



# DEPARTMENT OF TRANSPORTATION

# NEWS

## OFFICE OF THE SECRETARY

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REMARKS BY BENJAMIN O. DAVIS, JR., ASSISTANT SECRETARY FOR ENVIRONMENT, SAFETY, AND CONSUMER AFFAIRS, BEFORE THE AMERICAN SOCIETY FOR INDUSTRIAL SECURITY, WASHINGTON, D.C. JANUARY 7, 1974

The American Society for Industrial Security has long and well served a critical cargo security function. Since its founding in 1955, this Society has provided a forum for professional security executives and managers. Current membership represents more than 2,000 businesses from all fields of industry, transportation and commerce as well as government officials from Federal, state and local agencies from the United States and from nations all around the world.

In brief, the entire transportation chain is well represented here today, to include not only most of the transportation modes, but equally important, the wide range of transportation users and consumers.

The workshop program aims directly at the subject, Transportation Security Management, by beginning with the American transportation system itself. Last year, this Nation's "bill" for total transportation exceeded \$200 billion; nearly a quarter of a trillion dollars, a fifth of the Gross National Product, was spent for transportation goods and services. In terms of production, operation and services, transportation, in fact, is the country's largest employer and the lifeline of the national economy.

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The system is huge; its problems are huge. If we were to depict the American transportation complex as an enormous vessel sailing majestically onward, I must point to the gaping hole at the waterline. It is cargo theft. Of all crime, it is the most insidious, extremely difficult to define, at times almost impossible to detect and differentiate from "honest" operational shortage. Yet, we know cargo theft to be a severe drain on the national economy, affecting every transportation mode, every transportation user.

The measurable cost of theft and pilferage to Americans exceeds \$1 billion annually and this estimate, gentlemen, is conservative. The immeasurable costs of cargo theft, the loss of sales, loss of goodwill and even the loss of jobs, are borne primarily by the transportation users and the general public. These immeasurable but very real costs could well bring the true nationwide cost of cargo theft to the range of \$4-5 billion annually.

Neither the Nation's industry nor the Nation as a whole can afford losses of such magnitude. Inflation is making serious inroads into profit at a time when competitive pressures have made profit margins in most areas of commerce exceedingly thin. Consider, if you will, some hard facts. The average profit margin for motor carriers is approximately two cents per each dollar of gross operating revenue. In these terms, a \$100 claims payment represents the carrier's profit to be earned from \$5,000 of operating revenue. The case cited in the ASIS brochure indicates even thinner profit margins. The average supermarket must ring up \$7,140 in sales to offset with profits a \$100 claims loss.

Clearly, the effect of cargo theft on the transportation carriers and on the transportation users is direct and costly. Cargo theft disrupts the normal flow of commerce and of industry and erodes the profit potential that is vital to national economic health. The traditional transportation measure for expressing claims losses, as you know, is by means of the claims ratio. That is: claims payment (for all causes) divided by the gross operating revenue or sales for a common period of time. For most major carriers, claims ratios are on the order of 2% for all causes and slightly less than 1% for theft-related losses. Now that doesn't sound too bad, a 98% track record. Hardly enough, perhaps, for a top manager to get excited over, even though most of the loss is of the in-house, light or sticky-fingered employee variety. However, as I've pointed out, the cumulative effect on carrier or supermarket is to wipe out legitimate, hard earned profit.

Let's look at it from another angle. Instead of comparing theft-related losses against gross revenues (the 1% loss) let's measure these claims against net profits after taxes. The ratio: a staggering 27% average. This is unrealized profit that is going to thieves.

Let me assure you this ratio is derived from transportation carrier operating reports and not the result of a bureaucratic numbers game. That 27% represents an average ratio for some 75 Class I Motor Carriers for calendar years 1970 and 1971. The data was supplied by carriers cooperating with the National Freight Claims Council of the American Trucking Association. And for a few individual carriers, theft-related claims approached 50% of net profits after taxes.

From the example I cited earlier, the average carrier makes a profit of 2 cents on the dollar and the supermarket 1.4 cents. A recent DOT study tells us that a \$1 reduction in cargo claims can provide as much as a 50¢ increase in carrier profits. It is apparent, therefore, that given the choice to spend a dollar that is equally effective in terms of either increasing sales or decreasing claims, the dollar spent to reduce cargo theft claims will provide a twenty-five fold cost beneficial return.

Now we have advanced this premise to a number of top executives in the transportation industry and the response has been favorable. They say we are not overselling the point.

I now advance this to you, representatives from the much broader area of manufacturing and industry. I will be most interested in your response.

I strongly urge that each of you analyze and evaluate cargo theft in these immediate terms. It provides a means to enlarge on the profit motive and estimate the direct benefit to be derived from an active cargo security program.

I understand that sessions will be devoted to detailed discussions on the government's problems as a transportation user and its role in theft prevention, law enforcement and prosecution. While I do not mean to encroach upon these workshop areas, I do want you to know of the action that the Federal Government and the Department of Transportation have undertaken to improve cargo security.

At President Nixon's direction, the Secretary of Transportation was assigned the leadership of the total Federal effort against cargo crime. Transportation officials, along with colleagues from the Departments of Treasury, Justice, Defense and the regulatory agencies to name a few, have attacked the cargo theft problem on a broad front. The Interagency Committee on Transportation Security (ICOTS) was formed to provide a focal point for combined Federal action. From its earliest days, the ICOTS Committee recognized the need to work directly with the transportation industry and, as a result, there have been continuing working relationships with the Transportation Association of America. This group has assisted ICOTS in the development of the 12-point program and in bringing about a spirit of government/industry cooperation fostering improved cargo security. Together ICOTS and TAA have cosponsored three National Cargo Security Conferences that have had real impact on translating action programs into action.

We emphasize prevention, programs that stop the crime before it happens. In a few of these projects, we have provided Federal funds and personnel; in others, we involve ourselves in the monitoring, analysis and dissemination of results to the transportation industry and concerned government agencies. What we are trying to achieve, generally, is a documentation of security devices, procedures and supervisory techniques in terms of cost versus benefit. Recently we advised the presidents of five major airlines that they are the hardest hit by cargo theft; we hope to soon be working with those carriers in developing individually tailored programs. The Department conducted another analysis with motor carriers data, noting the wide variations in relating shortage to known theft. Taking all of the motor carriers who report to ICC, we see that 7.7 to one is the average for shortage versus known theft. Some companies have a 20 or more to one ratio. To us, this means that there is probably a very weak cargo accountability system in that company. On the other hand, other outfits have a one to one ratio, meaning they have either an excellent accountability setup or a serious theft problem.

DOT is promoting "gadgetry" where it works. We recently furnished low cost seal-locking devices to a shipper as a follow-on to the wire cable tested with great success last year; the Nation's largest piggy-back operator reported that in the first few months the cable was used, break-ins were reduced 75%. Through DOT assistance, the private police forces of 14 rail carriers at East St. Louis have been working as a coordinated team to combat theft in one of the Nation's high loss rail yards. The reduction of theft in 7 truck terminals in the Northern New Jersey area was effected with DOT guidance and assistance.

One of our major initiatives is the publication of Cargo Security Advisory Standards, setting forth basic physical and procedural measures to stop theft and pilferage; one standard is on seal techniques and the other on storage of high value cargo. Both stress basic, elementary common sense. The third standard soon to be published deals with accountability, the real key to theft prevention and the fourth will set forth procedures to protect high value and sensitive cargo while in transit.

But I am not going to expound further on government activities. The government effort is meaningless, unless it compels industry to act. Unless the message gets through to the front office of the transportation industry and to transportation users, then we are all operating on a treadmill. We have to reach the kind of management that looks the other way and chalks it up to being "just part of the business;" cargo crime feeds on that kind of attitude.

Your presence here today already indicates your concern with the cargo security problem. The active participation of manufacturer, shipper and consignee is the vital combination which, together with carrier and government representatives, is required to stimulate new initiatives and solutions.

Undoubtedly organized crime has had a hand in cargo theft and hijacking. The fencing of large loads of high value cargo requires a well timed system for distribution. DOT surveys have indicated that despite the large dollar losses sustained in high value thefts on hijackings, 80 to 85% of cargo theft is that steady stream of small crimes, day in and day out, performed by people authorized to have access to goods entrusted to them during normal operating hours.

Apathy is problem number one, the kind of apathy that allowed for a scheme recently uncovered at a large Eastern truck terminal. It seems that the lack of, or possibly a gap in, management control was to blame for sloppy procedures in checking freight bills on incoming loads. Several employees, including dock workers and pick-up and delivery drivers, conspired to destroy incoming paperwork and lift the cargo. The loss was not discovered until a shipper produced a receipt for freight not entered on the company's records. The loss in that one conspiracy, over a period of one month, was about \$50,000. This was not any breakdown of a security system; it stemmed instead from the absence of continuous accountability checks. Although this case occurred at a truck terminal, it could have occurred at shipper and consignee docks.

I am well aware that certain security measures are in competition with other priority needs in the corporate budget; security is frequently relegated, for that reason, to a lower priority status. But awareness and determination don't cost a cent. A determined attitude by management that cargo will be protected from theft and pilferage is at once the cheapest but most valuable factor you can have.

There are several terms that should be erased from management's vocabulary. They are "shortages," "non-deliveries," "shrinkages," and "mysterious disappearances." These euphemisms could add up to as much as 50% of some company's profits. We simply have to blow away the old smokescreen of "shortage" and call it what it is - theft. The best security devices in the world will not prevent theft unless the front office determines that there will be accountability.

More than anything else, the shortage and shrinkage syndrome impedes our security program and handcuffs the police attempts to either investigate or prosecute. The reaction of law enforcement authorities is highly predictable. They respond, of course, to theft pilferage loss if reported. But they ignore the shortages not reported because the facts are inadequate for investigation. Many a claim is filed weeks after the theft occurred.

Again, management is the key to superior security; I cannot emphasize that enough. The best defense is to recognize the situation as it is and then be prepared to take action. Executives surely know their own business and they can utilize that knowledge for corrective steps. Industry should keep a careful watch on the operating environment, the personnel who handle vehicles and freight. There should be management followup continuously exercised along with adequate supervision. More than that, management must be flexible in order to respond to changes and make adjustments.

Accountability procedures must be tightened to provide for a positive audit trail that will quickly indicate when and where commodities go astray, and who was last responsible; this should especially apply to high loss freight. I know from experience that management can do all this with intelligence and sensitivity, without laying the foundation for a repressive company atmosphere.

We have had the leadership of major unions tell us that they are ready and willing to cooperate in viable programs to combat cargo thievery; the first move is up to management.

We are part of the overall transportation system of this enormous country; as such, it is incumbent upon us to staunch the severe drain to the economy, to root out cargo theft in what is now the Nation's largest employer.

We must come to the clear realization that while society in general is the loser when theft and pilferage continue unrestrained, you in particular lose. We really start with concerned Americans like you, people who have kept this Nation moving and prospering over the years. I trust that this mix of talent will address these problems of transportation security and promote through their knowledge and insight, recommendations for action and that you will leave here determined that cargo goods in transit can and will be protected.



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REMARKS BY BENJAMIN O. DAVIS, JR., ASSISTANT SECRETARY  
OF TRANSPORTATION FOR ENVIRONMENT, SAFETY, AND CONSUMER  
AFFAIRS, BEFORE THE LOS ANGELES CHAPTER OF THE NATIONAL  
DEFENSE TRANSPORTATION ASSOCIATION, LOS ANGELES, CALIFORNIA

January 31, 1974

In discussing with you the energy problem as it affects transportation, I want to be very emphatic about the initial point. The shortage is real. It is right on top of us and its presence is undeniable. It is true that the Arab embargo on oil imports is not one-hundred percent effective and the oil companies, to their credit, are managing to move some oil from other markets into the United States. But domestic oil production is still falling even as our appetite for energy keeps on growing. Our best estimates show that the shortage is now approaching two million barrels a day and it has the potential anyway to go much higher. Sure, the data on supply and demand are slippery and the various estimates tend to move around; that can't be helped when we are trying to interpret

statistics on one of the world's most complex and fragmented industries. And while an earlier, erroneous report about 100,000 jobs being lost in December has been rescinded, there are indications that close to that number would be correct today. People are being thrown out of work. And it is not something that President Nixon cooked up or some oil cartel somehow hatched in a board room session. It makes as much sense to blame them for Comet Kohoutek fizzling out or for the catatonic state of the Minnesota Vikings three Sundays ago.

The early results of our appeals for voluntary cooperation in saving energy are highly encouraging. Despite some bad winter storms, on both the East and West Coasts, the weather has been better than expected and total oil usage is running about a million barrels a day below unrestrained demand levels. By pushing the oil reductions into the non-business sector as much as possible, especially in family automobile usage, we may be able to get through the year with a minimum impact on jobs.

Most important of all, we have to face up to the fact that we cannot return to our old wasteful ways whatever the Middle Eastern countries do about access to their oil reserves. If the embargo were lifted tomorrow, would the Arabs charge the same oil prices as before? Well, possibly. But, who's to say that it will stay at \$10 a barrel? We had a bid on Iranian oil recently at \$17.50 a barrel. The Nigerians are now going to auction oil, and the projection is that they'll get \$20 a barrel. It could reach \$25, even \$30 a barrel, with all the implications to the U.S. balance of payments and price levels. And by 1978 or 1979, we may have to import fifty percent of our petroleum needs from the Middle East if our efforts to reduce demand and increase production do not prove effective.

The next time we get hooked or blackmailed or whatever you call it, we might be forced to buckle under. Secure and reliable energy self-sufficiency, therefore, must become a top priority national program--an objective clearly set by President Nixon in his call for a "Project Independence." It will require new approaches and new thinking. Energy will cost more; the old easygoing days of low-cost abundance are over. The oversized automobile is losing its place in our society; overheated houses and offices are being cut back, along with excessive uses of electricity. Changes are coming, changes with impacts that no one can predict with complete accuracy. But they're not all bad.

Regarding the automobile, we were a jump ahead of the game. The passenger car had already been targeted as a heavy contributor to urban problems and we were moving against its excessive use. The Nixon Administration and many Members of Congress had been listening to the chorus of complaints from consumers and environmentalists; we knew that the long-standing American romance with the family car had turned sour, that the auto's charms had faded under the blemishes of urban congestion, pollution and traffic casualties. Last year, Federal and Congressional awareness of the problem, along with concern for the future, prompted a breakthrough in the Federal-Aid Highway Act; for the first time, the cities were given access to Highway Trust Fund money for mass transit use, beginning in fiscal year 1976. Passage of that bill was an important step in the Administration's concept of a balanced transportation system, of what Transportation Secretary Brinegar calls, "a rethinking of direction, and a shift of emphasis."

Much of our planning had been long-term, a gradual treatment of automobile addiction, a steady advance in rail and bus transit. But the energy crisis put a premature end to any leisurely transition. We are left with 3.8 million miles of highways and more than a hundred million cars to use them and it is obvious that the Nation cannot grind to a halt. That poses the natural question: how to effect a drastic reduction in auto dependence? One answer is the shutdown of gas stations on Sunday, and another is the new 55 mile speed limit. Still another answer--the problem is being solved for us--by the shortage itself. The bare fact of fuel scarcity and the growing expense are removing people from their large automobiles.

Since the new year began, the cost of gasoline for the average family car has risen two to seven cents a gallon in most of the country; gas at fifty cents a gallon is now common in the U.S. With this period of short supply and high demand, there is the danger of prices rising to what I would call an emotional level. The Federal Energy Office doesn't think it will get that out of hand. They forecast an increase of around ten cents a gallon by March 1; that would be about half of the dollar a gallon that some doomsayers are predicting. It is not disastrous but it is high enough to give a lot of drivers pause about fueling and refueling the chrome-and-steel whales that we call passenger cars.

