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SIMPLIFYING DOCUMENTS FOR INTERNATIONAL FREIGHT

REMARKS DELIVERED BY ROBERT E. REDDING, DIRECTOR, OFFICE OF FACILITATION, OF THE OFFICE OF ASSISTANT SECRETARY FOR POLICY AND INTERNATIONAL AFFAIRS, BEFORE THE SIXTH INTERNATIONAL FORUM FOR AIR CARGO, MAY 31, 1972, WASHINGTON, D. C.

Good morning, ladies and gentlemen -

A global meeting, such as this meeting of yours -- the Sixth International Forum for Air Cargo -- is always different from any other kind of meeting.

It is always more interesting, colorful, exciting and important -- and, of course, more far-reaching in its effects -- than an ordinary meeting.

I consider it a real privilege, therefore, and a high honor, to have a part in your program. I am very glad to be here for this occasion.

At the outset, I would like to give you a little background on the U.S. Department of Transportation, Office of Facilitation, which I represent as its Director, its administrative head.

This Office has been in operation just over five years.

It was brought into being as a part of the Department of Transportation, in April 1967.

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Have you ever heard of the Transportation Act of 1966?

Perhaps not. This is the law passed by Congress which established the U.S. Department of Transportation. The assignment given to our Office was to assist the Secretary of Transportation in carrying out the statutory mandate of that Act, which says - "to facilitate the development and improvement of coordinated transportation service, to be provided by private enterprise to the maximum extent possible."

According to the dictionary, "to facilitate" means, "to make easier or less difficult, to help move forward, to assist progress."

In our Office, we are more specific. We conceive of facilitation as helping to speed the flow of commerce, domestic and international, in particular respects -- and in every way possible.

Our role is to identify, study and analyze barriers, impediments and obstacles to the untrammelled flow of traffic and transportation -- and then to help remove those obstacles.

Our direct beneficiaries are passengers, baggage, cargo, crews, vehicles and mail.

The working vocabulary in our Office is marked by such meaningful "buzz words and phrases" as -

Ease of Movement
Simplification
Standardization
Innovation
Efficiency
Enthusiasm
Uniformity
Economy -- and
Expedite.

"Expedite" is the key word in transportation -- which has become the most widespread economic activity of mankind, the largest activity serving mankind -- and the most rapidly changing.

When you are an expeditor, you are not sitting down wondering what to do. You know what to do, you find out what needs to be done, and you get busy and do it. You are directing and controlling change.

Among the current goals which the Office of Facilitation has set for itself -- and on which we are making headway, thank goodness -- are the ones I shall now summarize -

1. Continued progress to achieve more cooperative working relationships with all levels of government and concerned transport interests in facilitating domestic and foreign commerce.

2. Full-scale activity in the operation of a National Transportation Facilitation Education Program, primarily for the benefit of the transportation community.
3. Alignment of commercial and government documents with the United States Standard Master for International Trade.
4. Development of a program to create a better knowledge of user transport requirements and problems.
5. Development of improved preclearance and U.S. gateway inspection systems, to provide a proper balance between facilitation benefits and enforcement requirements in international passenger and baggage handling.
6. Progress in efforts to achieve greater relief from transport terminal congestion for domestic and international cargo movements.
7. Completion of a comprehensive review of interchange and pooling of containers, including approval of a uniform intermodal agreement for container movements.
8. Progress toward a needed solution to the lack of uniformity in intermodal cargo liability processing and limitations.
9. Improvement of transport equipment utilization, by expanding equipment interchange, better equipment identification and marking systems, and advanced computer, electronics, and communications technology.
10. Elimination of special consular documentation requirements in a number of countries.

I could go on. But enough of this, you get the idea -- you can see that we have our work cut out for ourselves.

You people who are here from all over the world, attending this international forum for air cargo, know better than anyone else, of course, that for the past 10 years, the volume of international air cargo has been increasing steadily.

You know also that this increase is expected to continue for at least the next 15 years.

The future for you people is bright.

The planes needed to transport air cargo -- freight, mail and express -- are available, and are being added to, and improved upon right along. Lufthansa's experimental use of the 747 wide-body jet freighter should prove beneficial.

Nor do today's air terminals constitute a problem. In practically every city in the world -- in every city of any size, that is -- the air terminal -- or terminals -- are spacious, modern, mechanized, and well equipped to handle whatever volume of air cargo might show up, coming or going.

But there is one bottleneck which cannot be overlooked -- and which must be removed -- and the sooner, the better.

This bottleneck is documents -- excessive documents, useless documents.

My subject to discuss with you here today is, "Simplifying Documents for International Air Freight."

Let's call it instead - "Getting Rid of Unnecessary Paperwork."

