DEPARTMENT OF TRANSPORTATION | NEWS

OFFICE OF THE SECRETARY

WASHINGTON, D.C. 20590

22-DOT-72

REMARKS BY BENJAMIN O. DAVIS, JR., ASSISTANT SECRETARY OF TRANSPORTATION FOR SAFETY AND CONSUMER AFFAIRS BEFORE THE 37TH ANNUAL CONVENTION OF THE MOVERS' AND WAREHOUSEMEN'S ASSOCIATION OF AMERICA MARCH 25, 1972, MIAMI BEACH, FLORIDA

Your concern at this convention -- "can the small mover survive in the '70's?" -- mirrors the larger problem we all face: "can transportation, as we know it, survive the challenges of the '70's?"

Transportation in America is troubled today, from many sides and many sources.

The cities are clamoring for relief from the congestion in the streets, the noise and pollution in the air, faltering public transit systems, and a failure to keep pace with a growing need for mobility.

The transportation industry is beset by higher operating costs, increasingly tougher environmental standards, the spiralling costs of damage and theft losses, and the threats of hijacking and sabotage.

Consumers are increasingly concerned about the quality of transportation.

And not the least of transportation's trouble spots are the Nation's highways, where death and injury are taking a tragic toll from the ranks of those who travel for business as well as pleasure.

But I am not here to spread doom and gloom, or to paint a picture of frustration and dispair. Quite the contrary. The outlook for real improvements in transportation has never been brighter. If it is true that it is darkest before the dawn, then we are at the threshold of a new day for transportation.

Part of the problem today is that transportation planning lagged and developments languished for many years until President Nixon and Secretary Volpe came to office determined to make America's transportation facilities "better servants of the people."

If you have any doubts about the President's commitment to a wholesale improvement of transportation throughout our land, look at the record.

During the past three years, the President has proposed and Congress has passed a sheaf of legislative measures to revitalize road, rail, air and water transportation. The legislation has put the modes on a firmer fiscal foundation, but it does much more. For the first time, a concerted effort is being made at the Federal level to develop America's transportation resources in a thoroughly coordinated, complementary, and environmentally compatible way. Secretary Volpe refers to the concept as "balanced transportation," and what it means is a more rational and equitable distribution of the traffic load, so that society and the environment are served, not enslaved, by the transportation function.

This means, among other things, stronger funding for urban transit systems, to cut down on the concentration of cars in our cities and on interurban expressways; which means, in turn, easier going for those who must maneuver the rigs and vans of commerce through city streets.

The Single Urban Fund authorized in the new surface transportation legislation sent to Congress last week is, in Secretary Volpe's words, "critical to the needs of the American public."

The proposal would substantially broaden the options available to state and local authorities for dealing with urban transportation needs, by providing money from the highway trust fund ($1 billion in Fiscal '74, $1.85 billion in '75, and $2.25 in '76) for capital investments on urban projects, including public transit if that will best satisfy the needs of the particular metropolitan area. The funds would be allocated on a 70 percent Federal and 30 percent state and local matching basis and would, in effect, work to the benefit of those who must use urban streets and highways by assisting the development of acceptable alternatives for those who do not, cannot, or prefer not to drive.

Secretary Volpe considers the proposed amendment to the Highway Revenue Act of 1956 an "essential" building block in the structuring of balanced transportation. "We must have the tools," Secretary Volpe

has said, "if we are to adequately serve the public, plan for the future, and establish orderly and efficient movement of people and goods in our urban centers. The program conforms with President Nixon's program for meeting the transportation crisis that has built up over the years."

The President's program also means gradual but certain victory over the motor vehicle exhaust emissions that poison the air, and the sometimes thoughtless construction practices which in the past have torn the landscape and tarnished the environment. This does not, by any means, signify an end to highway building, or connote blind opposition to progress. But it does signal opposition to blind progress in the planning and implacement of transportation facilities.

We cannot discard the transportation system we have, nor can we change it completely overnight. What we need is a progressively better system, and that system is in the making. It integrates transportation objectives with community goals, human ideals, and social needs.

We can no longer afford to build highways or airports or transit systems in isolation to each other, or independent of the total interests of the community. If part of the answer to the problems in transportation is to overcome the inertia of other years and to make up for lost time, then surely another part is to preclude waste and inefficiency in the future. It is ironic that we optimize our transportation vehicles for speed, then throw away millions of man-hours a week because commuter routes are clogged, modes fail to merge, and bottlenecks erupt at the puncture of a tire, the wrinkling of a fender, or the collapse of a schedule.

Above all, we must make transportation efficient, and I would suggest to you today that one of the best routes to that goal is to make transportation safe.

Let me be quick to say that the transportation systems we have today are intrinsically safe -- if the components of those systems are used, maintained and operated properly. The big danger is that we are too easily satisfied that something is safe, or we become complacent, or we are too willing to take a chance -- often with somebody else's life.

No one knowingly sends out a truck that's not safe to operate. No driver in his right mind drives himself to destruction. Yet our Bureau of Motor Carrier Safety reports that 17 percent of the interstate trucks and buses spot-checked last year were found to be in unsafe operating condition. Too many of the 50,000 motor carrier accident reports filed

each year with the Federal Highway Administration -- some 30 percent, in fact -- are categorized as "preventable" accidents, those involving collision with fixed objects, overturns, and other non-collision incidents.

Last year, 55,200 people died on U. S. highways. The total number of accidents increased 2.4 percent to 22.6 million. Reported injuries increased some 10,000 to nearly five million, according to the Insurance Information Institute, with the economic loss from highway accidents in the United States reaching an estimated 16.8 billion dollars.

In light of these rather awesome statistics, I am glad to know that I am talking today to some of the most safety-minded users of our Nation's highways. In 1970, the latest year for which detailed figures are available, the vehicles of the large motor carrier industry were involved in fewer deaths and fewer injuries than in 1969, despite increases in the number of vehicles in use and the mileage driven.

The overall highway death and accident rate is nevertheless alarming and excessive. Each day 150 Americans are killed on the roadways. That is the same as three jumbo jetliners crashing every week, killing all on board.

We have just gone through a rather traumatic experience with the bomb threats against the Nation's airlines. Despite the rash of threats (which were averaging 20 a day at the height of the "fever") no lives were lost, the flow of air commerce was not stopped, and to our knowledge no ransom was paid to any extortionist. We are going to some lengths to prevent any recurrence of these criminal assaults against our air transportation system and to guarantee the safety of air travelers. President Nixon has said "we will not be intimidated," and Secretary Volpe, FAA Administrator Jack Shaffer, and I have been working with the aviation community and our Interagency Government Committee to shut off all unauthorized access to our commercial aircraft and airports.

In short, we are moving heaven and earth to be sure that no bombs ride the civil airways. Yet for too many years we have failed to understand that every unsafe vehicle on the road, every drunk or reckless driver, is a bomb loose on the highways -- a misguided missile, ready to self-destruct. Even a fatigued driver, at the wheel of a high-powered car or a multi-ton rig, can be a latent bomb waiting only to be triggered by a lapse of alertness.

Perhaps this is a harsh analogy, but danger on our roadways is a grim fact. Highway accidents comprise the largest single cause of death among young adults. And the most "preventable accidents" among large motor carriers are those involving drivers age 26 to 30.

Secretary Volpe's goal is to cut the highway death toll in half by 1980. To do that we are conducting an aggressive alcohol counter-measures program, designed to identify the drunk driver and remove him from behind the wheel. We are requiring the auto manufacturers to produce progressively safer cars and trucks. We are using highway trust fund money to make the highways safer. We are funding the research, development and test of a variety of prototype experimental safety vehicles, a program aimed at producing a car that will protect its passengers in a high speed crash. We are working with the states in a Federal driver control program, to tighten driver qualifications, require periodic re-examinations, and make those who want to use the public highways prove their competence to be there.

As movers of household goods, you can point with some pride to your highway safety record. But safety is never good enough until it is 100 percent. In 1970, accidents involving the motor carriers engaged in the moving of furniture and household goods resulted in 66 deaths, 1,000 injuries, and property damage valued at five-and-a-half million dollars: in terms of the national total, yours is indeed a respectable record. Yet I am sure you are not satisfied that as an industry you have done the best job possible to reduce the risk of highway accidents.

As motor carriers, you have a special responsibility dictated by the size of your vehicles, their weight and power, by the hundreds of thousands of miles you log each year, and by the public service nature of your business. You have an understandable inclination to "keep 'em rolling." And while today's machines can endure, drivers cannot. Safe driving demands the discipline of good habits -- adequate rest, reasonable hours, and compliance with all Federal and state safety statutes. I implore you to take no shortcuts with safety.

You are responsible for the care of other people's goods, their most precious possessions. Your success depends on how faithfully you perform that function. By driving safely, by showing courtesy on the road, you set an example for others to admire and to match.

In my business, as in yours, carrier safety has a cousin -- cargo security. A report just completed by our Department shows that losses due to theft in the cargo industries -- road, rail, air and water -- amount conservatively to one billion-plus dollars a year,

and may actually run as high as 2.5 billion. As Chairman of an Interagency Committee formed to combat this problem, I have been working extensively with Government agencies and with the members of the industry committee to curtail the traffic in stolen cargo.

Perhaps this is not a serious problem in your industry. I am told that entire vans of household goods are seldom hijacked. But let me caution you that the out-and-out hijacking of vans accounts for only 10 percent of the total losses in truck cargo. Five percent is due to burglary by forced entry. Fully 85 percent of carrier freight and cargo losses result from pilferage and the theft of cases or less than case lots -- usually by "authorized" persons who carry the goods out the front door.

The movers of goods -- household or commercial -- should be well aware that theft on any scale is a practice that can be controlled. It is my earnest recommendation that rather than overlook pilferage or accept some degree of theft as one of the unavoidable costs of doing business, every shipper should come to grips with the problem and close the door on the petty pilferer and the opportunistic thief. Our experience is that the best protective tactic is a tough-minded, tight-fisted attitude on the part of management, together with rigid controls over the people and vehicles allowed access to terminals, loading points, and warehouses. A word to the wise on this subject, I am sure, is sufficient.

In summary, there is little about transportation in America that is not in the process of being transformed. The President's transportation initiatives and Secretary Volpe's policies and programs are taking hold. The system that is taking shape will mean safer, surer, swifter, and more efficient mobility for travelers and movers alike. It is a national program, and a cooperative one, requiring the spirited support of everyone engaged in transportation. I know that program has the support of the Movers' and Warehousemen's Association of America.

You provide one of the most important of the transportation industry's services. Eighteen percent of the people in the United States -- a quarter of the Nation's families -- move every year. They depend on you to move their possessions safely, securely and smoothly.

You have learned that when you treat your customers right, you also treat yourself right. And when you treat safety as a primary concern, you do the motoring public, yourselves, and the Nation at large a great and noble service.

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OFFICE OF THE SECRETARY

WASHINGTON, D.C. 20590

24-DOT-72

REMARKS BY BENJAMIN O. DAVIS, JR., ASSISTANT SECRETARY OF TRANSPORTATION FOR SAFETY AND CONSUMER AFFAIRS BEFORE THE PACIFIC SOUTHWESTERN TERRITORIAL MEETING OF THE NATIONAL DEFENSE TRANSPORTATION ASSOCIATION MARCH 29, 1972, LOS ANGELES, CALIFORNIA

Earlier this month, the contractor team we retained to collect, analyze, and document cargo loss data reported its preliminary findings -- a "provable" one billion dollars-plus in theft-related losses, out of a total loss of 2.8 billion for all causes.

This draft report substantiates the assessment of Senator Alan Bible's Select Committee on Small Business which nearly two years ago put the cost of cargo theft at an estimated 1.5 billion dollars a year. Senator Bible and his staff have done the transportation industry, and the Nation, a great service by defining the extent of cargo theft and focusing attention on the necessity for corrective measures.

It is a real privilege for me to keynote this meeting. As Secretary Volpe said in his message to this assembly: "The transportation that protects the Nation now needs the Nation's protection." I don't know of another organization better qualified or more willing to assist the Government and industry together in providing that protection than the NDTA.

On March 9, your Executive Committee adopted a resolution formally pledging the Association's support for the Department of Transportation's program and the airlines' efforts to insure the fullest possible safety for air travelers. At the same time, the Committee agreed to use the Association's publications to communicate at large the importance of fighting cargo crime. This Pacific Southwestern meeting serves as the kick-off for your foursquare partnership with us in the battle to control cargo theft and pilferage.

On behalf of Secretary Volpe, and for my own part as Chairman of both the Government's Interagency Committee on Transportation Security and the Interagency Committee on Civil Aviation Security, I thank all of you in the NDTA for your support. The problems are of industry-wide proportions, and only by an all-together, all-out effort can we hope to solve them. The criminals who prey on transportation have been getting the goods long enough; it's time we get the goods on the criminals.

Until Senator Bible's Committee exposed the cargo theft problem for what it is, industry by and large had been accepting "shortages" as unavoidable, the disappearance of some cargo as inevitable, and a degree of theft as one of the costs of doing business. For many companies, paying the price of unaccountable losses, even under suspicious circumstances, without questioning the amount or even blinking at the size of the bill, had become a routine practice -- the path of least resistance.

That sort of thinking must stop. Our first job is to discourage defeatist attitudes on the part of management, and discredit the idea that it's cheaper to absorb theft losses than to fight the problem.

It's a job we must do ourselves, without expecting any great ground swell of public support. For the most part, the public has been insulated against the effects of cargo theft. The problem does not touch them directly even though, in many cases, stolen merchandise filters back into the consumer market, often through legitimate channels.

The public, of course, pays indirectly -- in the form of the higher retail prices necessitated by the costs of replacing stolen goods, increased insurance premiums, and administrative expenses. What is just as criminal as the larceny itself is the fact that this "theft tax" is totally non-productive. It feeds inflation, supports crime, erodes profits, aggravates in particular the economic problems of the small businessman, and adds insidiously to the cost of the products we all purchase.

If we do nothing else, you and I -- through the resources available to us -- must convince everyone in the cargo industry that it is not necessary to accept a 1.6 percent revenue loss as a reasonable business expense. Properly challenged, the costs being charged today to theft could be posted tomorrow on the profit side of the ledger. Any savings program that promises to add nearly two percent of gross revenue to a company's profit margin should be a prize worth pursuing.

Moreover, in conformance with President Nixon's programs to control inflation, improve service to the consumer, and clamp down on crime, it is altogether appropriate that we wage war on the cargo thief -- put him out of business by getting him out of our business.

Ironically, the problem is more internal than external. As Pogo says: "We have met the enemy and he is us." Analysis shows that 85 percent of the cargo theft in the United States occurs "in house." The theft of goods in caseload, but less than carload quantities, accounts for 60 percent of the industry losses attributable to theft. Twenty-five percent of the total losses from terminal, dock, yard and warehouse areas is traceable to pilferage of less than caseload quantities.

These are startling statistics, because what they mean is that more than four-fifths of the goods stolen are being carried out the front gate, in pieces and parcels, item by item, by authorized persons in authorized vehicles. Call it what you will -- involuntary profit-sharing, shrinkage, or overhead -- pilferage is a furtive hand in the till, a cost factor that may appear small item by item, but in the aggregate of the industry takes on gigantic proportions.

We are, of course, also very conscious of the 10 percent of cargo losses from the hijacking and theft of full loads, and the five percent due to burglary by forced entry. These losses must be guarded against and reduced. But it is the rampant pilferage, the flagrant thievery "in house" that must concern us most, and impel us to action. It is the theft that occurs right under our noses that we should be best prepared to stop.

What can we do?

We can begin by narrowing the dimensions of the problem. We know, for example, the products "preferred" by cargo thieves. Thirteen commodities account for more than 90 percent of all theft-related claims in the road, rail, air and water transport modes. The

"top ten" categories most popular with thieves are: clothing (far and away the leading target for truck and air cargo thieves), electric appliances (especially television sets), auto parts and accessories, hardware, plastics, alcoholic beverages, food products, tobacco products, furniture, and -- tenth -- drugs and cosmetics. By treating shipments of these commodities with extra care, we can put a real dent in the traffic in illicit merchandise.

Management can also begin by slapping a tighter rein on cargo in transit, and on those who have access to it.

In handling high-risk commodities in particular, management should take steps to know precisely when cargo is due, verify its receipt, pinpoint responsibility for its disposition, know when it is to be shipped, and verify release to an authorized agent.

Physically, the cargo should be protected while in custody, with special locations and under special controls where necessary. Positive accountability should be enforced, and only authorized vehicles allowed in the loading area. Finally, management should not be reluctant to employ vehicle inspection procedures, at least on a random basis.

Incidentally, we talked recently with the president of one of the country's largest trucking companies, and he told us his experience confirms our basic conclusions -- that the theft problem is predominantly an internal one, and that a stronger anti-theft stance on the part of management appears to be the prime preventive.

The prospective rewards would certainly seem to justify a greater effort. According to Senator Bible's original assessment, 1970 losses from theft and pilferage amounted to 900 million dollars in the trucking industry, the rails 250 million, air 110 million, and 200 million from our ports. The losses reflected in our contractor report vary somewhat by mode, but in considering the data in that report it must be remembered that all of the theft-related losses are derived from accepted equations using known losses as a base and applying the lowest conceivable confidence factor. We look upon these figures, therefore, as conservative. And for several reasons.

First, companies and agencies in the past have not always kept accurate loss records. Even now, complete statistics are difficult to obtain. The next step in our contract with Braddock, Dunn and McDonald calls for development of a cargo loss information management system, to assure an accurate accounting of future losses.

Secondly, we know that companies incur losses attributed to "shortage" or "mishandling" which really belong, at least in part, under the label of theft or pilferage. For example, in the Penn Central's rather remarkable eye-witness film on the looting of its boxcars in New York City freight yards, gangs are seen forcing open the doors of refrigerator cars or choking the motors that operate the cooling system. Even though they may not actually steal anything from those particular cars, the contents spoil and the loss is a direct result of attempted theft. The Penn Central alone lost 6 million dollars last year due to looting and vandalism.

Then, thirdly, many losses simply aren't reported. The New York Waterfront Commission once estimated, for example, that 75 percent of the thefts from ports and piers, wharfs and waterfront warehouses, goes unreported.

For these reasons, we believe that the cost of theft in the industry probably exceeds the billion dollar sum we have been able to document. Theft may, in fact, be a sizeable share of the 2.8 billion dollars in losses from all causes for all modes. That total represents 4.5 percent of the industry's revenue, a high price to pay for the attrition of merchandise for whatever reasons.

Still, this is not the whole story.

In considering, or failing to consider, the dollar realities of cargo theft, operators may overlook some of the less tangible consequences, such as loss of customer confidence and good will. As one witness before Senator Bible's Committee testified, and I quote:

> "Manufacturing schedules are not met, job layoffs may occur for lack of raw materials, seasonal markets are lost, customs revenue is lost, insurance premiums are increased, and the stolen goods are put into commerce by the underworld in competition with legitimate business, oftentimes in competition with the very owners of stolen property. All of this is in addition to the degeneration of the moral climate of the community resulting from unchecked criminality."

Clearly, this drain on the economy of the transportation industry, and the Nation, must be checked. We are committed to that objective, and our joint Government-industry transportation security program is rooted in the conviction that the integrity of goods in transit can be assured.

Last June, at the first national cargo security conference, Secretary Volpe pledged the resources of the Government to a "concerted interagency, intermodal drive to eliminate crime in transportation." Within a week, the first meeting of the members of the interagency committee was held, and a 12-point program identified and subsequently adopted. Together with a corollary committee comprised of representatives of the industry -- carriers, shippers, insurers, and labor -- we are working methodically to plug the leaks and close the loopholes in cargo security.

More of the details of our task force efforts will be discussed during the course of this meeting. I am pleased that a number of our Committee members are participating in this program.

Let me just say that in the last nine months we have made what I believe to be a strong and determined initial assault on the cargo security problem.

- We have identified the high-risk commodities.

- We have obtained better data on the extent of losses and the types of theft.

- We have developed a set of recommended security guidelines for all cargo handlers.

- We have strengthened our contacts with state and city officials and agencies, including law enforcement personnel, to promote coordinated action against lawbreakers.

- We have experimented, with encouraging success, with such innovations as helicopter surveillance to deter or prevent truck hijackings, motion sensors, collective security arrangements, and model port facilities designed for maximum security.