As to the possibility of rationing, the Administration says it is not inevitable. It would take at least 60 days to put a rationing program into effect; coupons have to be printed and State and county boards set up, and much of that work is already being done--in case. Mr. William Simon, the Energy Administrator, said recently that he was hopeful--but he was not certain--and therefore he has set in motion a rationing mechanism that will be ready if we need it.

Obviously, the Federal Government cannot wave a wand over any city and put in motion an instant mass transit system. This is especially true for rapid rail complexes. In San Francisco, the BART system stands out as the first new fixed rail system the United States has had in 60 years. But the Bay area complex was many years in the planning and building stages, with most of the money derived from local tax revenues.

Although intelligent city fathers and city planners think of mass transit for the future, they must tackle their immediate problems in other ways. Some metropolitan governments have launched programs that initially were meant to relieve congestion and enhance the environment but now can contribute favorably to energy conservation. From Washington, D.C. to Richmond, Indiana, and beyond, planners are experimenting with pedestrian malls and other restrictions of the auto in certain downtown areas. Exclusive bus lanes have caught on in some urban areas and the City of Seattle has even begun offering free bus rides downtown; at last report, there were plenty of takers.

The Department of Transportation has called for a nationwide effort to put the workday commuter into a car pool, the system that worked so well during the rationing days in World War II. Here is a means immediately available to help ease the gasoline shortage and one that will not restrict urban mobility. Car pooling calls for a certain amount of personal sacrifice but that is offset by its undeniable practicality. At present, the average rate of occupancy in automobiles used in urban work trips is 1.6 persons. Even a very modest increase to two people per auto would save six billion gallons of gasoline a year.

The Federal Government is not only talking up the advantages of car pools; we are backing these efforts with money. Legislation signed by President Nixon early in January provides Federal funding for designated highway car pool lanes, related traffic control devices, and preferential parking in existing publicly owned facilities.

In another government action, the Federal Highway Administration has developed a Computerized Carpool Matching program; it is a proven system of getting riders together in an effective and reasonable way. Briefly, the program provides lists of people who live in the same neighborhoods and who work in the same general employment areas. It can even match them up by working hours; using that information, riders are put in touch with each other for potential pooling. Computerized Carpool Matching is taking hold all over the country and it's well represented here on the West Coast. The City of Los Angeles uses it; so do Federal agencies in San Francisco; San Bernardino and Contra Costa Counties match their car pool riders by computer; San Diego city planners use the program as well as the Lockheed properties at Burbank and Sunnyvale and other California industries. These are public-spirited organizations and they are contributing to the vital effort to save fuel.

Now, we have been talking about energy and environment countermeasures in the Nation's large urban areas, where most Americans live and work. The intercity movement of people and goods is also undergoing a massive changeover. As you know, the energy crunch was felt by long-haul truckers very early in this crisis period. To put it simply and to put it mildly, those truck operators raised a little hell. They began by setting up roadblocks with their rigs and ended by trooping into Washington to see Secretary Brinegar and Energy Chief Simon. Let me say that many of their grievances are well founded and the Federal Government is doing its best to clear those matters up. We realize the important role that the truckers play in keeping this nation moving and prospering and we have taken three actions to meet their demands.

The Internal Revenue Service is investigating the charges of price gouging on fuel sales; the Office of Petroleum Allocation is currently reviewing the fuel supply at truck stops; the DOT is cooperating with other agencies in trying to iron out the problems arising from sharply higher fuel costs on rate schedules. Some of the solutions won't be easy to find, but we believe that the high priority given to fuel for trucking operations will keep those operators and drivers on the highway. By reducing the use of private autos, the total allotment of fuel to major transportation firms can be raised, even as the overall allocation to transportation is scaled down.

Back in the fall, the onrush of energy shortage caught another component of long-haul transportation only half awake. The railroads, in fact, had been in a state of slumber and steadily declining for a quarter of a century. Suddenly, beginning with the Thanksgiving holiday, a combination of tight gasoline sales and lowered speed limits sent people storming onto the trains. Now, there were plenty of snafus and stranded passengers, but that surge of popularity brought home to Federal and State authorities the reminder that trains are much more efficient in the relative consumption of energy than planes, trucks, buses or automobiles. By mid-December, with new aid to Amtrak already approved, Congress had stopped arguing about whether or not to bail out seven bankrupt Northeast and Midwest railroads and they passed the Regional Rail Reorganization Act, signed by President Nixon after the first of the year. The Interstate Commerce Commission followed that landmark action with the first regulations to compel better rail service; they cover almost every aspect of train travel, from heating and air conditioning to baggage handling and on-time schedules. Then, in mid-January, the Administration introduced legislation aimed at a dramatic revitalizing of the Nation's rail system; it incorporates a broader design of financial help to the carriers, an easing of Federal regulations, and provisions to avert any future wreckage like that of the Penn Central. I am confident that in the case of the railroads, so long the Rip Van Winkle of the transportation complex, we are seeing a resurgence that will benefit the whole economy. But this time, the trains will be running with a regard for passengers as well as profitability. And a healthy and viable rail system would be another benefit growing out of our present adversity.

The energy problem caught up with the airline industry in just the opposite way. The air carriers were operating at full schedules despite a slight decline from their peak of prosperity in 1972. When the fuel oil shortage arrived in the fall, the airline front offices were not too perturbed; they saw the emergency period as a good time to do themselves and the country a favor. Many planes had been flying half filled or less for several years and the lines promptly volunteered to cut some of their scheduled flights to save fuel and also to save money.

At the beginning of that cutback process, there was a good deal of confusion. Most of it centered on the Federal allocation of fuel. The government had announced a January allotment that was about 85 percent of the airline's 1972 usage and that proved to be some 25 percent less than their projected needs. Allocation itself was a

problem because of shortages of the specialized jet fuel used by commercial aviation. Not only were flights eliminated, pilots and other highly skilled personnel had to be laid off and furloughed. Consumer groups and others started complaining that the schedule reductions were made at the expense of air travelers. Added to that, some passengers were bumped over the holidays last year. And that brought on a wave of overbooking, anxious travelers reserving seats on several flights for the same trip. Finally, jet fuel costs began to rise sharply, about one-third in recent months, as higher crude prices were passed along to the fuel users.

Government and the industry were admittedly feeling their way in November and December, almost a day-to-day process. There were mistakes in planning and other factors crowded in from the onset of the shortage. But I believe that the airline situation has stabilized. Energy allocators say they may have cut too deeply and they have restored the carriers to 95 percent of their 1972 fuel levels. Most of the airlines are voicing confidence that some flights and some employees will be reinstated in the near future.

Of all the problems, the cost of jet fuel appears to be the most serious. The airline trade group, the Air Transport Association, has already called on William Simon to institute fuel price control measures in order to stave off large fare increases; there are estimates that jet fuel prices will cost the carriers a billion dollars more than they cost in 1973. This is a hard blow and an undeserved one for the airline industry; they have done a great job in helping to conserve energy and they have taken highly commendable actions to adjust to all of the necessary changes. The Federal Government owes the airlines all the relief possible from their pricing difficulties.

We must rely, to a large extent, upon the Congress. They are back in session, they have listened to the people at home, and I am sure they will be performing with a strong sense of urgency. I hope for early passage of an Emergency Energy Act, to bring together all the Federal agencies concerned with conservation into one area of coordinated policy and implementation. Congress wants a windfall profits tax. So does President Nixon. But we have differences; some of the earlier Congressional proposals called for a less flexible system that would allow oil companies to reduce their profits without increasing production. The President's plan is to tax excess profits while encouraging the companies to divert their profits into solid methods of increasing our energy supplies.

There is legislation in the Congressional hopper today that would finance research and development of such unconventional energy sources as solar power, tidal power, and waste products. The Senate has already passed a ten-year, 20 billion dollar research-development-demonstration program called the Energy Research Management project; its objective is to develop the widest possible range of energy supply system options, with emphasis on utilizing America's vast reserves of coal which could provide natural gas and petroleum. Another major effort in the bill is long-term, for the period during 1980-2000. And beginning with the 21st Century, the emphasis would be on nuclear fusion and the use of hydrogen. It is a sound estimate today that if we really go to work on it, we can supply ten percent of our energy needs through nuclear power within five years.

As real as the energy shortage is, it has not caught us in planless disarray. This Administration has been endeavoring since 1969 to improve all modes of public transportation and to moderate our dependence on the automobile; through legislation and executive action, we have tried to strike a good balance in using our manifold transportation resources. Now, we have a new impetus to maintain that direction with greater speed and an even firmer purpose.

The picture is not all that bleak. We can manage the oil shortage in a way that avoids severe disruption of our whole economy and our living standards; we are not about to evolve overnight from citizens of an industrial empire to inhabitants of a pastoral society. We have a legendary resourcefulness in this country and we will use it to find new energy and the means to move America under our own power. In the meantime, we are going to prevail through the kind of thing we do best--a wholehearted and selfless national effort.



# DEPARTMENT OF TRANSPORTATION

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## OFFICE OF THE SECRETARY

WASHINGTON, D.C. 20590

22-DOT-74

REMARKS BY BENJAMIN O. DAVIS, JR., ASSISTANT SECRETARY  
OF TRANSPORTATION FOR ENVIRONMENT, SAFETY, AND CONSUMER  
AFFAIRS, BEFORE THE 64TH ANNUAL CONVENTION, INDIANA GAS  
ASSOCIATION, INC., FRENCH LICK, INDIANA

April 25, 1974

Six weeks ago, most of the Arab oil nations lifted their embargo and resumed shipments to the United States. We were just three months into Year One of the energy shortage. With the abrupt end of the oil embargo, I think that many people were left understandably confused as to what we had experienced and what lay ahead.

Last November, 210 million Americans were asked to face up to a possible period of national austerity. January and February saw the dawn breaking over those gas lines with a lot of attendant bad language. All winter, the Federal Energy Office was performing under fire, working out rules and allocations to cope with the volatile gasoline market. The market for big cars and recreational vehicles took a nose dive and thousands of auto workers were laid off. The airlines stopped sending up half-empty planes and cut back their flight schedules. From the bridge club to the corner bar, the shortage was variously labeled a crisis, a crunch and even a connivance and it dominated most of our conversation.

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Now, in the spring of 1974, it is surely the right time for assessment of the energy problem and a perspective on where we stand. Many of the specters of last November have faded away. Industrial production in this country was never curtailed for lack of fuel; there were no layoffs because factories ran out of boiler fuel or electric power. All of the dire predictions about rolling brown-outs came to nothing. Householders and businessmen held down their fuel consumption and the Energy Office deliberately concentrated the shortage in the gasoline area to protect fuel oil supplies. In most parts of the nation, we had the added luck of a mild winter. As a result, all of the ingredients are there to make people think the energy shortage was just an unpleasant interlude. And they would be very wrong.

First of all, we are in competition. There is a scarcity of energy supply in the face of increasing demand. In the U. S., the total energy consumption has doubled every 20 to 25 years for the past 120 years. But now, the rest of the world is joining us in what I would call a high-energy civilization. The price of gasoline is rising as well as the price of jet fuel, although the final amount is still being debated among economists. And most of that expense is being initially felt by the transportation system. Of the nation's total current liquid fuel usage, 18 million barrels a day, just about half now goes to the various forms of transportation; automobiles even consume 30 percent of all liquid petroleum in this country. So, any serious and meaningful attempt to conserve energy has to be given a high transportation priority.

The appetite for fuel in some of the modes is downright ravenous. Recent growth rates of energy usage in the high-speed movement of people and goods now exceed the national average of all energy usage. Unless we slow that trend down, the transportation sector alone could be requiring 15-16 million barrels of liquid fuel per day by 1985.

Conversion from liquid fuel is no ready answer. Based on present technology, or even the plausible projections from that technology, we can see no near-term opportunity to shift from a liquid fuel energy source to some other source. There are a few long-term prospects for electricity, especially in rails and urban transit, but we cannot realistically anticipate it making a material impact over the next two decades and probably even longer. Transportation will increasingly consume all available liquid energy supplies and we are just plain stuck with that fact.

Any major effort in improving energy efficiency must be directed at the least efficient component - the automobile. It's even fair to say that only by improving auto use can we make any appreciable energy savings. Motor vehicle registration in this country already exceeds 118 million, equal the number of licensed drivers. Even before the oil embargo, the Department of Transportation had targeted the big passenger auto as a heavy contributor to urban congestion, traffic casualties and 39 percent of air pollution.

From the standpoint of an energy shortage, the oversized family car becomes an almost malevolent object. When we try to conserve our resources, the biggest hurdle is the one parked right out in the driveway. In terms of passenger miles and freight ton miles per gallon of gas, the auto is far and away the greatest offender. Trucks are a poor second in importance and the commercial air carriers a poor third.

Now, it is a little surrealistic for Americans to say, "we must attack the automobile." If it has become a monster, it is of our own making. Not only has automotive progress and production provided us with a mobility unmatched anywhere else, it is vital to the national economy. One out of every six citizens of our country is either directly employed in the automotive industry or in a job related to it; 13 million Americans make automobiles and millions of others work in the production of steel, rubber, glass and other materials for vehicles and parts. Here in Indiana, there are 52,300 workers on the payrolls of the Big Three auto makers alone.

We cannot root the automobile out of our economy and our national existence. But we can channel its use and improve its performance. We can restore the auto to its rightful place as a benefit and a blessing instead of a spoiler.

The Federal Government and industry are already bearing down on a reduction of auto use. And I look for the achievement of greater automobile efficiency in three general phases.

First, near-term savings can be bought cheaply and are happening right now, simply by slowing everyone down and by discouraging needless trips. Lowered speed limits and the scarcity of gasoline brought us a side bonus this winter - traffic deaths in early 1974 fell by 25 percent.

Coming a little later will be the impact of increased auto occupancy - we are trying to get people into carpools and we are providing Federal funding for such programs. We are attempting to shift motorists into public transportation and the incentives are both practical and monetary. The Federal-Aid Highway Act of 1973 will provide Highway Trust funds for mass transit systems; there is Administration legislation before the present session of Congress to revitalize both urban and rural public transportation. These are changes for the better that will happen through a series of linked responsibilities, extending from the Federal level to local governments, businesses and individuals. Overall, we estimate that pooling and public transit offer a near-term potential for fuel savings in the order of 10 percent of total transportation energy usage.

Some metropolitan governments have programs underway that initially were meant to relieve congestion and enhance the environment but now can contribute favorably to energy conservation. From Washington, D. C. to Richmond, Indiana, and beyond, planners are experimenting with pedestrian malls and other restrictions of the auto in certain downtown areas. Exclusive bus lanes have caught on in some urban areas. The City of Seattle, Washington, even offers free bus rides downtown and there are plenty of takers.

The second phase, probably the one of greatest importance, is the period where a concerted effort is made to use known technologies to produce energy-effective autos. This is almost entirely a responsibility of the private sector. Buyers are now demanding small, lightweight cars and Detroit is responding in its productive capacity. Engine, gear train, and small design modifications, along with radial tires, can do a great deal over the next two to five years.

Recently, the Department of Transportation awarded contracts to five companies, including Ford, to begin designing a car high in safety but low in weight, fuel consumption and pollution. After about 10 years, these new cars should be doing 40-50 percent better than today's fleet average of 13 miles per gallon; there should be enough of them on the road to engender at least a 15 percent saving in transportation energy.

The automobile's third-time frame covers a much longer period - say 15 to 20 years. New engine concepts, new materials and radically new body designs should emerge, be proven, and then move to quantity production and plenty of buyers. Although it's little more than an

informed guess, I would place fuel savings available through new technology at something in the order of 15 percent saving.

Some of these features are on the drawing board now and some will evolve. But the three phases do suggest a reasonable 10-15 year range where we can conserve 30-40 percent of total transportation fuel usage. That is a savings in the order of five million barrels a day of what would be demanded in the mid-1980's.

