regulatory Modernization and Assistance Legislation Act."

Along with the invitation to speak to you this afternoon, I received from Chad Wymer a copy of Karl Nolin's paper on "The Cost to Iowa of Irrational Transportation Policies."...an article which I read with considerable interest and a large measure of agreement. Certainly, I liked the general thrust of his recommendations. For instance, he argues that unprofitable branch lines just don't make economic sense for today's Iowa shippers and he suggests that an opportunity should be given interested parties to convert to "short-line" feeder railroads. Our bill agrees with, and encourages this concept in two ways: first, we specifically allow responsible parties or units of government to do this very thing. Second, its viability as a short-line will be put to an immediate test by our provision that each division of a joint rate must cover <u>each</u> carrier's variable cost. Of course, if the <u>total</u> joint costs are still too high, some form of subsidy will be necessary, or the "short-line" simply can't be justified.

Mr. Nolin also stresses the need for regional "shipping centers" to serve those communities that cannot profitably be served by rail. This surely is a call for more extensive and more varied use of what are known as "subterminals." Our bills...incidentally, they are S. 2841 and 2842...our bills would considerably enhance the feasibility of this concept by allowing a smooth transition from branch-line service through relaxation of motor carrier entry, routing and commodity restrictions, as well as increased rate-making flexibility.

"Increased-rate-making-flexibility?" That, perhaps, is the essence of our thinking. Most certainly, the next two decades will put unprecedented demands on our entire national economy. It will require greater efficiency and more competitiveness to merely hold its place in the international market. And nowhere will these requirements be more apparent than in our transportation systems. To the farmer, to the manufacturer, to any shipper... and, if I may paraphrase an old joke, "even if you is the shipee"...the cost of transportation has a significant effect on our economic posture. If the surface transportation industry is to meet the demands of the future, the economic base of all common carriers must be strong enough and stable enough to support their growth.

Today, common carriers...railroads, trucks, barges...are forced to supply and price their services through a complex pattern of economic regulation dating back to 1887 and the age of the "robber-barons." But, like the inequality of women, such contentions are no longer valid. Oh, it can't be denied that, in its time, regulation helped bring our transportation system to its current stature...and, in part, to its current dilemma. Certainly, the railroad industry has the doubtful destinction of being the most vivid example of the destructive effect of an outmoded

regulatory policy. Essentially, regulation has stymied the comparative advantage of railroads as a long-haul, bulk-commodity carrier. Additionally, trucks have not been free to exploit fully their advantages as short-haul, portal-to-portal carriers. We, here in the Department of Transportation, are not advocating total "deregulation"...even in this age of seemingly "total permissiveness." Rather, we feel, and feel strongly, a need for "re-regulation."

Inevitably, this brings us back to the Transportation Regulatory and Assistance Act, and to one of its major proposals...pricing freedom. In effect, we believe that with transportation alternatives available within a "zone of reasonableness" rates should be based on the costs of providing service, thus creating a competitive cost-based rate-structure rather than the present scheme of detailed rate regulation. We also believe that floor rates must be maintained to eliminate the ever-present danger of predatory price-cutting, along with the still current principle of rates not being "preferential, prejudicial or discriminatory."

Our modernization bill is also deeply concerned with the abandonment of light-density rail lines. Current regulatory procedures tend to discourage abandonment in spite of the fact that these light-density lines constitute a major financial drain on the railroads. Our bill seeks to speed-up these abandonment cases and to provide concrete standards for adjudicating them. Of course, as a result, revised entry considerations in trucking and water carriage is inevitable...just so long as "the public convenience and necessity" is served...but we believe the change in focus and emphasis will, more successfully meet the shipper's needs... and this, after all, is what it's all about...TRANSPORTATION!

Right now, we have found, is no time to talk to transportation people about the romance of transportation. Presently, most carriers are experiencing difficulty raising the needed funds...the additional capital... to meet both the present and future demands of the world of transportation. During this Administration, the Federal government has taken, and is continuing to take many meaningful steps to provide financial assistance to the surface transportation industry, and especially the most depressed segment of that industry...the railroads.

In the Transportation Assistance Act...that would be S. 2841...we have addressed ourselves to that problem... or, rather, three critical problems facing the railroad industry:

1. Their inability to secure an adequate supply of rolling stock.

2. The lack of a modern national system controlling the utilization and distribution of freight cars.

3. The continued existence of discriminating and unfair taxes by state and local governments.

It is the Nixon Administration's intent to keep to an absolute minimum the involvement of Federal funds, and to eliminate as much as possible, Federal controls over the direction and operation of our railroad system. We, at DOT feel the Transportation Regulatory Modernization and the Transportation Acts will accomplish these ends.

To touch briefly, once again, on Mr. Nolin's paper, I noted that he placed most of the blame for Iowa's transportation problems on the railroads. More properly, I think, a far larger portion of this blame should have been placed where it belongs...on outmoded regulatory policies... policies which long past, lost their validity. It is axiomatic that regulation must blend with, must indeed become part of the market forces which determine the type, cost and the quality of transportation services required. It must, in other words, fit into the economic base in a flexible, constantly changing market.

Surely, the Regulatory Modernization Act meets this goal. It releases carriers from an inundation of arbitrary constraints in the pricing and provision of service. It gives the carrier...any carrier... the freedom to price and offer service specifically tailored to the shipper's requirements. And, most importantly, it allows a meaningful restructuring of all surface transportation services to suit the requirements of any given market.

If, today, I seemed to have belabored the railroad issue...and I have... it's only because I've noted that your railroad system not only parallels, but almost equals in mileage your primary highways network. Inevitably, this means duplication. It also enhances our policy of abandonment. But more importantly, it gives Iowa the opportunity to develop a truly intermodal transportation system to fit its own needs without having to start from scratch.

In closing, let me say that it is the goal of this Administration to foster the resurgence of a strong, privately-owned railroad industry that can take its rightful place, and bear its share of the burden in a total, balanced transportation system that can meet the demands of the present and the challenges of the future...an intermodal concept available to all on a freedom-of-choice basis.

Thank you.

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