- We have asked the various operating administrations of the Department (Federal Highway, Federal Rail, Federal Aviation, etc.) to include cargo security checks as part of their safety inspection work.

- We have called a number of Coast Guard Reservists to active duty to assist in fomenting a greater security consciousness on the part of cargo handlers. They will work closely with the Treasury Department's Bureau of Customs to reduce theft from our seaports.

- And just this month, we "graduated" the first class from our new theft prevention training program at the University of Louisville.

The industry, for its part, is becoming less tolerant of theft and more aggressive in the development and use of preventive measures. One large East Coast trucking company, since putting in an electronic protection system using motion sensors, has had no losses from any trailer or container protected by the system, even though attempts have been made. The Air Transport Association reported several days ago that while air freight revenue was up 16 percent last year, claims for theft, loss and damage declined 14 percent. We can expect airport thefts to go down even more as a result of the new airport security rule issued on the 17th of this month by the FAA. Intended primarily to deal with bomb and extortion threats by strictly controlling access to aircraft and to baggage areas, the sterner airport security measures should have an ancillary effect on the protection of cargo.

In summary, we face a tough but not impossible task. Our job is to change attitudes and behavior patterns -- our pre-eminent mission is prevention, not enforcement. As people in the cargo transportation business, our primary domain is not the waterfront at night, the back alleys where warehouse windows are broken and doors jimmied, or the storage yards where crates are rifled and cartons ransacked. Our badge of authority in the front offices of Government or industry generally is not the shield of police power; rather, the persuasive power we can muster in convincing everyone entrusted with cargo in transit that a transportation system is good only if it is a secure system.

I appreciate the initiative of the Inland Empire, Los Angeles and San Diego Chapters of NDTA in alerting their members to the importance of minimizing cargo losses, and the cooperation of the NDTA nationally in voluntarily supporting cargo security as an Association project.

I hope each of you will spread the word.

I urge you to be missionaries for the gospel of honesty and integrity in the transporting of goods.

I invite you to give us your recommendations for new or better ways of protecting what the industry is entrusted to deliver.

I ask you to do everything you can to make cargo security practices <u>work</u> where you are.

The control of cargo theft is but one of many programs the Nixon Administration is fostering to improve transportation across the board: to make it safer, cleaner, swifter, and more efficient. But surely, greater transportation security is one of our most urgent programs, if we are to do a better job of protecting a basic freedom -- the integrity of transportation, the trust people have in the efficacy of the system.

I am told that the life expectancy of a certain popular model sports car, on the New York City streets at night, parked and unguarded, is measured in minutes. One citizen, determine to protect his property, wired his car with an alarm so piercing that it awakened residents for blocks around -- and no one knew how to turn it off.

We have to make our security message just that loud, and just that hard to turn off. We want the cargo thief to know that we mean business, and the cargo transporter to know that the Government is on his side.

DEPARTMENT OF TRANSPORTATION | NEWS

OFFICE OF THE SECRETARY

WASHINGTON, D.C. 20590

28-DOT-72

REMARKS BY BENJAMIN O. DAVIS, JR., ASSISTANT SECRETARY OF TRANSPORTATION FOR SAFETY AND CONSUMER AFFAIRS TO THE ALTOONA, JOHNSTOWN AND TRI-STATE TRAFFIC CLUBS BEDFORD, PENNSYLVANIA, APRIL 12, 1972

Driving in the Tri-State area, one can't help but be impressed by the number of trucks traveling 70-S, I-81, and the Pennsylvania Turnpike. With all this traffic, it's easy to believe that 70 billion of the Nation's 93 billion dollar freight volume moves by truck. When you can drive to Bedford from Washington without encountering a red light or a two-lane road, it's also easy to see why the interstate system cuts travel time 10 percent or better, saves lives, and reduces over-the-road trucking costs.

What you don't see is a side of the cargo transportation business that I want to talk about tonight -- the amount of freight that never gets where it's supposed to go.

You may have read recently about the railroad that lost a mail car and didn't find it for over two years. A lot of cargo that is "lost" is never found, which means that most of it wasn't really lost in the first place. Shippers of gasoline and certain other liquid products make allowances for evaporation. There is no valid reason for such allowances

for clothing, auto parts, television sets and other "hard" goods, yet every year about 800 to 900 million dollars worth of these and other solid product commodities "evaporate" in the course of being trucked from one place to another.

Losses due to theft and pilferage also masquerade as "shortages," or are chalked up to "spoilage," and "mishandling" in places where out-and-out larceny can't be proven or won't be admitted.

In relation to the total cargo carried by the nation's shippers, the quantities lost, strayed or stolen represent a small percentage. But in weight, it adds up to thousands of tons annually, and in dollar value the burden of theft runs into 10 figures.

Nearly two years ago, Senator Alan Bible's Select Committee on Small Business pegged the national price of cargo theft at 1.5 billion dollars a year. According to Senator Bible's analysis, trucking industry thefts amounted to 900 million dollars in 1970; rails lost 250 million to theft; the air carriers 110 million; and 200 million dollars worth of merchandise disappeared from our ports and piers.

Clearly the problem is of sizeable proportions, and may be substantially greater than the available statistics indicate. We know, for example, that many losses simply aren't reported or at least aren't attributed to theft. In many places, so-called "petty" pilfering is overlooked. Throughout the industry, a certain amount of theft generally has been considered unavoidable, and more or less accepted as one of the costs of doing business.

That's a bit of fiction we want to expose for the fantasy it is. Theft and pilferage can be prevented, or at least held to a minimum, if management is willing to invoke a security program with teeth in it.

The head of one trucking company, which operates in the shadow of Kennedy Airport in New York City, and handles primarily air cargo (usually high value merchandise), tells us that in 15 months they moved more than 20 million pounds of freight without a single loss. How do they do it? According to the company, the secret is good management, good relations with employees, a strict and businesslike accounting of all transactions, and a pride of integrity on the part of everyone associated with the company.

Maybe that's Utopia today, but it could become the rule, not the exception, tomorrow -- if more people in the cargo business came around to the realization that there's no profit in loss. Whether shippers write losses off as a business expense, bill the insurance carrier, or pass the buck to the consumer, companies plagued by theft cannot avoid the additional administrative costs, the higher insurance premiums or deductibles, the risk of lost markets and dissatisfied customers, and a reputation for unreliability that are all part of the price of an unwillingness to come to grips with the problem.

We do not suggest that coping with theft is easy. And we don't pretend to have all the answers in Washington. But we do have a very active interagency committee struggling with the problem, and I thought you might be interested in a brief report on what we have found out about cargo crime.

First: Hijacking a truck can be more lucrative than robbing a bank. The average bank robber gets about 4500 dollars. Single truck theft losses average 30 to 40 thousand dollars. In fact, the Cargo Protection Bureau reported last fall that of 112 trucks hijacked during a three-month period, the per theft loss averaged $47,000.

Second: Most of the merchandise stolen is easily and quickly sold. It is not uncommon for thieves to have buyers for certain goods even before the cargo is stolen. Neither is it unusual for pilfered merchandise to find its way into the marketplace through legitimate channels, where it may compete with identical goods offered at honest prices. Small businessmen have been forced out of business because whole shipments have been hijacked, and the market for the merchandise lost or saturated before the shipment could be replaced.

Then, third: we have found that while the hijacking of a truck, the theft of a container, or the disappearance of an entire shipment may qualify as cargo crime "spectaculars," the vast majority of the industry's losses result from day-by-day "shoplifting" in terminals and yards, at wharfs and warehouses, from loading docks and on delivery routes. Analysis shows that 85 percent of the cargo theft in the United States occurs this way -- "in house." Sixty percent of the industry's losses attributable to theft are by caseload, but less than carload, quantities; 25 percent of the total losses can be traced to pilferage of less than caseload quantities.

These are startling statistics, because what they mean is that more than four-fifths of the goods stolen are being carried out the front gate, in pieces and parcels, item by item, by authorized persons in authorized vehicles.

Call it what you will -- involuntary profit-sharing, shrinkage, or overhead -- pilferage on the premises can be as costly in the long run as highway robbery -- the furtive hand in the till can siphon off profits just as surely, if not as boldly, as the thieves who break and enter.

We are, of course, also very conscious of the 10 percent of cargo losses from the hijacking and theft of full loads, and the five percent due to burglary by forced entry. These losses must be guarded against and reduced. But it is the rampant pilferage, the flagrant thievery "in-house" that accounts for the lion's share of cargo losses, and, therefore, should get the most attention. Moreover, it is the theft that occurs right under our noses that we should be best able to control.

The problem is large but not unmanageable. We know, for example, the products "preferred" by cargo thieves. Thirteen commodities account for more than 90 percent of all theft-related claims in the road, rail, air and water transport modes. The "top ten" categories most popular with thieves are: clothing (far and away the leading target for truck and air cargo thieves), electric appliances (especially television sets), auto parts and accessories, hardware, plastics, alcoholic beverages, food products, tobacco products, furniture, and drugs and cosmetics. By making special efforts to safeguard the shipment of these "high-risk" commodities, we can do much to shut off the thief's sources of supply and thin out the traffic in illicit merchandise.

In handling high-risk commodities in particular, management should take steps to know precisely when cargo is due, verify its receipt, pinpoint responsibility for its disposition, know when it is to be shipped, and verify release to an authorized agent.

Physically, the cargo should be protected while in custody, with special locations and under special controls where necessary. Positive accountability should be enforced, and only authorized vehicles allowed in the loading area. Finally, management should not be reluctant to employ vehicle inspection procedures, at least on a random basis.

Incidentally, the president of one of the country's largest trucking companies told us recently that his experience confirms our basic conclusions -- that the theft problem is predominantly an internal one, and that a stronger anti-theft stance on the part of management appears to be the prime preventive. Other cargo transportation people have told us that the incentive approach works best for them -- rewarding employees when losses are tightly controlled.

Last June, at the first national cargo security conference, Secretary Volpe pledged the resources of the Government to a "concerted interagency, intermodal drive to eliminate crime in transportation." Within a week, the first meeting of the members of the interagency committee was held, and a 12-point program identified and subsequently adopted. Together with a corollary committee comprised of representatives of the industry -- carriers, shippers, insurers, and labor -- we are working methodically to plug the leaks and close the loopholes in cargo security.

As Chairman of the Interagency Government Committee, I can tell you that in the last nine months we have made what I believe to be a strong and determined initial assault on the cargo security problem.

- We have identified the high-risk commodities.
- We have obtained better data on the extent of losses and the types of theft.
- We have developed a set of recommended security guidelines for all cargo handlers.
- We have strengthened our contacts with state and city officials and agencies, including law enforcement personnel, to promote coordinated action against lawbreakers.
- We have experimented, with encouraging success, with such innovations as helicopter surveillance to deter or prevent truck hijackings, motion sensors, collective security arrangements, and model port facilities designed for maximum security.
- We have arranged for the various operating administrations of the Department (Federal Highway, Federal Rail, Federal Aviation, etc.) to include cargo security checks as part of their safety inspection work.
- We have called a number of Coast Guard Reservists to active duty to assist in fomenting a greater security consciousness on the part of cargo handlers. They will work closely with the Treasury Department's Bureau of Customs to reduce theft from our seaports.

- Regulations have been issued or proposed to require detailed reporting of all cargo loss and damage. Armed with more definitive data on the actual extent of losses, where they occur and how, we will be better able to prescribe preventives, and the industry will be more aware of how deftly and how deeply its pocket is being picked.

- And just last month, we "graduated" the first class from our new theft prevention training program at the University of Louisville.

The industry, for its part, is becoming less tolerant of theft and more aggressive in the development and use of preventive measures. One large East Coast trucking company, since putting in an electronic protection system using motion sensors, has had no losses from any trailer or container protected by the system, even though attempts have been made. The Air Transport Association reported a few weeks ago that while air freight revenue was up 16 percent last year, claims for theft, loss and damage declined 14 percent. We can expect airport thefts to go down even more as a result of the new airline and airport security rules issued recently by the FAA. Intended primarily to deal with "skyjackings" and bomb and extortion threats by strictly controlling access to aircraft and to freight and baggage areas, the sterner aviation security measures should have an ancillary effect on the protection of cargo.

In summary, we face a tough but not impossible task. The integrity of goods in transit can be protected, but it's not something I can do by edict from Washington or that the industry can accomplish by wishful thinking. Theft and pilferage will go on just as long as management looks the other way, accepts token security measures as sufficient, or puts almost no risk of detection and apprehension in the way of the thief and pilferer. The problem will cease to be a problem when management decides to hang tough; to put temptation out of easy reach, and theft and pilferage out of the transportation business.

The control of cargo theft is but one of many programs the Nixon Administration is fostering to improve transportation across the boards: to make it safer, cleaner, swifter, and more efficient. But surely, greater transportation security is one of our most urgent programs, if we are to do a better job of protecting a basic freedom -- the integrity of transportation and the trust people have in the efficacy of our transport system.

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DEPARTMENT OF TRANSPORTATION | NEWS

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20590

32-DOT-72

REMARKS BY BENJAMIN O. DAVIS, JR., ASSISTANT SECRETARY FOR SAFETY AND CONSUMER AFFAIRS, TO THE GREATER CLEVELAND SAFETY COUNCIL, CLEVELAND, OHIO, APRIL 26, 1972

TRANSPORTATION'S INSECURITIES: CAUSE AND CURE

When people travel in America, they expect to travel safely. When we entrust goods to shippers and transporters, we expect that merchandise to be secure against loss or damage.

Regrettably, the safety and security of people and products in transit do not always measure up to our expectations. The cost, in dollars and in lives, is excessive. If it were not for concerned citizens and active organizations like the Greater Cleveland Safety Council, the national toll in humanity and treasure would undoubtedly be higher.

But for all that we are doing, we are not doing enough. President Nixon came to office pledged to make transportation "a better servant of the people." Two of the primary building blocks in his transportation reconstruction program are greater safety and increased security.

To work the cures, we must first know the causes.

Motor vehicle accidents account for nearly half of all the fatalities resulting from accidents. Last year 55,200 persons died on our nation's highways.

That's 150 lives a day snuffed out in motor vehicle mishaps. To get a different perspective on the degree of tragedy we're talking about, it is the equivalent of three 747 or DC-10 jetliners crashing every week, killing a thousand people.

We would never tolerate a civil aviation fatality rate on such a scale. There is no reason why killing travelers two or three or four at a time should be any more acceptable, or any less a national outrage.

All of your efforts, and ours - however - have not been in vain. Last year, in Ohio, motor vehicle deaths declined 7.6 percent. In Cuyahoga County, 201 people died in highway accidents, compared to 233 in 1970. And in Cleveland itself, automotive-related fatalities dropped from 128 to 109 - a 14.8 percent improvement in driving safety. The 1971 highway death toll in Greater Cleveland was well below the five-year average.

Nationally, the fatality rate - deaths per 100 million vehicle miles - fell to 4.7, the lowest in history. But with the automobile population of our country growing by 10,000 vehicles a day, and nearly that many new drivers taking to our streets and highways, it is clear that a fatality rate that only remains static, or improves slightly, is not good enough.

Secretary Volpe has said that his personal goal is to see the nation's highway losses cut in half by 1980. To reach that objective, or to come even respectably close, we will have to attack the problem in each of its dimensions: the driver, the vehicle, and the highway.

That is precisely what the Nixon Administration is doing, and I will have more to say on that subject in a few minutes.

Statistics show that at least half of the highway deaths result from crashes in which alcohol was a factor. That means 27,000 fatalities, along with an estimated 800,000 injuries and millions of dollars in property damage -- all as a consequence of drinking or intoxicated drivers.

There are other factors. It's estimated, for example, that at any given time, 20 percent of the drivers on the road are there without a license.

Still a more recent problem is drugs. The largest single killer of young people 17 to 25 is the motor vehicle. In the majority of these, alcohol is the causal factor. But alcohol, mixed with drugs - in the hands of the young and inexperienced driver - adds a new and frightening dimension to the menace on the highways.

Drivers alone, of course, are not to blame for all the automotive mayhem in our society. All roads are not yet safe; certainly our vehicles are not as safe as they could or should be. But if we could just get the drunk, unlicensed, and reckless driver off our highways, we would attain Secretary Volpe's goal overnight -- even if we never straightened out another curve, or buckled another seat belt.

The other modes of transportation - air, rail, water and pipeline - are many times safer than highway travel. But they are not yet perfect.

In 1971, U.S. certificated route and supplemental air carriers - the "skeds" and the "charters" - flew 6,210,000 hours, according to the CAB, with only 47 accidents, of which only eight involved fatalities. The accident rate - seven-tenths of one percent per 100,000 aircraft hours flown - is the lowest recorded in the past 11 years.

Rail fatalities numbered nearly 2,000 last year, more than half of them occurring at grade crossings. Some 1,400 people lose their lives annually in boating accidents. And, at the low end of the transportation fatality scale, public transit accidents took fewer than a thousand lives last year, and gas pipeline accidents caused only 45 deaths.

Yet if transportation has not been as safe as we would prefer, neither has it been a model for security.

The most obvious, and the most publicized security deficiency in our transportation system has been the vulnerability of aircraft to hijacking and extortion.

The first recorded aerial hijacking actually occurred 42 years ago. But air piracy didn't become "fashionable" until 1968. From 1968 through 1971, there were 116 attempted hijackings of U.S. aircraft, of which 82 were successful. Whatever the air pirate's objective, a free ride or a fast buck, the airline industry has been all too susceptible to assaults by hijackers, blackmailers, and extortionists.

We have also had a problem of hijacking at ground level. Every year one to two billion dollars worth of cargo is stolen in the course of being moved from one place to another. The vast majority of the goods plundered or pilfered have one thing in common: they are easily sold, often through legitimate channels. The end result is a totally non-productive "theft tax" on the cargo industry, which profits the criminal and costs the consumer.

I have touched on the causes of the safety insufficiencies and the insecurities troubling transportation today. Now ... what are the cures?

Let me say, first, that the improvement of safety and the strengthening of security are overriding concerns in President Nixon's total program for the reformation of transportation in America. The overwhelming majority of the resources in the Department of Transportation are for the primary purpose of making the means of mobility safer and more secure.

In dealing with the drunk driver, for example, Secretary Volpe says: "To drink or not to drink is an individual concern. But to drink and then drive is a community concern."

We believe that the 7 percent of the drivers -- the dangerously drunk -- who cause 50 to 60 percent of the deaths, can be identified, apprehended, and controlled.

That's the goal of our Alcohol Countermeasures Program, being carried out in partnership with states, municipalities, and concerned citizen organizations. At the present time we have 35 Alcohol Safety Action Projects (ASAP) under way -- one of them is in Cincinnatti, Ohio. The purpose of these Federally-supported programs is to focus national attention on the drunk driver problem, and to force action. Our goal is to identify the dangerous driver and to increase the conviction rate for drunk drivers. Through a concerted effort to make our court system more responsive, we hope to succeed in steering convicted drunk drivers into appropriate driver education and rehabilitation programs, before they steer two tons of steel into an unsuspecting motorist.

Just last month, outside of Washington, five young people out for a Sunday drive were killed by a motorist who crossed the center line and collided head-on with their car. The accident happened at four in the afternoon. The weather was clear. There was no apparent cause, except: the driver of the offending car was drunk. The extent of his injuries: a cut chin.

Let me note in passing that since the start of our Alcohol Safety Action Program, drunk driving arrests have gone up almost 200 percent in Cincinnati. In Fairfax County, adjacent to Washington, D.C., police arrested 427 motorists on drunk driving charges in the two months our Alcohol Safety Action Program has been in effect there. By comparison, only 81 drunk drivers were arrested in the County in all of 1971. So I don't think there is any doubt that a concerted campaign against drunk driving can be highly effective. That program, incidentally, has now gone "public" with Secretary Volpe's announcement last month of a nationwide alcohol countermeasures education campaign.

The drinking driver, of course, is not our only target. The semi-skilled and careless driver must be singled out, and either trained to be a responsible driver or removed from the roadway. The price of admission to America's public highway system must be raised, in terms of driver qualifications.

We believe driver examinations, by using simulators, can be made more realistic. We believe periodic re-examination should be required by all states, and we are working with the states to encourage their participation in a comprehensive Driver Control program aimed at assuring that everyone who wants the right to drive, drives right.

