REMARKS PREPARED FOR DELIVERY BY FEDERAL RAILROAD ADMINISTRATOR, REGINALD N. WHITMAN, AT THE JOINT LUNCHEON OF THE RAILROAD COMMUNITY SERVICE COMMITTEE OF CLEVELAND, GREATER CLEVELAND GROWTH ASSOCIATION AND THE TRAFFIC CLUB OF CLEVELAND, SHERATON-CLEVELAND HOTEL, JUNE 9, 12:30 P. M.

Having been in Washington for a little over three months now, I am beginning to feel like the man who walked up to the ticket agent at the railroad station and said, "Give me a ticket." The ticket agent asked "Where to?" and the man replied "Anywhere, I have problems all over." Indeed, the Department of Transportation and the Federal Railroad Administration does have problems all over!

But, before I discuss some of the more critical ones with you today, I would like to talk a little as to just where the Federal Railroad Administration fits into the scheme of things in our Nation's transportation picture. You should know that we are a new agency, just two years old in April, and you should also know we are faced with some very difficult transportation and railroad problems we think will ultimately affect you.

Many uninformed people have already written off railroads as an important factor in the transportation future of this country. I doubt that these people realize that railroads continue to haul over 40 percent of all the intercity freight traffic.

And they forget that this volume of business is handled on their own property on facilities built with their own money. And the railroads also have been contributing over $900 million in taxes each year. If the railroads were to close down tomorrow it has been estimated that other forms of commercial transportation would be hard-pressed to absorb over 10 percent of that tonnage the railroads handle. A very important part of our job, therefore, is to tell this story to such groups as this and also to those in government who do not understand the transportation problems this country would face should the railroads, for any reason, cease to exist.

No less important is the Department of Transportation's job to help the railroads work towards a more efficient, marketable and safe transportation product while, at the same time, supporting their ability to achieve stable, long-term growth through profitable operation.

While the government does not generally own or provide railroad facilities, we do run the Alaska Railroad in the 49th state and I might say that this railroad is operating in the black. Other than this, the Department's involvement in railroad transportation is small, compared with its role in air and highway transportation.

Because the new Department of Transportation recognizes that this country has the same need for good railroad transportation as we do for its competing forms, it has charged the Federal Railroad Administration, first, to guide in the promotion of economic efficiency of the industry; second, to assure adequate safety standards; third, to support national interests as affected by railroad transportation; and finally to support industry progress.

To achieve these goals, the Federal Railroad Administration, is attempting to serve as the main communications link between the railroad industry and the Government, and exert leadership by coordinating the industry's many talents and drives. We are also attempting to act as the industry's advocate within the Department of Transportation in balance with the public interest. And finally, through research--economic and technological--we are attempting to serve the national interest by encouraging, sponsoring, stimulating and, at times, funding activities essential to a better product and more secure industry.

EXCERPTS
FROM SPEECH BY REGINALD N. WHITMAN, FEDERAL
RAILROAD ADMINISTRATOR, SHERATON-CLEVELAND
HOTEL, CLEVELAND, OHIO, JUNE 9, 1969, 12:30 PM

-- If the railroads were to close down tomorrow it has been estimated that other forms of commercial transportation would be hard-pressed to absorb over 10 percent of that tonnage the railroads handle.

-- "...the welfare of thousands of Ohio citizens is, in fact, tied to the continuing success of the rail industry."

-- "...with railroads so essential to our freight transportation system, the Government is very concerned about any drain in the financial health of the industry."

-- "...freight car utilization is crucial to the financial health of the railroad industry."

-- Freight cars are the railroad's main investment and they must produce more revenue per dollar of investment if this industry is to be profitable and, in turn, strong and healthy.

-- Of concern to us and to Congress is the question of railroad safety--particularly the uptrend in train accidents and the new dimension of derailments involving hazardous materials.

-- "...I feel very strongly that the industry and its employees are ready to come to grips with the safety problem."

-- "...alternative forms of transportation have succeeded in capturing the majority of former rail patrons."

-- "...railroads have, in fact, been experiencing losses in passenger service in an increasing amount."

-- We must consider programs which will invite joint considerations related to keeping rail passenger service going where it is needed.

-- To obtain any meaningful program of improved rail passenger service...we will need the cooperation of local communities, State Governments as well as railroads.

-- "...the regional approach, with regional interests participating, seems at this point to be the best way to go."

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-- "Total /Metroliner/ passengers through May 31 topped the 184,000 mark with the average utilization of the six trains running at 76.7 percent. ...significant ... these passengers did not come from other trains--they are new to the scene."

-- "...refreshing at least to us in the FRA--87 percent of these passengers have indicated they will take the train the next time out."

-- The performance of the Metroliner does bode well for the development of other corridors. In fact, our people are looking at the regional approach for solving the rail passenger dilemma and are analyzing various city pairs to try to determine where such factors of high density, high demand exist.

-- "...our Northeast Corridor Transportation Project is making tremendous strides in an attempt at sophisticated transportation demand forecasting and is intended to present and evaluate alternatives for transportation within that corridor."

