DEPARTMENT OF TRANSPORTATION

NEWS

OFFICE OF THE SECRETARY

WASHINGTON, D.C. 20590

REMARKS PREPARED FOR DELIVERY BY DAVID OBERLIN, ADMINISTRATOR OF THE SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION OF THE U. S. DEPARTMENT OF TRANSPORTATION TO THE MILWAUKEE TRAFFIC CLUB, 7:00 P. M., GRAND BALLROOM, PFISTER HOTEL, OCTOBER 14, 1969

Tonight I want to discuss with you some of the problems facing this nation in the field of transportation -- what the Department hopes to do about them and what it is trying to do about them. I also want to talk with you about the next decade of the St. Lawrence Seaway. What has gone before is a record to be surpassed and we mean to surpass it. What lies ahead is the Seaway's Development Decade.

You know -- ten years ago almost to the month, Harry Brockel presented a paper entitled the "Significance of the St. Lawrence Seaway" during a panel discussion on the Seaway held at Michigan State University. At that time he noted the Seaway could be summed up in a single phrase: "The emergency of regional unity from disunity."

The statement was indeed prophetic.

It still stands today -- and more than ever it gives impetus to the need for a common sense national transportation policy -- a policy that covers all modes and doesn't favor or single out one form of transportation for heavier burdens or subsidization.

In the field of transportation our Nation is facing a crisis. It is for this reason that President Nixon has asked our Department of Transportation to draft a national transportation policy at the earliest possible time. I can assure you that all modes of transportation are going to be given full consideration in the molding of this transportation policy. The crisis we face in our Nation results from congestion at every turn.

We are adding 6,000 new people to our population each day.

Couple this with the 10,000 new cars hitting the road each day and you get an inkling of the scope of our problem.

For every square mile of land in this Nation, we have one linear mile of paved highway.

With 100 million vehicles traveling more than one trillion miles each year, we face the prospects in the not too distant future of a rear end collision in Bangor, Maine, causing a traffic tieup in Baja, California, or an accident on the Interstate in Washington, D. C., conceivably affecting traffic in Milwaukee.

In the air, congestion grows steadily.

Within ten years, 1,000 aircraft will be added to the existing commercial airline fleet. General aviation planes are increasing in our Nation's skies at the rate of 10,000 annually.

And this doesn't take into account the SST.

You all know what the air traveler faces in airport terminals today. To alleviate this congestion and to serve you better, we must have more equipment and more personnel.

To achieve our goal of less congestion and more safety in the air, the Department proposes an expenditure of 14.5 billion dollars in the next ten years.

The money would be used for new airports and new facilities and would come primarily from user charges affixed to tickets, freight waybills and general aviation gasoline. In other words, those who use the system will be asked to pay for it.

In the field of public transportation we have also proposed a bill that would authorize a ten billion dollar expenditure over a period of 12 years for surface transport.

Predictions of continued growth in our Nation's major urban areas indicate there will be a drastic shortage of mass transportation facilities for urban dwellers.

Our bill would provide for new equipment, expansion of present facilities and research into new and more sophisticated transportation concepts that will be needed for the decade of the 1980's and beyond.

It is almost inconceivable that despite all these problems and despite the fact that 13 percent of our total work force is employed in transportation, we have had no pattern for overall transportation policy.

When we realize that moving raw goods as well as finished products in the U. S. costs between 50 to 75 Billion dollars a year, you can understand that this is the third highest cost of doing business -- exceeded only by labor and materials.

That is why distribution is the next and some say possibly last place where truly significant savings can be achieved. We are in an evolutionary period -- it is an evolution of intelligence and information that faces us.

It should be obvious to those present that as the great Mid-Western area -- Detroit; Cleveland; Chicago; Gary, Indiana; Milwaukee -- all of these major centers continue to grow -- we are rapidly approaching another grand megalopolis which eventually may outstrip the Boston - New York - Washington complex on the east coast.

With such congestion facing us in future transportation it should also be obvious that as the available land routes become more and more congested, the relatively open water routes which surround the major Great Lakes certainly will become increasingly important. The time is coming when inland carriers will no longer consider water transport to be "competitive," but will consider the Great Lakes, the Seaway, and other inland water ways an extension of existing transportation routes -- a way to get merchandise or people over a non-congested route.