A combination of the energy problem and environmental concern will certainly mean that more Americans will be riding in buses and sharing carpools in the future. That is all to the good but it hardly means that the passenger car is a disappearing species. We just have to use it better, scaling down pleasure driving and one-man, one-car commuting, and build it better. It is imperative, not that we abandon the auto, but that we intelligently fit it into our society for the first time.

Now, we have been talking about energy and environment measures in the large urban areas, where most Americans live and work. The intercity movement of passenger and commodities is also undergoing a changeover. The nation's railroad system has been in a state of slumber and steadily declining for a quarter of a century with only recent transfusions of Federal money keeping some of the lines going. Back in the fall, with the onset of tight gasoline sales and lowered speed limits, long-distance travelers began storming onto the trains. There were plenty of breakdowns on the rail lines and a lot of stranded passengers. But the surge of popularity brought home to Federal and State authorities the reminder that trains are much more efficient in the relative consumption of energy than planes, trucks, buses or automobiles.

By mid-December of last year, with new aid to Amtrak already approved, Congress voted to prop up seven bankrupt Northeast and Midwest railroads; they passed the Regional Rail Reorganization Act, signed by President Nixon early this year. The Interstate Commerce Commission followed Congressional action with the first regulations to compel better rail service. The ICC covered every aspect of train travel from heating and air conditioning to baggage handling and on-time schedules. Early in this session of Congress, the Nixon Administration introduced the landmark Transportation Improvement Act, aimed at a dramatic revitalizing of the rail carriers; it incorporates

a broad design of financial help to the rail lines, an easing of Federal regulations, and provisions to avert any future wreckage like that of the Penn Central.

I see the railroads now as in a real state of resurgence. It will benefit the whole economy and will scale down the energy wastes and polluting effects of long distance transportation. And this time, the trains will be running with a regard for passenger service as well as profitability.

With the prospect of a healthy and viable rail system, with the airlines no longer flying half-empty planes, long distance travel in this country will achieve a much better balance. The air carriers have had a multitude of troubles since the oil embargo was imposed and the most serious one is the cost of jet fuel. The average price of a gallon of aviation fuel jumped 20.5 percent early in the winter months. Both Pan American World Airways and Trans World Airlines announced sizeable losses this winter and are talking with the government about Federal subsidies; Pan Am and TWA carry about 45 percent of North Atlantic flights and the two lines are discussing a pool of service and revenues.

In late March, the Civil Aeronautics Board altered the whole domestic fare structure and authorized a 6 percent increase in the price of tickets. So, the passenger is paying more as well as finding it increasingly difficult to get a seat on a plane anytime he wants one.

Domestic air travel, however, is on the upgrade, with traffic measured by revenue passenger miles increasing 4.6 percent. The gasoline shortage and the fear of running dry in an automobile far from home has caused a big hike in short-distance air traffic. And the Sunday closing of gas stations gives the airlines a boost in weekend passengers. Although international air travel is probably going to be hurt, the shift from automobile use to the air carrier should compensate the airlines domestically.

To a large extent, I feel that the United States, its government and its people, are in a period of great transition. Applied to human cycles of life, it's called growing up. We are 6 percent of the world's population and we have been consuming 30 percent of its energy. It is a fact of life that we cannot keep on squandering at that swollen rate and retain a standard of living and a viable economy.

But the country has to keep running and we have to search for liquid energy supplies. With some exceptions, the concentration is on oil. Three weeks ago, Secretary of the Interior Rogers Morton proposed a five-year, \$4.6 billion program that would shift the nation's energy base from natural gas and oil to the plentiful supply of coal. That proposal would represent about half of President Nixon's plan to spend \$10 billion on an energy research program that would also emphasize development of the fast-breeder nuclear reactor. Yet, in the short haul, the previous commodities of oil and natural gas must be plumbed for our immediate needs.

It means the start or the continuation of massive projects. The biggest effort, of course, is the Trans-Alaska pipeline with a cost now estimated at \$4.5 billion. It will be a carrier of two million barrels of oil a day, from the vast North Slope fields of Prudhoe Bay through the nearly 800 miles of wilderness and tundra to the southern port of Valdez. From there, it will be shipped to the West Coast by giant tankers. Ultimately, we expect the pipeline to be capable of supplying 12 percent of current U. S. oil needs.

Joe Caldwell, my companion on this trip to French Lick, is Director of our Office of Pipeline Safety and we have been deeply involved in the Alaska planning. We are going to be very firm about its safety aspects. Because the pipeline will be so long and will run through very rugged country, there is the threat of potential oil spillage, especially in a major river. It could very adversely affect local water supplies, fish and wildlife harvests, and the transport corridors and be detrimental to the livelihood of the local population.

Accordingly, the Trans-Alaska Pipeline Authorization Act imposes strict damage liability of up to \$500 million without regard to fault on the owners of the line for any one incident on land. The same stringent regulations apply at sea. There is liability on the owners of tankers carrying oil from the pipeline without regard to fault set at \$100 million for any one spill; the owner or operator is liable for the first \$14 million and a Liability Fund, set up by the Act, is responsible for the balance.

Yet, the Alaska pipeline, of itself, is no panacea for our dwindling oil and gas resources. The American Petroleum Institute reported recently that the nation's crude oil reserves dropped by a billion barrels last year. At the same time, the American Gas Association said proved natural gas reserves dropped 6 percent in the same period. You gentlemen know very well that the rush is on for new sources.

Even more dramatic than the Alaska oil pipeline is the potential of the proposed \$5.7 billion natural gas pipeline from the Alaskan and Canadian Arctic to the lower 48 States. As you know, a multi-national consortium filed with the Federal Government in March for permission to build the line and one participant is the Panhandle Eastern Pipe Line Company serving Indiana, Michigan and Ohio. This would be the largest construction project in the history of private industry. When built, the pipeline would supply about 6 percent of the entire demand for natural gas in North America, transporting well over 4 billion cubic feet a day.

The system would run from the North Slope of Alaska and the MacKenzie River Delta of northern Canada, a distance of 2,600 miles. All of the Alaskan gas is slated for markets in the Midwest, Northeast, East Coast and the West and Far West.

I might add that the Alaskan Arctic Gas Pipeline Company took a cue from all of the uproar over the Alyeska oil pipeline; they spent about \$50 million in studies completed over the last five years, including environmental research that is thought to be the most thorough ever undertaken by private industry preparing for a project. One study involved solutions to the problems of building through permafrost, the ice-filled soil which would melt if a buried hot pipeline ran through it. This calls for development of a refrigerated pipeline, operated below freezing temperatures, to avoid melting. While it sounds simple, it involves three elaborate test facilities costing several million dollars. Other surveys of mammal, bird, fish and vegetable conditions and procedures have consumed thousands of man-work hours by biologists and engineers.

Target date: late in this decade. Given timely approvals, pipeline officials expect to be able to complete construction of the transmission system and start initial deliveries of new gas from Canada in 1978 and from Alaska in 1979.

In the search for oil, the geological assumption is that most of the big deposits left lie offshore. Several weeks ago, the exploration manager of a major oil producer said, "there is not much chance of finding a big enough oil patch to relieve world dependence on the Middle East." Then he added, "you can be sure that if one is found, it will be under water." Another executive put it very simply, "the easy oil has been found."

Offshore oil is not a new frontier. The first U. S. well was drilled off the Louisiana coast in 1938. And oil produced offshore throughout the rest of the world now totals about \$10 billion worth a year. Nevertheless, there is danger in offshore exploration, both physical and financial. Drilling rigs that can penetrate the earth beneath the sea are scarce. Environmental controls provide another restraint. Environmental complaints about drilling offshore were muted until the Santa Barbara blowout in California and then they rose in chorus. Many of the potential oil deposits in the United States are near population or resort areas and the battle between developers and the environmental objectors is bound to be a long and running one.

The oil industry, however, seems prepared to go ahead. Oil companies in late March offered the government a record total of \$6.46 billion for the right to drill for oil and gas in the Gulf of Mexico. High bids totaled a whopping \$2.16 billion.

This month, the Council on Environmental Quality advised the White House that drilling off the Atlantic Coast is an acceptable risk. CEQ had made a year-long study -- their conclusion was the best available technology could be used to minimize environmental hazards and the rules could be strictly enforced. Drilling in the most promising places, such as the Northern Baltimore canyon, would be 50 to 70 miles off the shore line. It's believed that the Baltimore canyon, a thick bed of sediment, and other deposits where oil and gas are trapped, could contribute about 10 percent of the oil and gas needs of the Middle Atlantic States by 1985, with benefits to the near Middle West.

That may sound promising for the short term but some experts at the U. S. Geological Survey are convinced that apart from Mideast sources, the U. S. is bound to run out of oil in the future; some say it is a matter of mathematical certainty - one that can be plotted on a curve.

This leaves us with a vital need to find other energy sources, a new impetus and direction toward energy independence. It is possible to kick the oil habit but it will take time, research and billions of dollars. There is legislation in the Congressional hopper right now that would finance research and development of such unconventional sources as thermal power and tidal power. The Senate has already passed a ten-year, \$20 billion demonstration program called the Energy Research Management project; its objective is to develop the widest possible range of energy supply options. The bill provides that by the end of

this century, our energy emphasis will be on nuclear fusion and the use of hydrogen. It is a sound estimate that if we really go to work on it, we can supply 10 percent of our energy through nuclear power within five years.

American cities and communities are even learning to make use of waste products. And I mean just plain garbage. Recycling waste is now a going concern in many parts of the nation. One Chicago utility company is modifying its plant today to burn processed garbage; it will feed boilers generating enough energy to light a city of 40,000. According to the Environmental Protection Agency, there is an estimated one billion dollars worth of recoverable metals waiting to be mined annually from the nation's trash piles. Even that ugly manifestation of our automobile addiction, the junked or abandoned car, is disappearing from the American landscape. With scrap metal bringing 80 dollars a ton, compared to 37 dollars in 1972, some junk dealers are shredding an average of 600 cars a day, 50 percent more than a year ago.

Organic materials - such things as paper, food wastes and plants - are imminently useful. You can compact and burn it as fuel in an ordinary coal burner. You can convert it into compost. You can even put organic waste into a relatively new kind of incinerator which works with "pyrolysis" or burning without oxygen. Pyrolysis converts the organic material into either gas or oil.

In effect, the American nation is just now beginning to labor over what to do with what we've got. We are searching out oil and gas but we are told that they are finite from their conventional sources. I'm convinced that in the next century we will have new sources of fuel, new kinds of transportation and maybe even rationally designed cities. In the meantime, the United States is in a transitional time and its national needs are compelling.

We are changing from yesterday's energy-affluent life style almost overnight to a new era of energy scarcity. It will place a good deal of strain on our system and our society. And if we have squandered in the past, then I'm afraid the party's over.

We are going to drive less, use less heat and cooling facilities, and make better use of our once-abundant natural properties. We are committed now to an intelligent management of both government and private enterprise. And from the Industrial Revolution to the Apollo Program, Americans have demonstrated a legendary resourcefulness. I know that we will meet the challenge.



# DEPARTMENT OF TRANSPORTATION

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**NEWS**

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## OFFICE OF THE SECRETARY

WASHINGTON, D.C. 20590

24-DOT-74

REMARKS BY BENJAMIN O. DAVIS, JR., ASSISTANT SECRETARY  
OF TRANSPORTATION FOR ENVIRONMENT, SAFETY, AND CONSUMER  
AFFAIRS, BEFORE THE CONFERENCE ON TERRORISM AND EXECUTIVE  
SAFETY, PROBE INTERNATIONAL, INC. / THE WORLD TRADE  
INSTITUTE, NEW YORK

April 30, 1974

It is a privilege to be with you today and to have a part in this vital Conference. I know that the activities of the Cabinet Committee to Combat Terrorism are being fully covered by Ambassador Hoffacker and his colleagues from the State Department. But I would like to comment on the makeup of the Committee and the Department of Transportation's involvement. In addition to the Secretaries of State and Defense, the United States Ambassador to the United Nations, and the heads of our investigative and intelligence agencies, the President appointed as a prime member the Secretary of Transportation. On the face of it, the Cabinet officer who oversees the commercial movement of people and goods would seem to be out of his territory with that group. Fifteen years ago, he might have been.

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But in the course of one decade - the 1960's - the world reached a state where anyone, anywhere could fall victim to murderous acts performed in the name of nationalism and self-determination. Invariably, the perpetrators of such acts made use of the world's commercial aviation system; it became to the terrorist his conveyance, his escape mechanism and his means of extortion. The age of international terrorism parallels what we call the jet age.

Even a casual reader of history knows that anarchy and political violence have been vented on innocent people down through the centuries. But until the decade just past, gunmen and bombers could not travel at 600 miles an hour, arriving at a destination thousands of miles away in a few hours. They could not flee in the course of an afternoon to another country that would shelter them. The contemporary terrorist travels by jet plane with his weapons packed in expensive luggage; his modus operandi has the efficient, unwitting support of full flight schedules and passenger booking. Today, he is the world's problem.

The Secretary of Transportation also sits on the Cabinet Committee because he is arbiter of the U. S. anti-hijacking program; overall, he is the Federal official responsible for the prevention of direct criminal attacks on commercial aircraft. When air piracy became a national contagion in the late 1960's, the White House charged the Department of Transportation with developing the means to stop it. From the peak year of 1969, when 40 aircraft were hijacked in the United States, we began to build our civil aviation security system.

In a sense, we were taking the wheel with the vehicle already out of control. 1969 saw incidents of skyjacking cropping up all over the world; news of the air criminal's exploits spread instantly by satellite; each story pointed up just how vulnerable a commercial airliner was, how defenseless the flight crew.

Political motivation may have been the initial cause for incidents of air piracy, but worldwide publicity had begun to lure stranger fish. People who were mad at the world, frustrated and demented people, loners seeking notoriety, turned to skyjacking as their outlet. Because of instant communications, one high-altitude drama almost always inspired another.

We began our security efforts with a limited pilot program that used a "profile" screening system; it eliminated the inspection of each boarding passenger by singling out certain individuals, a move we hoped

would be palatable to the airline industry and to the public. We introduced this screening system to the entire industry on a voluntary basis.

To augment the profile, we developed the metal detector, the magnetometer, and provided Federal funding for its deployment at the boarding gates. Eventually, we were to form a contingent of sky marshals, armed security men assigned to selective flights. We promoted the concept of armed law enforcement officers on ground stations.

The whole program was voluntary. We asked the air carriers to try it and most of them complied. When the system was conscientiously employed, it was both effective and economically attractive. When it broke down, we had a hijacking.

From 1969 to 1972, government and industry engaged in a very deadly game of check and checkmate with air pirates. New Federal methods did show results. From the height of 82 percent successful hijackings in 1969, we brought the rate down to 67 percent successful in 1970, and 44 percent successful in 1971. We had gone from a posture of no defense and no policy to a workable government program that was reducing the hijacking rate.

But when security was lax, when ground personnel were too busy or uncaring to use the voluntary deterrents, the result was highly predictable. Let me illustrate with one incident, early in the developing stages of our security system. A Marine corporal, a very mixed-up young man who was absent without leave, took over a jetliner in California and ordered the pilot to fly to Rome - the first transcontinental hijacking. The Marine had boarded the flight in Los Angeles carrying a fishing rod case and a duffle bag. They contained an M-1 carbine, 250 rounds of ammunition, 10 sticks of dynamite, a revolver and a hunting knife. He had walked through the passenger gate with that arsenal and no one had said a word. Surely, this total absence of security was beyond the bounds of reason.

1972 was to be the pivotal year. The tempo of violent acts involving aircraft and air facilities stepped up, both at home and abroad. We responded by ordering a regulatory program into effect. We were determined to stop the hijacker on the ground, to intercept him before boarding; that concept called for tougher regulations, more metal detectors, more guards, and tighter ground security. The FAA took most of the sky marshals off the airliners and reassigned them to the boarding gates.