Motoring safety must be a composite of good drivers, good highways, and good cars. Our mission is to do everything possible -- technically, procedurally and educationally -- to make drivers more responsible, cars more crash-resistant, passengers less liable to injury, and highways safer.

At the instigation of President Nixon and Secretary Volpe, for example, there is now an international program under way to develop a family of cars specially designed to protect their occupants even in a high-speed head-on crash. In the United States, prototype Experimental Safety Vehicles are being built by four manufacturers -- the AMF Corporation, Fairchild Industries, General Motors, and Ford. The first AMF and Fairchild cars have been delivered and crash-tested at our Phoenix test facility. Through the ESV program we hope to learn what is technically and economically feasible in the way of crash-proofing the common car. We are also continuing development and test of the air bag as the most practical passive restraint system yet in sight. Passive restraints will be mandatory on 1976-model cars, and the Ford Motor Company is equipping some of their 1972 Mercury fleet cars with passenger-seat air bags to gain practical experience on their utility and reliability.

Today's highways are also much safer, with wider medians, controlled access, better lighting, and breakaway sign posts and light standards. In California, safety engineers are finding that grooved freeways help to retard accidents. And downstream, in designing the roadways of the future, we are exploring automated highways and dual-mode vehicles. to control speed limits, not just enforce them.

While we plan ahead for ways to prevent accidents, there's a program going on right now to lower the risk of death and reduce the suffering resulting from accidents. The program is Emergency Medical Services - EMS - and it is provided for under the terms of the Highway Safety Act. Its purpose is to get medical care to the injured in the shortest possible time.

Every medical emergency that occurs outside the hospital makes a demand on transportation. The effectiveness of transportation services can make the difference between life and death. The surgeon-general of the United States said recently that 90,000 lives could have been saved in 1970 with adequate emergency medical care and effective accident prevention.

To date the Department of Transportation has invested about 35 million dollars in EMS programs. Since 1968, when only six states had an EMS staff, the program has been extended to every state. Training manuals for Emergency Medical Technicians have been prepared. Some 50,000 persons have been trained. The professional status of the ambulance operator has been upgraded. We have sponsored the adoption of the nationwide universal emergency telephone number - "911" - and supported the concept of combined communication dispatch centers. And we have initiated the Military Assistance to Safety and Traffic program (MAST), which speeds military helicopters and medical services to accident or heart attack victims.

In a 15-month series of tests at five locations, 704 missions were flown and 915 patients treated and rushed to hospitals under the MAST program, sponsored jointly by the Department of Defense and Transportation. In Ohio, the medical school at Columbus and the National Guard make the services of a helicopter and a doctor-nurse team available for weekend emergencies.

The Emergency Medical Services program also includes REACT - Radio Associated Citizen Teams - which is a national affiliation of citizen band radio operators who provide emergency communications in their communities. These volunteers handle requests for road service and traffic information as well as emergency communications.

The Ohio REACT team has been particularly active. In a special test program, covering 18 months, 12,930 incidents were reported over the system. Of those, 5,264 related to automobile accidents. There is little doubt that the faster communications provided by the REACT system has saved lives and moderated the effects of injuries.

In the other modes, as in highway transportation, there is a strong emphasis on safety at the Federal level. The Boat Safety Act empowers the Coast Guard to set minimum safety standards for boats and associated equipment, to better protect the 45 million people who enjoy pleasure boating. The Federal Rail and Highway Acts provide funds for the correction of grade crossing hazards, including $31 million to eliminate grade crossings in the busy Northeast Corridor. Under the Airport/Airways Act, ample funds are provided to complete the automation of the air traffic control system, and for the research and development of increasingly more effective instrument landing and collision-avoidance systems.

To conclude, let me say that while our concern for safety is constant and of long duration, our tolerance for hijackers and for infractions against the security of people and goods in transit has a very short fuse.

We had been moving gradually but steadily against the hijacking nuisance until March of this year. Our impatience reached the flash point early last month when an unoccupied TWA plane was blown up and the airline warned to deliver $2 million or risk further bombing incidents.

Stating that "we would not be intimidated," President Nixon called for the mobilization of Federal forces "to prevent air travel from becoming a vehicle for traffic in terrorism." The result was the immediate implementation of strict FAA rules requiring maximum security precautions and procedures on the part of the air carriers and airport operators.

At the same time, and with almost the same fervor, we are working to stem the tide of cargo thievery and pilferage. Through an interagency committee, which I chair, we have identfied the high-risk items, illuminated the causes and sources of loss, proposed corrective procedures, and are working methodically with the industry to plug the leaks and close the loopholes in cargo security.

Just as in the promotion of safety, of course, transportation security depends heavily on public awareness of the problem and an eagerness to fight it.

That awareness, and that resolve, I assure you, exist at the top. President Nixon's program to improve transportation across the board is a strong and progressive one. It includes making transportation cleaner, swifter, quieter and less congested. Making the means of mobility also safer and more secure is high on the President's list of transportation objectives.

The public, I am confident, supports these measures. All of the polls I have seen indicate strong public support, for example, for tougher drunk driver laws. Our own consumer surveys, taken in the course of public hearings across the country, tell us we are on the right track. The people <u>are</u> concerned with safety, and favor programs to encourage it.

I am sure that this support is due in large part to the year-in and year-out efforts of public-spirited, community-minded organizations like the Greater Cleveland Safety Council. With leadership at the top devoted to greater safety and increased security, and with strong support throughout the states and at community level, I have no doubt that we shall prevail in curing the causes of transportation's insecurities.

I thank you for your interest and your dedicated support.

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DEPARTMENT OF TRANSPORTATION | NEWS

OFFICE OF THE SECRETARY

WASHINGTON, D.C. 20590

33-DOT-72

REMARKS PREPARED FOR DELIVERY BY BENJAMIN O. DAVIS, JR., ASSISTANT SECRETARY OF TRANSPORTATION FOR SAFETY AND CONSUMER AFFAIRS, AT THE CENTRAL TERRITORIAL CONFERENCE NATIONAL DEFENSE TRANSPORTATION ASSOCIATION INDIANAPOLIS, INDIANA, APRIL 27, 1972

Last month it was my pleasure to participate in the NDTA's Southwestern Territorial Meeting in Los Angeles. Next month I will be speaking at the European Conference in Munich. I am grateful, in between, for this occasion to visit mid-America, and to meet with the members of NDTA's Central Region. You have made me most welcome. As I have always found, in living in the Midwest or visiting here, the heartland of America is "all heart."

This region is also big on business and bullish on industry. Indianapolis is one of the fastest growing metropolitan areas in the country, and an increasingly important transportation hub. You handle much of the nation's commerce, coming and going -- coast to coast and border to border. You know how vital it is to deliver the goods ... to keep cargo moving and the nation's markets supplied.

I know you are also very much aware of one of the imperfections in the cargo transportation system: an Achilles heel -- a malignancy that saps the energy, mars the performance, tarnishes the reputation, and feeds on the profits of what is otherwise a healthy and robust industry. I refer to the nagging problem of cargo theft and pilferage, which represents -- by the best estimates -- a one-and-a-half to two-and-a-half billion dollar a year drain on the transportation industry's resources and the nation's economy.

I know you are aware of the problem because you identify it as one of the "challenges in transportation" being explored at this Conference. I know you are concerned about the problem, because NDTA nationally has pledged full support to our programs at the Federal level to curb aircraft hijacking and to control cargo theft. These are urgent and compelling objectives, and I can assure you that strong coalitions of Government and industry forces are at work towards their attainment.

If you saw the CBS television program "60 Minutes" on the 16th of this month, you witnessed one example of what the industry is up against. Cameria crews in Chicago filmed just a few of the hundreds of incidents of brazen looting that go on week-in and week-out in the rail yards of our cities.

Perhaps some of you also have seen the Penn Central's filmed documentary on the looting of its freight cars in New York City -- not a random event, but a routine occurrence. I have been in the rail yards, with Penn Central officials, and seen gangs of looters at work. As one of the Penn Central officials told me, stealing from the railroad has become a way of life. And, as the CBS program illustrated, the threat of apprehension seems to have little deterrent value. Looters "caught in the act" were not reluctant to talk to the TV reporters. In the Penn Central film, one looter photographed stealing from a box car on Tuesday was apprehended, arraigned on Wednesday, and Thursday the camera caught him again -- back in the freight yards, forcing a door on a box car and helping himself to its contents.

Let me just mention at this point that we have been working with the Department of Justice and other Federal agencies to bring about stricter enforcement and more effective prosecution of cargo theft cases. We have the sympathy and the support of the U. S. Attorneys, and we expect to have some specific progress to report in the judicial treatment of the cargo theft problem in a week or 10 days.

The problem, of course, is by no means confined to the railroads. It is industry-wide, and only by an all-together, all-out effort can we hope to bring it under control. Stern corrective measures are long overdue. The criminals who prey on transportation have been getting the goods long enough. It's high time we get the goods on the criminals.

We are really indebted to Senator Alan Bible's Select Committee on Small Business which two years ago first examined the cargo loss situation and estimated the cost of theft and pilferage at one-and-a-half billion dollars annually. Last June Secretary of Transportation John A. Volpe called a national cargo security conference, pledging the resources of the Government to a concerted interagency, intermodal drive to eliminate crime in transportation. Within a week, the first meeting of the members of the Interagency Committee was held, and a 12-point program defined and adopted. I serve as chairman of that Committee, and I can tell you from first-hand experience that we have been busy. Together with a corollary committee comprised of representatives of the industry -- carriers, shippers, insurers and labor -- we have been working earnestly to plug the leaks and close the loopholes in cargo security.

One of our first actions was to validate the extent of the problem. We retained a contractor -- Braddock, Dunn and McDonald -- to collect, analyze and document cargo loss data. According to their findings, Senator Bible's $1.5 billion price tag on cargo theft is right in the ballpark. The preliminary report from our contractor indicates a "provable" annual loss of one billion dollars plus due to theft, out of a total loss of $2.8 billion for all causes.

Until Senator Bible's committee exposed the cargo theft problem for what it is, industry by and large had been accepting "shortages" as unavoidable, the disappearance of some cargo as inevitable, and a degree of theft as one of the costs of doing business. For many companies, paying the price of unaccountable losses, had become a routine practice -- the path of least resistance. Apparently theft has been a fact of commercial life since the days of the Phoenicians.

That sort of thinking must stop. Our first job is to discourage defeatist attitudes on the part of management, and refute the idea that it's cheaper to absorb theft losses than to fight the problem.

What is almost as criminal as the larceny itself is the fact that the "theft tax" that you pay and the consumer pays is totally non-productive. It feeds inflation, supports crime, compresses profits, aggravates the economic problems of the businessman, and adds insidiously to the cost of the products we all purchase.

If we do nothing else, you and I -- through the resources available to us -- must convince everyone in the cargo industry that it is not necessary to accept a 1.6 percent revenue loss as a reasonable business expense. Properly challenged, the costs being charged today to theft could be posted tomorrow on the profit side of the ledger.

Moreover, in conformance with President Nixon's programs to control inflation, improve service to the consumer, and clamp down on crime, it is altogether appropriate that we wage war on the cargo thief -- put him <u>out</u> of business by getting him out of <u>our</u> business.

Ironically, the problem is more internal than external. As Pogo says: "We have met the enemy and he is us." Analysis shows that 85 percent of the cargo theft in the United States occurs "in-house."

The theft of goods in caseload, but less than carload quantities, accounts for 60 percent of the industry losses attributable to theft. Twenty-five percent of the total losses from terminal, dock, yard and warehouse areas is traceable to pilferage of less than caseload quantities.

These are startling statistics, because what they mean is that more than four-fifths of the goods stolen are being carried out the front gate, in pieces and parcels, item by item, by authorized vehicles.

Call it what you will -- involuntary profit-sharing, shrinkage, or overhead -- pilferage on the premises can be as costly in the long run as highway robbery -- the furtive hand in the till can siphon off profits just as surely, if not as boldly, as the thieves who break and enter.

We are, of course, also very conscious of the 10 percent of cargo losses from the hijacking and theft of full loads, and the five percent due to burglary by forced entry.

Hijacking a truck can be more lucrative than robbing a bank. The average bank robber gets about $4,500. Single truck theft losses average 30 to 40 thousand dollars. In fact, the Cargo Protection Bureau reported last fall that of 112 trucks hijacked during a three-month period, the per theft loss averaged $47,000.

These kinds of losses must be guarded against and reduced. But it is the rampant pilferage, the flagrant thievery "in-house" that accounts for the lion's share of cargo losses, and, therefore, should get the most attention. Moreover, it is the theft that occurs right under our noses that we should be best able to control.

The problem is large but not unmanageable. We know, for example, the products "preferred" by cargo thieves. Thirteen commodities account for more than 90 percent of all theft-related claims in the road, rail, air and water transport modes. The "top ten" categories most popular with thieves are: clothing (far and away the leading target for truck and air cargo thieves), electric appliances (especially television sets), auto parts and accessories, hardware, plastics, alcoholic beverages, food products, furniture, and drugs and cosmetics. By making special efforts to safeguard the shipment of these "high-risk" commodities, we can do much to shut off the thief s sources of supply and thin out the traffic in illicit merchandise.

In handling high-risk commodities in particular, management should take steps to know precisely when cargo is due, verify its receipt, pin-point responsibility for its disposition, know when it is to be shipped, and verify release to an authorized agent.

Physically, the cargo should be protected while in custody, with special locations and under special controls where necessary. Positive accountability should be enforced, and only authorized vehicles allowed in the loading area. Finally, management should not be reluctant to employ vehicle inspection procedures, at least on a random basis.

Incidentally, the president of one of the country's largest trucking companies told us recently that his experience confirms our basic conclusions -- that the theft problem is predominantly an internal one, and that a stronger anti-theft stance on the part of management appears to be the prime preventive. Other cargo transportation people have told us that the incentive approach works best for them -- rewarding employees when losses are tightly controlled.

The head of one trucking company, which operates in the shadow of Kennedy Airport in New York City, and handles primarily air cargo (usually high value merchandise), tells us that in 15 months they moved more than 20 million pounds of freight without a single loss. How do they do it? According to the company, the secret is good management, good relations with employees, a strict and businesslike accounting of all transactions, and a pride of integrity on the part of everyone associated with the company.

As Chairman of the Interagency Government Committee, I can tell you that in the last nine months we have made what I believe to be a strong and determined initial assault on the cargo security problem.

- We have identified the high-risk commodities.
- We have obtained better data on the extent of losses and the types of theft.
- We have developed a set of recommended security guidelines for all cargo handlers.

- We have strengthened our contacts with state and city officials and agencies, including law enforcement personnel, to promote coordinated action against lawbreakers.

- We have experimented, with encouraging success, with such innovations as helicopter surveillance to deter or prevent truck hijackings, motion sensors, collective security arrangements, and model port facilities designed for maximum security.

- We have arranged for the various operating administrations of the Department (Federal Highway, Federal Rail, Federal Aviation, etc.) to include cargo security checks as part of their safety inspection work.

- We have called a number of Coast Guard Reservists to active duty to assist in fomenting a greater security consciousness on the part of cargo handlers. They will work closely with the Treasury Department's Bureau of Customs to reduce theft from our seaports.

- Regulations have been issued or proposed to require detailed reporting of all cargo loss and damage. Armed with more definitive data on the actual extent of losses, where they occur and how, we will be better able to prescribe preventives, and the industry will be more aware of how deftly and how deeply its pocket is being picked.

- And just recently, we "graduated" the first class from our new theft prevention training program at the University of Louisville.

The industry, for its part, is becoming less tolerant of theft and more aggressive in the development and use of preventive measures. One large East Coast trucking company, since putting in an electronic protection system using motion sensors, has had no losses from any trailer or container protected by the system, even though attempts have been made. The Air Transport Association reported a few weeks ago that while air freight revenue was up 16 percent last year, claims for theft, loss and damage declined 14 percent.

In summary, we face a tough but not impossible task. The integrity of goods in transit can be protected, but it's not something I can do by edict from Washington or that the industry can accomplish by wishful thinking. Theft and pilferage will go on just as long as management looks the other way, accepts token security measures as sufficient, or puts almost no risk of detection and apprehension in the way of the thief and pilferer. The problem will cease to be a problem when management decides to hang tough, to put temptation out of easy reach, to quit thinking of theft as "petty."

I appreciate the interest of the Central Region and the cooperation of the NDTA nationally in voluntarily supporting cargo security as an Association project.

I hope each of you will spread the word.

I urge you to be missionaries for the gospel of honesty and integrity in the transporting of goods.

I invite you to give us your recommendations for new or better ways of locking the barn door before the horses are stolen.

I ask you to do everything you can to make cargo security the practice where you work and the proof of what you preach.

The control of cargo theft is but one of many programs the Nixon Administration is fostering to improve transportation across the board: to make it safer, cleaner, swifter, and more efficient. But surely greater security must be one of our most urgent programs, if the transportation industry is to honor its obligation to protect what is entrusted to it to deliver.

I know that in the NDTA we have a friend and an ally. Thank you for standing with us against a common and cunning enemy.

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DEPARTMENT OF TRANSPORTATION | NEWS

OFFICE OF THE SECRETARY

WASHINGTON, D.C. 20590

34-DOT-72

REMARKS PREPARED FOR DELIVERY BY BENJAMIN O. DAVIS, JR., ASSISTANT SECRETARY OF TRANSPORTATION FOR SAFETY AND CONSUMER AFFAIRS, TO THE WESTERN SECTION CONFERENCE SOCIETY OF THE PLASTICS INDUSTRY, PHOENIX, ARIZONA APRIL 28, 1972

No one has to remind this audience, or look very far around him to be reminded that the use of plastics in transportation has come a long way from the celluloid side curtains that made the 1920 Model T a "weatherproof" car.

Plastics are a hundred years old. Yet the big growth in the industry has occurred in the last 10 years -- according to one of your leaders, at least 200 percent. I can believe it. There seems to be no end to the versatility, the utility, and the practicality of plastic.

For example, the average 1972 passenger car contains 115 pounds of plastic material. The industry estimates that by 1975 that figure will be up to 170 pounds per car.

I would suspect that it may well go higher, if plastics can be used in new and better ways to make cars stronger, safer, and more fire-resistant.

As you no doubt know, we are engaged at the Federal level in an intensive program to make travel safer. Our efforts are all part of President Nixon's drive to improve transportation across the board -- to make it not only safer, but swifter, cleaner, quieter and more efficient ... better for people and better for the environment. This is a comprehensive program. Yet safety remains our preeminent concern. The overwhelming majority of the resources in the Department of Transportation are devoted to making the means of mobility safer and more secure.

The Model T with the celluloid side curtains was not immune to accidents. From the standpoint of safety, both the "T" and the road it traveled were unimproved. Roads are much better and vehicles inherently safer today than they were 10, 25 or 50 years ago. But cars are heavier now, velocities are greater -- 90 to 100 feet per second -- and we are adding to the car population of the country at a net rate of 10,000 vehicles a day. New drivers are taking to the highways in almost the same numbers. So the challenge to safety is vastly increased.

Last year, 55,200 people died on our highways. The fatality rate, 4.7 deaths per 100 million vehicle miles, was the lowest in the nation's history. That suggests that we are making some progress in our efforts to produce safer cars, drivers and highways.

But 55,200 deaths is also a record -- a new high that is a national tragedy and a colossal waste. We are losing as many Americans on the highway each year as were killed in World War I -- more dead in one year of highway combat than in 10 years of armed conflict in Vietnam.

Secretary Volpe is determined to change that situation. He has said repeatedly that his personal goal is to see the nation's highway losses cut in half by 1980.

The Government and industry together have made a start. Since 1968 a whole new crop of safety requirements has emerged, and the introduction of safety improvements has become more of an annual event in the industry than the traditional model changeover.

The list gives some evidence of the growing concern for greater automotive safety: tougher bodies, stronger side guard panels, shatterproof glass, collapsible steering wheels (plastic, of course), better compartment padding, recessed knobs, seat belts and shoulder harnesses, and the evolving energy-absorbing bumper. Now on the books is a requirement for 1976 model cars to be equipped with passive restraint systems sufficient to protect occupants from severe injury in a high-speed head-on crash.

But along with this sub-system or "add-on" approach to greater automotive safety, there is an international effort under way to develop a "crashproof" car from the ground up -- a vehicle embodying all the technical advances related to safety. We want to find out, in other words, what the state-of-the-art in automotive technology will support in terms of vehicle safety performance.