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There is going to be a new ball game. The ancient separate advantages held by railroads, truckers and airlines may be upset by combined service.

We may well see the day when a truck or railroad will deliver or pick up merchandise from a ship which it either owns or co-owns. In fact, American Airlines and American President Lines have already agreed to a joint sea international freight service. I can see the day when we will have a joint truck - rail - sea service on the Great Lakes.

As Seaway Administrator I believe the Lakes and the Seaway offer one of the real untapped sources for service.

I know it will grow with the economies of Seaway cities.

Gentlemen, we in the Seaway are going to prepare for the next decade -- I like to call it, The Decade of Development.

Make no mistake about it, the Seaway is already a success; whether you count it in terms of having brought lower transportation costs to the entire mid-west or in terms of the new horizons which it has opened up for the mid-western manufacturers.

For example, one mid-western importer has been bringing in skis -- he finds that the air transportation is cheaper than the combined East Coast railroad costs but the Seaway transportation is cheaper. Conversely, mid-western manufacturers have in many cases cut their former export transportation costs virtually in half.

But, we must look to the future. I plan to undertake a comprehensive study of the requirements and costs associated with twinning the present Eisenhower and Snell Locks at Massena, New York. A review is already underway.

Today's limits of 730 feet on lakers and general cargo ships are becoming obsolete. Newer ships such as the 1,000 foot MANHATTAN which recently opened the Northwest Passage to Prudhoe Bay and Alaska's rich oil reserves may be the forecast of tomorrow. Already 1,000 foot lakers are on the way.

Today's costs could very well be tomorrow's deadly deficits in the highly competitive shipping business.

We intend to look closely at new structures for more appropriately allocating the cost of the Seaway system among its users.

When we study this exceedingly vital part of the Seaway system we are going to reexamine the effect of costs on the flow of goods.

Some of our present operating procedures, Gentlemen -- and I say this quite frankly -- are archaic and not in keeping with the challenges of tomorrow.

Containers are the most recent glamor product of the transportation industry. But, as most of you know, the true cost of moving by containers has not yet come home to roost and I, for one, am convinced that when they do, containers by the Seaway will compare with containers by any other comparable route. We may see a special container ship flying the Great Lakes, a ship which will move containers to a central distribution point for domestic as well as overseas movement.

As I said at the National Waterways Conference in Dallas last week, the Seaway is one inland waterway that is paying its own operation and maintenance costs. In fact, it is the only one. While it is true that revenues have not met all of our obligations, we have, none the less, paid 33 million dollars over our operation and maintenance into the United States Treasury during the first ten years of operation. One of the problems facing the Seaway is to determine what level of user charges can be tolerated without defeating the original purpose -- bringing low cost transportation to the Midwest.

I don't believe I have ever accepted such a challenge as great as I face as a member of Secretary Volpe's team in charge of the St. Lawrence Seaway Development Corporation.

With the change of administration and new personnel in the operating administrations of the Department, your Secretary of Transportation, John Volpe, has ordered all Department officials to proceed in their individual areas with "responsible audacity."

To me that means closer relationships with you gentlemen and more emphasis on encouraging the flow of cargo not only from such cities as Milwaukee but also from ports throughout all of Europe. It means putting our collective heads together to come up with answers to our Nation's transportation dilemma.

We must triple our Nation's transportation capacity -- land, sea and air -- within 13 years just to meet the demands of our own population.

And, finally, it means we can no longer view transportation from our old self interest outlook -- we must use vision --

-- Creativity

-- And above all cooperation.

Gentlemen, I pledge you mine!

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NEWS

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ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION

WASHINGTON, D.C. 20590

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REMARKS PREPARED FOR DELIVERY BY ADMINISTRATOR OF SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION, DAVID C. OBERLIN, TO DELTA NU ALPHA TRANSPORTATION FRATERNITY AT THE TRAFFIC CLUB, NEW YORK CITY, JUNE 3, 1970, 7:00 P.M.

The problems facing our Nation in the field of transportation are truly staggering. The demand for transportation services of all kinds is far outstripping our population growth ... and almost every other form of economic activity in this country. The projections border on the unbelievable ... we must double our transport capacity within 20 years ... put another way -- we must double in 20 years the capacity we have fashioned since this Republic was founded .. and, at the same time we must also make our transportation safer.