In the time which has been allotted me, I will try to tell you briefly what we at the Office of Facilitation are doing, and are planning to do -- in cooperation with business and industry to eliminate unnecessary paperwork in world trade -- and particularly as it affects air freight.

First of all, let me give you some of the latest facts about unnecessary paperwork in this field.

You doubtless are generally familiar with these facts already -- or most of them.

But stay with me anyway, and listen. I hope that what you hear will make your blood boil a bit.

We need you, not only to know about this problem, but also to be so aroused about it, that you will want to help solve it, which is something which you, in your position, can do.

First to be noted is the fact that any business firm in this country engaged in world trade today is confronted by -- if not overwhelmed by -- 125 different types of documents now in regular and special use in exporting and importing.

I guess you could call this fact a multiplier. At any rate, it leads to something else, and something more awesome -- which is this -

--The 125 different types of documents, which are now in regular and special use in exporting and importing, represent more than 1,000 separate forms to be filled in, coordinated, scrutinized, checked, and whatnot -- or to be promptly forgotten, as the case may be.

But hold on a moment, there is much more.

The present paperwork for U.S. world trade creates an estimated 828 million documents a year.

And these documents are not destined to be merely single copies. The fact of the matter is that they generate six-and-a-half billion copies a year. (Someone with a mathematical bent has figured out that, if all of these copies were stacked up end to end, there would be enough of them to equal in height more than 1,900 Washington Monuments. Whether that is true or not, we know that world trade today is plagued by too many documents, -- too many forms -- and too many copies.)

As to the human effort involved in all of this paperwork, total U.S. world-trade documentation consumes more than one billion man-hours annually -- which, an unbiased computer tells us, is equivalent to more than 144 million days of work, or more than 600,000 years of work.

And as Secretary of Transportation John A. Volpe reminds us - "all this seriously impedes the expansion of international trade, and can seriously endanger the nation's ability to compete in world markets."

And now, you may want to know, where did we get all of these startling facts about paperwork in connection with world trade?

How reliable are these statements?

What is the source of our information?

Well, the facts, as you have just heard them, were brought to light by a research study which was made jointly by the Office of Facilitation and the National Committee on International Trade Documentation.

(The National Committee on International Trade Documentation, in case you are not familiar with it, is a voluntary, non-profit, privately financed membership organization set up to streamline and improve international trade documentation and procedures.)

The joint study, which was completed by this group and our agency last September, was not an overnight gesture.

It took two-and-a-half years to complete, and we think it was well worth it -- we know it was well worth it.

--The ordinary shipment of goods from the U.S. to any country overseas -- and this, of course, applies to air cargo -- requires 45 separate documents.

--The ordinary shipment overseas calls for 360 copies of the documents.

--To prepare and process the documents for an average shipment abroad takes more than 64 manpower-hours of work.

(That means that it would take one man more than a week-and-a-half to do the job. It sounds unbelievable. But the study shows that it is true, nevertheless.)

--The cost today to U.S. business and government of documentation for the average shipment abroad is more than \$350.

And now, here is one thing to remember -- here is the principal finding of the study -

--Based on the current volume of our international trade, the documentation -- the paperwork -- at present costs U.S. business and government nearly \$6.5 billion a year -- or nearly seven-and-a-half percent of the total value of U.S. export and import shipments, which is \$86 billion.

There is, however, a hopeful note -- a most encouraging note, I should say -- in this whole picture.

Based on its findings, the study which I have been telling you about comes up with 28 specific recommendations to simplify, and to eliminate, paperwork -- and to solve problems of communication -- in world trade.

These recommendations are sound and practical, and when put into effect -- as we at the Office of Facilitation are determined they will be -- will just about cut in half the present cost of documentation.

In other words, the recommendations when fully adopted, will save business firms and the government -- but mostly the business firms -- at least \$3 billion a year.

Three billion dollars a year, I submit, is a respectable amount to save.

But, in addition to saving this large sum of money, we will also be doing away with senseless and useless motions -- and will greatly speed up the entire operation of international trade.

Among other things, the study shows -

1. How to reduce the number of types of documents now in use from 125 to 40 -- to get rid of 85 of the present forms forever,
2. How to eliminate 400 million forms which are now being filled out each year, and
3. How to eliminate nearly four billion copies of the forms -- think of it. (Think of the trees that will be saved every year.)

The 28 recommendations which the study makes are divided into three categories - general, government, and industry.

Without getting technical, I would like to give you something of the scope and feel of this study, and its significance.

With this in mind, here is a sampling of the recommendations in the general category -

--Develop a standard transportation and commodity description and code system, and apply the system to government and commercial international shipments.

--Use a single standard control number to identify documents throughout a transaction.