This is our Experimental Safety Vehicle (ESV) program. Four U. S. manufacturers are participating: the AMF Corporation, Fairchild Industries, General Motors, and Ford. (The U. S. program is focusing on "full-size" cars. Japan is working on a compact ESV, and work on an intermediate weight ESV is being done in West Germany, Great Britain, Italy, France and Sweden. We have bi-lateral agreements for the exchange of technical knowledge and data.)

Last month Secretary Volpe officially took delivery of the first prototype ESV vehicles from AMF and Fairchild. The cars are now being tested at the Dynamic Science firm's test facility here in Phoenix. One was crash-tested late in March and Secretary Volpe was here on the 18th for the first test of the Fairchild car. Both cars, incidentally, held together quite well. Based on the tests and analyses of the cars, one of the two companies will be awarded a follow-on contract for up to 12 more vehicles. The Ford and GM cars are being developed separately under one dollar contracts, and their cars will be delivered and tested later.

Both the AMF and Fairchild cars, of course, contain air cushions. They also make extensive use of plastic products, for impact resistance and to protect occupants against serious injury.

The bumpers of the prototype cars contain several different types of plastics. The Fairchild ESV has six inches of Ensolite energy-absorbing foam coated with vinyl, over a steel core. The design protects against damage up to impacts of 10 miles per hour. The AMF car, with a fiberglass body, has three to four-inch thick polyurethane foam padding over the interior of the doors and other areas of the passenger compartment. Both cars have extensively padded interiors.

All cars built to ESV specifications must meet our National Highway Traffic Safety Administration's Standard 302 -- "Flammability of Interior Materials" which guards against flash fires and toxic gases that result from the combustion of certain materials. As you no doubt know, there are materials that contain organic chlorine which, when burned, is released as hydrogen chloride. Only 50 to 100 parts per million concentration of hydrogen chloride constitutes a deadly level.

Of course, the real villain in any fire is carbon monoxide which is highly toxic and is released at relatively low burning temperatures. So our goal is to reduce the fire hazard inside a vehicle by choosing materials with maximum fire resistance.

The present standard specifies a four-inch per minute "burn rate" which is a flammability level low enough to permit adequate escape time from a vehicle in case of fire. If enough were known in this matter of toxicity to form a basis for a standard and to establish the proper interaction between burn rate and toxicity, we could require self-extinguishing materials instead of specifying a particular burn rate.

With regard to the fuel system, which represents a potentially greater danger than interior fires, NHTSA is presently amending Standard 301, pertaining to fuel tanks, to cover the entire fuel system. Testing is being conducted to assess the danger from fire in the event of rear-end collision and rollover.

Additionally, the Federal Highway Administration last year issued an advance notice of proposed rule-making on plastic fuel tanks. The notice was issued so that information on the relative merits of various types of thermoplastic and thermosetting plastics for fuel tanks could be obtained and the safety properties of each explored. The end result of this will be a Federal position on plastic fuel tanks.

Incidentally, I note that three sessions of the national meeting of the Society of Automotive Engineers, in Detroit the week of May 22nd, will be devoted to new applications of plastics in automobiles. I'm sure that from the marketing point of view and from the standpoint of safety, we will both be interested in what is said at that meeting.

Our preoccupation with safety extends to the highway as well as to the car; and through such innovations as grooved pavement, wider medians, energy-absorbing guard rails, breakaway sign posts and light standards, and better illumination, highways today are safer than ever before. It is estimated that the higher safety standards of the Interstate System save several thousand lives a year.

But of the three dimensions to accident prevention -- the car, the highway, and the driver -- changing driver habits and improving driver performance offer far and away the best prospects for reducing the highway death toll.

For example, if we could lick the drunk driver menace and overcome the widespread disregard for lap and shoulder restraints, we could attain Secretary Volpe's goal of a 50 percent drop in highway deaths overnight.

Secretary Volpe has been meeting with national organizations of every kind to enforce his concern over the drunk driver problem, and to enlist support for the Government's alcohol countermeasures program. I can assure you that the Secretary feels very strongly about the importance of this program. As he says, "To drink or not to drink is an individual concern. But to drink to excess and then drive is a community concern of national proportions."

Alcohol is a factor in more than half of all the fatal highway accidents in our country. By best estimate, there are about seven million abusive drinkers loose on the highway. At least 800,000 of them are involved in the some two million crashes that occur on our streets and roadways each year. That means six to seven percent of the nation's drivers are involved in 40 percent of the accidents, and cause 50 percent of the fatalities; more than 25,000 people dead each year as a direct result of drinking or intoxicated drivers.

Just a few weeks ago, on the outskirts of Washington, a restaurant employee on his way home to his wife and children was killed by a motorist speeding toward him, on the wrong side of a divided highway. The offending driver's car, according to police, smelled of alcohol, and the motorist had, on his person, a letter reminding him of his appointment the next day with a county probation officer -- he was on probation for a drunk driving charge a month earlier.

But examples, like statistics, are inadequate deterrents. The drunk driver menace demands strong and effective action.

Secretary Volpe initiated such action about a year ago. The first phases of the Alcohol Countermeasures Program provide Federal assistance funds for the states, and research and development money for new and better hardware, such as breath testing devices and ignition control systems.

But the most important phase, in my judgment, is the series of Alcohol Safety Action Programs (ASAP's). These are model, community-level demonstration projects funded at 82 million dollars over a three year period, to find effective and long-lasting cures to the drunk driver problems.

Our approach, first, is to identify the drunk driver (not as difficult as it may sound since many are repeat offenders or are otherwise known within the community); and, second, to get him off the road, through increases in the conviction rate, if necessary. Through a concerted effort to make our court system more responsive, we hope to succeed in steering convicted drunk drivers into appropriate driver education and rehabilitation programs -- to make treatment, in other words, a part of the sentence.

The ASAP program is still young, but it is returning impressive results. In suburban Fairfax County, just outside of Washington, where one of our Alcohol Safety Action Projects got under way last February, police have arrested 427 motorists for drunk driving in just two months, compared to 81 such arrests in all of 1971.

In Cincinnati, drunk driving arrests are up 200 percent. In Lincoln, Nebraska, all but one of the 280 persons convicted of drunk driving since the first of the year are participating in special driving schools or alcoholic classes, as a condition of probation.

There is an Alcohol Safety Project under way here in Phoenix and in 34 other locations throughout the country. If Secretary Volpe has his way, the drunk driver is going to become an extinct species in our land.

Another chronic problem is the seat belt that people won't use. The National Safety Council estimates that 2800 to 3500 lives were saved last year by sealt belts. But 6500 more people might have had their lives spared if they had taken a few seconds to buckle up. Today fewer than 30 percent of the people who have lap belts available use them; only four percent use shoulder harnesses -- despite the conclusive evidence that restraint systems save lives and lessen injuries.

For this reason we are requiring a system of passive occupant protection for every automobile built after August 15, 1975 -- that means all 1976-model cars to be sold in the United States. Right now it looks like the main element of the system will be the air cushion, unless something better comes along. But a self-protecting system of some sort appears to be absolutely necessary, if deaths due to carelessness, thoughtlessness, and recklessness are to be reduced.

I have talked at some length about the automobile, but we are no less interested in the safety aspects of other modes of transportation.

We have a good civil aviation safety record in this country, for example, but it could and should be better. The National Transportation Safety Board has estimated that 50 percent of the fatalities in scheduled air carrier accidents during the last 10 years would have been prevented, if there had been no post-crash fire. Five recent survivable air carrier accidents involving fire resulted in a 42 percent fatality rate.

At the FAA's National Aviation Facilities Experimental Center in New Jersey, flammability testing of aircraft materials has been going on since 1963. The Center also has investigated various methods of controlling the smoke that frequently affects visibility, interfering with evacuation of the aircraft.

Largely as a result of these tests, new standards for cabin furnishings have been adopted and are required in the new generation of aircraft -- the 747, DC-10, and L-1011. These standards specify that paneling, thermal and acoustic liners, and seat coverings must be self-extinguishing when tested vertically, and the average flame time after removal of the flame source must not exceed 15 seconds. Certain special assemblies such as acrylic windows, seat belts and baggage tiedown equipment may not have a burn rate greater than two-and-a-half inches per minute when tested horizontally.

Of course, the real pay-off in aircraft post-crash fire survivability lies in a combination of factors: reduction of the fuel fire hazard, greater resistance of the fuselage to external fire penetration, and more effective means for extinguishing fires, as well as improved fire-resistant interior materials.

In experiments, gelled kerosene fuel has been shown to significantly reduce the post-crash fire hazard. Improved fire-resistant materials are being investigated, together with foams and intumescent paints for fuselage protection. A liquid nitrogen fuel tank inerting system is also under examination as a further defense against the danger of fire.

The search for increasingly more effective fire-resistant materials goes on. At a recent flame-free design conference in Houston, the National Aeronautics and Space Administration demonstrated progress in the development of fireproof and fire-resistant fabrics. The high flammability and toxicity of polyurethane foam used as upholstering material in much of today's home and office furniture was demonstrated. But the same material, treated with a chemical formula, proved highly resistant to fire in a similar demonstration.

Considering the added risk that the threat of fire poses, we can ill afford to neglect the fireproofing of our transportation vehicles, or to let up in our continuing quest for nonflammable materials.

Today, when furniture and even entire houses are constructed of plastic, the notion of a plastic automobile is not beyond reason.

I, for one, will look forward to that day -- if plastic's already renowned advantages of durability, practicality and easy maintenance are matched by new standards of safety and survivability.

The face of transportation has changed drastically since the days of the hand crank and side curtains. The world of plastics is a far cry from J. W. Hyatt's first plastic billiard ball and the celluloid collars of the early 1900's.

But, along the way, wherever the two industries have intersected, the consumer has benefited. Certainly, the transportation and the plastics industries have come a long way together. There is much to recommend their continuing partnership, well into the future.

DEPARTMENT OF TRANSPORTATION
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Official Business

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DEPARTMENT OF TRANSPORTATION | NEWS

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20590

35-DOT-72

REMARKS BY BENJAMIN O. DAVIS, JR., ASSISTANT SECRETARY OF TRANSPORTATION FOR SAFETY AND CONSUMER AFFAIRS TO THE PIPE LINERS CLUB OF HOUSTON IN HOUSTON, TEXAS ON MAY 1, 1972

I have been looking forward to this meeting with the Houston Pipeliners for some time now. When Secretary Volpe expanded my responsibilities to include pipeline safety, I did what any newcomer to the field should do--I came down here to Houston to see the experts. I had a good visit with Milton Grove a few months ago, and he kindly invited me to come back. Our Office of Pipeline Safety has many Texas roots...probably the deepest being those of Director Joseph Caldwell who was born and reared in East Texas. Our first Compliance Officer, Cesar DeLeon, is a Texan, and our Industry Programs Chief, Mel Judah, also a Texan, was president of your Club ten years ago.

So, as you can see, I am surrounded by some very competent people. And what they can't tell me about the gas and pipeline industry, you good folks here in Texas can show me. I particularly appreciated the opportunity I had earlier this year to tour pipeline facilities in Texas, Louisiana, and the

Gulf Coast. I was most impressed by the offshore operations. Andy Shoup of Texas Eastern, George White of Tennessee Gas, and many others have been very good to take me around and explain their activities. I probably had the deluxe tour, but I also came away with a real awareness of how serious you leaders of the pipeline industry are about protecting your own people and the public.

Our field office here serves as a communications "pipeline" between the pipeline capital of the world, and the Office of Pipeline Safety in Washington. The work that MarshallTaylor and his staff are doing is vital to the success of our overall pipeline safety programs. That is especially true since the State of Louisiana is not now participating in a joint Federal/State program, which makes both the interstate and intrastate gas transportation facilities in Louisiana a direct responsibility of the OPS. The Houston Office also coordinates pipeline safety activities with the Texas Railroad Commission and with State agencies in New Mexico, Oklahoma, and Arkansas. This five-state region has some 450 gas system operators, about one-fourth of the Nation's gas pipeline mileage, and about one-half of the oil and products pipeline system mileage in the country. You may readily see why we consider this office important in establishing and evaluating the procedures and compliance techniques which will set the pattern for other field offices when they are established.

Secretary Volpe's overriding concern in his efforts to improve transportation in all its forms is to make the movement of people and products in transit safer. He is pressing very hard to reduce the highway death toll--he has said he personally believes we should cut traffic deaths 50 percent by 1980--and both President Nixon and the Secretary give safety the highest priority in surface, air, water and pipeline transportation.

We have a good record in the pipeline industry, but it should be better than it is. Last year there were 45 deaths and 391 injuries resulting from 1,287 reported gas pipeline leaks and failures. The number of incidents, injuries, and deaths were all higher than the figures reported to OPS for 1970. This increase is a matter of serious concern to me, as I know it is to you. (Incidentally, I should explain that the Natural Gas Pipeline Safety Act considers distribution systems as "pipelines" and a majority of the statistics in OPS summaries relate to those urban systems.)

Leak and failure figures underline the seriousness of the problem. We are better equipped to evaluate pipeline safety problems across the nation now because we have better data

to work with. We no longer have to guess at the number of failures or, in most cases, at what caused them.

One of the first gas pipeline regulations issued by the OPS was one that required reports of leak and failure data from system operators. Immediate telephonic reports of serious incidents enable our office to decide whether a staff engineer should investigate the incident immediately. If that is what is needed to obtain facts about the cause of the incident and indicate ways to prevent similar ones in the future, then that is the way to go. The follow-up written reports to OPS can provide the detailed engineering, operating and maintenance information helpful in evaluating the effectiveness of current regulations and pointing out potential problem areas. And the annual reports of leaks repaired, and related system operating data, which are filed with OPS by operators, provide a broad historical data base which upon analysis may support, or give perspective to, the data on individual incidents.

In the study of just the first two years of information reported to OPS, two major problem areas have been clearly identified--corrosion control and damage by outside forces.

You in the industry have long been aware of the deteriorating effects of corrosion on a buried pipeline. But now we know the extent of the problem--summaries of annual reports to OPS indicate that one-half of all leaks repaired on gas facilities are caused by corrosion. These reports give us a much better idea of what corrosion costs the industry, and emphasize the importance of applying corrective measures.

The corrosion control regulations for gas pipelines which were issued and took effect last summer represent the best combined thinking of industry, government, and the public on the ways to prevent corrosion. We believe that compliance with the regulations, within the time periods allowed, is essential to the best interests of the industry and public alike.

The basic concept in the corrosion regulations calls for a properly coated pipeline with cathodic protection. This simply means adherence to what experience has shown to be good corrosion engineering design and maintenance. We consider the corrosion control requirements the most significant pipeline safety regulations issued in the last three years, because they met a demonstrated need for nationwide uniform, high standards which had not previously existed in earlier codes and regulations.

While corrosion is the cause of the majority of leaks on gas systems, the greatest potential for hazards to the public occurs when a gas line is damaged from outside forces. An analysis of the individual written reports to OPS last year showed that of 1,287 "significant" leaks or failures a total of 575 or 66 percent of those on distribution systems and 213 or 52 percent of the transmission line failures were due to damage by outside forces. This damage may often be unintentional but it is nonetheless dangerous. These 788 incidents last year resulted in 14 deaths and 152 injuries.

Summaries of 1970 reports show the same pattern, with 70 percent of all distribution leaks and failures, and 53 percent of all transmission incidents resulting from damage by outside forces. Since many of you work with oil and products pipelines, I should also point out that the second highest cause of accidents on liquid pipelines or 20 percent list "equipment rupturing line" as the culprit.

These nationwide data summaries, underscored by such tragedies as occurred last month in a Virginia suburb of Washington, when a mother and two children were killed and two homes demolished as a result of damage to a gas distribution line, tell us in no uncertain terms that we still have much work to do.

There are presently laws relating to the matter of outside damage to pipelines in the District of Columbia, Massachusetts, Connecticut, Georgia, New Jersey and in many counties in New York. There are also a number of cooperative programs in many areas of the nation where pipeline and underground utility line operators have set up procedures to establish communications among themselves and with excavation contractors prior to the start of work. But even with these local cooperative programs, much more needs to be done.

The Natural Gas Pipeline Safety Act gives the Department safety authority over the gas pipeline operator only, and he quite often is not to blame for the damage incident. In view of this statutory limitation, the Office of Pipeline Safety late last year developed a Model Statute for the Protection of Underground Pipelines and Utilities to move against the problem at the local level.

The purpose of this model statute is to protect workmen and others in the vicinity of underground pipelines or utility lines, and to prevent the interruption of essential services resulting from destruction or damage to such lines by blasting, excavation, or other earthmoving operations. The proposed statute provides for:

(1) the filing of maps by pipeline and utility operators;

(2) the examination of maps by persons engaged in excavation or blasting work;

(3) notice to the pipeline or utility line operator of excavation or blasting work to be done;

(4) a response by the operators to such notice by identifying or surface marking the underground lines;

(5) performance of work so as to avoid damage to the underground lines;

(6) reporting of any damage that might occur; and

(7) penalty provisions for violations.

In January the OPS Director mailed the model statute to about a hundred officials of State and local government organizations; pipeline, gas and other utility associations; labor unions; pipeline, gas distribution, oilfield and general contractor associations; professional engineering societies; State regulatory utility commissions; the press; and other public groups. Early comment from oil and products pipeline spokesmen indicated some doubt that the statute was intended to cover those pipelines, so OPS modified the wording to spell out clearly that intent, and reprinted and redistributed the revised version.

More than 40 substantive comments were received by the Department in response to the mailing. The National Transportation Safety Board convened a government/industry symposium on the cause and prevention of damage to pipelines by earthmoving operations on April 18. My office's activity and that of the OPS were presented before the symposium.

We recognize that the model statute is not, and is was never intended to be, a complete answer. Individual States and localities will undoubtedly have to modify it to meet their own particular needs in achieving pipeline and underground utility safety. We encourage appropriate actions at the local level.

The OPS is also drafting a notice of proposed rulemaking specifying more detailed marking requirements for gas pipelines, as another means of preventing damage to buried lines.

We will continue to seek ways to solve this number one pipeline safety problem - damage from outside forces--along the lines I have indicated. If additional actions are needed,

we will consider requests for appropriate Federal legislation, additional regulations under the Act, more effective monitoring of compliance, and perhaps research into technical solutions.

In discussing the Federal pipeline safety program, I also want to recognize the important work that almost all of the States are doing in the joint Federal/State partnership. The Natural Gas Pipeline Safety Act provides for a major State role in the safety of intrastate gas lines, and the Department has always encouraged the States to take action. In fact, I favor more State inspection and supervision of safety matters. This year 50 of the 52 jurisdictions (including the District of Columbia and Puerto Rico) are cooperating in pipeline safety under Section 5 of the Act. Congress provided three quarters of a million dollars to assist the States in meeting the cost of 1972 pipeline safety programs. This amount may well be increased in the future; the practice is certainly consistent, in principle, with President Nixon's proposed revenue-sharing program which seeks to return more authority and funds for local needs to the State or community.

We realize, that for regulations to have any value, they must have visibility and understanding. Last September we initiated a monthly Advisory Bulletin on Pipeline Safety. Since the Bulletin first appeared, nearly 1,000 requests have come in asking to be added to the mailing list. We also mail regulations and notices to about 4,000 addressees on the OPS mailing list. In addition, our staff people have discussed OPS regulatory activities at more than 65 professional, State and industry meetings. We have also held regional work sessions with State agency personnel and with industry and the public to provide a clear understanding of OPS requirements.

Last summer we increased our emphasis on compliance and strengthened our compliance activities when Cesar DeLeon, who is a lawyer as well as a petroleum and civil engineer, joined the OPS staff. (Some breadth of Cesar's abilities might be gauged by the fact that he has received engineering degrees from both Texas A & M and the University of Texas.)

In the future, we will also devote greater attention to close evaluation of the condition of existing lines, some of which were installed more than 100 years ago. We must do a thorough job of inspecting, testing and upgrading any of those older systems which leak and failure reports indicate may have serious problems...particularly those gas systems in older urban areas.