The Department of Transportation was planning as well as acting. In the summer of 1972, we put the entire Civil Aviation Security Program under examination; we were looking for ways to better the program, to utilize existing and future technology, and to build the necessary flexibility in coping with hijackers.

A succession of events dictated our final course. Overseas, terrorism reached full fruition. The fanatic Black September faction of the Palestine Liberation Front proceeded from the massacre at Tel Aviv Airport, with 27 innocent people killed and 80 wounded, to the televised horror spectacle at the Olympic Village in Munich and at a Munich airport, leaving 17 dead.

Here at home, the civil aviation system was struck twice in the fall of 1972. Two separate hijackings to Cuba were staged by fugitives fleeing the law, four of them wanted for murder. In the course of the hijackings, one airline employee was shot to death and another wounded, with 2 million dollars in ransom money extorted.

It was then we dealt a final card - 100 percent electronic screening or physical inspection of all passengers and their hand baggage and the positioning of armed law enforcement personnel at each screening point. The rule applied to all passengers and their luggage, on all scheduled flights, all of the time.

Of course, most people said it couldn't be done - they said the job was just too big. Half a million people fly commercially in the United States every day; they pass through 2,800 boarding gates at over 500 airports and they are carrying millions of articles and pieces of carry-on baggage. We faced the problem in all its magnitude and with the fine cooperation of the airlines and airport operators, we made it work.

Since January 5, 1973, when the first security procedures took effect, we have had only two unsuccessful attempts to hijack airliners. The worst incident was in late February of this year at the Baltimore Airport. A deranged man killed a police officer and a pilot before turning the gun on himself. The plane never left the ground.

Last year, a total of 3,439 passengers were denied boarding and 3,156 passengers and others were arrested. The weapons confiscated included a total of 2,162 guns, 3,459 explosives, and 23,290 knives. The successful hijack rate in the U. S. stands today at zero.

I am afraid that air security on the international scene is much bleaker. During the year just past, when domestic aviation in the United States was free from skyjackings, the worldwide air carrier system remained under constant attack. Of the 22 international hijack attempts, exactly half succeeded. On the ground, a U. S. flag carrier, although following our air security program, was victimized by terrorists. Thirty passengers perished in the fire bombing of a Pan American jetliner in Rome last December.

It seems that many nations are in the same shape the United States was in over five years ago - no contingencies for coping with hijackers and terrorists and only the plaintive hope that they will all go away. Most of the major airports of the world have never experienced a murderous raid. But many others, from Tel Aviv to Amsterdam, bear witness to the terrorist's attraction to air facilities. We had to learn our lesson in the wake of unnecessary and preventable violence. We can only hope that other nations will come to the understanding that fighting terrorism is (1) not easy, with no panacea and no quick solutions, but (2) not a hopeless task either; a great deal can be done before a tragedy demands the action that should have previously been taken.

We have all tried for world accord and a combined front against air piracy. The 1963 Tokyo Convention represented world recognition of the growing menace of the skyjacker; it provided that signatory states take all appropriate steps to return control of a hijacked aircraft to the crew and the plane to its rightful owners. In 1970, the International Civil Aviation Organization - ICAO - had its Assembly hold an Extraordinary Session to adopt resolutions that laid the groundwork for a workable international air security program.

Out of this 17th Assembly came the ICAO Security Manual, a professional guidebook for the new field of aviation security. The 17th Assembly also expedited the 1970 Hague Convention (For the Suppression of Unlawful Seizure of Aircraft) and the 1971 Montreal Convention (For the Suppression of Unlawful Acts Against the Safety of Civil Aviation). The two Conventions provided an essential basis for a world reaction to terrorism and air criminals.

The 17th Assembly, moreover, directed the ICAO Council to develop basic Standards and Recommended Practices for the international treatment of security problems. They cover such elements as communications with hijacked aircraft, the handling of a commandeered plane by an air traffic control service, and the provision of physical security at

airports - such things as minimum standards for fencing and lighting, the strict separation of the operational side of airports from the public side. Finally, in a most significant step taken in late March, the ICAO Council adopted a new Annex devoted exclusively to security.

All of these nations have been seeking a unified defense against the jet age fanatic and killer. But international agreement is almost always a difficult area. In Rome last fall, world nations failed to reach accord on the creation of a sanctions program, one that could be directed against countries that harbor hijackers, or which condone or encourage terrorism to achieve political ends. The Rome Conference, I am afraid, was an exercise in futility.

But without agreement on a sanctions program, the United States will try to develop bilateral arrangements with individual nations. We were able to reach an understanding with Cuba early last year. We feel that the agreement with Cuba has been a heavy deterrent to the domestic skyjacker, with the nearest safe haven shut off.

In the United States, with more scheduled aircraft departures than the rest of the non-Communist countries combined, we have a tremendous obligation to all air travelers. The major terminals of those 500 airports are crowded with innocent people of all nationalities. The domestic crime pattern is of itself reason enough not to relax our security shield. We certainly cannot afford to import terrorist activity.

Recently, because of that obligation, we published a proposed Federal Aviation Regulation that would require those foreign air carriers flying to, from or within the U. S. to carry out certain minimum security procedures; it would include the passenger and luggage screening process. Closing date for comments on the notice was March 27 and the FAA is now reviewing them for a forthcoming decision. The Regulation does not prescribe the specific security measures nor procedures to be used. This is left for the individual carrier to devise, selecting those suitable for its own operation and conforming to the laws of its particular country. We recognize that each airline has different problems and may wish or need to treat them differently. We are prepared to be flexible and to compromise on technical procedures, but not on a departure from minimum standards. We do not anticipate any major stumbling blocks. But if a carrier refuses to submit a plan, or flagrantly refuses to conduct operations in accordance with minimum security standards, then we are prepared to deny United States landing rights. We cannot permit any one of the several airlines serving a U. S. airport to jeopardize the other carriers and the airport itself.

We anticipated some opposition, of course, and we got it. The International Air Transport Association has expressed concern that the Regulation might be extra-territorial in nature, that it might impinge on the sovereignty of a state or be improper under international law. IATA says it is prepared to urge all member carriers to adopt, voluntarily, the procedures that the United States is asking; in return, the FAA would withdraw the proposed Regulation and its mandatory effect. I am afraid that won't do.

We don't doubt for a minute that IATA's member airlines would make an honest effort to carry out the security procedures. Many of them, in fact, have already done so. But we have been down the voluntary road before; we are very familiar with the approach and we know it won't work.

Some foreign carriers feel that the adoption of these security measures will reduce their passenger bookings, that the passengers will resent the time it takes to undergo screening and luggage inspection. We answer with the precedent of the American flying public. The overwhelming majority of passengers in the United States welcome the procedures. Except for international flights of jumbo jets, with hundreds of people boarding, the screening delay and inconvenience are almost nil. Fears of an adverse effect on customer relations are completely unfounded.

Putting it simply and bluntly, we cannot depend on the "best of intentions." Passenger convenience, the desire of the air carrier to please, can relegate security to a secondary consideration. A flight may be already late, for instance, and a station manager may decide to forego the thorough screening that his employer has "volunteered" to conduct. The station manager may issue instructions that temporarily void, during, say, a holiday season, the examination of carefully wrapped packages. Airport employees may leave gates unlocked or unguarded for convenience sake.

Gentlemen, we have learned the hard way that only mandatory requirements will assure that all passengers and all luggage are completely screened all of the time. We are going to maintain our own tough procedures for any foreseeable future. We strongly urge other nations to follow suit. Furthermore, we are proposing that the security regulations be adopted by all foreign air carriers operating in our country.

Security cannot be left to the judgment of individuals, It must be obligatory at all times, the same as the requirement that an airplane be properly fueled and otherwise airworthy. No one questions the necessity for an effective and dependable navigation and communication system on an aircraft or for a thoroughly qualified flight crew. Security screening is just as important to the safety of an airliner. Since the hijacking virus sprang up in the late 1960's, we have been especially fearful of one specter -- a mass air tragedy. And it has already happened. It is reliably reported that on May 25, 1973, a shoot-out occurred during a hijack attempt aboard a Soviet jetliner over Southern Siberia; the plane crashed, killing everyone aboard; the Russians won't say how many.

Although the air lanes and air facilities present the greatest potential for disaster, we know that terrorism aims at widely varied targets. In the United States itself, the wealthy and powerful are now threatened by kidnapping tactics, borrowed from the leftist guerrillas of Latin America. Dissident groups in the United States have fully grasped the politics of armed abduction and extortion.

It is the question today of whether a person can open a letter bearing a foreign stamp without fear of being blown up; it is whether diplomats and businessmen can safely carry on their duties, whether international gatherings, such as the Olympic games or even the United Nations itself, can proceed without the ubiquitous threat of violence. The airways and the mail systems of the world, diplomatic discourse and international communication -- all are in constant danger.

Some terrorists say they act as the only means of a people or a movement to achieve self-determination and independence. I can answer with a concept from the United Nations Declaration of Human Rights; this concept affirms that every human being has a right to life, liberty and security of person. The violence of international terrorism violates that principle.

A year and a half ago, following the attack on Israeli athletes at the Olympic games, the then Secretary of State William Rogers went before the U. N. General Assembly to ask for a united world front against terrorism and a United Nations resolution to that effect. The American effort came to nothing. But during his address, Secretary Rogers stated our position very simply and well: "We are aware that, aside from the psychotic and the purely felonious, many criminal acts derived from political origins. We all recognize these issues such as self-determination must continue to be addressed seriously by the international community. But political passion, however deeply held, cannot be justification for criminal violence against innocent persons."

If every nation would accept that premise, there would be no need to impose sanctions and for punitive action by other states to shut down hijack havens. If the government of those nations would regard a band of killers as just that, however portentous their title, then the operations of such people would be greatly diminished.

It is hardly realistic to say, "we have to stamp out terrorism." Like any other times, these are violent times. And men can move with incredible speed to carry out their missions of destruction. But a few short years ago, prominent figures both in and out of government used to express their complete despair of trying to cope with air piracy. In the United States and other countries, we faced up to it and we did something about it.

There should be basic rules in reacting to any form of terrorism; and I believe the United States Government has adopted a flexible yet firm policy. Simply stated, we will not give in to international blackmail by terrorist groups. The ramifications of that policy are many and in many cases, the results are harsh. In March of 1973, Black September gunmen broke into the Saudi Arabian Embassy in Khartoum; they took a number of people hostage, among them the two ranking American diplomats in the Sudan. The guerrillas demanded an airplane and the release of other Palestinian prisoners. When the U. S. and Jordanian Governments rejected their attempts at extortion, the fanatics then killed the two Americans and a Belgian envoy. Brave men have died for our stance against terrorism, but the American Foreign Service has never faltered.

In accordance with international practice, we feel it is the responsibility of foreign governments to protect and rescue U. S. citizens in their territory. Negotiations with terrorists in such situations are conducted by the host governments, with which the U. S. maintains intimate contact; we retain the right to render counsel and assistance in the handling of kidnapping, hijacking, and other forms of terrorism. Finally, we strongly believe that a terrorist should pay for his crime. He should be prosecuted at the scene of his actions or he should be appropriately extradited.

There is an old adage: "All that is necessary for evil to triumph is for good men to do nothing." We inhabit a shrinking world, interrelated through technology and necessity. It is intricate, a world where cultures and causes often clash, and other nationalities are hard put to know the right course. But every nation, ancient to newly-emerged, must regard criminality as an infection, with all of mankind susceptible. We must combat this common danger with all of the curative powers at our command.



# DEPARTMENT OF TRANSPORTATION

# NEWS

## OFFICE OF THE SECRETARY

WASHINGTON, D.C. 20590

15-DOT-75

REMARKS BY BENJAMIN O. DAVIS, JR., ASSISTANT SECRETARY  
OF TRANSPORTATION FOR ENVIRONMENT, SAFETY, AND  
CONSUMER AFFAIRS BEFORE THE COLONEL JOHN H. JAMES  
LECTURE SERIES, URBANA COLLEGE, URBANA, OHIO

May 14, 1975

I work in a city where hyperbole is part of the routine and the business of government is often conducted in strident tones. And with all of the noise, and all of the clashing opinions, it is difficult to maintain a perspective on events and on contemporary life. I was especially interested, therefore, to hear recently a calm and dispassionate voice far removed from government say that contemporary society is going backwards.

That is the view of Kenneth Clark, the British historian, art critic, and moderator of the widely acclaimed television series, "Civilization." In a London interview, Lord Clark cited, what he called, "the unbelievable increase in violence, both in reality, and what passes for entertainment. Mankind has been trying to inch his way out of savagery, and more and more, we seem to be accepting it again, mutely, with not much protest."

Lord Clark, with those words, went to the heart of the problem. Violence is a human failing but the true retrogression of mankind is resignation and acceptance of it. And there are parts of the world today where acts of violence are the most casual form of human activity. Shootings, bombings, kidnappings - they make up the daily news fare and from Belfast to Bangkok, only the datelines distinguish one from the other. This is the pattern of the world terrorist movement.

Understandably, Americans tend to confuse both the nationalities and the motivations involved in terrorism. We have known, for all too long, that they were Viet Cong in Southeast Asia and that they are Fedayeen, or Palestinians, in the Middle East and Europe. They are IRA in the British Isles and Tupamaros in Uruguay. Countless others bear other labels but all of them are components in this conscious use of violence called terrorism.

Most of these people say they serve a cause. They want to achieve political ends and arouse public awareness. They purport to fight on for nationalism and self-determination, for national liberation and popular fronts, for one ideology or another.

Other groups and individuals, those without defined political affiliation, appear to be legatees of the old time anarchists. The anarchists' credo was brutally simple. They wanted a world with no order, a completely free society. They used terror as the instrument that would rid the body politic of law, rulers and governments. Anyone in authority was fair game.

But that is the difference in our present-day problem. Today, anyone at all is fair game. The modern terrorist has shown himself capable of a cruelty beyond the bounds of even soldiers locked in desperate combat. The term, "innocent people", has been purged from his vocabulary. His victims have died because they were of a certain nationality, a certain religion, or because they happened to be in the way. In many cases, the more fanatic terrorist is fully prepared to die himself, to fulfill his self-appointed role as hero and martyr.

Another factor is present-day technology. Today's terrorist agent uses destructive power often superior to that of his enemies and on any target he may select. And one of his most useful tools was an unwitting gift of science and technology - jet aircraft. Beginning with the 1960's, the advent of the jet age, terrorism was handed a conveyance

that could move at incredible speed, providing both an escape mechanism and a means of extortion. Gunmen and bombers of the 70's are able to stage their operations anywhere in the world and then flee at 600 miles an hour, sometimes to another country that will shelter them.

Furthermore, jet planes and air facilities in this decade have become targets in themselves. Somewhere in the 1970's, the frustrations of the Palestinian exile leaders led them to instruct their people that nationality had ceased to be a consideration, and that anyone, anywhere, could be sacrificed to their cause. The air facility became the setting for atrocity.

We had an inkling of the danger in 1972. In May of that year, three Japanese members of the so-called Red Army, under hire by the Palestine Liberation Front, opened fire with automatic weapons in the crowded terminal building at Lod Airport in Tel Aviv. Twenty-seven people were killed and 80 wounded before two gunmen were cut down and the third captured. At the time, it was thought to be an isolated incident. There was speculation that the three Japanese were just fanatical to the point of madness and probably were imbued with their national penchant for self-destruction.

But in the months that followed the Tel Aviv attack, the Palestine extremists gave several clear demonstrations that they had shrugged off humanitarian principles and would do their own grim work. In September of 1972, the world was witness to the televised horror spectacle at the Olympic Village in Munich, leaving 17 dead. The following March, guerrillas of the Palestinian Black September group murdered two American diplomats and a Belgian envoy at Khartoum in the Sudan.