The transportation of people and goods in these United States already accounts for more than 20 percent of our gross national product, an impressive 170 billion dollars every year .... and this is just the beginning.

If you think things are a little congested right now, on the way to work, or on weekends, just wait until the next generation is running the Nation. By then, our population will be closer to 300 million, rather than the 200 million we have now.

By then, close to 85 percent of our population is expected to live in urban areas.

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Our highways will be burdened with more than 150 million automobiles and trucks. (We are adding more than 10 thousand additional vehicles to our highways every day.) Domestic airlines alone will triple passenger miles in just 10 years. Truck tonnage will rise 50 percent by 1980. The railroads with the aid of automation are accounting for 15 million additional ton-miles every day and inland water transportation will be increasing by 50 percent in the next two decades.

As Secretary Volpe points out, one of the major tasks of the Department of Transportation and its over 100,000 employees is to develop systems which will minimize the impact of this growth. Although as Administrator of the St. Lawrence Seaway Development Corporation, the Seaway is my particular area of responsibility, it's also part of my job to let you know some of the things we are doing in the Department to help cope with the coming expansion.

Our Federal Highway Administration which oversees the building of about 2,000 miles of interstate highways every year, is assisting cities and towns all over the country in modernizing their primary and secondary roads, and in increasing the capacity and safety of their city streets.

Our Federal Aviation Administration provides air traffic control for some 14,000 flights a day and maintains thousands of navigational aids to provide guidance over the nearly 700,000 miles of airways. To meet expected increases in traffic, FAA plans to increase the number of air controllers by 5,000 over the next three years, and is aiding in the design of automated air control equipment of all types to handle projected volumes.

You're all familiar with the Coast Guard, another member of the DOT family, and its continuing progress in the field of water transportation and safety. They now have in the planning stages new heavily powered ice-breakers designed to blaze new trails for transportation in the Arctic and Antarctic, and perhaps even the Great Lakes.

Our Urban Mass Transportation Administration is working with America's cities -- large and small -- in their efforts to upgrade dependable and much needed public transportation facilities. They are responsible for capital grants, research, development and demonstration programs to improve the bus, rapid transit, subway and commuter rail systems across the face of our Nation. They are designing and expect to build whole new urban transportation systems.

A public transportation act calling for substantial funding in all these areas has recently passed the Senate and is currently being considered in the House.

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The Federal Railroad Administration operates the Alaskan Railroad as well as setting standards of railroad safety. Last month the Senate took action that may make DOT members of a corporation whose function is to maintain railroad passenger service. By a vote of 78-3, the Senate approved a bill to set up a quasi-public corporation to operate passenger trains on intercity routes designated by the Department of Transportation.

To illustrate in depth just one facet of the Department of Transportation effort, let's discuss auto safety.

One of the very first auto fatalities happened here in New York in the year 1899. There was a large public outcry, followed by a demand that cars be banned from the streets, or preceded by a man waving a red flag. Now-a-days we slaughter thousands on the roadways of our country each year -- and we accept it as a way of life! For example averages say that during the past one minute there have been 20 automobile accidents, and five (5) injuries. There are approximately 56,000 traffic oriented deaths in our country each year, compared to about 10,000 in Viet Nam. For each injury in Viet Nam - there are 100 on our streets and highways.

We can't continue to accept this state of affairs, this "massacre through mobility."

The Department of Transportation is examining every conceivable aspect of vehicle safety from anti-skid devices, approach-rate detectors and proximity brakes to energy-absorbing bumpers and periscope rear view mirrors -- from better tires and tire grading systems to non-flammable fabrics for car interiors.

There are some safety systems that can produce multiple social benefits. Improved bumpers, for example, could cut one billion dollars from car insurance premiums and repair costs every year. That would help cut the waste of our natural resources.

Doug Toms, Director of the National Highway Safety Bureau, tells me that within five to seven years after we begin to install air bags in both new and used cars, we could achieve a 50 percent reduction in highway deaths and injuries.