I am not unaware of the problems facing us in obtaining sufficient quantities of gas. I'm told that there are adequate supplies of gas around the world, but it will require new technologies to bring them to market. Liquefied natural gas transportation seems to afford one possible solution to the supply problem, so we must take a more active interest in LNG facilities as a means of adding new gas supplies. OPS recently issued a notice of proposed rulemaking on new LNG safety regulations. I expect in the near future we will have new safety standards relating to LNG pipeline transportation and storage, setting strict performance regulations for design, construction and operation.

Our staff has been cooperating for some time with other Federal and State agencies in regard to technological and safety regulatory matters involved in offshore pipeline operations and in plans for proposed Arctic pipeline systems.

In evaluating matters of technology in the industry which relate to pipeline safety regulations, we have received valuable assistance from the Technical Pipeline Safety Standards Committee. This 15 member government/industry/public committee reviews and comments on all Federal gas pipeline safety standards issued under the Act, and it may also propose regulations for rulemaking action. Two of the industry members of the committee, George White, vice president of Tennessee Gas Transmission, and Consultant Burt Mast, both members of the Houston Pipeliners, have just recently been reappointed by Secretary Volpe to additional three year terms. (I understand that Burt Mast signed the original charter for your group submitted to the Texas Secretary of State more than twenty years ago). We are fortunate to have the assistance of these two very knowledgeable and experienced gas pipeliners in the work we are doing.

In closing, let me mention two important programs coming up. One is TRANSPO 72, the International Transportation Exposition to be held at Dulles International Airport, Washington, D. C., May 27 - June 4, 1972. The show is a compendium of transportation tools and capabilities - present and future. One pipeline "idea for the future" is the possibility of moving mails or other premium dry cargo by pipeline. This concept of "tube express" will be exhibited at TRANSPO by Trans-Southern Pipeline Corporation (a subsidiary of Transcontinental Gas Pipeline Corp. headquartered here). Also, I believe that Williams Brothers will have their multi-subject exhibit of pipeline technology (the one that was very popular at the last Tulsa Oil Show) on display. The Department's own exhibit will also include pipeline technology display material, so I am looking forward to a good showing of pipeline progress and

prospects at TRANSPO, and I hope that as many of you as can will plan to come. TRANSPO will be an excellent showcase for acquainting a large and diverse international audience of people, companies and industry with the significant transportation capabilities of the pipeline industry.

Then, late in June, in another move to distribute pipeline safety information and assist in compliance matters, OPS will initiate a periodic week-long gas pipeline safety training program at the Transportation Safety Institute, Federal Aviation Administration Aeronautical Center in Oklahoma City. The course will be held periodically for State agency and OPS personnel, and then later, when it becomes more fully implemented, for industry pipeline safety personnel.

Before leaving you, let me restate the challenge confronting us. In 1971, there were 268 more gas system leaks and failures reported to OPS, and they caused almost twice as many deaths and injuries as had been reported in 1970. In coming years we want to see that curve of failure incidents turn downward, and we want to move ahead with you toward a safety target of zero deaths and zero injuries from gas pipeline failures. To reach that ideal goal, or even to approach it, we need 100 percent support from everyone in the industry. I can promise you, you will be getting a 100 percent effort from my office and the Office of Pipeline Safety.

It has been a pleasure being with you. You are where the action is in pipelining. Whenever we can be of assistance in achieving your pipeline safety goals, please call on our Houston office, the Washington OPS staff or my office. I'm impressed with your commitment to pipeline safety and confident that, together, we can meet the future gas needs of the nation, through constantly improving safety performance and greater operating efficiencies.

DEPARTMENT OF TRANSPORTATION | NEWS

OFFICE OF THE SECRETARY
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36-DOT-72

REMARKS PREPARED FOR DELIVERY BY BENJAMIN O. DAVIS, JR., ASSISTANT SECRETARY OF TRANSPORTATION FOR SAFETY AND CONSUMER AFFAIRS, TO THE NINTH ANNUAL EUROPEAN CONFERENCE, NATIONAL DEFENSE TRANSPORTATION ASSOCIATION, MUNICH, GERMANY
MAY 10, 1972

It's a great honor to be here in this distinguished company, and to have a part in the NDTA's Ninth Annual European Conference.

We can't talk about transportation and free-world security without addressing the security of our transportation system itself. Data on cargo thefts worldwide are skimpy, but in the United States alone the direct costs run from $1 1/2 to $2 billion a year. Lloyd's of London estimates that more than a billion dollars worth of air freight alone is stolen each year at major world airports. Losses from ports, terminals, and freight yards throughout the world must run well into the billions. There is no question about it: cargo theft is a problem of mammoth proportions and international dimensions.

In the past two months I have had occasion to discuss the cargo theft problem at NDTA's Southwestern and Central Territorial meetings. I have been assured the full and dedicated support of the NDTA membership in combating cargo crime. But because the pillaging of freight and the plundering of cargo are pirate acts without regard for geographic boundaries or national origins, I am especially pleased to have the opportunity to bring the challenges of cargo security before this international forum.

First, however, let me convey the greetings and best wishes of my boss, Secretary of Transportation John Volpe. The Secretary was here in Germany about a year-and-a-half ago concluding an agreement between our two countries relative to the development and testing of "crash-proof" automobiles. Secretary Volpe has a high regard for the benefits of international partnership for transportation progress. The Experimental Safety Vehicle (ESV) program is a prime example. Six nations are now working with us to produce a family of cars in which the occupants will be protected against death or serious injury in a high-speed head-on crash.

Perhaps you read about our first two tests. In one of them, a 50-mph crash into a brick wall, the operation was a success but the patient died. The car survived nicely, with only moderate front-end damage, but the air bags failed to deply and the dummies in the front seat were in all probability killed. Which shows, by the way, what happens to "dummies" who don't wear their seat belts. I should mention, incidentally, that the failure of the air bags was due to a human error in wiring a switch and not to any technical flaw in the air cushion system.

In addition to research in automotive safety technologies, we have been looking with considerable interest at foreign developments in mass transportation. It is somewhat ironic that Americans go abroad and come back talking about the Europeans' great rail transportation system, while visitors to the U.S. from Europe and Asia return home marveling at our superb highway system and envying our "automobility."

That only illustrates that we can learn from each other and that in this day of increasing demand for mobility, international cooperation in the cure and correction of transportation deficiencies is very much in order.

And while we are cooperating, we must also compete. There are more than enough challenges in transportation to whet the keenest technical appetite. No one country or company has all the answers. We're interested in what other nations can tell us or sell us to make transportation better, and we hope to remain good enough ourselves so that many countries of the world will continue to do their transportation shopping with us.

In fact, the support and encouragement of an international transportation shopping center is the whole idea behind TRANSPO 72, the U. S. International Transportation Exposition. The flags of West Germany, Great Britain, Italy and a host of other European nations will be flying over TRANSPO when it opens at Dulles Airport near Washington the 27th of this month. TRANSPO is not just an air show. All the modes of transportation will be represented, through displays, models and working demonstrations. We will have operating prototypes of four new "people-movers," for example, as well as the first public showing of the new Tracked Air Cushion Research Vehicle.

If I may say just another word about TRANSPO, the show is really a synthesis of President Nixon's program to improve transportation across the board--not only mode by mode, but through integration of the modes for better balance and greater efficiency. TRANSPO is really something of a showcase for the transportation systems of tomorrow that President Nixon's heads-up transportation policies of today are designed to produce.

A quick inventory of the last three years will turn up at least a dozen major transportation initiatives President Nixon has proposed or put into effect.

Those initiatives include new and larger resources for airports and airways, urban mass transportation, and highway safety; creation of the Railroad Passenger Corporation (AMTRAK); passage of the Boat Safety Act; new Federal environmental standards requiring that transportation projects not impair the quality of life; the ESV, driver control, and alcohol countermeasures programs to reduce highway fatalities; regulatory modernization for surface carriers; and strong new anti-hijacking and cargo security programs.

The President's goal is to turn transportation around--to make our transportation policy one of solutions, not problems--so that we lead rather than lag in all the functions and responsibilities of transporting people and goods across town or around the world.

The increase of cargo crimes in our transportation-dependent society should come as no surprise. There is a vast and ready market for consumer commodities at "bargain" prices. The transportation pipeline is a diverse and fertile source of supply.

Security, at least until recently, often has been more of an invitation to theft than a preventive. And stolen or "liberated" goods have been notoriously easy to dispose of, frequently through legitimate channels - "no questions asked."

What has been surprising, at least to me, is the seeming acceptance within the industry of theft and pilferage as one of the costs of doing business, along with a reluctance to tackle the problem or even tabulate the losses.

That situation is changing and changing for the better, thanks to Senator Alan Bible's Select Committee on Small Business which surfaced the problem in a series of hearings in 1970; and to Secretary Volpe's decision last June to take the lead in a Government-industry crackdown on cargo insecurity; and to organizations like NDTA and its members who are facing up to the challenge and joining in the campaign to make the cargo thief a vanishing species.

The thieves have been getting the goods long enough. It's high time we get the goods on the thieves --which is precisely the goal of our cargo security program.

The Secretary General of the United Nations warned that we can no longer think of crime as simply a "minor social blemish." It is, in his words, already a "phenomenon of enormous proportions" and getting bigger. On the basis of present trends, crime throughout the world could increase sixfold by the year 2000. If we have any doubts about the economic significance of losses in the cargo industry, the application of that forecast to the projected growth in the cargo business should underline the necessity for immediate and effective action.

Senator Bible's Committee pegged the price of cargo theft and pilferage in the United States at $1.5 billion annually. Our own findings, after an extensive data search and analysis, generally confirm the Committee's estimate but indicate that the total is probably conservative. I suspect Senator Bible would agree. In a speech to NDTA members in Los Angeles in March, the Senator noted the New York State Motor Truck Association's statement that "armed hijacking, larceny, theft and pilferage" could cost the transportation industry more than $2.6 billion in 1972.

Accurate data have been hard to come by. By taking known losses as a base and applying the lowest conceivable confidence factor, we came up with a more or less "provable" figure of one billion dollars-plus as the minimum annual cost of theft-related losses, out of a total loss of $2.8 billion from all causes.

In arriving at that figure, we generally gave the thief the benefit of the doubt when the cause of loss could not be determined. I do not favor giving the thief or pilferer any further benefits.

Through the Government's Interagency Committee on Transportation Security, in tandem with the Private Sector's Transportation Cargo Security Council, we are waging an all-out, all-together effort to eradicate cargo theft, or at least make picking the pocket of the transportation industry a highly risky and unprofitable enterprise.

I regret I do not have the time today to describe in detail all we are doing to cope with the cargo theft problem. We will be making a full report at our second National Cargo Security Conference next month, and the proceedings of that Conference will be available to the NDTA and its members. Let me, for now, just touch on a few highlights of our efforts.

-- We have compiled a handbook of security guidelines for all cargo handlers, to be off the press this week.

-- The operating administrations of the Department are now including cargo security checks as part of their safety inspection activities.

-- A number of Coast Guard Reservists have been called to active duty to work with Treasury's Customs Bureau in promoting a greater security consciousness on the part of marine cargo handlers.

-- We have established a theft-prevention training course at the University of Louisville.

-- We have set up a number of model port programs, designed to demonstrate good security procedures, at selected port sites. The Defense Department, for example, is working with us in implementing truck control, personnel control, and documentary procedures at Bayonne, New Jersey.

-- The Justice Department has directed U. S. Attorneys to bring all cargo theft cases to court. A concentrated program of prevention, investigation and prosecution is being conducted in one region of the United States, involving a number of major port cities. The results of that program will be announced in a few days.

-- We have met with leaders in the freight industry to discuss our program and their particular security problems.

-- Our Office of Facilitation has been working strenuously to simplify and standardize the paper work associated with the worldwide movement of cargo. Better documentation management not only reduces costs, but gives potential thieves fewer inroads to cargo in transit.

One of our most effective actions has been to identify the 13 high-risk commodities, the items preferred by thieves because they are easily sold. Briefly, the "top ten" in the list are: clothing, electric appliances, auto parts and accessories, hardware, plastics, alcoholic beverages, food products, tobacco products, furniture, and drugs and cosmetics. The lesson here is that if just 13 categories of commodities are effectively guarded against loss, nearly 90 per cent of all theft-related claims would be eliminated.

Then, too, we have been working closely with people in the industry and with law enforcement agencies, in the development of new and better security techniques. I'll just mention a few examples:

-- Seven trucking companies co-located in Northern New Jersey have adopted a collective security arrangement, thereby beefing up their security forces and reducing costs.

-- Since one major trucking firm installed a system of motion sensor devices for parked trailers, there have been numerous attempted thefts but none successful. The company reports: lower security costs than the previous system, better insurance coverage at lower premiums, no losses from any vehicle protected by the electronic device, and increased revenue because of a reputation for security.

-- The New York City Police Department is administering a program which consists of marking truck tops to permit

helicopter surveillance in suspected or actual hijack cases. The first time this experiment was tried, the marked truck was actually hijacked and the hijackers were apprehended.

-- One trucking company has taken the incentives approach, through a bonus program shared by all employees. In one year the losses dropped sharply and revenues increased significantly.

Certainly there is no single, all-purpose cure for cargo theft and pilferage, but there are many preventives and combinations of correctives that can be applied--when the shipper is willing to take a firm stand against profit erosion due to theft.

For we have learned something else. In the railroad industry, the problem is largely due to outsiders breaking into and looting freight cars in yards and terminal areas. But excepting rail cargo, probably 85 per cent of the cargo theft in the United States occurs not by breaking and entering, or by armed hijacking, but on the premises. Our analysis shows that 60 per cent of the losses attributable to theft go out the front door in caseload but less than carload quantities--25 per cent of the losses are due to pilferage of less than caseload quantities.

These are startling statistics, because what they mean is that more than four-fifths of the goods stolen are being carried out the front gate, in pieces and parcels, item by item, by authorized persons in authorized vehicles.

Call it what you will--involuntary profit-sharing, shrinkage or overhead--pilferage on the premises can be as costly in the long run as highway robbery. The furtive hand in the till can siphon off profits just as surely, if not as brazenly, as the thieves who work by night and enter by force.

Knowing the items favored by thieves and pick-up artists, and knowing the source of most of the losses, management should--by taking a tough no-nonsense stance toward theft--be able to curb the criminal and discourage the pilferer. Difficult as that may be, I don't know of any substitute for stern security measures and manners on the part of management.

There is evidence that such an attitude works. The head of one trucking company, operating in the shadow of Kennedy Airport

in New York, and handling primarily air cargo, tells us that in 15 months they moved more than 20 million pounds of freight without a single loss. How do they do it? According to the company, the secret is good management, good relations with employees, a strict and businesslike accounting of all transactions, and a pride of integrity on the part of everyone associated with the company.

Since the U.S. air carrier industry took a stricter posture on cargo security, claims for theft, loss and damage are down 14 per cent while air freight revenues went up 16 per cent.

As long as commerce is international, the theft of goods in the transportation pipeline will be an international problem. The extent of that problem worldwide is not well defined today--there are few hard statistics. Here in West Germany, air freight losses are rising at a rate higher than traffic volume growth--a matter worthy of some concern. Maritime losses are low in traffic with the United States but high in traffic with the Far East. Sources in France and Spain say that cargo theft is not considered to be a serious problem there. In Italy, on the other hand, airline and railroad losses are estimated to be greater than in the United States.

The threat to cargo security must be attacked where it occurs. One of the men who knows the cargo business best, Major General Clarence J. Lang, who meets with our Interagency Committee and as Commander of the Military Traffic Management and Terminal Service has implemented a long list of security improvements, says that the key to an effective program is the professional quality of dedicated people. Everyone involved, from the boss to the box handler, must be security-motivated.

I agree wholeheartedly. And the same is essentially true in our program to prevent the hijacking of aircraft for purposes of escape or extortion. In March President Nixon directed Government agencies to use full regulatory, enforcement and prosecution powers to bring threats against our air commerce to a halt. Our tactics have been to emphasize the necessity for maximum security vigilance on the part of all the air carriers and airport operators, to use screening and detection procedures in boarding passengers, and to carefully control access to the operational areas of airports.

As a result of this greater sensitivity to security, and the magnificent work of the FBI in tracking down and apprehending extortionists, the number of successful crimes against America's air carriers has diminished sharply this year. By denying the hijacker the opportunity to board the plane, and by refusing to be intimidated by extortion threats, we are winning the battle against insecurity in the skies.

We want to slam one more door in the hijacker's face. To date 25 of the 81 countries who signed the Convention for the Suppression of Unlawful Seizure of Aircraft at The Hague have ratified that agreement. Full international cooperation in the apprehension and punishment of air pirates would leave the hijacker no place to go--and we will continue to work for full international agreement on that point.

In summary, we face tough but not impossible tasks. We believe the security of air passengers can and must be guaranteed. We will not settle for any level of anti-hijacking success short of that.

We also believe that the integrity of goods in transit can be protected, but that's not something I can do by edict from Washington or that the industry can accomplish by wishful thinking. Theft and pilferage will go on until management takes the lead, demands more than token security measures, introduces strong preventive obstacles, and increases the risk of detection and apprehension for the plunderer and the pilferer. The problem will cease to be a problem when management decides to hang tough, to put temptation out of easy reach, to quit thinking of theft as "petty," and get serious about security.

I greatly appreciate the interest of this Conference and the assistance of the NDTA leadership in supporting cargo security as an Association project.

I hope each of you will spread the word.

I urge you to be missionaries for the gospel of honesty and integrity in the transporting of goods.

I invite any and all recommendations for new or better ways the transportation industry can protect what is entrusted to it to deliver.

I know that in the NDTA we have a good friend and a staunch ally. Thank you for standing with us against a cunning enemy.

STATEMENT OF BENJAMIN O. DAVIS, ASSISTANT SECRETARY FOR SAFETY AND CONSUMER AFFAIRS, U.S. DEPARTMENT OF TRANSPORTATION, BEFORE THE SUBCOMMITTEE ON TRANSPORTATION AND AERONAUTICS, HOUSE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE, REGARDING PROPOSALS TO ESTABLISH A COMMISSION ON SECURITY AND SAFETY OF CARGO (S.942, H.R. 5080, H.R. 9622, and H.R. 10295), May 18, 1972.

Mr. Chairman, I appreciate the opportunity to appear this morning to present the views of the Department of Transportation on the various proposals to establish a Commission on Security and Safety of Cargo, and to apprise your Committee of the Department's activities in this area of such vital concern to all of us.

I am accompanied today by Richard F. Lally, Director of my Office of Transportation Security.

Before commenting specifically on the proposals under consideration, I would like to briefly describe the cargo security problem as I see it after a year of experience; cite the progress made during this past year; and express our support for cargo security legislation.

Cargo theft and pilferage is a widespread problem requiring the attention of all levels of government and the private sector. It is intermodal, intrastate and interstate in its dimension. We know that it is at least a $1 billion problem, adversely affecting the users of the Nation's transportation system who depend on fast, safe, efficient, convenient, economic and secure transportation.

The public, of course, pays indirectly in the form of higher retail prices necessitated by the cost of replacing stolen goods, increased insurance premiums and administrative expenses. Cargo theft and pilferage feeds inflation, supports crime, erodes profits, aggravates, in particular, economic problems of the small businessman and adds insidiously to the cost of the products we all purchase.

There is no simple solution to the problem of cargo theft and pilferage. The directly involved parties in the problem are the shippers, freight forwarders, carriers, and consignees -- each a link in the transportation chain who must maintain appropriate security measures and dovetail them with the other links in the chain to produce a secure transportation network.

The solution to the problem demands more than investigation and prosecution of violators of the law. The integrity of goods in transit must be protected from theft and pilferage.

In June and July of 1971, the Department of Transportation and the Transportation Association of America jointly sponsored a highly successful four-day Conference of top congressional, private sector and Government officials who reviewed, discussed and documented ideas and recommendations for combating the cargo theft problem. There was clear consensus that the problem was indeed severe and that Federal involvement and action was necessary. It was at this Conference that Secretary Volpe announced DOT's leadership for coordinated Federal action. The Conference was the starting point for joint action to correct the problem -- the Federal Cargo Security Program.

In June of 1971, the Office of Transportation Security was created within our Department with responsibility for executing DOT's new role of Federal leadership for the protection and safety of passengers and cargo in the transportation system. This new office has four major elements: an Office of the Director, responsible for overall program coordination and management; a Civil Aviation Security Division responsible for both ground and air security of aircraft and passengers; a Cargo Security Division responsible for the secure shipment of cargo in the transportation system; and a Program Development Division which concentrates on the development of systems and procedures for assuring the application of the most modern technology possible in solving these problems.