Then, in December of 1973, terrorist attention returned to civil aviation. A small terrorist band from Libya shot up the terminal building at Da Vinci Airport in Rome and fire bombed a Pan American jetliner filled with passengers. The death toll was 30. Last September, a Trans World airliner crashed in the sea off the coast of Greece and all 88 people aboard perished. A team of British investigators was sent to the site of the crash, in the Ionian Sea, and they reported strong evidence of explosives. Their findings were later confirmed in the laboratory of the FBI in Washington. A bomb had exploded on board. A Palestinian group was quick to take the credit for it.

In December of last year, Palestinians hijacked a British Airways jet at Dubai, in the Middle East, and at a stop-over at Tunis Airport, they staged a ritualistic execution of a West German businessman in the plane door. Last January, in the course of one week's time, Arab bazooka teams attempted to destroy two Israeli airliners filled with passengers, one of them a jumbo jet, at Orly Airport in Paris. In the second incident, there was a gun battle with the police that left 20 people wounded. The Arab terrorists then hijacked an Air France plane to Iraq.

All of these recent actions involving aircraft and airports surely represent a contemporary descent into savagery. We all know that terrible things go in the world every day. The torment of Southeast Asia this spring has affected us all. There is local tragedy everywhere, such as the eleven members of one family in Hamilton, Ohio, wiped out on Easter Sunday. But the 88 people in the Trans World plane off Greece were victims of a deliberate terrorist act of mass murder. This is the new aberration that we face.

At this juncture, I don't see how we can expect anything but more of the same. Thousands of terrorists, Palestinians and others, are abroad in the world. They are highly disciplined, well armed and well maintained, and wholly without mercy or principle. As society grows more complex and interdependent, the more vulnerable we become to these thousands of faceless men. And because technology is both a tool and a target for terror groups, aircraft and civil aviation facilities, computer systems, communications equipment, oil and fuel storage depots - all are liable for destruction.

We hear a lot about a new moderation in the Palestine Liberation Organization. Since his newly-found pose of respectability, assumed in his triumphal visit to the United Nations, Yasir Arafat says that he is through with violence. The PLO chieftain now delivers pious pronouncements against hijacking and he claims to have punished those air criminals turned over to him. Last winter, the PLO even showed off a detention center outside Damascus where a terrorist delinquent is supposed to be serving time for his misdeeds.

Even if all that were so, it is very clear now that Arafat does not control all of the people who bear the Palestinian Liberation label. There are extremist factions within the PLO, which is a little like saying there was a decided lunatic fringe inside Bedlam. The new order

is made up of the so-called "Palestine Rejectionists," those who want a permanent war with Israel and who will fight on regardless of any type of settlement that might be made. These splinter groups and individuals are being trained in Libya or Iraq and they provide an ongoing terrorist manpower pool.

Their weaponry is very formidable. Not only do the guerrilla units have the latest in automatic weapons and explosive devices, they have come into possession of surface-to-air missiles. Soviet built SA-7 Strella missiles have been funneled to various clandestine organizations, some through Syria or smuggled into Germany and the potential target is civil aircraft.

This worldwide terrorist threat leads to a logical question, a question that should be put to any government official: "what are you doing about it?" Let me answer first with the pragmatic counter-measures. We have gone for two and a half years in the United States without the successful hijacking of one scheduled airliner from the domestic civil aviation fleet. In 1973, there were 22 hijackings worldwide and last year, there were 19, some of them resulting in death and injury. But all 50 states have been free of either a hijack or an aircraft bombing.

There was a time when air piracy flourished in this country. In the peak year of 1969, no less than 40 airliners were hijacked to Cuba. From that time, the Department of Transportation went through a three-year period of trying to fashion an effective civil aviation security program. It was a period of trial and error, adaptation and adjustment, as well as pleading and arm twisting in our efforts to stop the hijacker. We were dealing with desperate men and often clever men. When it finally did emerge in 1972, the present Federal Civil Aviation Security Program embraced two concepts: (1) an armed potential hijacker will be kept off an airliner and (2) the security measures that keep him off must be mandatory.

We put this security shield in place because of our own domestic brand of terrorism, the spiralling crime rate, and because of the threat from abroad. We know that the kind of fanatic responsible for the attacks at Tel Aviv and Orly Airports is only a jet ride away from this country.

Today, at all the 500 airports in the United States, the half million people who fly commercially every day are screened and their luggage inspected in the presence of an armed police officer or guard. The air side of every air terminal is restricted, with signs, gates, fences and lights, and the use of personnel identification. Security is very tight and we are going to keep it that way.

The terrorist movement has shown us that aircraft and air terminals have perhaps the greatest potential for disaster. We mean to deny any terrorist access to such targets with all of the considerable power at our command.

This is not just mindless resistance to terrorism on the part of the Federal Government. Our strategy against the global problem of terror and force is developed at a very high level. In September of 1972, following the massacre at the Munich Olympics, the White House established a Cabinet Committee to Combat Terrorism, a group which would find the most effective means to prevent such actions at home and abroad. The Secretary of State chairs the Committee, which also includes the Secretaries of Defense, Treasury, and Transportation, the Attorney General, our Ambassador to the U.N., the Directors of the government intelligence agencies, and the President's Assistants on National Security and Domestic Affairs.

The Cabinet Committee, just after its formation, designated a working group to maintain daily contact as issues arise and incidents occur. I am a member of this group. We meet regularly at the State Department as a policy planning body, dealing in preventive measures, but we are also geared to respond to emergencies as they arise.

I can tell you some of the non-confidential activities that we are engaged in. We are asking American diplomats abroad to give the highest priority to gathering intelligence on terrorist movements. A weekly intelligence report on guerrilla organizations is prepared for the Cabinet Committee.

At the same time, we are trying to improve the protection for those diplomats. We are asking Arab governments to tighten security for American embassies and their personnel, including families. U.S. embassies in those areas designated as sensitive and dangerous will get the maximum security treatment.

In turn, we have held discussions with some of the foreign embassies in Washington, especially those which obviously might be targeted - the Israeli Embassy, for instance - in order to plan coordinated reaction in case of attack. The FBI has a watchdog role in protecting foreign diplomats and legations.

We have initiated very tough procedures in the areas of visas, immigration, and customs. The regulation allowing a foreign national to travel the United States without a visa has been suspended except for passengers with immediate onward reservation to a point outside this country. The suspension closes a loophole that used to allow 600,000 foreign visitors through a year.

We have asked the Postal Service to keep its offices on the alert to the threat of letter bombs. Many hundreds of these devices have been circulating internationally in recent years, apparently the work of Arab groups and the Irish Republican Army.

In the delicate area of kidnapping and ransom demands, the Federal Government almost always resists. We will not give into international blackmail and the courageous men and women in our foreign service know that in carrying out their duties, they are liable to kidnapping or worse. Let me emphasize that we are talking about the seizure of government officials overseas. For private citizens, we feel that it is realistic for them to acquiesce to the payment of ransom, to exchange money for a life. And there is always the assumption that the police or military of the affected country will be able to retrieve the ransom and capture the kidnappers.

Perhaps I have sounded as though the government is exercising a kind of blatant force-against-force policy. This is not our only intent. We are trying to protect Americans and all others from the indiscriminate use of terror and force. We have appealed, in vain, to the United Nations for concerted action against world terrorism. We will continue our efforts, multilateral, bilateral or unilateral, to better a dangerous and untidy world.

It is not that some of the grievances which launch terrorism are not legitimate. There is no shortage of political, economic, and social frustration, enough to spawn armed militants on any continent, including our own.

Here at home, we hope that some of the current initiatives on prison reform will lead to a new moderation and a measure of tranquility for those behind bars. Domestic crime is not in the purview of the Cabinet Committee to Combat Terrorism in its ordinary sense. But when ex-convicts band together with leftist activists and begin to wage urban guerrilla warfare - then we are concerned. Terrorists here are capable of adopting foreign tactics and they have done so on more than one occasion. Those kinds of movements endanger the lives of ranking officials, politicians, cabinet officers and even members of the President's family. We would certainly place the Symbionese Liberation Army, what's left of it, in the category of violent criminals with no valid cause.

I know it is a confusing time for young people as well as for their elders. Dissidents, throughout history, have had a romantic attraction, from Robin Hood to Bonnie and Clyde. The young fully realize that much is wrong with our society and that movements and protests have had a far-reaching effect on their time. But history teaches that violence has been the real bane of mankind. Before the Warsaw Ghetto, men perpetrated the Spanish Inquisition. Before My Lai, there was Wounded Knee.

Last December, in a classic case of terrorism that works, gunmen broke into an exclusive reception in Managua, Nicaragua, and kidnapped several prominent people. After a prolonged negotiation, the government bowed to the guerrilla's demands, released 14 political prisoners, handed over one million dollars in ransom and a free plane ride to Cuba. As the terrorists took off from the Managua Airport, hundreds of young Nicaraguans were on hand to cheer their support. I hope that was not the face of the future.

There are no ready solutions to all of the things in the world that are terrible. It often does seem that we only inch our way out of savagery. But that is still the most hideous quality of mankind and it is most shocking if a coming generation is not shocked by it. The issue here is simple decency.

Again, the words of Lord Kenneth Clark: "life cannot work without some discipline and some reasonable rules. Order and serenity grow out of reasonable discipline. We all need some guideposts and reminders of what is good and right and honorable. It can't be every man for himself, to do as he pleases, with no regard for others."

That is the voice of reason. I trust that our government's policy in dealing with terrorism adheres to it. As violence and force increase in the world, we must be cool and firm - and I might add, sensitive. We should have a full understanding of certain motivations, what inspires displaced Palestinians, Irish and Latin American have-nots, American convicts. **But** we remain absolutely firm on one point: no grievance and no cause in the world justifies the indiscriminate taking of innocent life.



# DEPARTMENT OF TRANSPORTATION

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**NEWS**

## **OFFICE OF THE SECRETARY**

**WASHINGTON, D.C. 20590**

22-DOT-75

REMARKS BY BENJAMIN O. DAVIS, JR., ASSISTANT SECRETARY  
OF TRANSPORTATION FOR ENVIRONMENT, SAFETY, AND CONSUMER  
AFFAIRS BEFORE THE SAN FRANCISCO BAY AREA CHAPTER (NDTA),  
SAN FRANCISCO, CALIFORNIA

June 19, 1975

I am delighted to be here, in America's favorite city and among fellow members of a great association. It is no exaggeration to say that the work of NDTA is vital, to this country and to much of the free world. Since World War II ended under a mushroom cloud, any defense emergency faced by the United States has held the gravest of implications. In that time, we have waged wars, both hot and cold, in all parts of the world. And transportation preparedness, combining the civilian and military sectors, has had to be maintained as a matter of national survival.

National defense is an essential area of responsibility for all of us in this room. It is a responsibility that has no cycles, no periods of relaxation, no "off-season". It is the timeless American commitment.

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Following the collapse of South Vietnam and Cambodia, a great hue and cry was raised all over the non-Communist world about America's reliability and possibly its lack of determination to keep commitments. In recent months, we have all read that kind of thing in the national news magazines and in newspapers of national stature. These articles seem to imply that the United States is going through some sort of paroxysm of self-doubt, the soul-searching of a "paper tiger".

I can answer all of those implications with two points. The Mayaguez incident clearly showed how the Ford Administration will react to overt terrorism and piracy. The second point, given a minimal emphasis in the press, is that both Houses of Congress have recently voted on Military Procurement bills. While slashes were made at the Defense Budget on weaponry and R&D, all attempts to reduce our troop commitment in Europe and elsewhere in the world were defeated. I can assure you the "tiger" is made of bone and sinew and muscle. And we are going to keep it that way.

The Bay Area Chapter has afforded me a very welcome opportunity to discuss the transportation of hazardous materials. I don't have to tell you that it is an area of great controversy and considerable misunderstanding. This year, we have seen the Air Line Pilots Association signal its concern with the embargo from passenger-carrying aircraft of all hazardous materials other than radioactive pharmaceuticals and a few other commodities. You all know about the report of the National Transportation Safety Board on the fatal crash of a Pan American cargo plane at Logan Airport in Boston in 1973. There is little doubt here that we are dealing with an issue born of past discrepancies. And I hope to clarify some of the elements of that issue today.

On January 3rd of this year, President Ford signed into law the Hazardous Materials Transportation Act, now designated as Public Law 93-633. It was legislation that the Department of Transportation had wanted and promoted for a long time. Among other things, the new law materially broadened the scope of the Secretary of Transportation's authority in the regulation of materials classified as hazardous. Now, this is one of the changes resulting from the Act that is somewhat "in house". These changes relate to designations of authority, the use of civil or criminal penalties and other administrative procedures. They would appear to affect only the internal policies and practices of the Department. Yet, even those provisions of the law which seem to be purely administrative can have a significant effect on the day-to-day operations of industry.

Other changes, such things as registration of shippers, specific restrictions on the carriage of radioactive materials on commercial airliners, qualification of container manufacturers and other regulatory requirements are matters of direct concern to industry people.

As for the law itself, implementation does not instantly follow the stroke of a Presidential pen. It is a sometimes long and involved process that has to cover many opinions and rulings. This transitional period of implementation is where our Hazardous Materials law now lies.

There are many analogies to this but I will cite just one. In January of 1974, the Department published a Notice of Proposed Rule Making in the Federal Register that called for foreign air carriers operating to, from, and within the United States to adopt our Civil Aviation Security Procedures. We attempted to extend the security blanket of passenger screening and baggage inspection to stop hijackers to planes other than U. S. flag aircraft in this country. The closing date for comment on the Notice was March 27th of last year.

Congress then proceeded to pass the Antihijacking Act of 1974 and its Section 315(a) clearly states that foreign airlines doing business in this country must comply with our security procedures. That was our interpretation of the intent of the Congress. But others saw it from other angles. Legal opinion, even among DOT lawyers, varied to a wide degree. My office said that the antihijack measures were mandatory. Some sectors of the FAA said that they read into the Act a certain permissiveness. The upshot was, all parties are just now reaching a final conclusion. Those of us who constitute the policy making body are in agreement and the final ruling will be published in the Federal Register. It took the better part of a year from the time the Antihijack Act was passed and signed.

I do not think that the Hazardous Materials legislation will have a similar fate. But at this stage, some of the regulatory power remains in the air. In the five months since passage, involved officials at the Department of Transportation have been working on the specific actions that we might take. I wish that I could give you a detailed description of what decisions have been reached and what regulatory amendments will be proposed. But we have not produced the finished products as yet. And lacking specifics, I can only tell you about some of the changes you may expect to see in the near future. These are Departmental actions that will have an immediate impact on the movement of hazardous materials. Some of them took place or were in progress before enactment of the new law and others resulted from it.

Last February, the FAA published an amendment requiring air carriers to inspect each package of materials classified as hazardous prior to loading to determine whether or not the package is in apparent compliance with regulatory requirements. At the same time, FAA published a Notice of Proposed Rule Making to implement Section 108 of PL 93-633, dealing with radioactive materials aboard passenger planes. This amendment would restrict such materials on passenger-carrying aircraft to those intended for, or incident to, research or medical diagnosis or actual medical treatment. This is pretty much in line with the intentions spelled out in the ALPA resolution of embargo.

Another proposed rule to be published by the Federal Aviation Administration will modify the maximum level of radiation permitted from a package of radioactive materials on passenger aircraft and will change the separation distances between the package and the passenger compartment. Added to that, there is a recent Departmental report now under study which contains recommendations for substantial modification in the classifications and quantities of hazardous materials in air commerce, as well as training program requirements for air carriers, requirements for emergency equipment on aircraft, and classification of cargo accessibility rules.

Besides the rules and recommendations, there is a continuing dialogue within DOT on the appropriate actions to implement the Transportation Act. A special working group has been set up and assigned the responsibility for revising and consolidating Title 49 of the Code of Federal Regulations. Consolidation would be followed by a restatement of the regulations. Revision will include such requirements as the procedures for issuing exemptions, which will supplant the existing special permit process; registration for hazardous materials shippers and for container manufacturers; enforcement procedures, including penalties, along with compliance orders and injunctive actions; and hazardous materials communications requirements.