Here is a sampling of the recommendations in the government category -

--Simplify, combine, standardize and align import entry documents with the U.S. Standard Master for International Trade.

--Sponsor and encourage programs of statistical exchange between the U.S. and other countries on a bilateral basis to reduce documentation and simplify collection of import-export data.

--Review, sponsor and approve all existing, new or revised transport documents on a centrally coordinated basis.

And here is a sampling of the recommendations in the industry category - and of particular interest to you people in the field of air freight -

--Permit certification statements on sale or transport documents as substitutes for preparing separate documents.

--Authorize use of copies of bills of lading for aircraft, ocean carrier and container outbound and inbound cargo manifests, in lieu of separately prepared manifests.

--Permit the seller, rather than the buyer, to assume major transport and commercial documentation responsibilities.

This sampling adds up to eight recommendations.

The study contains 20 others.

One of the recommendations which the study makes -- and which is of direct interest and importance to you people in air cargo --, is this:

"Continue to align documents with the U.S. Standard Master format, and update related procedures."

Already aligned are -

- The Bill of Lading
- Shipper's Export Declaration
- Bureau of Customs Application for Drawback Form
- Commercial Invoice
- Certificate of Origin
- Insurance Certificate
- Delivery Instructions
- Dock Receipt, and
- Shipper's Letter of Instruction.

We are now working with the International Air Transport Association and the Air Transport Association of America to adopt the U.S. Standard Master as the format for the air waybill.

To achieve this alignment before the end of 1972, the Office of Facilitation has held extensive meetings with the International Air Transport Association, the International Civil Aviation Organization, the Air Transport Association of America, and the National Committee on International Trade Documentation.

The name of the study -- and you may want to make a note of this, I hope you do -- is - "Paperwork or Profits? -- in International Trade".

Too often, as you know, when a research study is made of a situation -- and recommendations are presented for facing up to the situation, and dealing with it in a forthright manner -- the recommendations are allowed to lie dormant. This is especially true when certain of the recommendations are considered controversial.

In the case of the "Paperwork or Profits" study, however, I am very glad to report to you that the findings of this study have been generally accepted as realistic, even though terrible, both at home and abroad -- and that the recommendations which have come out of the findings are recognized as being on target -- and long overdue -- and are not being permitted to gather dust.

In fact, on 21 of the 28 recommendations, the Office of Facilitation has already taken steps to do whatever needs to be done to put them into operation.

And we are actively following through on the other seven.

The implementation of these recommendations -- the carrying out of these recommendations, and putting them into effect -- involves all the interested elements of government and industry, including, of course, your own sector of air cargo, as well as with individual air carriers.

We are greatly encouraged by the response we have received at these meetings.

We are very hopeful, therefore, that our target date will be met -- and that, before the end of the year, the international air waybill will be aligned.

Whether you live and work in this country or in some other country, you will benefit directly by the program to cut down on paperwork in world trade -- and to improve communications in world trade -- to the extent to which you yourself take advantage of the time-saving and money-saving opportunities which the program offers -- and to the extent to which you yourself help make the program work.

There is no reason why world trade should be hidebound, or hemmed in by tradition.

There should be nothing about engaging in world trade -- in any of its phases -- that should make a company, or an individual, get in the habit of doing things a certain way, just because they have always been done that way.

That is a habit we can no longer afford.

World trade -- and the transportation industry, which makes world trade possible -- must be innovative, daring, bold, and forward-looking.

In this year 1972, we are taking a big step in that direction.

What comes out of it will depend on how closely, intelligently and harmoniously government and business -- exporters, importers, shippers, investors, and carriers -- can work together, and how quickly we can abandon outmoded methods, and how completely we can adapt to the new.

The fact that you international air cargo people are here at this meeting to delve into matters such as these -- and to take needed action when you get back home -- is, it seems to me, a good sign. And it will help keep transportation -- mankind's greatest economic activity -- of increasing service to men and women everywhere.

Our Office of Facilitation doesn't have the biggest staff of any agency in Washington. But we do have the most willing staff, I believe. So, any time we can be of help or service to you, let us know. Our door and our hearts are always open.



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U.S. DEPARTMENT OF TRANSPORTATION
OFFICE OF THE ASSISTANT SECRETARY FOR
POLICY AND INTERNATIONAL AFFAIRS
Washington, D.C. 20590

Creating a Working Climate for Facilitation

REMARKS DELIVERED BY ROBERT E. REDDING, DIRECTOR, OFFICE OF FACILITATION, OF THE OFFICE OF ASSISTANT SECRETARY FOR POLICY AND INTERNATIONAL AFFAIRS, BEFORE THE FOURTEENTH ANNUAL TRANSPORTATION CONFERENCE OF TEXAS A&M UNIVERSITY, SPONSORED BY THE TRANSPORTATION ASSOCIATION OF AMERICA, MARCH 23, 1972, COLLEGE STATION, TEXAS.