Also in June 1971, during the Cargo Security Conference, Secretary Volpe announced the establishment of the Interagency Committee on Transportation Security sponsored by the Department of Transportation. This Federal Task Force, of which I am Chairman, is composed of high-level representatives from Federal Departments and agencies concerned with the cargo theft problem. Membership on this Committee -- which I must stress is <u>not</u> a study group -- includes representatives of the Departments of Transportation, State, Treasury, Justice, Commerce, Defense and Labor, the General Services and Small Business Administrations, the Postal Service, the Federal Maritime, Interstate Commerce and Atomic Energy Commissions, and the Civil Aeronautics Board. The Office of Management and Budget participates regularly with an observer at Committee meetings. The primary functions of the Committee are the coordination of actions for the total Federal effort in the prevention of theft and pilferage of cargo from the Nation's transportation system and

for the investigation and prosecution of violators of cargo theft laws. More importantly, this Committee serves as our vehicle for carrying out a 12-part Cargo Security Program developed through the joint efforts of DOT, the Interagency Committee, and the Transportation Industry Cargo Security Council. The Industry Council is the private sector counterpart to our Interagency Committee. The 12-part program consists of objectives and tasks which when accomplished -- as some now have been -- should produce a strengthening of the links of the transportation chain:

1. Cargo Loss Reporting
2. Cargo Accountability and Documentation
3. Packaging and Unitizing, Marking and Sealing of Cargo Shipments
4. Carrier Liability, Insurance and Loss Claims
5. Physical and Procedural Security Measures
6. Personnel Security Measures
7. Coordination of Federal Programs
8. Coordination of State and Local Government Programs
9. Law Enforcement and Criminal Procedures
10. Pilot Projects
11. Security Research and Dissemination of Technical Data, and
12. Shipper and Consumer Activities.

Some positive accomplishments resulting from these program activities this past year are as follows:

- An analysis of the cargo theft and pilferage problem has been completed which has subsequently been confirmed by the best experts in transportation security and top industry management. Except in the case of rail cargo, approximately 85 percent of cargo theft and pilferage is internal -- that is, the goods are being taken from cargo facilities by individuals and on vehicles authorized to be in the area. Only some 15 percent of this national problem is in the category of break and enter burglary, armed truck hijackings and grand larceny of entire loads.
- We have identified the high risk commodities for each mode of transportation.
- Better data has been obtained on the extent of losses by mode and the types of theft.
- A set of recommended security guidelines have been developed and published for the transportation system. (Copies have been provided this Committee.)
- Experimentation, with encouraging success, on such innovations as helicopter surveillance to deter or prevent truck hijackings, motion sensors, collective security arrangements, and modal port facilities devices designed for maximum security.
- The operating administrations of the Department (Federal Highway, Rail, Aviation, U.S. Coast Guard) have been asked to include cargo security checks as part of their ongoing safety inspection work.
- The first class from our new theft prevention training program at the University of Louisville has been graduated.

- Through funding by the Law Enforcement Assistance Administration there will be published next month a deskbook on the involvement of organized crime in cargo theft.

Mr. Chairman, I have attempted to only briefly highlight the Department's involvement in the cargo security area, and to give you some indication of the magnitude of the total cargo security problem as we perceive it. We are making progress in our cargo theft prevention activities and anticipate even better results as our procedures and security systems are further developed and implemented.

I nevertheless, believe the Commission activities contemplated by the proposals under consideration will be a valuable aid in our Federal effort to combat cargo theft. We also believe that the broad representation and the hearing and subpoena powers which the Commission would have will serve to expedite the Federal effort and synthesize the many ongoing activities at all levels of Government and in the private sector.

I would now like to comment specifically on the proposals under consideration. We favor enact of H.R. 10295 in preference to H.R. 5080 and H.R. 9622 because it provides under Section 10, that the Secretary shall consult with the Department of the Treasury prior to the promulgation of regulations. We believe this provision to be proper because of Treasury's extensive involvement and responsibilities in the collection of duty on import cargo at our international ports of entry. For the same reason, we favor the provision in Section 3(b) which places the Treasury Department on the Commission.

However, there are two suggestions we wish to make in order to further strengthen H.R. 10295. First, we feel that State and local participation on the Commission should be increased. Since so much of cargo in transportation is shipped via non-federally regulated carriers who are involved in either intrastate or local traffic, the Commission's activities could be substantially benefitted by participation of appropriate state and local interests. Secondly, we think the legislation should direct the Commission to give consideration to the means by which the private sector could best assume the cost of implementing any proposed cargo security measures suggested by the Commission.

Mr. Chairman, we favor the enactment of H.R. 10295 because it signals to the transportation community that the Congress is determined to support a broad-based Government-industry commission with authority to help generate a stronger national effort in this area.

This concludes my prepared statement.

DEPARTMENT OF TRANSPORTATION | NEWS

OFFICE OF THE SECRETARY

WASHINGTON, D.C. 20590

44-DOT-72

REMARKS PREPARED FOR DELIVERY BY BENJAMIN O. DAVIS, JR.,
ASSISTANT SECRETARY OF TRANSPORTATION FOR
SAFETY AND CONSUMER AFFAIRS
TO THE PITTSBURGH CHAPTER, NDTA, PITTSBURGH, PENNSYLVANIA
MAY 19, 1972

We are witnessing the dawn of a new and brighter day for transportation. The architect of change is President Richard Nixon, whose initiatives over the past three years have set into motion a transformation of transportation just as dynamic as the changes that have come over Pittsburgh. And like the renaissance that has revitalized this city, the reform and renewal of transportation in America will make the means of mobility progressively safer, swifter, cleaner, more efficient, and more in harmony with our environmental and social objectives.

Several of President Nixon's transportation objectives, especially those relating to mass transit, were described by Vice President Agnew and Transportation Secretary John Volpe at the Sixth International Conference on Urban Transportation, held in this city and at this hotel last September. Pittsburgh is one of the few remaining cities in the United States to have a multi-mode public transit system, with buses and trolleys connecting downtown with

the suburbs. Your plans to modernize and expand that system are, in my judgment, well-advised. Good public transportation linking the inner city with its suburbs is sadly lacking in many metropolitan communities today.

To help cities meet their urban transportation needs, President Nixon and Secretary Volpe have proposed that some revenues from the Highway Trust Fund be made available to states and cities to use as they see fit, in fighting congestion and moving traffic more efficiently. If approved by Congress, the President's concept of a single fund to serve urban transportation needs could be used, for example, to build separate lanes or roadways for the exclusive use of buses--as you have proposed to do here in Pittsburgh.

I might mention that the busway idea has been working very successfully in our experiment in Washington. Over the 12 miles where bus lanes are in use, more "rush-hour" commuters are now traveling by bus than by car. If that kind of turnaround in commuter habits could be duplicated in more of our major cities, air pollution would be reduced, traffic would be decongested, and the streets and highways would be more accessible to truckers and others who must travel them.

But I want to talk to you today about another Nixon Administration transportation goal--cargo security.

The Commerce Department reported recently that crime against business is costing American companies $16 billion a year.

The FBI says that crime against private and business property, in the combined categories of robbery, burglary and larceny, increased 182 percent between 1960 and 1970.

Shoplifting now costs the retail industry $8 million a day.

Losses due to employee thefts, nationwide, are estimated at $3 billion a year.

And the transportation industry loses $1 to 2 billion a year through the plundering and pilfering of cargo--the disappearance or "misplacement" of goods in transit...merchandise that somewhere along the way is plucked out of the transportation pipeline and never arrives at its rightful destination.

We are concerned about cargo theft for three reasons.

We are concerned, first, because the industry is being hurt. As Secretary Volpe said at the first Cargo Security Conference last June: "He who steals from transportation is stealing from a major segment of the American economy."

Senator Alan Bible, whose Select Committee on Small Business first focused public attention on the extent of cargo theft, cites the case of a recreation vehicle manufacturer who could not replace a $30,000 truckload of wheels, hijacked on the way to his factory, in time to meet his production schedule. As a result of that one theft, the manufacturer lost a seasonal market, and was forced to close down his production line. He lost customers, his employees lost jobs, and other parts suppliers lost his business. The net consequences of such chain reactions are not among the tabulated costs of cargo theft--no "claims" are made for such losses--but they exist and they are enormous.

Then we are concerned, secondly, because the public is being hurt.

Replacement expenses, steeper insurance premiums, and higher administrative costs incurred as a result of rampant cargo theft and pilferage all add to the price of merchandise at the retail level and, inevitably, the consumer pays.

Theft in the cargo industry costs every man, woman and child in the United States $5 to $12 a year, depending on whether we accept the billion dollars-plus that we have been able to authenticate as the "provable" cost of theft, or the $2-1/2 billion which is probably a more realistic assessment of the direct costs of cargo theft. Moreover, those who pick the pockets of the industry to line their own are feeding inflation, supporting crime, nourishing an underground market for stolen merchandise, and making life difficult if not impossible for the honest merchant, especially the small businessman.

All of these things, in addition to harming the consumer individually, hurt the country as a whole, which is the third reason we are concerned about the cargo loss problem.

Whatever adds to the cost of doing business decreases the economic efficiency of our distribution system, and makes it harder for America's transportation industry to compete in the world market.

Even worse, the notion that a little larceny isn't really stealing, that "helping yourself" isn't hurting others, or that petty theft is alright because "everybody's doing it" is creating throughout our country an attitude of indifference that borders on the tacit acceptance of stealing as a way of life.

This is all too apparent in the rail yards of any major city. I have been in the marshalling yards of the Penn Central in New York City and watched railroad police rout gangs of looters. If any of you have seen the documentary film made by the Penn Central (a modern-day version of "The Great Train Robbery"), or the pillaging in the Chicago freight yards shown on the CBS TV program "60 Minutes," you know that the looting of boxcars has become a common practice in many large cities. Pilferage and vandalism alone cost the Penn Central Railroad more than $6 million last year.

Hijacking a truck today can be more lucrative than robbing a bank. The average bank robber gets about $4,500. Single truck thefts average $30,000 to $40,000 but can run much higher. In fact, the Cargo Protection Bureau reported last Fall that of 112 trucks hijacked during a three-month period, the per theft loss averaged $47,000.

But while the hijacking of a truck, carrying off an entire container, or the wholesale plundering of a warehouse by night may represent the spectacular in cargo larceny, such bold and brazen acts do not account for the lion's share of losses in the industry. To the contrary, it is the inside theft, the furtive hand in the till, that absconds with four-fifths of the merchandise pirated from shippers and handlers.

Our analysis of cargo crime shows that 85 percent of the industry losses attributable to theft are internal in origin, and go out the front door in caseload or less than caseload quantities.

These are startling statistics, or at least they should startle and astound everyone in the cargo transportation business. Because what they tell us is that pilferage on the premises is worse than highway robbery. All indications are that the vast majority of the goods stolen are being carried out the front gate, in pieces and parcels, item by item, by authorized persons in authorized vehicles.

We also know the products preferred by the cargo thief. Thirteen categories of commodities account for nearly 90 percent of all thefts. Heading the list is clothing, followed by electric appliances, auto parts and accessories, and hardware. Rounding out the "top 10" on the criminal's shopping list are: plastics, alcoholic beverages, food products, tobacco products, furniture, and drugs and cosmetics--all items with an instant market value.

Now...knowing the principal sources of the problem, as well as the favorite targets, what can we do to curb cargo theft and put down the pilferer?

For one thing, we can develop better security devices and promote their wider use throughout the industry.

There are motion detection devices that fill an enclosed area with a pattern of ultrasonic waves and transmit an alarm if any object moves in that area. Since one major trucking firm installed a system of motion sensor devices for parked trucks, there have been numerous thefts attempted but none has succeeded. As a result, the company reports: lower security costs than the previous system, better insurance coverage at lower premiums, no losses from any vehicle protected by the electronic device, and increased revenue because of a reputation for secure shipments.

We also have been experimenting with a project you may have heard about, which involves marking truck tops so that any van can be easily identified from the air. In the first test of the truck-marking technique, one of the trucks was actually hijacked. It was spotted from the air and the hijackers were apprehended.

Such common-sense devices as fences, floodlights and guard dogs still have a high preventive value, even in this day of more sophisticated alarm devices. One example of the latter is a laser intrusion detection system for perimeter protection. This device throws a fence of laser pulses around a given area and activates an alarm if the beam is broken.

There are new surveillance systems on the market or under development. Among the by-products of military research and development are new night-vision devices, which include low light level television cameras capable of producing a daylight picture at night-time illumination levels. There is also a computerized surveillance system which can continuously interrogate as many as 10,000 "targets" and report any change in condition or circumstance.

Since so many thefts are "inside" jobs or at least occur as a result of inside information, new access control systems and new locking and sealing devices should be of particular interest to many cargo handlers. Some of the new ideas include:

- A positive identification system based on an electronic reading of a person's hand geometry.
- A laser access control system which uses a coded personnel identification card; and
- A laser hologram locking device that will unlock a door for 90 seconds when the employee's coded card matches the information punched into the coded keyboard.
- In the category of lock and seal devices, there is a dead bolt lock that hooks to a solid-state alarm which sounds if any attempt is made to force entry.
- A boxcar door lock has been developed which uses a brace bar with heavy steel fittings and a pick-resistant pin tumbler cylinder.

In addition to these and other new prospects for better technical safeguards, much progress can be made toward greater protection of the goods in transit or in custody simply by the demonstration of greater security consciousness on the part of management. Our government Interagency Committee on Cargo Security has been at work for nearly a year now ferreting out ways to make the cargo thief an endangered species. To mention just a few of the things we have done:

- We have compiled a handbook on security guidelines for all cargo handlers. The book has just been printed and is available from my Transportation Security people.

- The operating administrations of the Department of Transportation now include cargo security checks as part of their safety inspection activities.

- We have conducted a theft-prevention training course at the University of Louisville.

- A number of Coast Guard Reservists have been called to active duty to work with Treasury's Customs Bureau in promoting a greater security awareness on the part of cargo handlers.

- We have set up a model port program, designed to demonstrate good security procedures, at the Port of Bayonne, New Jersey.

- We have met, and are continuing to meet, with leaders in the freight industry to discuss our program, solicit their views, and devise new tactics and procedures.

We consider the bolstering of cargo security a tough but not impossible task. We have tolerated thievery and indulged the pilferer long enough. The integrity of the cargo transportation system can and must be assured. But it is not something I can do by edict from Washington, nor is it a goal that will come any sooner by wishful thinking on the part of industry. Theft and pilferage will go on until management takes the lead, demands more than token security, introduces strong preventive measures, and increases the culprit's risk of detection and apprehension.

The problem will cease to be a problem when management decides to hang tough, to put temptation out of easy reach, and quit thinking of theft as "petty" or insurance as the cure-all.

I greatly appreciate the interest of the Pittsburgh Chapter and the assistance of the NDTA leadership nationally in supporting cargo security as an Association project.

I hope each of you will spread the word and join the cause.

I urge you to be missionaries for the gospel of honesty and integrity in the transporting of goods.

I invite any and all recommendations for new or better ways the transportation industry can protect what is entrusted to it to deliver.

Together we can put the cargo thief out of business. That's a worthwhile ideal for Transportation Day or any day. Thank you.

DEPARTMENT OF TRANSPORTATION

NEWS

OFFICE OF THE SECRETARY

WASHINGTON, D.C. 20590

REMARKS PREPARED FOR BENJAMIN O. DAVIS, JR., ASSISTANT SECRETARY OF TRANSPORTATION FOR SAFETY AND CONSUMER AFFAIRS, TO BE GIVEN AT PRESS CONFERENCE ON JUNE 7, 1972, ROOM 10234, DOT HEADQUARTERS, WASHINGTON, D.C.

I have just come from a meeting with leading representatives of the Nation's aviation community. This was another in a series of meetings to assure fully coordinated and concerted action on the part of Government and private sector organizations to combat the aircraft hijacking and extortion threatening civil aviation.

There can be no mistaking our policy with respect to hijacking and extortion attempts. President Nixon acted promptly in September 1970, when two U.S. flag aircraft were seized and destroyed in the Middle East. On that occasion, the President established the sky marshal force and directed a total Government effort to develop more effective aviation security measures.

In March of this year, in the wake of the bomb threats against a major U.S. airline -- an extortion attempt successfully resisted -- President Nixon again took a firm stand, stating that lives would not be risked but that we would not be intimidated.

The Federal position, therefore, is clear and unequivocal. Hijack and extortion attempts will be resisted with all the resources and all the forces at our command. The success rate for the hijacker has been dropping sharply over the past 3-1/2 years -- from 85 percent in 1969 to 37 percent thus far this year. And, as the President said last March, "our efforts will continue until we reduce that rate to zero."

Our anti-hijacking program is and always has been a cooperative effort.

- more -

Today's meeting was attended by officials of the Air Transport Association, representing major U.S. trunk airlines; the Airline Pilots Association, representing scheduled airline flight crews; the Airport Operators Council, International; and the American Association of Airport Executives, representing the Nation's airports; and officials of responsible Federal agencies, including the Federal Aviation Administration and the Federal Bureau of Investigation. Attendance at future meetings will be expanded to include additional elements of the private sector and Government.

At this meeting, we emphasized and tried to build upon the philosophy and concepts stated by Secretary Volpe at the May 22 meeting requested by the Chief Executives of the Nation's major airlines. We think we have the full cooperation and support of the aviation community in this effort.

First -- and foremost -- Airlines and airport operators must immediately comply with Federal Aviation Security Regulations to the maximum extent possible to keep hijackers off the airplanes. These regulations are considered reasonable. They are adequate. And, if properly and fully implemented, will prevent the bulk of hijack and extortion incidents. The airlines and the airport operators have assured us of their intent to comply fully.

Second -- The Federal Government has the responsibility, and the obligation to the public, to assure full compliance with these regulations and to make certain that they are tailored and strengthened as appropriate to meet future threats. This, the Federal Government will do.

Third -- We must instill in all parties -- airport operators, airline management and flight crews -- an increasing determination to resist hijack and extortion demands to the fullest extent possible consistent with the safety of human life. Too often hijackers have been afforded service and responsiveness that is not provided even the first-class traveler. Too often funds have been raised and provided extortionists in amounts and with a speed that approach the fantastic.

Fourth -- Greater reliance should be placed on the law enforcement expertise of the FBI. These agents are not "trigger-happy gunslingers." They are well-equipped and highly trained professionals fully capable of responding to hijack and extortion incidents as circumstances warrant. They will not, however, intervene in hijack/extortion incidents without the concurrence of airline management and the flight commander. Too often airline management and flight crews have failed to take advantage of the FBI's capability. This is changing. Again, consistent with the safety of human life, airlines and flight crews should cooperate and assist the FBI in terminating hijacking and extortion attempts.

The events of the past weekend involving two hijack/extortion incidents and close to one million dollars emphasize the need for intensified efforts of all parties -- Federal and private to assure the safety and security of civil aviation.

One of these incidents involved the longest hijacking on record -- 7000 miles -- from the West Coast of the United States to Algiers in North Africa. The result is a hijacker/extortionist with 500 thousand dollars loot now at large and, at least temporarily, evading prosecution for his crimes. He was unarmed. During the course of that incident, refueling records were broken. Aircraft were made available to the hijacker at record speeds. The airline policy was one of no resistence and of acquiescence to hijacker demands. This has changed. A number of opportunities presented themselves during the course of this 7000-mile crime when the incident could have been terminated without loss or danger to human lives, and the hijacker and his accomplice brought to speedy U.S. justice. Fortunately, opportunities like these will no longer be ignored. This attitude of cooperation and acquiescence to hijacker/extortion demands is changing.

The weekend's other incident, on the other hand, covered much less geography and indicated a different attitude on the part of airline and flight crew involved. Opportunities during that incident were promptly recognized and exploited without gambling on human life. Good judgment prevailed -- on the part of the airline, on the part of the flight crew and on the part of the FBI. The result was also far different. The hijacker was promptly apprehended and the $200,000 extortion loot fully recovered.

The Government will continue to press for full compliance with aviation security regulations to keep hijackers and extortionists off our aircraft. We will press also for increased resistence to hijack demands, and for full cooperation with the FBI. We are confident that the aviation community, and the American public, support us in this effort. Threats to civil aviation security will be met and they will be defeated.