Existing vehicles can be improved just so far -- from a safety standpoint, therefore the U.S. Congress has directed the Department to build an experimental safety car from scratch. Secretary Volpe expects award contracts will be made within the next few weeks and delivery of the first prototypes could be as early as 18 months later.

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The safety car will be able to survive a roll at 70 miles per hour and leave the passenger compartment intact. It will brake and handle far better than any car ever built. It will provide vastly better visibility, be fire-resistant and as an extra added attraction -- hopefully be powered by a low-pollution engine. It will be designed from bumper to bumper with the goal of safety in mind.

I know many of you are wondering if it will look like a Patton tank; however, the tentative models I've seen have eye appeal, and of course, this is an important consideration.

Fourteen of these cars will be built by the end of 1972. We believe the automobile industry will recognize the value of the innovations and quickly incorporate them into production models. In summing up, this is progress in safety and an important aspect of transportation.

Now we come to that part of the Department which deals with inland water transportation ... the St. Lawrence Seaway Development Corporation. As Seaway Administrator, I sincerely believe the lakes and the seaway offer one of the real untapped sources for expanding our transportation services.

Many people think of the Seaway as just a passageway in the St. Lawrence River. Actually, in practice, it is an integrated transportation system extending 1200 miles into the heart of North America.

In just ten short years the Seaway has produced many benefits. It has brought lower-cost transportation to the Midwest. It has opened new horizons for Midwestern manufacturers by lowering their export costs as much as one-third. It has brought the farmer from 3 to 6 cents a bushel more for his grain. It has made available competitively priced iron ore to the Nation's great steel centers. It has been successful on all counts but one. Yet this is usually the only one mentioned when the purveyors of doom annually mourn the demise of the seaway. To paraphrase Mark Twain, the reports of its death have been greatly exaggerated.

It is quite true that the Seaway hasn't met its original revenue forecasts. It is still, however, the only U.S. inland waterway that is paying its own operation and maintenance costs. While revenues have not been sufficient to meet all our obligations, we have nonetheless paid more than 31 million dollars over and above operation and maintenance costs back into the U.S. Treasury, and it is still too early to judge its long range potential. If this is failure, then perhaps what our Treasury needs are a few more failing waterways.

A lot of railroads are not running at a profit either. But few let this fact blind them to the need for a strong railway system. Perhaps we need a Wally Shirra to remind the Nation that American shippers need the seaway, too. And he might also mention us when asking for fair and equitable rate regulations.

But we must look to the future of the seaway. We need more modern systems, a longer season, more U.S. flag service, and a better understanding of the potential of the seaway.

You are all keenly aware of containerization. But its true cost aren't all in. Todays prices to the shipper in a fiercely competitive market may well fail to cover carrier costs in the long run. But even at todays rates, we believe that special vessels on the lakes, serving perhaps as feeder vessels, will see the seaway route continue to be a truly competitive system.

Toward this end the corporation and the DOT are jointly undertaking a study of the economies of such a service, and we plan to award a contract in the very near future. This next decade may bring a special lakes container ship moving unit loads, containers or barges to and from central port distribution points for domestic as well as overseas movements.

In cooperation with Canada, we are going to extend the season as far as possible with present facilities. And we are going to study new methods to extend it even further - even ship design with ice capability. We want to encourage U.S. flag use of the system, and most important, we need a better understanding of the seaways advantages. For example, few people realize that sailing from Lake Michigan to Europe often takes little more than 13-18 days ... in view of the inevitable inland delays in transport to tidewater ports, the door-to-door time is really competitive and often at lower cost.

On the domestic side of the lakes operation, with todays carriers fast becoming obsolete, newer ships (with ice capability) are already on the ways ... 1000 foot bulk carriers, self-unloaders, automated for maximum efficiency so that their 50,000 ton loads can be discharged in little more than four to six hours. Yet these ships will be highly maneuverable.

I am sure you will agree that if the predictions and growth curves prove correct ... we are going to need every transportation system in this country 's arsenal to meet the needs. The seaway and the lakes have to be ready for their contribution.

These, then, are some of the things we are doing at DOT to meet the future. In closing, I would like to point out that no Government Department has any corner on ideas or programs. Organizations, such as yours, can contribute much to the general welfare by giving us your informed advice. All of us here have a significant role to play in this Nation's transportation future.

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