At the same time, the working group will incorporate the regulations now contained in Title 14, for air, and Title 46, for water, into Title 49. We expect that the enlarged Title will provide a set of regulations which are not only comprehensive but comprehensible, broken down into clear, concise, and understandable language. We want to eliminate as much of the "bureaucratese" as possible.

We are formulating plans to reinforce our surveillance activities as well as the DOT educational and communications programs.

We certainly look for a much greater emphasis on inspecting the procedures that are followed by both shippers and container manufacturers.

It has been well documented that most of the problems in the movement of hazardous materials stem not from a lack of regulations but from the lack of compliance with those regulations. The Department's own investigation last year revealed that about 75 percent of all shipments checked in air terminals and elsewhere were in violation in some form or another. Not enough people are equipped with a thorough knowledge and understanding of the requirements. So, we are going to expand still further our education program of shipper/carrier seminars. We will disseminate new or refined information on the handling of hazardous materials as soon as it becomes available.

As for hazardous materials moved in air commerce, a Departmental Task Force created in January has turned in its report and addressed itself to all of the pertinent points in the ALPA resolution. The report makes certain recommendations but it is obvious that events have overtaken many of the matters covered in the resolution, that is, the requirements of the new Act and related rule makings which are either anticipated or actually under development.

Now, I have gone on a bit about the efforts and plans of the Department of Transportation to implement the new law. Let me turn now to industry's side of it, to the people who are "under the gun" in our campaign to minimize the hazardous materials risk.

At recent hearings and discussions, I have been struck by the consistency of a single theme. Each of the three segments of the transportation system - the regulatory officials, the shippers, and the carriers - expressed their conviction that if the other two groups demonstrated their best performance, then few problems would even exist. You constantly hear that the other fellow is not holding up his end. Obviously, all three parties can't be totally right. But the attitude displayed by all parties does serve to bring home a point. The success of any safety-oriented program depends on the cooperation of everyone involved.

I certainly don't have to try to lecture you on your collective trustworthiness in the field of safety. And I find it difficult, if not impossible, to believe that a majority of any of the three elements simply shrugs off the safety of the general public.

We do have conflicts and there is no denying it. But the adversary role ill fits any one of us. I am convinced that regulatory agencies, shippers, and carriers alike feel a keen responsibility for the application of safety measures that protect the public welfare and property. The important thing is to act in concert.

We have the objective of safe and expeditious handling of hazardous materials before us. It is time that we acted in a conscious and cooperative way to improve the process. And any attempt which is not unanimously supported is sure to meet with only partial success, if not downright failure.

It is simply not in the cards for the Department of Transportation to stand aside and rely on the industry to police itself or to publish its own regulations. But we do expect shippers and carriers to make significant contributions toward our common goal.

Believe me, it is to your benefit. I have not touched on one other aspect of the new law - the penalties. The Transportation Safety Act has plenty of teeth. For the first time, the Secretary of Transportation can impose civil forfeiture in the rail and highway modes for violations of the regulations and can impose a civil penalty of up to \$10,000 for each violation. And if the violation is a continuing one, each day would constitute a separate offense. The criminal penalty has been elevated to a fine of up to \$25,000, imprisonment for a term not to exceed five years, or both.

Now, if your organization functions as a shipper of hazardous materials, I suggest that you reexamine your internal procedures. Ask yourselves a few basic questions: is a copy of the current regulations available? Are your people familiar with the requirements of your particular shipments? Do they understand the regulations? Are all the necessary tools for compliance on hand - labels, marking equipment, required containers, shipping documents? Are responsibilities clearly defined? Are your procedures in written form? Are they being followed? How do you know they are being followed?

The list of questions is nearly endless but I'm sure you get the idea. When you are management, you are the key to compliance. The smart executive knows his business and he knows whom to rely on to carry out his instructions.

There is another and similar set of questions for the carrier representative to abide by. Do your carrier personnel understand

carrier requirements? Do they realize that if they accept a package of classified hazardous materials with evidence of non-compliance, it is a violation of the Federal Regulations? Does your training program take into account employee turnover?

I simply raise these queries to demonstrate how many areas there are to be considered. I am sure that all of you can come up with a much longer list of pertinent questions. And I think it would be a good thing for you to do just that and ask yourselves all of these questions. From the regulatory side, I can assure you that we are making every effort to improve our system. In many cases, these changes will appear to be an addition to already unpalatable restrictions. But we believe them to be necessary even though they may not be attractive. And in this area, we ask for your assistance.

If your experience indicates the need for amendments to the regulations or for new regulations, tell us about it. I have said that we are expanding our communications programs; we are trying to get more information out to more people. But communication is a two-way street and good regulations cannot be developed when we are out of touch. Don't content yourself with muttering a little bad language in our direction. We need your input. I can't promise you that every suggestion or recommendation that you offer will be accepted and carried out. But I can tell you that every one will be carefully considered and evaluated.

The best set of regulations and the most stringent enforcement program can fall flat if carriers and shippers don't combine their talents and expertise to implement them. I have great faith in the integrity and good will of American industry and I know that we can count on you.

The Department of Transportation and the transportation industry can effectively carry out the provisions of the Hazardous Materials Act if we keep our channels open and pool our efforts accordingly. Materials classified as hazardous are essential to the economy and well-being of this country, and in the case of nuclear medicine, to individual life and health.

The primary mission of the Department of Transportation is safety. Any needed material, whether it is medicine for suffering humanity or feed for livestock, has to be transported in a way that is compatible with safety. In hazardous materials, we are going to get as tough as we have to and at the same time be as cooperative as we can be. And we will be dependent upon you every step of the way.



# DEPARTMENT OF TRANSPORTATION

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**NEWS**

## OFFICE OF THE SECRETARY

WASHINGTON, D.C. 20590

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REMARKS BY BENJAMIN O. DAVIS, JR., ASSISTANT SECRETARY  
OF TRANSPORTATION FOR ENVIRONMENT, SAFETY, AND CONSUMER  
AFFAIRS, BEFORE THE ANNUAL CONFERENCE OF THE INSTITUTE  
FOR RAPID TRANSIT, LOS ANGELES, CALIFORNIA

June 20, 1974

I am delighted to be here and very pleased that you asked me to keynote this session. Any gathering today that involves people concerned with the environment and proponents of mass transportation is sure to be an upbeat affair. Of all the valuable activists in our society, they should be the most sanguine. Even some of our national problems seem to be working toward environmental benefits. This past winter, at the height of the oil embargo, the New York Times made an editorial comment: "the best way to overcome the dangers posed by the energy shortage is not to deny its existence but to take full advantage of its striking opportunities." And there are gains and opportunities in our related fields that deserve our attention today.

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This is a timely occasion as well for such a discussion. First, it is your first annual conference since enactment of the 1973 Federal-Aid Highway bill, with its landmark mass transit legislation and its potential for improving the environment. Second, the energy storm has subsided for the moment but it leaves a great deal of uncertainty for the future and raises again the question of priority for our environmental goals. And third, with the prospect of major mass transit projects and proposals for new systems, you are faced with an increasing need to measure the environmental impacts of those projects.

One thing came home during the gasoline scarcity this year: our own national wastefulness. We are 6 percent of the world's population and we have been consuming 30 percent of its energy; we have, in fact, been on a prolonged binge. That one cold slap from the Middle East oil countries has left us, if not sober, at least very much aware of our condition.

We can take advantage now of these striking opportunities if we accept the fact that we have entered a period of national transition. Applied to the human cycles of life, it's called growing up.

We have to listen now to what environmentalists and mass transit advocates have been saying all along. The total energy consumption in the U. S. has doubled every 20 to 25 years for the past 120 years. And most of that expensive ingestion goes to the transportation system. Of the nation's total current liquid fuel usage, 18 million barrels a day, just about half is used by the various forms of transportation; automobiles even consume 30 percent of all liquid petroleum in the United States.

The appetite for fuel in some of the modes is downright ravenous. Recent growth rates of energy usage in the high-speed movement of people and goods now exceed the national average of all energy usage. Unless we slow that trend down, the transportation sector alone could be requiring 15-16 million barrels of liquid fuel per day by 1985.

Not only are we burning off these resources at a breakneck rate, we are poisoning ourselves in the process. This is not a brand new enlightenment. Much of the solid Congressional action of the 1960's grew out of public concern over air pollution. But too long were the environmental groups and conservation spokesmen mere voices in the wilderness. They could see very clearly what was coming. And today, with respect to air quality, it is estimated that the cost of human mortality and morbidity from pollution is about \$6 billion annually. That is just the economic price tag, not counting the loss in pure human and personal terms. The total cost

of air pollution in areas of health, vegetation loss, material deterioration, and decreased property values is estimated at more than \$16 billion a year.

A 50 percent reduction in air pollution in the major urban areas could reduce health damage by about \$1.2 billion for respiratory disease, \$470 million for cardiovascular disease, and \$390 million for cancer. The total one-year reduction would come to \$2 billion. This is all cold economic estimating. We can better measure it in terms of youngsters in our big cities who can only play outside for 10-15 minutes because their eyes and respiratory systems are so badly affected by smog; it hits home when you know that elderly people with respiratory problems are being hastened to their deaths.

I'm sure that all of us have wished for a special place in Hades for the driver behind us who likes to lay on his horn. But the environmental problem of noise is much more than just a passing irritation. According to recent estimates, noise has caused a measurable hearing loss in close to three million Americans. Airport noise control is today a highly sensitive issue. Here in Los Angeles, for instance, airport authorities have had to pay some millions of dollars to acquire homes that were severely noise impacted on the airport approaches. As with air quality, transportation is a major contributor to the problem.

The transportation system has also had a heavy impact on the physical shape of both urban and rural areas. It has caused community disruption from the building of transportation facilities. Every year, it seems, we see a story in the papers about the old lady, sometimes armed with a shotgun, defying the bulldozers that want to extend a highway past her house. Transportation does displace people and businesses. It takes scarce urban land away from other uses, to the detriment of park and recreation departments.

One of the earliest Congressional responses to environmental concern, in fact, was addressed to this problem. Section 4(f) of the Department of Transportation Act of 1966, the very statute that created the DOT, places a high priority on the preservation of public park and recreation lands, wildlife and waterfowl refuges, and historic sites. The Act states that the Secretary of Transportation shall not approve any project which uses such land unless there is no prudent and feasible alternative, and unless all possible care has been taken to minimize harm to the protected area.

That legislation predated and served partially as a prototype for the National Environmental Policy Act of 1969. Under NEPA, as you

know, we must prepare an environmental analysis and impact statement for any major action that significantly affects the quality of the human environment. That includes grants for transportation construction projects. The Department of Transportation, as a result, has filed more impact statements than any other Federal agency with the Council on Environmental Quality and most of them have been for highway construction.

You are certainly familiar with Section 14 of the Urban Mass Transportation Assistance Act of 1970; it explicitly applies to the mass transit grant program the same kind of concerns and requirements set forth more generally in Section 4(f) and NEPA.

Environmental legislation in the 1960's did pave the way and there has been continued progress early in this decade. I would include the 1970 UMTA Act in that category. Other key environmental statutes, whether bearing that label or not, would have to include the Uniform Relocation Act of 1970 and the Clean Air Act amendments of that same year.

The Relocation Act requires services and payments to all people displaced by Federal or by federally assisted programs. It liberalizes the payments we have already been making in some DOT programs and it applies the same requirements to all Federal programs. The clear air amendments established the national air quality standards and the development of planning to meet those standards throughout the nation.

As you know, after a great deal of agonizing and plenty of controversy, the plans were promulgated for more than 30 metropolitan regions last year. For many of them, such as Los Angeles, the air quality standards meant big trouble. Almost two dozen of the plans can have a significant effect on the transportation systems in their respective metropolitan areas. And because of these complications, implementation has been delayed in some places and left unresolved.

With respect to noise, Congress showed its awareness of the problem two years ago. The Noise Control Act of 1972 is a vital piece of legislation. It assigns the major responsibility for policing aberrant noise, including transportation noise, to the Environmental Protection Agency.

In discussing Congressional actions on the environment, we must regard the 1973 Highway Act as a major breakthrough for mass transportation. It was not called an environmental measure per se but you are all fully aware that environmental groups and the public concern played key roles in enacting those provisions which permit a flexible use of Highway Trust funds for mass transit.

The environmental requirements of the Act are very stringent indeed. Applicants for UMTA capital assistance must submit an environmental analysis of a given project, in line with many of the statutes I have mentioned. UMTA is thereby provided with the information in the event an impact statement is necessary. It serves as the basis for findings under Section 14(c) of the UMTA Act. Where relevant, it gives a documentation of compliance with Section 4(f) of the DOT Act, compatibility with air pollution standards, as well as relocation requirements. The Department's practice is that the environmental impact statement shall serve as a "single vehicle" for all of our findings and determinations.

We have processed a number of major and even massive transit projects in this manner. Perhaps the most comprehensive in scale is the impact statement prepared and filed for the entire Atlanta transit system, with interested parties calling it an exceptionally thorough document. UMTA impact statements have been filed for several rail transit or commuter rail lines in New York City, including Second Avenue, the extension of the Long Island Railroad, and the Archer Avenue Line. The northwest extension of the new Baltimore system was handled in this way as well as grants to the Golden Gate Bridge and the Ferry District in San Francisco.

Now, I have gone on a bit about the specifics of the environmental statutes. Underlying all is the government motivation that supports them, our policy approach toward implementation of the laws. I know that you have heard us say before that we look upon environmental preservation and enhancement not simply as a constraint but as an important goal in itself. That premise is worth repeating. There are, of course, conflicts between some of our mobility goals and those that pertain to environment; there is no denying them. But the explicit language of the National Environmental Policy Act, and the thrust of laws made over the past five years, mandate that every government agency give the equal priority to environment that it gives to other program objectives. That makes environmental enhancement itself a DOT objective. And this offers major opportunities for mass transit.

Behind policy is the Federal Government's motivating view of ecological problems. NEPA uses the term, "the quality of the human environment," emphasis on human. Of course we are concerned with impacts on wildlife and waterfowl and with water quality and air quality. We are equally concerned with direct impacts on people and on community concerns. We have to gauge carefully whether transportation facilities and development will cause community disruption, or displace residences and businesses; we have to decide whether a school or park will be separated from the community they serve, or whether a barrier serves to split up

a community. The human environment is an overwhelming consideration in our planning and building.

We always hope to ease the impact effect. That is, where we cannot avoid imposing an environmental impact, we must do everything possible to minimize that impact or to compensate for it. A case in point is the Federal requirement for relocation payments and services for people displaced by Federal-aid projects. You know that when parklands or other public facilities are used by such projects, we normally require that the parklands be replaced or that the public services affected are in some other way "made whole". This is policy that provides the community not only improved transportation but continuation or betterment of other affected public services.

As never before, the citizen participation is desired and invited. Some students of environmental legislation, in fact, believe that the most important side effect of NEPA and other Acts has been the opening up of the governmental decision making process. The preparation of draft environmental impact statements, the availability of that material for public comment, has stimulated a degree of public awareness and citizen input not readily apparent in the past. Of course, there were public forums and public hearing requirements before. But the National Environmental Policy Act has aroused much greater citizen concern and involvement in the courses that government might take. This new relationship between government and the citizen is not a complete thing of joy, as you can imagine. Some of the public input is frustrating, in some cases uniformed, and in other cases it constitutes a roadblock. But I strongly believe that on the whole, the trend toward greater public participation is all to the good. It is certainly here to stay and all of us in government had better learn to work constructively with it.