That concludes my statement, and I will be happy to answer any questions you may have.

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DEPARTMENT OF TRANSPORTATION | NEWS

OFFICE OF THE SECRETARY

WASHINGTON, D.C. 20590

59-DOT-72

REMARKS PREPARED FOR DELIVERY BY BENJAMIN O. DAVIS, JR.
ASSISTANT SECRETARY OF TRANSPORTATION FOR
SAFETY AND CONSUMER AFFAIRS
TO THE SYMPOSIUM ON ALCOHOL, DRUGS AND DRIVING
WASHINGTON, D. C.
JUNE 8, 1972

Alcohol and drug abuse do not make very pleasant luncheon subjects. But we must face the facts. A lot of people in this country are killed by guns that are not loaded and by drivers who are. The drunk driver is a menace of major proportions: you already know the appalling statistics. The driver "loaded" on drugs, or a combination of liquor and narcotics, represents a recent and even more lethal weapon aimed at every traveler on the highways. We must stop the drunk driver in his tracks. We had better take the drug-addicted driver seriously before that problem gets out of hand.

A month or so ago a Washington newspaper challenged a motor magazine's choice for "car of the year" on the grounds that the car had been selected for styling, speed and performance reasons, rather than safety. The editor of the magazine countered by contending that 50 percent of the highway deaths are caused by alcohol, 20 percent result from the neglect of lap and shoulder restraints, and concluded - therefore - that 70 percent of the lives now lost in traffic accidents could be saved by reforming the driver, not the car.

Certainly this is a familiar argument. Personally, I am inclined to agree that the greatest potential for saving lives rests with the driver.

But it is easier to redesign vehicles than to reprogram human beings. It is easier to change the driver's habitat than his habits. Cars will bend: people - too often - will not.

The issue before us, however, is not to fix fault, but to fix the problem. The policy of the Department of Transportation is to reduce the highway death toll and to make motoring safer by any and every means possible. That entails doing whatever is necessary to make vehicles, drivers and highways inherently safer.

President Nixon and Secretary Volpe are agreed that 55,000 deaths a year is an exhorbitant and unacceptable price to pay for auto-mobility in America. The President has instructed Mr. Volpe to improve transportation across the board -- to make it a "better servant of the people." The Secretary, acting on that directive, has said, and I quote, "No task before the Department is more important than saving lives."

While the official DOT goal is to cut the highway fatality rate by at least one-third before 1980, Secretary Volpe says he wants to see the number of highway deaths reduced by 50 percent -- cut in half -- by the end of the decade.

John Reed, Chairman of the National Transportation Safety Board, said last month that if the rate of improvement achieved in the past two years is continued, we would be down to 41,000 deaths by 1980, despite the vast increases projected in the number of vehicles, drivers and miles traveled. But, as Governor Reed also pointed out, the early figures for 1972 are not encouraging. Through March, highway deaths were up 6.8 percent over the same period last year, and if that trend were to continue we would suffer 58,700 traffic fatalities during 1972.

We can't let down in our vigilance, or let up in our efforts to instill safety in every fibre of the nation's transportation fabric. There is no room for complacency in our business; no time for procrastination. We must be "on duty" 24 hours a day, seven days a week.

Clearly we face an uphill battle. But the cause is not hopeless and we are far from helpless. We look for and encourage safety initiatives on the part of industry, the states, and the motoring public. But we have considerable "leverage" at the Federal level and, I assure you, we are not reluctant to use it.

The speakers at this morning's session outlined in some detail the principal planks in the Federal highway safety platform. The panelists this afternoon will describe how the enforcement and treatment programs are working at the state and local levels. Without repeating what was covered this morning or intruding on the afternoon's topics, let me summarize the Department's stand on motoring safety.

First; we believe our highways should be made as accident-proof as possible.

All Federally-assisted highways are built to strict safety standards. Additionally, Highway Trust Fund resources can now be used by the states to make existing highways safer. We have budgeted $130 million for that purpose for fiscal 1973. We want to see that increased to $180 million for 1974, and to $250 million for fiscal '75. Moreover, Secretary Volpe proposes to reward those states that perform, and penalize those that do not.

Today's highways already are much safer than the roads of yesterday. The fatality rate on the Interstate system, in rural areas, is two to three times lower than it is on non-Interstate roads. It is also lower in urban areas -- 2.3 deaths per 100 million vehicle miles compared to 3.7 on the non-Interstates.

We are getting a lot of safety mileage out of such lifesaving features as breakaway signposts and light standards, wider medians protected against crossovers, and even better lighting. Frank Turner, Federal Highway Administrator, reported last week that energy-absorbing crash barriers are proving to be highly effective shields against rigid roadside objects. In one city, where 17 barriers are in use on expressways, the devices have been struck 45 times without any lives being lost. Safety engineers say that 11 people would have been killed in those accidents alone, if the energy-absorbing barriers had not been in place.

So we gain some ground in our safety campaign by making our highways more forgiving.

Then, secondly, we must insist on greater degrees of driver responsibility.

The state with the largest number of cars, and drivers -- and with the most highway fatalities -- is also doing one of the best jobs in cracking down on those who abuse the driving privilege. In two years, traffic deaths have declined 9.4 percent in California, partly because authorities have stepped up their campaign against drunk driving. Drunk-driving arrests throughout the state increased from 150,000 in 1970 to 195,290 in 1971. It is further very reassuring for me to be able to state that all states now have some form of driver's "implied consent" to a blood, breath or urine test if he is accused of driving under the influence of alcohol.

As Mr. Livingston indicated earlier today, the goal of the Department's Alcohol Countermeasures Program is to get the small but lethal percentage of drivers who drink frequently, and to excess, off the highways and into rehabilitation programs. Aside from the stark tragedy implicit in the number of highway deaths due to alcohol, there is the greater pity that so many of those struck down are young people, victims of their own or someone else's inexperience with driving, drugs or drinking.

We stress treatment for the convicted drunk driver because alcoholics in our society can be successfully rehabilitated. The drug problem, while not the magnitude of the alcohol problem, is something else. The rate of rehabilitation for hard drug users is distressingly low. And while the "incubation" period for alcoholism is long - generally seven years or more - drug addiction can occur much more rapidly. So while the drunk driver menace may "grow" on a community, the drugged-driver danger may erupt suddenly and violently. From the highway safety point of view, the drug-user who drives is harder to identify and potentially more difficult to cure.

Alcohol and drugs, of course, do not account for all the dangerous drivers on the highways.

There are a frightening number who drive without the benefit of license. There are others who never should have been granted a license. Then there are some who are simply too old, or infirm, to drive safely.

Too many young people come to driving age on the assumption that access to the public highways is a right instead of a privilege. Many of us, as parents, as administrators, or simply as indulgent adults, have encouraged that attitude.

We must now swing the pendulum in the other direction. Our Selective Traffic Enforcement Program was set up to demonstrate the effect strict enforcement practices could have on accident statistics. Our proposed Driver Control Program is designed to detect and correct driver deficiencies before they show up in accident reports, and to periodically re-examine an individual's qualifications to drive.

The person who drives thoughtlessly, carelessly or recklessly is going to find it increasingly more difficult to get, or to keep, a driver's license. We want everyone to enjoy the freedom of driving. But that freedom must respect the rights of others. Freedom without responsibility is merely the license to behave irresponsibly. No driver has that license.

Then, along with safe drivers and safe roads, we need - in the third place - safe cars.

The motorist forced off the highway by a reckless driver deserves protection. The family hit head-on by a drunk speeding toward them in the wrong lane deserves a chance to survive. The driver who falls asleep and hits a bridge abutment deserves a second chance.

After-the-fact remedies such as rebuilt highways, tougher driver training programs, or alcohol correction treatments cannot reprieve lives already in jeopardy. In an accident situation, survival depends on the capacity of the vehicle to protect its occupants.

Cars have done this poorly in the past. Today's models are somewhat better. But there is no longer any escape from the fact that tomorrow's vehicles must come with a "lifetime guarantee" -- not on the car, but on those who use it.

This is the direction our ESV (Experimental Safety Vehicle) program is aimed. We believe a car can be developed which will protect occupants from death or serious injury, even in a high-speed, head-on crash.

As you know, AMF and Fairchild both have built ESV prototypes to DOT specifications. Both cars have been subjected to some initial tests. The damage to the cars in these tests has been minor. You would have to see the damage sustained by a conventional car under the same test conditions to appreciate the difference. And we still have a lot of work to do under the follow-on contract one of the two ESV manufacturers will be awarded later this summer. Ford and General Motors are also working on crash-proof cars of their own, under token contracts with the Government.

But regardless of how successful we are in building a car that will take punishment, we see no way of assuring the safety of its occupants without the use of passenger restraint systems. In a crash, the first contact may crumple chrome and kill the engine. But it's the "second accident" -- the one that happens inside the car -- that crumples bodies and kills people.

I don't need to tell you that efforts to get people to use the restraint systems in today's cars have failed. Statistics vary, but according to reliable surveys fewer than 25 percent of the people wear lap belts; only 4 percent use the shoulder harness. This is the situation despite an abundance of data proving that restraint systems save lives.

Doug Toms suggests that people drive for pleasure and for the freedom of mobility the car affords them. Buckling up, he believes, inhibits the motorist's sense of freedom and detracts from his capacity to enjoy his trip. I have my own theory: I believe that for many people the seat belt signifies inferiority -- a vote of no confidence in their ability to drive safely.

Whatever the motivation, or lack of it, experience indicates that people are sitting on their belts when they should be wearing them.

For these reasons, the Department of Transportation is firmly committed to the concept of passive restraint systems for all passenger cars. The industry must provide such systems for the 1976 model cars.

There are some who say that in our dealings with drivers we have been too lenient in the past, and that an overly-permissive attitude toward safety infractions has cost countless lives and is still costing lives. The Chairman of General Motors suggested recently that seat belt usage should be required by law, while others have hinted that insurance premiums might be lowered if benefits were denied to those not wearing safety restraints at the time of an accident. For our part, we in the Department support state laws that require seat belt usage, although we recognize the difficulty of enforcing such statutes.

Prior to the development of our Occupant Crash Protection Standard, the industry's safety efforts had concentrated on specific items of equipment -- safety glass, energy-absorbing steering columns, reinforced doors, stronger door locks, increased padding, and so on. Today, largely as a result of the Government's insistence on passenger protection as a performance objective, the focus of automotive safety technology is on the survival of the occupant as the really important crash safety criterion.

In the meantime, drivers who wouldn't be caught dead wearing seat belts are being found dead without them.

Drivers who take one for the road are finding that one drink can last a lifetime.

Drivers who prefer to take a belt rather than wear one are driving themselves, and others, to destruction.

Drivers who get high on drugs are blowing their minds, and their future, at the same time.

Even the best of drivers are not always equal to every highway situation. Those dulled by drugs or disoriented by alcohol are at a great disadvantage in an emergency -- confused, slow to react, incapable of judgment, alien to reality. They are a constant threat to themselves and to every unsuspecting motorist who comes their way. They must be stopped.

Our highway safety standards are going to get tougher. There is little doubt about that. Everyone who would put his hand to a steering wheel must be made to understand that the right to drive is a conditional privilege and must be respected as such. It can be granted only to those who prove competent, and will be taken away from all who abuse the privilege.

All of us in this room look upon automotive safety as a serious concern -- a matter of life or death. I assure you that because we care we do not intend to sit idly by while drugged, drunken and indifferent drivers ride into the valley of death, and take thousands of innocent victims with them.

I commend you for your interest and your concern in this vital matter. Defending good driving habits is a defense program in which everyone can share.

DEPARTMENT OF TRANSPORTATION | NEWS

OFFICE OF THE SECRETARY

WASHINGTON, D.C. 20590

60-DOT-72

REMARKS PREPARED FOR DELIVERY BY BENJAMIN O. DAVIS, JR., ASSISTANT SECRETARY FOR TRANSPORTATION FOR SAFETY AND CONSUMER AFFAIRS, KEYNOTING THE NATIONAL SAFETY MEETING, AMERICAN TRUCKING ASSOCIATIONS, DENVER, COLORADO
JUNE 12, 1972

It's a pleasure to participate in your 1972 National Safety Meeting. I come here with the greetings, and the blessings, of my boss, Secretary of Transportation John Volpe, who firmly believes that "no task before the Department of Transportation is more important than saving lives."

Moreover, if any one mission ranks second to safety, it is our concern for transportation security.

We make a serious mistake if we look upon theft as an insurance problem. Frequently there is more at stake than the plundering or pilferage of property. In the hijacking of aircraft, for example, the lives of passengers and crew are put in jeopardy. In armed truck hijackings, truck drivers can be killed and have been killed. Those responsible for safeguarding people and property often put their own lives in danger in doing their job.

It's unfortunate that transportation, which does so much for us, also costs us so dearly. It's a sad commentary on the state of transportation in our society today that thousands of lives are lost in careless highway accidents every year, and other lives are taken, just as needlessly, in lawless acts of theft, hijacking and extortion.

I am especially glad to keynote this meeting because I know the American Trucking Associations are as committed as we are to improving the safety and security of transportation in America. We are both working to make the means of moving people and products safe against accidents and secure against theft. We are making progress, but we are a long way from being "home free."

Despite a get-tough attitude and a Presidential policy of resistance and non-intimidation, our civil aviation system is still being challenged from time to time by individuals who think they can get rich at the airline's expense. For increasing numbers of them, the silver lining is an optical illusion; seven of 19 hijacking attempts this year have succeeded, but that does not mean that the hijacker lives happily ever afterward.

The suspect in the $300,000 Eastern Air Lines hold-up, for example, surrendered in Honduras, a hunted, frightened man. The man who bailed out over Nevada, with $160,000 in United Air Lines money, walked into the hands of the FBI. And I would venture to guess that the hijacker who forced Western Airlines to fly him to Algeria is having second thoughts now about the wisdom of that escapade.

Through the combined efforts of the airlines, the airport operators, and the Government, hijacking for passage or profit is no longer the sure and easy trick it once seemed to be.

It's tougher for a hijacker to get aboard an airplane today. And it's going to get harder. The Government has agreed to furnish more than 1,000 weapon detection devices for use at the nation's airports.

Members of the Air Line Pilots Association have agreed to "fight back" -- to resist hijacking attempts to the extent possible, short of risking innocent lives.

Airport operators are now required, by Federal regulation, to keep unauthorized persons out of aircraft operational areas.

For the past three-and-a-half years, there has been a progressive reduction in the number of successful hijackings -- from 34 of 40 attempts (85 percent) in 1969, to 18 of 27 (67 percent) in 1970, to 12 of 27 (44 percent) in 1971, to 7 of 19 (37 percent) thus far this year.

At the same time, there have been dramatic increases in the number of persons arrested at aircraft boarding gates, or denied boarding privileges. In the first four months of 1972, some 800 people - half of them armed - were arrested as a result of Government and airline vigilance at boarding gates. Another 2,000 persons have been prevented from boarding an airplane, for one reason or another.

Certainly, all of these were not potential hijackers, and there really is no way of determining an armed or suspicious person's actual intentions. One man, for example, who matched the behavioral profile, was stopped and two packages he was carrying were searched. One of them contained a loaded shotgun. He was going to use the gun, the man explained, to hold up a liquor store in Miami.

In this case, we may have intercepted a hold-up, just as we have intercepted hundreds of concealed weapons, thousands of dollars worth of narcotics, and an amazing assortment of knives, blades, and other potential weapons, including grenades.

We are reasonably confident, therefore, that we have thwarted some hijacking and extortion attempts, and we intend to keep the pressure on until would-be skyjackers learn that there is no pot of gold at the end of every flight.

Cargo theft is another nagging problem being treated at the Federal level. We will have a full report on the progress that has been made in curtailing cargo theft and pilferage at the second annual Cargo Security Conference being held in Washington next week.

Without going into detail, let me just mention a few of the findings of our joint Government/industry task force on the causes and cures of cargo theft.

First, there is ample evidence to indicate that the biggest leak in the transportation pipeline is internal. Our analysis of cargo crime suggests that 85 percent of the industry losses attributable to theft go out the front door in caseload or less than caseload quantities. Studies of American business indicate that 70 percent of all inventory losses can be traced to employee stealing.

These are telling statistics, and what they should tell us as owners, operators, or administrators is the startling fact that the inside job, the petty pilferer, the furtive hand in the till, can be as devastating to a company's profits as the armed hijacking.

Second, for thefts to occur, thieves must first have the opportunity to steal. This is perhaps so obvious as to be self-evident, yet our examination of thefts throughout the transportation industry reveal that time and time again people have helped themselves to merchandise because "it was so easy."

When stealing is easy, it is usually a sure sign of poor supervision. Or, as the president of a firm with 40 years experience in crime detection and prevention has said it: "Dishonesty is the byproduct of poor management." Our own experience, I might add, tends to substantiate that observation.

Third, we have found that when theft and pilferage are treated as the exception to the rule, rather than the rule, losses diminish. We are strongly of the opinion that supervisors should implant the idea that unaccountable losses are unusual and unacceptable, not simply one of the unavoidable costs of doing business.

Fourth, there is persuasive evidence that delay in the delivery of cargo invites theft. The longer cargo is delayed at any given point along its route, the more susceptible it is to theft.

Then, fifth, there is a rapidly thickening catalog of countermeasures, technical safeguards, and security guidelines evolving as a result of increased industry and public concern over the extent, costs, and consequences of cargo theft. We expect to state for the record, at the Cargo Security Conference next week, that there is no longer any excuse for wholesale theft or rampant pilferage, considering the tools available to the transportation industry to prevent or at least inhibit cargo crime.

Let me turn now from the security side of the transportation coin to the problems of safety.

Last year 55,000 Americans died in highway mishaps, the sixth consecutive year in which the number of fatalities has exceeded 50,000. If there is a larger dimension to the scope of the tragedy on our highways, it is the distressing fact that the motor vehicle is the leading cause of death of our nation's young people. Half of all fatally injured drivers are under 30.

The protests against this senseless slaughter are taking place not in automobile showrooms but in Detroit decision centers; not outside the White House, but in it. President Nixon has directed an all-out effort to drastically reduce the highway death toll. The Department of Transportation's official objective is to cut the traffic fatality rate by one-third by 1980. Secretary Volpe wants to do better. He wants the "body count" reduced by 50 per cent before the end of the decade.

To get from here to there, we are tying more and more safety strings to highway construction funds, hunting down drunk drivers and steering them into rehabilitation programs, and prodding the automotive industry to build safer, more survivable cars equipped with effective restraint systems.

This three-pronged safety drive -- aimed at safer highways, safer drivers, and safer cars -- is gaining momentum and already showing some signs of success. When we look at 1971's highway fatality rate, we find it is the lowest in our history -- 4.7 deaths per hundred million vehicle miles. That's quite an improvement over the 16.8 death rate of 1934, or the 9.18 rate of 1946.

But while the rate of traffic fatalities in recent years has been declining, the net increase of 12,000 vehicles a day, and the daily addition of some 10,000 new drivers, make it difficult to gain any real headway in our battle against the highway death toll. Holding the line isn't good enough. We have to do better.

At TRANSPO 72, the recent International Transportation Exposition sponsored by the Department of Transportation, there was a great deal of emphasis on safety in the various automotive exhibits. All of the ESV's (Experimental Safety Vehicles), domestic and foreign, were on display. There were demonstrations of the air bag, and other passive or semi-passive passenger restraint systems being developed. Surveys taken among the one-and-a-half million visitors to TRANSPO indicate a significant increase in public knowledge, awareness and understanding of vehicle safety programs as a result of the TRANSPO exhibits and demonstrations.

This is important, because regardless of our success in getting the industry to build crash-resistant cars, or of our ability to promote better driver training and traffic enforcement within the states, real safety on the highways depends on the willingness of all who drive to take reasonable precautions, observe speed limits and good driving habits, and practice courtesy on the road at all times.

If people would buckle up the lap and shoulder restaints already available, we wouldn't have to insist on air cushions, or some similar passive system, in the 1976 cars.

But fewer than 25 percent of the people on the road wear seat belts, and shoulder harness usage averages under five per cent.

If people had the good sense not to drink to excess and then drive, we wouldn't have to crack down on the drunk driver.