After enduring the winter season in Washington, it is a welcome pleasure indeed to enjoy the beginning of the spring season in Texas. 'All too soon the hot humid summers of Washington will be back again.

I consider it an honor and a high privilege to be the lead-off speaker for this 14th Annual Transportation Conference of Texas A&M University. It speaks well for the drawing power of the gentleman who holds the MacDonald Chair of Transportation, General Doyle, to have persuaded the high calibre speakers to follow me on the program. This is why I consider my participation to do me honor.

I consider this a privilege because of the opportunity to discuss the subject of facilitation with a distinguished panel before an interested audience. As panel moderator and lead-off speaker, it is my assigned role first to offer an overview of transportation facilitation. My panel colleagues will then discuss the specific facilitation topics of documentation, data coordination, and liability. The open forum period will then follow, with ample time for questions and the interchange of viewpoints, concluding with a few words of summary. By that time, everyone will be ready to facilitate lunch.

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I.

The conference title of "Finance-Facilitation-Labor & Productivity" has probably set a number of you to wondering why the subject "facilitation" has been given equal billing alongside such important topics as transportation finance, labor, and productivity. I'm sure that there are no corporate vice presidents for facilitation among the users, investors, or carriers in transportation. I'm also sure that there are no federal, state or local government departments of facilitation. Yet, in the world at large, special attention is being paid to facilitation by many United Nations bodies and by many other governments, even including Russia and the People's Republic of China.

What is transportation facilitation? Who, if anybody, is "facilitating" these days?

There is no single definition of this term. Any dictionary will say that you "facilitate" if you make easier or less difficult, or help forward, or assist progress. This concept could be applied, then, to practically everything the Department of Transportation does.

In our Office, however, we conceive of "facilitation" as helping to speed the flow of commerce, domestic and international, in particular respects. Our direct beneficiaries are passengers, baggage, cargo, crews, vehicles, and mail. Our role is to identify the particular barriers, impediments, and obstacles to the untrammelled flow of traffic, and then undertake to remove them. This leads to the use of action-oriented "buzz words", such as:

<u>Expedite</u>	<u>Ease of movement</u>	<u>Simplification</u>
<u>Standardization</u>	<u>Uniformity</u>	<u>Innovation</u>
<u>Efficiency</u>	<u>Economy</u>	<u>Enthusiasm</u>

Facilitation has been more generally associated with the efficient utilization of modern transportation technology, the elimination of unnecessary transportation roadblocks, the accomplishments of change to permit more efficient competition in the marketplace, and the creation of a working climate between industry and government to achieve the following goals:

- ** Eliminate excessive paperwork
- ** Reduce passenger and baggage delays
- ** Alleviate cargo terminal congestion
- ** Develop wider use of transport systems techniques,
including containerization

- ** Achieve greater coordination of traffic flow on an intermodal basis

Not until the Department of Transportation was created five years ago--its fifth anniversary is just nine days away--did an Office of Facilitation with these duties exist. Some predecessor activities in this field had been assigned to the Department of Commerce and the Federal Aviation Administration, but these were consolidated into the Office of Facilitation in 1967.

The special assignment of the Office is to assist the Secretary of Transportation in carrying out the statutory mandate of the Transportation Act of 1966 "to facilitate the development and improvement of coordinated transportation service, to be provided by private enterprise to the maximum extent feasible...." This means that if we can help achieve the goals I have just described, we can help the common carrier modes - air, freight forwarder, highway, pipeline, rail, and water carriers - provide an efficient, fast, comfortable and economic transportation service. We can help the user cut transportation costs and enjoy more reliable service. We can help the investor achieve a more efficient and economical funding procedure for transportation. We can also help achieve less government interference with, less reporting to government, and less government regulation of the transportation industry.

II.

Now, how much of a need really exists for such facilitation activities?

Consider that this nation's population exceeds 210 million people and is steadily growing. Consider that our Gross National Product now exceeds a trillion dollars a year. Consider that transportation is 20 percent of GNP. Consider that the United States domestic and international freight and passenger bills today approximate \$200 billion a year. Consider that by the end of the 1970's we will be spending at a rate of \$320 billion a year just to move boxes and bodies in normal, every-day commerce--just to keep the nation moving. Consider the limitless and diverse private interests affected by this maelstrom of movement--carriers, shippers, investors, importers, exporters, management, labor, market developers, brokers, etc.