In improving the environment, many an endeavor touches mass transportation. This past winter, the gasoline shortage showed us how the twin objectives of improving the environment and promoting the use of mass transit could work. Mass transit in the large metropolitan areas, in the months of January and February, simply soared; new riders flocked to it. And I trust that we instilled in the public a sense of the convenience and practicality of urban mass transportation. I hope that it paved the way to an eventual end of one man, one car commuting. Obviously, the Federal Government cannot wave a wand over any city and put in motion an instant mass transit system; this is especially true for rapid rail complexes. But where there is adequate mass transportation available, we have seen this year solid progress in reducing automobile use and improving air quality, in cutting down urban congestion and toning down transportation noise.

There is one notion held by some people that we must try to dispel. That is, that mass transit advocates are anti-automobile, sworn enemies of the passenger car. This is just not realistic. Not only has automotive progress and production provided America with a mobility unmatched anywhere else, it is vital to the national economy. One out of every six citizens of this country is either directly employed in the automotive industry or in a job related to it. We are not attempting to root the automobile out of our economy and our national existence. But we are trying to channel its use and improve its performance. Mass transportation, exclusive bus lanes and carpooling - all can contribute to restoring the auto to its rightful place as a benefit and blessing instead of a spoiler. Like most of you, I drive a car. But I go to work by bus. And it is balance that we want to achieve.

In order to maintain the environmental advantage, those of us who back mass transit should avoid the mistakes of some of our colleagues in other modes of transportation. Because we believe the service we are providing is important, we cannot automatically assume that everybody else will see it the same way. A specific facility can impact directly and adversely on a community. Neighborhoods faced with the construction of a transit station are just as noisily unhappy as those faced with a highway interchange. So, we must deal sympathetically and positively with some impacts, at the same time looking for ways to improve our product from the environmental point of view.

It is unfortunate that many mass transit facilities are still assaults on the ears and consciousness; they remain unpleasant neighbors. The state-of-the-art shows us that we can do better. The environmental improvement package does cost money but it is more today than a "frill". Intelligent planners have made their transit systems a contributor to environmental quality, notably the BART mini-parks and bicycle pathways and parking facilities in the Bay Area and the provisions in the Metro system in Washington, D. C. for aiding the physically handicapped. We should not be pulled unwillingly into making public-oriented policies or be so ordered by the courts. Instead, we should lead the way.

All of you in the mass transit industry are riding a popular tide. Concerted public attention to the environment and the pressures of the nation's energy needs have given tremendous impetus to mass transportation. There are obstacles ahead, of course, and most of them involve money. But if you keep your momentum, and plan wisely, the opportunity is there for the taking.



# DEPARTMENT OF TRANSPORTATION

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**NEWS**

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## OFFICE OF THE SECRETARY WASHINGTON, D.C. 20590

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REMARKS BY BENJAMIN O. DAVIS, JR., ASSISTANT SECRETARY  
OF TRANSPORTATION FOR ENVIRONMENT, SAFETY, AND  
CONSUMER AFFAIRS, BEFORE THE FOURTH NATIONAL CARGO  
SECURITY CONFERENCE, CHICAGO

September 4, 1974

It is a great pleasure to welcome you here. I see many of  
the old faces from the three preceding National Cargo Security  
Conferences and quite a few new ones. So, I think we are both  
holding our own and making some progress.

Each of the earlier Conferences represented a milestone in  
its own way in our concerted effort to bring theft losses under  
control. But national events have kept pace. And this Conference  
opens today in a time of serious and even grave national and world  
inflation. In his first address to the Congress last month, President  
Ford declared that our domestic public enemy No. 1 is inflation.  
The President pledged to put the best economic brains from labor,  
industry and agriculture to work to bring stability and growth back  
to the American economy. It is incumbent upon us, then, to do  
everything possible to cut off the more than a billion dollar yearly  
drain called cargo theft. This is a vital conference. It convenes  
during an inflationary wartime. And that environment and atmos-  
phere certainly should create for us a major motivation.

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Let me try to place cargo crime in context. Our particular concern is just a part of the larger picture. And crime itself, nationwide, has reached ominous proportions. In the first quarter of 1974, the crime rate was up 15 percent. And the Federal Government has not closed its eyes to the situation. Speaking in this city last week, Attorney General William Saxbe said flatly that we have lost the initiative in the campaign against crime. The Attorney General made the statement that if we go on as we are, there is every possibility that crime will inundate us. Gentlemen, there are prosecutors and law enforcement officials from all over the country in this room this morning. They are not hearing anything they don't already know. We must be ever mindful that our contribution here helps immeasurably to bolster the defenses of the law. A Cargo Security Conference represents action against crime. It is consistent with Attorney General Saxbe's expressed philosophy that criminals must be made to pay for their crimes, their transgressions against society.

Certainly, we have come a long way since our initial session in 1971. The theme of the first National Cargo Security Conference was "The Cargo Security Crisis - Meeting the Challenge." We all agreed at that time that a crisis did exist. But most of the speakers, myself included, admitted to understanding only small segments of the overall problem. We did make a firm commitment to pool our knowledge and resources to better define the crisis and to seek solutions.

A year later, in the summer of 1972, the theme was a very simple, "Cargo Security - A Progress Report." The speakers and panelists were from industry, organized labor, the Executive Branch of government and Congress. Each described the progress made in the first 12 months of our national effort. We were breaking the crisis down into understandable and manageable parts, with a new and significant awareness of what we could handle on an individual and collective basis. At that time, that early in the game, the Department of Transportation supported legislation for various Federal controls and regulations to protect transportation cargo.

Last summer, in this same room, the third National Cargo Security Conference reflected a change in that position. At DOT, we had been gathering and evaluating reports from all across the country and found in these reports encouraging signs that cargo thefts were being brought under control. Those reports invariably showed an understanding by top transportation management that the solution to

most of the problem was really within their responsibility. We had seen a pattern emerge. Wherever there was a success story in theft prevention, we found a determined executive involved, a man in the front office who looked at the basic facts of claim prevention in terms of economic benefits for his company, his employees and his stockholders.

Let me say that the Department of Transportation had not been idle. We had successfully completed four demonstration projects dramatically reducing theft in rail yards and truck terminals. We had sponsored electronic security equipment, tested truck top marking projects and developed new devices. But in every instance where a program worked, aware and concerned management had proved the key.

At that third conference, we talked about this better understanding of cargo theft prevention and all of the alternatives that we had weighed. We then announced the Department's decision on policy. Secretary of Transportation Claude S. Brinegar put it on record - we would proceed with a voluntary program to advance cargo security. DOT would provide motivation, technical assistance and guidance to industry, rather than enforcement of new regulations. Secretary Brinegar also said that if, after a reasonable time, the voluntary approach clearly was not working, then DOT would reexamine the Federal role. This is how it stands today.

We also disclosed plans at the 1973 conference to promote local action programs in 16 major cities across the nation. That project is now well under way and it is called "National Program of City Campaigns for Cargo Security." The cities selected probably do not have a higher crime rate than the average metropolitan area. They were chosen because they are major transportation hubs, where cargo is interchanged within the transportation system. This is where most of the stealing takes place.

In each of the 16 cities, we have established cargo security working groups and they are unique teams indeed. We brought them together through the efforts of the Justice Department and the United States Attorneys, many of whom are with us today along with police officials from those various areas. The U.S. Attorneys act as the catalysts for each group. They work with determined leaders from the transportation industry, including

shippers, insurers, and consignees, and with organized labor on the private sector side; on the government side are local, State and Federal agencies - all of the people who have a stake in reducing cargo theft.

The City Campaigns are prevention oriented, stressing removal of the opportunity to steal. At the same time, the program encourages diligent law enforcement response. Now the solution rate of cargo theft has always been very low. For example, the New York Airport Security Council, a pioneer in the preventive approach, reports its solution rate as averaging under 10 percent for the past five years. But the Council's prevention program has reduced the number of theft incidents by 35 percent. And this commendable record was written while the volume of cargo handled doubled in the five-year period.

The City Campaigns will emphasize accountability, the first big step in taking away the opportunity for cargo crime. We believe that we can tighten accountability and thereby achieve better security without some form of Federal regulation. We feel there is a strong case for a continued voluntary system because of three principal motivators. First: the economic benefits associated with this control. For two years now, DOT has been promoting industry management awareness that claims prevention is highly profitable. The message is still the same - for each \$100 claim prevented, as much as \$50 is pure profit. This is compared with a return of something like \$2 for each \$100 of new business. Another way of looking at it, especially in terms of resources and energy, is this: to offset a \$100 claim, one trucker has told us that he must carry 40,000 pounds of clothing or 30,000 pounds of TV sets from Washington, D.C. to Philadelphia.

Second, and just as important a motivator, is the inherent desire for continued freedom of action without Federal intervention. You already work in an overregulated industry and no one wants more of the same. And most of us do not relish the role of being a regulator either. The national instinct for free enterprise based upon solid economic competition has advanced the United States through difficult times in the past. I think that we cling to that instinct today and believe that it can be a big factor in gaining control of the cargo theft problem. We had just rather do it ourselves, in all forms of commerce. We shall be looking to the leadership panels today and tomorrow to tell us whether we are right or perhaps where we might be off target.

The people here this morning represent a cross-section of dedicated Americans, willing to work hard in the national interest. Because of the common objective, I am confident that we will find at our next milestone meeting clear evidence that we are proceeding well. Our Conference program today lists chief executives, United States Attorneys and prominent industry and law enforcement leaders. So, I don't see how we can lose. I am assured that the isolated success stories of last year will expand and become a national trend.

Some of our data is inconclusive but increasingly we see the signs that cargo theft is on the wane. We certainly don't lack for cargo criminals and the inclination to steal. But more and more industry managers are removing the opportunity. That results in favorable statistics like these:

The American Association of Railroads reports that 1973 theft claims were down 13.5 percent from the year before with a savings to the railroad of nearly \$2 million. In the trucking industry, the only available data is from the Class I motor carriers who report quarterly to the Interstate Commerce Commission. The claims ratio, that is claims for all causes compared against gross revenues for calendar year 1972 was 1.04. In calendar year 1973, the ratio dropped to .97. That represents a decrease of some 7 percent. Another good sign in the performance of the Class I motor carriers - of the total claims in 1972, 48.2 percent were theft related. In 1973, theft claims dropped to 45.5 percent, a reduction of 2.7 percent.

Even more encouraging is the figure for the air carriers this year. In the first quarter of 1974, for the first time since 1969, airline theft-related losses were less than normal claims losses, such as damage and delay and so on. Theft-related losses were 48.1 percent as opposed to 51.9 percent for the other. That represents a steady decline from the airline theft-related loss figure of 65.9 percent in 1970.

I hope for an improved data picture in some of the other modes. It concerns us at DOT that the Federal Maritime Commission has temporarily suspended its regulation, effective only last month, requiring cargo loss reporting of certain maritime shipments. We hope that the issue can be resolved by early 1975. I also urge the ICC to expedite its action for reporting cargo losses in the railroad industry.

All of this, I'm sure, will happen in time. But the people here are not waiting and we have work to do. Our 1974 Conference theme is "Joining Forces in Cargo Security - Management Determination and City Campaigns." Your roles have all been spelled out and they will be detailed even further on the panels and meetings today and tomorrow. Tomorrow afternoon, we leave Chicago and return to our homes and jobs. I trust that each of you will carry away a certain determination. Caught up in the fight against national inflation and against crime, you know that your part is to stop cargo theft.

It is a demanding assignment and I wish you the best of luck.



# DEPARTMENT OF TRANSPORTATION

# NEWS

## OFFICE OF THE SECRETARY

WASHINGTON, D. C. 20590

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REMARKS BY BENJAMIN O. DAVIS, JR., ASSISTANT SECRETARY  
OF TRANSPORTATION FOR ENVIRONMENT, SAFETY, AND CONSUMER  
AFFAIRS, BEFORE THE 54TH ANNUAL BANQUET OF THE CHICAGO  
RAILWAY SPECIAL AGENTS AND POLICE ASSOCIATION, CHICAGO

October 11, 1974

It is a privilege to be here and I am very honored that you asked me to come. Tom Fogarty had written me that the theme of this time-honored annual banquet was appreciation. I think it very fitting that the railroad police, based in a State with the largest such force in the nation, acknowledge and pay tribute to those who assist and cooperate with them - the heads of local, State and Federal law enforcement and security agencies and the judicial system. It is a fine tradition and a festive occasion.

It is also a needed respite. For you who are charged with the protection of life and property, there is seldom a break or a time out. You have enlisted for a ceaseless state of combat against the national enemy from within - crime. You are among the 392,000 law enforcement officers in this country struggling against crime trends that threaten to inundate us. The natural progression of those trends and the only way they seem to go is up - up 6 percent in the serious crime category this year, according to the FBI.

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The Justice Department last month released figures showing that the rate of violent crime is up 47 percent in five years while offenses against property also rose 28 percent. And the two categories often go hand-in-hand. The holdup man used to issue the challenge, "your money or your life." In all too many cases today, he may want both. Violence, whether fed by poverty or inspired by a TV show, flames up daily in the basic fabric of our society.

Several weeks ago, President Ford spoke before a convention of the International Association of Chiefs of Police in Washington. He said we have to make some hard decisions on priorities. And the President told the IACP, "a high priority should be on violent crime and street crime in the inner-city. There is where crime does the most damage to the whole urban structure. There is where crime most hurts the poor who already suffer enough." President Ford said we must move against the habitual offender, the so-called career criminal, and take him out of circulation.

Certainly, violence and physical assault are familiar enough to the individuals and units who guard 200,000 miles of the national rail network. A representative example is the big rail complex in East St. Louis. Correspondence crossed my desk recently between a transportation union and the Federal Railroad Administration. The union leader complained that in the course of several months in 1973, eleven railroad workers had been attacked and beaten in the East St. Louis yards; three had to be hospitalized. I know that railroad and local police have met on the problem and have now agreed to take concerted action.

A very basic motivation attracts hoodlums into rail yards and facilities. They are there to steal. Railroad police are charged with the duty of protecting freight and preventing cargo theft and pilferage. And this is what I would like to discuss with you this evening - the nationwide campaign against cargo crime. It is not the most celebrated aspect of the crime pattern. It is constant and by its nature insidious. And it costs every taxpayer, every consumer. The loss is over a billion dollars a year.

According to conservative estimates, made by the Department of Transportation, U. S. railroads and rail shippers suffered approximately \$50 million direct and indirect costs annually due to theft-related losses in the period 1970 to 1972. That was a time when my Department and the transportation industry were just gearing up to reduce those losses through a combined national effort.

Because the public is menaced only indirectly, railroad security is largely a silent struggle, reported only in law enforcement and industry journals. There is little about it that could be called spectacular. Organized crime concentrates in the big city areas on trucks and motor terminals. And it's been quite a while since anyone hijacked a train.

Cargo theft on the railroads, moreover, presents a peculiar set of circumstances. Theft runs to different brands in the transportation industry. The type encountered in trucking, air transport and maritime activity is believed to originate mostly with employees or other people authorized to be on the company premises. Our DOT figures show that 80 to 85 percent of the losses go out of the front door during regular working hours. The stolen freight leaves through the gates, on vehicles and in the possession of drivers, checkers, platform men, clerks - even corporate officials.

On the railroads, in contrast, the loss from "in-house" theft and pilferage is relatively small. Outside people - looters, vandals, theft gangs - account for the largest share of railroad theft and most of them operate in and around the major transportation hubs - Chicago, New York, Atlanta - any large metropolitan area. In some ways, it resembles a social problem. Rail yards and facilities are rarely found in the best part of town. They are surrounded by the neighborhoods of the poor and underprivileged, where temptation is a constant presence.

To pinpoint the circumstances even further, police officers who try to protect railroad property in the big cities usually single out juveniles as the principal culprits. As you well know, apprehension and prosecution of the juvenile is a delicate area. It is also frustrating. The police see thieves, caught red-handed and arrested, back on railroad property in two days, unfined, perhaps, and unrepentant. The courts are overloaded in many cases, with litigation backed up, and they have trouble enough dispensing the law. Except in examples of chronic recidivism, the judicial process is bound to let many youthful criminals slip through the cracks in the system.