But half the highway deaths - about 28,000 last year - result from alcohol-related accidents. A relatively small group of problem drinkers - about seven percent of all drivers - cause most of the deaths in which alcohol is a factor.

So we are in the business of apprehending, convicting, and reforming drunk drivers. There are now 35 Alcohol Safety Action Projects (ASAP's) in effect across the country. Our purpose is to help local authorities get the dangerously drunk or chronically alcoholic driver off the road and into a treatment program.

One Alcohol Safety Action Program is being conducted here in Denver. The experience of the Greater Denver ASAP is more or less typical of what we are finding can be accomplished to control the drunk driver menace.

The number of alcohol-related arrests in accidents increased in Denver from 576 in 1969 to 894 in 1970, when the Safety Action Project was getting under way; then jumped to 1,213 in 1971, the first year of implementation. Alcohol-related arrests not due to accidents increased from 401 in 1969 to 889 in 1970, and to 2,550 in 1971, suggesting that the ASAP program has trained police officers to spot drinking drivers more readily than before.

Alcohol abuse, of course, does not account for all the dangerous drivers on the highways. There are a frightening number who drive without the benefit of a license. There are others who never should have been granted a license in the first place; many who do not deserve to keep one.

If drivers were better trained, or drove with greater skill, or were motivated to be more conscientious in their handling of a motor vehicle, chances are we wouldn't need a widespread Driver Control Program.

But according to the National Safety Council, improper driving is a causal or contributing factor in 83 percent of all fatal accidents, and in 91 per cent of all injury accidents.

So we are using a variety of "carrot and stick" techniques to get the states to implement a series of driver licensing, evaluation, education and surveillance actions designed to implant and improve good driver habits, and weed out the unqualified, the incompetent, and the unfit.

When all is said and done, the superstructure of vehicle, highway and driver safety we are building must rest ultimately on a solid foundation of individual responsibility. The license to drive must be a license to survive, not a license to kill. That is one reason I am always pleased to meet with members of the American Trucking Associations. You have consistently advocated safety behind the wheel and courtesy of the road as the basic and abiding principles of the motor carrier code. You set a good example, which others will do well to emulate. Good driving habits must become the norm for the pleasure driver as well as for the professional, if we are to approach our national highway safety goal.

Dr. Kaye, Director of the Federal Highway Administration's Bureau of Motor Carrier Safety, will be speaking to you Wednesday, and I'm sure he will comment on the safety situation in the motor carrier industry. Without wishing to intrude on his subject, let me simply note in this keynote session that while total motor carrier intercity vehicle miles were down slightly in 1970 over 1969, both the accident frequency rate and the fatality rate were up slightly. Motor carriers were involved in 40,846 accidents, resulting in 1,457 fatalities, 18,363 injuries, and nearly $84 million in property damage.

There is another statistic that disturbs me as I know it does you. Sixty-four percent of the fatalities in the carrier industry and 63 percent of the injuries resulted from collisions with automobiles.

These figures are tragic in themselves. Yet, according to the Journal of Insurance, when trucks and passenger cars tangle, 40 automobile drivers or passengers lose their lives for every truck driver killed. Even though trucks are involved in only 11.5 percent of all accidents, their greater size, weight and power put added burdens of responsibility on every truck driver.

There is an additional responsibility on the part of every owner to be sure the rig is safe and the operator qualified to drive it, before either of them takes to the highway. Mechanical defects and inadequately trained drivers continue to be two of the major causes of truck accidents.

Having sounded the alarm, let me be just as quick to acknowledge the generally high level of driver skills and highway courtesy exemplified in the motor carrier profession. On the whole, we wish all drivers were as sensitive to safety and as vigilant at the wheel. We intend to do everything possible to promote the truck driver safety syndrome throughout the driving community.

We are also doing more to upgrade our own skills and our capacity to teach safety. The Transportation Safety Institute was established a year ago to encourage greater interest and competence in occupational safety for all modes of transportation. We urge members of the ATA to participate in the safety management training and education programs the Institute provides.

As transportation gets safer, it will also get better. President Nixon's programs for the improvement of mobility in America represent the most progressive and comprehensive transportation reforms ever prescribed. Those reforms include greater safety for all who travel and greater security for the multitude of products that move by road, rail, air and water. The President's program calls for new initiatives in urban transportation, with greater reliance on public transit, to help free city streets and urban expressways for those who must move the nation's commerce.

President Nixon is equally committed to cleaner and quieter transportation, to more and better roads, and the achievement of true balance and better "connectivity" among the modes. His total program, as he has expressed it, is designed to make transportation "a better servant of the people."

The members of the trucking industry know what it is to be loyal and faithful servants, delivering the goods day in and day out, to keep America moving and prospering. Gratefully, you are never too busy doing your job to undertake new ways to do it <u>better</u>: with greater efficiency, greater safety, and greater security.

I am confident that in this purpose, as in your profession, the trucking industry will continue to excel, delivering the safety and the security we all want from our transportation system.

DEPARTMENT OF TRANSPORTATION | NEWS

OFFICE OF THE SECRETARY

WASHINGTON, D.C. 20590

61-DOT-72

REMARKS BY BENJAMIN O. DAVIS, JR., ASSISTANT SECRETARY OF TRANSPORTATION FOR SAFETY AND CONSUMER AFFAIRS BEFORE THE ANNUAL MEETING OF THE SAFETY SECTION ASSOCIATION OF AMERICAN RAILROADS, WASHINGTON, D.C.
June 14, 1972

Monday of this week I was in Denver speaking to the annual safety meeting of the American Trucking Associations. Last week I addressed a Washington symposium on alcohol, drugs and driving. And nearly every day I am dealing with the challenges of civil aviation security - the omnipresent threat of aerial hijackings and extortion attempts - which pose a special danger to the safety of air commerce.

But everywhere I go, in every mode and at every turn, I find evidence of the "new philosophy" toward safety - "greater safety in the '70's" - that is the theme of this conference.

That philosophy is one of resistance.

No longer are we willing to accept 55,000 deaths a year as the price of auto-mobility in America.

No longer will we tantalize the potential air pirate by overindulging, over-accommodating, or overpaying hijackers and extortionists who, too many times in the past, have been accorded better treatment and faster service than first-class passengers enjoy.

No longer are we content to shrug our shoulders, look the other way, or dismiss as uncontrollable the drunk driver, the unguarded grade crossing, the defective vehicle, or any unsafe condition involving the transportation of people.

As I told members of the press last Wednesday, our policy is to resist hijacking and extortion attempts with all the force, all the resources, and all the resourcefulness at our command.

We are equally committed to a resistance posture in combating cargo thieves, the parasites who prey on our transportation system at considerable cost to the industry and, ultimately, at the expense of the consumer.

And we are also resisting the natural inclination of accident and fatality statistics to go up as travel increases.

Last year, for example, 55,000 people died on our highways. Numerically, 1971 fatalities showed a slight increase over 1970. But the fatality rate, the number of deaths per hundred million vehicle miles, was the lowest in our history: 4.7. If deaths had occurred at the same rate in 1971, with 1.2 billion miles of highway travel, as they did 10 years ago, when highway travel in the United States was roughly half what it is today, we would have counted 61,000 people dead in traffic accidents last year. This suggests that there are 6,000 persons alive today who owe their lives to past improvements in highways and motor vehicle safety.

By the same token, if we do not improve motoring safety even further in the 1970's, by 1980 we will be killing approximately 100,000 people a year in highway mishaps - based on the present rate and the projected growth in drivers and vehicles.

It's realities like these, plus direction and impetus from the top - from President Nixon and Secretary Volpe - that stiffen our backbone and cement our determination to make cars, highways, and drivers infinitely safer. The official Department of Transportation goal is to cut highway deaths by one-third. Secretary Volpe wants to do better. He has defined his objective as a 50 percent reduction in fatalities by 1980.

Highway accidents represent our major concern because they account for 90 percent of all transportation-related fatalities. But, I assure you, Secretary Volpe and I are no less determined to reduce the death and accident rate in every mode.

The railroads today are one of the safest forms of transportation. Last year, in fact, the rails were the only mode to show a decline in accident fatalities - from 706 deaths in 1970 to 607 in 1971, a 14 percent decrease. Rail-highway grade crossing deaths have continued to drop each year.

But you know better than I that there still are far too many hazards lurking along our rail lines, or at the intersections of our roads and rails. There are still too many vandals and looters assaulting the nation's rail system, too often endangering lives in working their mischief or "doing their thing." We must labor as diligently and as inventively at resisting the outside forces which threaten the safety and security of rail transportation, as we do at removing the hazards in rail operations.

As you know, the Railroad Safety Act of 1970 broadened the authority of the Secretary of Transportation to improve rail safety, by setting track, equipment and operating standards. The Act also provided for a comprehensive study of the railroad grade crossing problem. At the same time, the 1970 Highway Safety Act directed a full study of the problem of providing increased highway safety at grade-level rail-highway crossings, along with recommendations for reducing the grade crossing hazard.

The first part of the joint Federal Railroad Administration-Federal Highway Administration report on railroad-highway safety was published last November. The concluding portion is due next month.

Among other things, the studies show:

1. That nearly all grade crossing accidents are attributable to some degree of "driver error;"

2. That the high ratio of fatalities and injuries to the number of train-involved grade crossing accidents ranks those accidents among the most severe in the public safety area;

3. That the grade crossing problem is primarily an economic issue - yet if 15,000 crossings were accorded improved protection, accident costs would be reduced by nearly three times the installation and maintenance costs of the improvement (i.e., an investment of about $445 million would result in an accident cost reduction of $1 billion-plus); and, therefore,

4. The most pressing need is for an economic breakthrough in the protective technology related to grade crossing safety.

With these goals in mind, our Transportation Systems Center, in Massachusetts, conducted an analysis last year of present and potential applications of technology to the grade crossing protection problem. Concurrently, the Federal Railroad Administration and the National Highway Traffic Safety Administration have jointly funded a human factors research project to evaluate driver behavior at grade crossings.

The grade crossing hazard has been with us for a long time. During the 37-year period from 1934 through 1970, 10,603 grade crossings were eliminated, 1,572 grade separation bridges were built, and 12,873 grade crossings were given improved protection. In the 12 years from 1959 through 1970, the Federal Government has spent $150 million a year, together with $30 million annually in railroad, state government, and local government matching funds to protect against the collision of train and vehicle.

The Highway Safety Act authorizes $22 million from the general fund and $9 million from the Highway Trust Fund to further resolve the grade crossing danger. Our goal in the busy Northeast Corridor, as you know, is to provide high speed rail service and to eliminate grade crossings entirely.

I might also mention that the transport of hazardous materials is a matter of considerable and constant concern. Since a high percentage of hazardous materials move by rail, we work closely and continuously with the Federal Railroad Administration in determining better ways to guard against accidents. Recently we have been studying the strengthening of tank cars. One possibility is to reinforce the ends of tank cars, to reduce the risk of them being ruptured in a minor collision or slow-speed derailment.

We also have published specifications restricting the hazardous materials that can be hauled in tank car convoys, and limiting the quantities of certain materials that can be carried in one tank car or one train.

As I indicated earlier, we are exploring every technical, procedural, and educational opportunity to make the movement of people and products safer. We realize that "accidents will happen," despite anyone's best efforts, but we utterly reject the proposition that we must stoically

accept any levels of death and injury as being normal and unavoidable. We mean to scrutinize the cause of every accident, in the conviction that death or serious injury could have been prevented.

... if a drunk driver had been convicted and treated before being released to drink, and drive, again;

... if people had worn their seat belts instead of sitting on them;

... if the car demolished in a 50-mph head-on collision had been equipped with a passenger restraint system;

... if a grade crossing had been marked by warning lights and protected by a gate;

... if a driver had simply obeyed good driving advice and taken the time to stop, look and listen before crossing the tracks.

Whatever level of risk we were willing to take yesterday in the interests of mobility, that level must be lowered today and brought still lower in the transportation environment of tomorrow. I assure you we are very serious at the Department in our mission to protect people when they travel, even if they do not care enough to protect themselves.

We have also adopted a parallel policy toward an allied problem -- the theft and pilferage of cargo in transit. We believe that the Government and the industry should resist the shoplifting of goods from the transportation pipeline, and protect the public from the costs of such theft.

Until 1970, no one said much or did much about cargo larceny. But that year Senator Alan Bible's Select Committee on Small Business exposed cargo theft for what it is -- a $1-1/2 to $2 billion a year drain on the economy of the transport industry, the consumer and the nation.

Secretary Volpe's reaction was prompt and responsive. Acting on the assumption that cargo theft can be prevented, Secretary Volpe organized the Interagency Committee on Transportation Security, designating me as its Chairman, and directing that we work with the industry to curtail cargo crime.

We have had a busy, illuminating, and - I believe - productive year. We will have a full report of our findings and our progress in dealing with the theft problem at our second annual Cargo Security Conference next week. Let me just say, in passing, that one of our most satisfying achievements is the growing recognition within the industry that theft-related losses are not inevitable -- that with good management and a little discipline, merchandise can be protected and the pilferage that masquerades as "shortages" or "unaccountable losses" can be prevented. In the handling of truck, maritime and air cargo, companies are coming around to the realization that about four-fifths of their theft-related losses are going out the front door, in caseload or less than caseload lots.

The situation is somewhat different for the nation's railroads. I recall the first time I visited the freight yards in New York City, and saw security personnel rout gangs of looters stalking the trains and tampering with the boxcars. Then I saw the Penn Central film, "The Great Train Robbery," and talked with Penn Central officials, and wondered why, in this age of technology, we couldn't produce something better than a bent nail to safeguard the contents of a rail freight car.

I think it's fair to say that we know a great deal more about railroad security problems today, and I like to think that some progress has been made in methods and tactics for discouraging looters, vandals, and thieves.

Earlier this month, Mr. Ingram, FRA Administrator, announced a pilot project to prevent vandalism and pilferage in the Philadelphia region rail network through the use of a surveillance helicopter. I know something about law enforcement, and I know railroad security people are among the best in the business. But they can't police every mile of track or every square foot of railroad property, and they can't be everywhere at once. Helicopter surveillance provides the mobility needed to expand the security umbrella. We hope the joint FRA-Penn Central-Reading Company project in Philadelphia will lead to similar watchdog programs in other major cities.

We also believe we have improved on the "bent nail." Several months ago we began experimenting with a heavy woven wire cable to secure boxcar doors and the doors of truck vans in piggyback shipments. The cable is not foolproof; it can be cut with heavy wire cutting tools. But it is proving highly effective in frustrating the average looter, who

is usually a juvenile easily capable of breaking the conventional seal but seldom equipped with special tools. The cable fastener, incidentally, is being used at the present time only for security, but it could just as easily replace the seal for liability protection purposes.

In one 45-day period, the nation's largest piggyback operator had 75 percent fewer break-in's of vans equipped with the cable device. In a four-month experiment, the use of the cable on boxcar doors resulted in 60 percent fewer intrusions.

Our goal is to get the shipper to attach the cable once he has loaded the car and slammed the door. One tobacco manufacturer has already agreed to this and is using the twisted cable on all cigarette shipments. This not only helps secure the cargo, but saves the railroad about six man-hours per day.

We also have been exploring the possibility of using inexpensive one-time locks which would be easier and quicker to apply.

At the Erie-Lackawanna terminal in Hoboken, we have been experimenting with a motion sensor for freight cars and trailers to detect tampering or unlawful entry. The system includes automatic telephone notification of any burglary "in progress." We expect a report on the effectiveness of this system in a few weeks.

In addition to the nagging problem of looters and the difficulty of preventing outsiders from gaining access to railroad property, the railroads face a particularly difficult challenge in combating vandalism.

We are anxious to be as helpful as possible in preventing vandalism not only because of the economic consequences to the railroads, but because of the danger to train crews, passengers and railroad personnel.

President Nixon's programs to reform and revitalize transportation in America call for the correction of all that is wrong with transportation today, along with a strong commitment to accomplish what is required for our mobility tomorrow. New orders of safety and security are clearly and urgently needed.

We can no longer be indifferent to the theft of cargo or apathetic to transportation-related accidents that cost us 60,000 lives a year and $46 billion in economic losses. We cannot be callous about death on the highway, passive to piracy on the airways, or tolerant and permissive to the looting and plundering of goods in transit.

We are taking action against all of these problems. We are building up a resistance to whatever is unlawful, and strengthening our capacity to correct whatever is unsafe in our transportation system. We will not turn the situation around overnight, but I am completely confident that we will persist and that we will achieve new summits of safety and security in transportation.

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REMARKS PREPARED FOR DELIVERY BY BENJAMIN O. DAVIS, JR., ASSISTANT SECRETARY OF TRANSPORTATION FOR SAFETY AND CONSUMER AFFAIRS, TO THE PANEL ON TRANSIT PRIORITIES FOR THE CONSUMER, INSTITUTE FOR RAPID TRANSIT ANNUAL CONFERENCE, SAN FRANCISCO, CALIFORNIA
JUNE 30, 1972

As a part of our responsibilities at the Department of Transportation we go direct to the consumer, to sample public opinion on what's wrong with transportation as well as to help determine our priorities in providing better transportation.

To date we have conducted 20 public hearings in 8 states and 10 communities. Without exception, better public transportation is high on the average consumer's "wish list."

It's very important, however, to distinguish between the public transit we have today, and what people want in public transit tomorrow. People want public transportation to augment the car, not replace it. They want an alternative to the private car, but they don't want to give up the conveniences associated with "auto-mobility."

I think it's self-evident that we will not be very successful in forcing people back to public transit so long as public transit is clothed in the lifestyle of another era. Our consumer surveys confirm the high values people put on convenience, speed and comfort. They like to be able to go where they want to go, when they want to go. They want to be able to make one trip serve multi-purposes -- to be able to carry and store packages -- to travel at their own pace and according to their own preferences.

Most transit systems today can't satisfy those kinds of demands. Many are commuter-oriented, with only token schedules at non-commuter hours. Few serve the suburbs in any realistic way. And the transit systems of today are poorly suited to modern consumer shopping habits. The car is the servant of its owner. The transit passenger, on the other hand, must await the pleasure of the bus or subway car. He is at the mercy of its schedule, its route structure, and its space limitations.

Our main concern, therefore, is to give the traveler better service by affording him some control over the summoning, the dispatch, and the direction of the public transit conveyance. That's why the PRT concept (personal rapid transit) is so promising. Its central features are "personal size" cars and an automated system that responds, Genie-style, to the wishes of the passenger.

Another objective, again influenced by consumer preference, is not to pre-empt the automobile but to link it in a useful way to public transit -- to make it a part of the system. Exclusive busways fed from collection points circumscribing a metropolitan area -- a "beltway" of fringe parking lots and transit stations -- would serve to moderate the necessity for extensive bus routes throughout the suburbs, yet still provide an incentive for travelers to "take the bus."

Two factors, I believe, are working in favor of a return to urban transit travel.

One is the spate of new systems and transit technologies, as exemplified by the BART program here in San Francisco and by the people-movers which attracted so much public attention at TRANSPO 72.

The other factor is what we might call the growing automobile counter-culture.

Cars in mass create congestion, cause pollution, and consume real estate. Motor vehicle accidents inflict three million injuries a year, and account for 90 percent of all transportation-related fatalities. Curing these ills adds to the cost of car ownership and operation, with the indirect result that transit ridership becomes economically more attractive. I might also note that accident and fatality rates traditionally are low for mass transit, and we would insure that new, increasingly automated systems would observe that reputation for safety.

The consumer can be lured back to public transit. It's a matter of providing him what he wants in urban transportation, in accordance with his priorities. Those priorities seem to be direct, convenient service; shortened travel time; a clean, comfortable ride; easy accessibility; a reasonable fare; and on-time dependability. It is certainly clear that, where possible, the transit rider would also like to be assured of easy connections with other modes.

We have one excellent example, in Washington, of successful customer orientation to mass transit. The Department-sponsored busways on the busy Shirley Highway have won public favor in an outstanding way. More commuters now ride the bus than drive, because the fast, direct express bus service saves them up to 30 minutes travel time one way.

To conclude my observations, let me say that we are very sensitive at DOT to the consumers' needs and desires. All of President Nixon's transportation programs are "people-oriented." Our contact with the consumer tells us people are hungry for public transportation that truly serves the public. That goal has a high priority in the Nixon Administration.