Also, consider the extensive overlay of government concerned with our national transportation system. At least 17 Committees of the Congress have continuing jurisdiction. The three principal Federal regulatory agencies, for example, receive a million pages a year of tariff pages, and have on file reportedly seven septillion rates! Almost all Executive Branch departments have transportation involvements. There are also some 15 state departments of transportation, plus countless other state, regional and local government commissions and authorities. Add to this the large international family--the United Nations structure, and all countries of the world.

NO WONDER TRANSPORTATION HAS BECOME THE LARGEST ECONOMIC ACTIVITY
SERVING MANKIND!

Doesn't it make sense, then, for some office of government to concern itself with the bread and butter problems of the transportation community, at the physical distribution level of movement, and to help give a boost for higher profits?

This is the assignment of the Office of Facilitation. To do this job, I am assisted at the present time by seven other full-time professionals with an accumulation of more than 70 years of industry experience and more than 90 years of documentation management. The Department's total budget authority for the current fiscal year is \$8.6 billion, for 118,000 civilian and military personnel. The Office of Facilitation will receive 6/1,000 percent of this sum. I will leave it to you to judge whether Uncle Sam is getting a bargain.

III.

Our goals are summarized in the material distributed among you today. Our Office has done more, however, than merely to set goals. For example, we went on public record with 20 predictions of facilitation relief to be accomplished during 1971. They included the following activities:

- (1) Continued progress to achieve closer and more cooperative working relationships with all levels of government and concerned transport interests in facilitating domestic and international commerce;
- (2) Full-scale activity in the operation of a National Transportation Facilitation Education Program primarily for the benefit of the transportation community;
- (3) Alignment of numerous commercial and government documents with the United States Standard Master for International Trade, including the Government Bill of Lading;
- (4) Development of a program to provide increased knowledge of user transport requirements and problems;
- (5) Expanded leadership in developing United States positions for and participation in international transportation meetings in 1971;
- (6) Continued progress toward objectives of joint rates, a through bill of lading, and uniform liability for international cargo movements;
- (7) Development of improved preclearance and U.S. gateway inspection systems to provide an appropriate balance between facilitation benefits and enforcement requirements in international passenger and baggage handling;

- (8) Continuation of progress toward easing the burden of statistical documentary requirements now reflected in the Shipper's Export Declaration, which will (a) spread the use of magnetic tape reporting by more shippers, (b) eliminate unnecessary reporting of exports valued at \$250 or less, (c) encourage maximum utilization of the no-authentication-required (NAR) procedures, (d) assist the Department of Commerce in the collection of export cargo data for Puerto Rico trade by ADP in lieu of individual filing of Declarations, and (e) seek automated techniques for controlling exports and reporting related statistics;
- (9) Progress in efforts to achieve greater relief from transport terminal congestion for domestic and international cargo movements;
- (10) Congressional action on 90-day visa waiver legislation for foreign businessmen and tourists;
- (11) Completion of the first comprehensive review of interchange and pooling of containers, including approval of a Uniform Intermodal Interchange Agreement for container movements;
- (12) Evaluation of baggage handling and automated passenger ticketing systems, following completion of research studies early in 1971;
- (13) Progress toward a long-needed solution to the lack of uniformity in intermodal cargo liability processing and limitations;
- (14) Congressional action on merchant seamen legislation authorizing the installation of automated seamen's record systems;
- (15) Initiation of a joint research study by the Departments of Transportation and State to develop an automated passport identification card;
- (16) Reduction of vessel entry and clearance documentation by the alignment of United States forms with a series of IMCO-prescribed forms;
- (17) Development of an effective systems approach for improvement of transport equipment utilization by expanding equipment interchange, improved equipment identification and marking systems, and advanced computer, electronics, and communications technology;
- (18) Congressional action on vessel documentation legislation designed to simplify procedures for vessel registration, changing masters, and renewing licenses;
- (19) Special attention to the facilitation of small shipments by using the transport systems approach; and
- (20) Elimination of special consular documentation requirements in an increasing number of countries.

I am able to report that significant progress has been made in almost all of these 20 areas. I'm sure that a number of these subjects will be discussed in greater detail by other members of the panel today.

IV.

I am personally convinced that the vital ingredient to our progress in the past two years has been the "creation of a working climate for facilitation."

I submit to you that this is not just an empty phrase, or a private enterpriser-turned-bureaucrat's glib slogan. Instead, it envisages a roomful of highly informed and experienced industry and government people rolling up their sleeves for a joint attack on those facilitation problems long proclaimed to be insoluble.

Mr. Booker T. Washington is credited for the following words: "I have learned that success is to be measured not so much by the position that one has reached in life, as by the obstacles which he has overcome."

It is our new working climate in facilitation which is now enabling us to overcome facilitation obstacles. It is motivated men who have made America great, and it is real fun to win against long odds. Consider how other members of the transportation family have recently acknowledged the necessity of a "working climate".