I have been in the marshaling yards of the Penn Central in New York City and have watched railroad police chasing whole packs of looters. They literally swarm through the big city yards, dragging out anything portable from the unlocked freight cars on the sidings. In the large urban areas, it is common practice for slum youth to raid the rail yards and the result is the classic cops-and-robbers scenario that I personally witnessed in New York.

Penn Central produced a documentary film about rail yard thieves some time ago, and it was given limited distribution. The CBS network, a couple of years ago, portrayed the pillaging of the Chicago freight yards on its program, "60 Minutes." But in the main, the citizen is not affected by railroad theft practices and for him, the picture remains obscure and of little interest.

Prosecution, then, has not been the whole answer, public outrage does not exist, and the thieves just keep on coming. At this point, we could certainly wish for a ready way out, an instant solution. But since they are unattainable, the Federal Government is concentrating on a very fundamental effort called prevention.

Someone once said that we must regard our economics in terms of a preventive pathology rather than curative. This applies very accurately to the cargo crime question. Last September, at our National Cargo Security Conference here in Chicago, I said then and repeat it now, "We must emphasize prevention, stressing the removal of the opportunity to steal."

FBI Director Clarence Kelley, who spent many years as an agent and as a big city police chief, once put it very bluntly: "any law enforcement agency which minimizes the preventive aspects of its work is simply not doing its job."

For railroad police, and for those who back them up, there is a job to do - initiate affirmative action programs in your respective police departments and work closely with management to reduce the opportunity of cargo crime. We measure gold by the ounce. Well, the ounce of prevention is just as valuable. If you react before the fact and not after, and think ahead of the criminal, then you achieve significant reductions in cargo theft.

The criminal justice system, has a vital role, of course. It must apply the law to those who steal and those who are apprehended. But other sectors of society, especially the transportation industry itself, have to assume the major responsibility for preventing theft in the first place.

I realize that there is a tendency on anybody's part to just throw up their hands and say, "it can't be done." Crooks and their ways are ubiquitous, I know; people who are considered "have nots" feel themselves perfectly justified in taking merchandise off the top of the pile. But I assure you they can be stopped.

There has not been a successful hijacking of a commercial airliner in this country in almost two years. That seems almost inconceivable, with half a million people flying every day in the United States, when a short five years ago there were 40 U. S. flag airliners hijacked in the course of one year. But the reason is prevention, pure and simple. The Federal Civil Aviation Security System, with its 100 percent screening of passengers and baggage, simply does not allow potential hijackers to board aircraft in the possession of anything that can be used as a weapon.

Most importantly, that security system has so impressed itself on the public consciousness, that miscreants don't even try to skyjack planes. The few attempts over the past year and a half were made by men certified and known to be deranged.

Give the criminal an atmosphere of complacency on a company's premises, of lax security, and he will move in. Experience tells us that inadequate preventive measures and sloppy accountability lead a thief on. And that makes law enforcement's task doubly hard. Apprehending and successfully prosecuting cargo thieves, as I have said, is a difficult enough job to begin with.

Railroad security procedures have to be tight. Security systems must be in place that completely discourage an individual on the take. You gentlemen know where to concentrate your efforts. Cargo that is in transit is seldom subject to theft. When the goods are stationary, in the yards and on the sidings, then they attract both juveniles and adult gangs.

And here, the government can help. Our Office of Transportation Security began issuing a set of advisory standards last year. They are procedures very painstakingly worked out, based on security input from all over the country. We feel that they advance the prevention concept in a number of ways.

The standards, which are already in effect or scheduled to be issued, deal with the following areas:

Seal Accountability, issued June 20, 1973. This standard applies to seals on truck trailers, box cars and container doors ..

High value commodity storage procedures, issued August 20, 1974 ..

Internal Accountability Procedures, issued February 15 of this year ..

And others - high value and sensitive cargo transit procedures ..

- Pre-employment screening ..
- Locking devices ..
- Theft reporting procedures ..
- Packaging and marking procedures ..

Aside from writing standards, the Office of Transportation Security has been working with the railroads directly in areas of theft prevention, in places like East St. Louis. Last year, we sponsored an advanced and improved electronic system for railroad cargo security in Northern New Jersey, a high-loss territory. The Erie Lackawanna Piggyback Rail Terminal at Croxton Yard was outfitted with a motion sensor for freight cars and trailers to detect tampering or unlawful entry. The system includes automatic telephone notification of any break-in or burglary in progress.

We are not just interested in model facilities such as Croxton Yard or only in elaborate and expensive security measures. Our sponsorship of "gadgetry" has a very wide range and we have found that the simplest security tools are sometimes the best.

We promoted, for instance, a very basic locking device that costs only 15 cents apiece. We were aware that sealed freight cars in railroad marshaling yards and on sidings are generally not locked or otherwise secured; they are easy prey for outsiders roving through the yards. It seemed to us that the obvious answer was to lock the doors, especially on those cars holding high-value freight. In a demonstration project, originated and monitored by DOT, we introduced that elemental and inexpensive lock.

The results were good to excellent. One shipper who participated in our program reported just 14 break-ins in 1,668 freight car shipments over a 14-week period. There had been 43 break-ins over a similar time period involving about the same number of shipments. That little 15 cent lock had cut the theft and pilferage rate by two-thirds.

The news about that lock probably got around in cargo theft circles. And the end result was that people just stopped trying to break into box cars in that yard. The best defense against theft and pilferage is a preventive system that serves to frustrate the criminal, to hobble his chances to make an easy score, and to reduce all of his efforts to a waste of time. Let a gang of looters take a tour through a rail yard that is well guarded by alert security personnel, where the box cars are solidly locked up, and there is the real possibility that they won't make a return trip.

The principal foe of the cargo criminal is the man sitting up in the company front office. Transportation and security management has the responsibility of thinking ahead of the thief. While it is true that the shipper, the consignee, the law and the courts - all play a part in reducing cargo theft - the management commitment is the first step.

We are trying to reach management in our current DOT security campaign. Working together, the Department of Transportation and the Justice Department have launched the "National Program of City Campaigns for Cargo Security." We are promoting local action programs in 16 major transportation hubs across the nation, including Chicago. The United States Attorney in each city is recruiting leaders from the transportation industry to serve on his working group. We want management, people who have the biggest stake in reducing cargo theft. When we have on our team the executive who thinks first about the good of the company, its profits, stockholders and employees - then we will be in business.

A smart executive realizes that this may be a rich country but its material resources are not limitless. Americans have been awakened with a jolt to just how badly we have taxed our national wealth, and now environment and energy have a dominant part in all our planning. It can just as well be said that we have allowed cargo theft to drain the national economy almost without limit. Now, it has to be stopped. Our severe problem with inflation does not allow for such waste.

We need the kind of innovative managers who sit on the Standing Committee on Car Construction of the Association of American Railroads. This year, the Committee recommended that all new and rebuilt box cars must incorporate a secondary locking hasp, installed 10 feet above the rail. The hasp will not only deter theft and pilferage, it will ensure against accidental door openings which could damage cargo or injure crewmen.

Since 1950, the International Railroad Police Academy has been training railroad personnel in Chicago and in 1966, the National Basic Academy was formed and set up in Mississippi. Many of those activities have FBI support and the trusty ear of Al Mahegan.

This is the kind of action that management can take. In almost any area where the people in charge have recognized the opportunities and have taken the appropriate steps, we can cite a success story. In the City of Memphis, Tennessee, the Southern Railway System had a theft-related loss of less than \$100 in 1973. Beginning with January of this year, there have been no cases of theft pending or cases left unsolved

on the Southern rail facility. The railway police there work very closely with the Memphis city police, using dog patrols and the city helicopter for observation. Commodities are accounted for and the atmosphere is one of continuous watchfulness. In Memphis, and other places where they take security seriously, the cargo criminal has had to find some other line of work.

Overall, the Railroad Association reported this year that theft claims paid by the rail carriers were reduced by 13.4 percent in 1973. The savings to the railroads amounted to one million, 826 thousand, 217 dollars.

The reduction in theft claims were credited to better security training, better methods and equipment, closer cooperation with local authorities, and the greater exchange of information on the movements of valuable cargo. The credit is due to people and organizations like the Chicago Railway Special Agents and Police and to their support troops. And overriding all of the success factors reported this year was intelligent planning.

I can assure you that the efforts of the Federal Government to cut down cargo theft will continue as long as there is a problem and that is certainly for the foreseeable future. As for the larger crime picture, I don't see it getting any brighter, anytime soon. It is a dreadful fact of life in this country. And we must move to exercise both our curative and our preventive powers.

President Ford put it very simply and well before the IACP last month: "All Americans can agree on some conclusions about crime. There is far too much of it. It can no longer be ignored. It can no longer be rationalized away. The time has come for all of us to act."



THE SECRETARY OF TRANSPORTATION  
WASHINGTON, D.C. 20590

September 12, 1975

General Benjamin O. Davis, Jr.  
Chairman, National Highway Safety  
Advisory Committee  
U. S. Department of Transportation  
Washington, D. C. 20590

Dear Mr. Chairman:

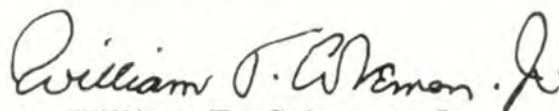
Now that President Ford has recently appointed a significant number of new members to the National Highway Safety Advisory Committee, I am sure that the Committee will want to plan its future activities. As this is being done, I would like to suggest a number of issues affecting the long-term success of the State and community highway safety program.

The enclosure briefly describes the points I hope the Committee can direct some thought and action to during the next year or two. These issues, however, should not preclude the Committee's continuing work on those of a topical and national interest, such as the revision of the highway safety standards, improving the safety performance of highways, increased use of safety belts, the operational safety of trucks and enforcement of the life-saving 55 mile-per-hour speed limit. However, the long-term items outlined on the enclosure pose significant questions that need resolution.

The early involvement of our citizenry--as ably represented by the diverse membership of the Committee--in helping to develop workable answers is, I believe, critical to the overall success of the highway safety program. For these reasons, I look forward to receiving the

Committee's positions and recommendations. I am asking Administrators Gregory and Tiemann, in their respective areas of responsibility, to provide whatever aid and support the Committee might require in its deliberations on these matters.

Sincerely,

A handwritten signature in cursive script that reads "William T. Coleman, Jr." The signature is written in dark ink and is positioned above the printed name.

William T. Coleman, Jr.

Enclosure

cc: Dr. Gregory  
Governor Tiemann

## Long Term Issues Facing Highway Safety

### The Judicial System:

What should and can be done to improve the lagging role of traffic courts in highway safety? How can alternative sentencing of problem drivers be more effectively coupled with innovative case processing methods to reduce recidivism and ultimately lower court workload? Can cost effective systems of problem drinker-driver screening, referral, sanctioning and follow-up techniques be developed for use by the lower courts? How can we accelerate speedy administrative processing of traffic offenses to develop effective deterrent rehabilitation? What innovative training approaches offer the greatest potential for inculcating highway safety values in traffic adjudication? Although the Committee has been addressing these issues, the importance of making traffic courts a truly effective component of the highway safety system remains a yet unsolved challenge. The Committee's continued review and interest in this area is of utmost importance, particularly in serving to publicize the issues, and in serving as a catalyst for action at the Federal, State and local governmental levels, as well as in the private sector.

### Governors' Representatives:

The Highway Safety Act of 1966 called for Governors to be responsible for the administration of the highway safety program in their States. We know of no other Federal program which delegates program responsibility in so personal a way. In compliance with this provision, most Governors have delegated their responsibilities to a "Governor's Representative for Highway Safety." The purpose of the Act was to assure that responsibilities for the highway safety program were assured high-level attention and leadership at the State level while avoiding piecemeal fragmentation of highway safety programs and responsibilities as existed in many States before passage of the Act. Over the years, however, the stature of the Governors' highway safety representatives has been deteriorating. More and more Governors' representatives are being buried in larger and more powerful State institutions, such as motor vehicle departments and departments of transportation. What can and should be done to improve the stature of those responsible at the State level for administering the highway safety programs, thereby enhancing both the stature and effectiveness of this vital program?

### Safety Related to the Highway Environment.

The need for greater gasoline and oil conservation is mandating the design and production of future passenger cars which, in terms of size, speed (recognizing continuation of the 55 mph national limit), weight operational capabilities, and limitations can have a considerable influence on the design and safety standards for highways. For example:

- driver positioning in smaller vehicles, considering adequate peripheral and depth visibility, may require changes in current standards for size and placement of traffic signs, signals and markings;

- improved or less efficient braking capability could influence future construction or reconstruction of highway surfaces because of co-efficients of friction and stopping distances;

- weight distribution within smaller vehicles may result in vehicles not operationally compatible with current design features for curvatures and super-elevations on certain sections of highways and ramps at interchanges;

- reduced acceleration capabilities of lesser powered vehicles could conceivably necessitate changes in the operation of current signals interconnection, progression, and timing.

Also, the performance of future commercial vehicles needs to be examined to determine measures to improve their compatibility with future small automobiles, motorcycles and mopeds on common highways. Measures such as exclusive truck lanes, minimum speed requirements, more climbing lanes, and other highway control and design features to maximize traffic safety and performance, without retarding traffic flow need to be studied to determine the optimum solutions.

In broad terms, then, what should be done in the area of these highway design and safety standards to anticipate and facilitate these and other foreseeable vehicle changes?

### Mobile Communications:

The use of mobile electronic communications in the motor vehicle transportation system might significantly improve several aspects of highway safety. Citizen's Band (CB) radio, used in support of police traffic enforcement and emergency medical services, is an obvious application. It would allow the motorist to request assistance, report accidents, and receive information relating to his safety. It would also enhance citizen participation in highway safety. Citizens with such radios in their vehicles could notify authorities of errant driver behavior, traffic accidents, etc. They could possibly assist in professional police activities. Use of CB would also provide experience to study the feasibility of and guide the future development of a totally dedicated highway communication system.

Coupled with the need for a practical communication system, is the requirement to provide exact information on the location of motor vehicles. The Long Range Aid to Navigation (LORAN) system might fulfill this requirement. LORAN, developed to meet military requirements for precise long range position fixing, could provide an automatic and common reference system for many highway safety needs. Used in conjunction with a communication system, authorities would be able to determine the type of emergency (e.g., flat tire, or crash with injuries) and the exact location of a stricken vehicle from a signal originated by an occupant. Automatic location information of a distressed vehicle may also be possible even if an occupant is unable to communicate. If current plans materialize, LORAN C will be available over approximately two-thirds of the nation (east, west and Gulf Coasts) by 1980. It could be extended to provide overland national coverage with some additional stations. A LORAN receiver would be needed in each vehicle. Technological advances and mass production could conceivably make this feasible from a cost standpoint. The direction and level of support by the Federal Government in this area needs to be formulated in the next few years. Without adequate leadership, fragmentation of resources is inevitable, and a greater cost will result. How should DOT proceed?

### Behavior Modification:

Our data tells us that driver behavior is responsible for as much as 80 percent of all accidents. Accordingly, most of the State and community highway safety programs are directed at improving driving behavior to reduce crashes, deaths, injuries and property damage. To what extent and in what ways should the Federal Government be involved in actually changing human behavior? What should the ground rules for such programs be? The rate of introduction of such programs, the current ideologies concerning human rights, and the degree of public understanding and appreciation of the highway safety problem, strongly affect this issue--as exemplified by the failure of the safety belt interlock device, on the one hand, and the relative acceptance of various new enforcement and rehabilitation efforts of the alcohol countermeasures programs, on the other. What should be the scope, mission and degree of involvement of DOT in changing human behavior as relates to highway safety? Of State and local agencies? Of private sector groups? For example, should DOT sponsor and support a Federal mandatory safety belt usage law? Should DOT design and seek Federal funding for a national highway safety public awareness and support program directed at improving driver behavior?