From an FMC member:

"It does not follow that industry and government should rest idle and await the outcome of a study or any other large-scale legislative proposal . . . The failure to initiate additional cooperative efforts now will cause regulation and commercial planning to lag too far behind modern transportation technology. We must, therefore, direct our efforts toward developing and encouraging intermodal transportation systems within the statutory framework."

From a banking executive to a transportation audience:

"The human element is the most important in translating even the most brilliant planning theory into a successful planning program. Such factors as people's attitudes, emotions, reactions, likes and dislikes, play a far more vital role in the accomplishment of this mission than any technical or theoretical consideration. We must turn people on if we are to succeed in making planning a real force in shaping our corporate destinies."

From a joint agency transportation study report:

"The objectives of the study will not be accomplished unless aggressive and imaginative leadership is exercised by the agencies of the Federal Government having central responsibility for such matters."

From a trade association conference report:

"... an underlying current of pessimism generated by the feeling that the cooperation required between all segments in the maritime community to successfully meet the challenge laid down in the new maritime program will not be accomplished. The need for this mutual cooperation between management and labor, between shippers and carriers, between government and industry, to make the new program work was stressed in every panel and by every speaker that addressed the convention."

From an association executive to Secretary Volpe:

"It, therefore, becomes a matter of urgency that the DOT exercise government leadership in resolving the matter of uncoordinated transportation code systems."

From a letter to the editor of a leading transportation journal:

"Some of the top shipper executives understand the problem and top officials in many carriers understand it and so do many top policy people in the Commission. Then why isn't something done about it? There are many reasons but they all go back to management, organization, and avoidance of responsibility; thus allowing planning and decisions to be made on the basis of 'the way it has always been done' since the decisions are made by those who only know 'how it has always been done,' because they are the experts in doing it that way." . . . We must all work to break the inertia which is killing transportation."

And, finally, from the report of a British facilitation study group:

"Success in cutting a path to progress through the current maze of documents, procedures, requirements and constraints will depend on the extent to which international understanding and agreement can be obtained for overall objectives and priorities."

While the Office of Facilitation is made up of only eight full-time professionals, our door is open around the clock to all segments of industry--management and labor--and government. We have limited funds for research; however, our determination, our perseverance, our enthusiasm, and our desire to cooperate are unlimited, for example, my staff participated last year in approximately 250 meetings, conferences, and seminars with industry, federal, state and local governments, and international bodies. This included about 50 conferences with other federal agencies, as well as a considerable number of international conferences and bi-lateral meetings with United Nations and foreign government officials.

V.

As for today's conference, let us not limit it to the scope defined by the Wall Street Journal: "A conference is a meeting where people talk about what they should be doing." Instead, let us make it a conference to talk about what we are doing, and then move out and do the job.

As for the future, let us make "1972 - a Year of High Achievement".



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REMARKS DELIVERED BY ROBERT E. REDDING, DIRECTOR, OFFICE OF FACILITATION, OF THE OFFICE OF THE ASSISTANT SECRETARY FOR ENVIRONMENT, SAFETY, AND CONSUMER AFFAIRS, DEPARTMENT OF TRANSPORTATION, BEFORE THE ASSOCIATION OF I.C.C. PRACTITIONERS, JUNE 12, 1973, WASHINGTON, D. C.

I consider it a privilege, on behalf of the Civil Aeronautics Board, Federal Maritime Commission, Interstate Commerce Commission, and the Department of Transportation, to participate in the program of the long-established and prestigious Interstate Commerce Commission Practitioners Association. We are pleased to be here to brief you regarding the formation, aspirations, and first specific and tangible accomplishment of the Interagency Committee for Intermodal Cargo (ICIC).

I.

In the President's transportation message to Congress more than 11 years ago, on April 4, 1962, his first request was that the Chairmen of the CAB, ICC, and FMC meet at frequent intervals "to seek coordinated solutions in the form of legislative or administrative action that will improve the regulatory process." This request was, indeed, foresighted because it came just on the threshold of the intermodal technological revolution. To their credit, these Chairmen did institute a series of work sessions at that time and have subsequently worked together on common problems.

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By 1972, the pressure of the technology of intermodalism, which all of us in transportation have felt, demanded expedited realization of the President's meritorious suggestion. Intermodal transportation has almost reached maturity. Yet, many contend that it is being restrained from full growth by a system of policy and laws created by men whose minds did not anticipate the age of intermodalism. We believe that ICIC has arrived as a timely vehicle of the regulatory system and the intermodal demand for change.

II.

Perhaps some background on the creation of ICIC would be helpful at this point. Almost all of the present representatives on the Committee have met in the past informally and voluntarily on many occasions. These meetings have been occurring on an ad hoc basis since 1970, mostly for the purpose of exchanging information regarding particular facilitation problems.

Representation on the ICIC consists of one representative and one alternate designated respectively by the agency chairmen and DOT Secretary. The agency representatives presently constituting the ICIC are:

From the Civil Aeronautics Board: Alfred R. Stout, Deputy Director of the Bureau of Economics, and Bradford H. Smith, Special Assistant for Project Development in the Bureau of Economics.

From the Federal Maritime Commission: N. Thomas Harris, Director of the Bureau of Compliance, and James K. Cooper, Deputy Director of that Bureau.

From the Interstate Commerce Commission: William F. Sibbald, Chief of the Section of Motor Carriers, and Ernest R. Olson, Deputy Director of the Bureau of Traffic.

From the Department of Transportation: Robert E. Redding, Director of the Office of Facilitation, and Berney T. Wilburn, Chief of the Travel and Trade Division in that Office.

At one of the ad hoc meetings, held on July 11, 1972, it was generally agreed that the time had arrived for the formalization of an officially coordinated interagency mechanism for the purpose of exchanging information and achieving consensus on intermodal problems of mutual interest. It was further agreed that the time had come to place such a proposal before the top officials of the three agencies and the DOT. It was also agreed that Secretary Volpe, if willing, should act as a catalyst in requesting the respective Chairmen of the three regulatory agencies to cooperate in the formation of this group.

Later on in August, when the representatives reported a favorable preliminary reaction to the idea by their respective agencies, a name was given to the group - the "Interagency Committee on Intermodal Cargo." In the weeks which followed, its scope and function were gradually defined in continuing staff discussions. Finally, with the groundwork completed, Mr. Volpe on October 18, 1972, wrote each of the agency Chairmen inviting their official concurrence in this new cooperative effort. All responses were affirmative.

It was agreed to give ICIC an experimental one-year life. The first official meeting of the members of ICIC occurred on December 8, 1972.

III.

The scope of ICIC activities generally embraces intermodal cargo facilitation relating to United States domestic and international commerce. Cargo in this context includes commercial and governmental freight carried by all modes of transportation, but excluding passengers and their baggage, air express, and mail.

Most of the time and discussion of the past seven meetings has been concerned with organizational questions, some procedural problems, and some very painstaking discussion on some of the substantive problems facing intermodal cargo movement. Such items included the subjects of (1) the DOT-sponsored cargo liability study, (2) tariff-filing procedure reform (e.g., through-rate tariffs), (3) the through bill of lading, (4) aligned and standardized clausings of bills of lading and air waybills, (5) commodity descriptions and codes (all kinds), (6) implementation of the 1971 joint "DOT/NCITD Documentation Study", (7) electronic data transmission, (8) ADP interface, (9) transportation data standards, (10) legal impediments to intermodal cargo transport, (11) transport systems matters (e.g., interchange of equipment containerization, and other unitization matters), (12) antitrust immunity, and (13) terminal congestion and delay.

The function of ICIC will be to provide a continual coordinating mechanism for the exchange of information at the staff level on these and other important intermodal cargo facilitation needs and activities. It will also develop methods of achieving effective joint intra-government working relationships concerning such needs and activities. ICIC will also serve as a continuing forum to discuss possible solutions to intermodal cargo problems, except that it is agreed that it will not consider substantive determinations concerning the reasonableness and lawfulness of through rate levels. ICIC has no decision-making power in its own right. It does, however, have and will exercise staff initiatives to look squarely at the problems of intermodal cargo.

IV.

ICIC meets on the morning of the first Wednesday of each month, with the location of these meetings rotating among the four agencies. ICIC's chairmanship also rotates monthly, with each member acting as Chairman and host of the following meeting.

We of the ICIC hope that the discussion period today, after my brief remarks, will enable you gentlemen to inform us of particular problem areas of intermodal transportation which you feel the Committee should focus on. We of the ICIC wish to encourage the user, investor, and carrier components of the transportation community and other interested government agencies to regard ICIC as a focal point and continuing forum of key staff level review of problems associated with the movement of international and domestic intermodal cargo. The Committee does not intend, however, to establish any formal liaison with specific industry groups. ICIC respectfully suggests, however, that as an orderly operating procedure, carrier representatives present problem items, which they wish to be considered by the Committee, to the ICIC member agency which regulates such transport mode. User and investor contacts will be welcomed by DOT.

V.

The first specific proposal for improved intermodal cargo service, submitted for the consideration of the ICIC, was an industry-sponsored "Shipper-Provided Short-Form Bill of Lading." It is contemplated that the terms printed on the reverse side of this commercial document would be identical for rail, truck, and water carrier shipments and would be duly filed in appropriate tariffs with the Interstate Commerce Commission and the Federal Maritime Commission.

The question presented was whether the industry interest, represented by the National Committee on International Trade Documentation, and the ICIC member representatives could reach an informal accord that such terms would, if utilized by industry, not be objectionable from a regulatory standpoint.

As a consequence of numerous joint conferences, correspondence, and telephone negotiations, we are pleased to report that such efforts have been successful, with the Civil Aeronautics Board abstaining. The text of the new short clausling is attached hereto.

The benefits to industry from this accord will soon become apparent because many shippers have been awaiting the finalization of this short form clausling before beginning their own programs to use shipper-provided bills of lading.

We anticipate that it will first be used for international cargo. It will likely be used for repetitive shipments by pioneering large shippers and should speed up the documentation process, in lieu of using carrier bills of lading. It will apply standardized terms and conditions. It will also solve the "multiple masthead" problem involving the hundreds of different carrier bills of lading.

It should also be a constructive step forward toward the goal of the through bill of lading, or one contract document, originating with the shipper and applicable to multimodal handling of the traffic.

VI.

It is hoped that this cooperative effort, through the use of the newly-established ICIC mechanism, will be the first of numerous successful efforts in the future to achieve improved intermodal cargo service.

The achievement of agreement on the wording of the short-form bill of lading may appear, at first glance, to be of lesser magnitude than other significant intermodal questions which confront the transportation industry today. The more vital product, in our view, resulting from the discussions, redrafts, and final compromise by all interested parties, is the development of a successful modus operandi for the Committee members. The search for a common approach on future problems has been made easier by the short-form bill of lading exercise of the past six months. It has allowed us to establish a precedent and spirit of cooperation and confidence on a matter with divergent points of view and interest, both inside and outside government.

In conclusion, the formation of ICIC has taken hold in the public's eye to a greater extent than was ever anticipated. Its creation has been mentioned in speeches by many industry and governmental people in the past few months. Its birth has been well christened with articles and editorials in many of the country's notable transportation periodicals.

The members hope that ICIC will be able to fulfill the many hopeful expectations of these enthusiastic supporters. We also invite all interested sectors of the transportation community to assist it in achieving its goal of facilitating an efficient intermodal transportation system.

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ATTACHMENT A

NCITD's SHIPPER-PROVIDED SHORT FORM BILL OF LADING
(Terms continued from overside)

This short form Bill of Lading is provided by the Shipper and issued for his convenience and at his request instead of the Carrier's regular long/short form Bill of Lading. Copies of the Carrier's regular long/short form Bill of Lading and the clauses presently being stamped or endorsed thereon are available from the Carrier on request and are incorporated in tariffs or classifications on file with the Interstate Commerce Commission and the Federal Maritime Commission.

In using this short form Bill of Lading, the Shipper, Consignee, and Holder hereof agree that all the terms and conditions of the Carrier's regular long/short form Bill of Lading, normally used in the service for which this bill of lading is issued, including any clauses presently being stamped or endorsed thereon filed with the above agencies, are incorporated herein with like force and effect as if they were written at length herein, and all such terms and conditions so incorporated by reference are agreed by Shipper to be binding and to govern the relations, whatever they may be, between all who are or may become parties to this Bill of Lading as fully as if this Bill of Lading had been prepared on the Carrier's regular long/short form Bill of Lading.

As used herein, the term "Carrier" means any and all carriers whether on land or sea on whose modes of conveyance the goods described on the face hereof are carried.

If this Bill of Lading evidences a contract for the carriage of goods by sea to or from ports of the United States, in foreign trade, or provides for routing within the United States, it shall have effect subject to the provisions of the U.S. Carriage of Goods by Sea Act of 1936, and other applicable statutes, to the extent that any such Act or statutes may apply to the transportation contract of any one or more of the carriers involved.

If this Bill of Lading evidences a contract for the carriage of goods by sea or by surface transportation to, from or through countries other than the United States, it shall have effect subject to the provisions of the applicable Acts, statutes or regulations of such countries, to the extent that any such Acts, statutes or regulations may apply to the transportation contract of any one or more of the carriers involved.

The Carrier's regular long/short form Bill of Lading may contain a number of provisions giving the Carrier certain rights and privileges and certain exceptions and immunities from and limitations of liability additional to those provided by the Acts or Laws referred to above and may extend the benefit of its provisions to stevedores and others.

If required by the Carrier, a signed original Bill of Lading, duly endorsed, must be surrendered to the Carrier on delivery of the goods.

All agreements with respect to the above goods are superseded hereby and none of the terms hereof shall be deemed waived except in writing by an authorized agent of the Carrier.