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Now, I don't want to imply that because the Federal Railroad Administration is on the scene, all of our critical problems are going to be solved immediately. They aren't. But I did want you to have this background before I placed some very critical questions on the table--all of which should concern you.

As I noted earlier, I am rather new to the Washington scene. When I got there, however, I found many old problems still kicking around. To show what I mean, I went before the Senate Commerce Committee for confirmation in March and Senator Warren Magnuson of Washington, after telling me he had been with the Committee 24 years, asked what I thought was the subject of discussion at his first committee meeting 24 years ago? Before I could respond, he shouted "the boxcar shortage," (and he placed the emphasis on all three words). Another Senator told me about the great concern in Congress for the downward trend in railroad passenger service. He asked, "can we stop this decline? Can we develop the potential for rail travel? and finally, what role do you envision for the Federal Government reversing the trend?"

The Senators asked my views on some new problems as well, including train derailments of cars carrying hazardous materials--a new dimension in the rail safety picture--and the freight car service problems.

In short, the message from Capitol Hill came through early and it came through loud and clear: First--FRA get cracking; second, Whitman, good luck! I can tell you in all sincerity today, we came back to the office and have been going at it very hard ever since!

And I have the feeling that Congress is extremely interested in railroad problems and is willing to do something constructive for the railroad industry. The problem, it seems to me, is that no one has been able to define what form this help should take. So I think this, too, is a vital part of our job: To recommend ways that the Federal Government can help to keep this key industry economically sound and perform the kind of service that best serves the national interest.

As for the freight car service problem, it is still critical--even though the railroads added some 70,000 new or rebuilt cars in 1968 at a cost of $600 million. What concerns us--and I am sure you shippers in the audience too--is that while overall utilization of the car fleet has

improved, it has not reached a satisfactory level by any measure. The average time a loaded car moves in a 24-hour period is about 1-1/2 hours, which means that car is earning money only six percent of each day!

Why is this so important? Well, in addition to the car shortages that develop, freight car utilization is crucial to the financial health of the railroad industry. Freight cars are one of the railroad's main investment and they must produce more revenue per dollar of investment if this industry is to be profitable and, in turn, strong and healthy.

While car service problems are the responsibility of the Interstate Commerce Commission, the Federal Railroad Administration has taken one important step to assist the railroads in getting a better handle on the situation. Last month we asked contractors to submit research proposals before the end of June for developing the economic effect of freight car shortages and one additional item crucial to solving the problem--how can we forecast freight car demand on specific commodities.

Of equal concern to us and to Congress is the question of railroad safety--particularly the uptrend in train accidents and the new dimension of derailments involving hazardous materials. Although the railroad industry ranks better than average in overall industrial safety, the fact that we are handling more cars of propane, butane, anhydrous ammonia, and other equally dangerous materials, points up that many derailments go further than simply being another railroad accident. They quickly become a matter of major public concern.

The rail-highway grade crossing problem is also of great concern. In 1968, 1,547 died and 3,807 were injured at public grade crossings.

What are we doing about the total safety problem? One of the first major actions of the Secretary of Transportation Volpe was to propose the establishment of a special task force on railroad safety. This proposal was accepted by railroad management and labor, and the task force includes public members from State Utility Commissions and myself as Chairman. We are to report our findings and recommendations to the Secretary by June 30. Today, I can only give you my

opinion; but I feel very strongly that the industry and its employees are ready to come to grips with the safety problem.

Of course, the human stakes are high. In addition, the economic losses in train and train service accidents alone have had a negative impact on an industry already suffering from a record of unstable earnings. I can also say that with railroads so essential to our freight transportation system, the Government is very concerned about any drain in the financial health of the industry.

And that financial health, I might add, should be an important concern to Ohio and its economy. Last week, for instance, I had the opportunity to visit just two railroad supply industries in your state. I found that their employment of 2,000 employees in just one city is solely dependent on orders from this vital transportation mode. I am sure such a story applies to Cleveland and can be repeated throughout the nation. This indicates to me that the welfare of thousands of citizens is, in fact, tied to the continuing success of the rail industry.

Railroad passenger problems are another matter. And judging from the mail I receive on the subject, there is a lot of confusion on this--even down to just what the passenger problem really is.

To some, the problem is nationwide and encompasses all types of train service--long distance, intercity, intermediate or corridor and commuter. To others, the passenger problem is the one they last encountered, be it a missing connection in Chicago; riding in a 40-year old coach or finding their town without train service of any kind.

The problem simply stated is that alternative forms of transportation have succeeded in capturing the majority of former rail patrons. The largest competitor, the private auto, accounts for 88 percent of all intercity travel. Domestic air travel has expanded ninefold since 1950 and now handles twice the combined intercity passenger miles carried by rail, bus and water. And while total intercity travel doubled during the same period, intercity rail passenger miles dropped 65 percent.

The railroads have, in fact, been experiencing losses in passenger service in an increasing amount. In 1965 $44 million was lost on a solely related cost basis. This increased to $138 million in 1967 and $170 million last year. Since 1958 total passenger revenues--exclusive of mail and express--have fallen 23 percent.

Of course, there are a number of reasons for this picture: (1) the development of jet travel and the interstate highway system, (2) public policy decisions to directly and indirectly invest in highways and air facilities, (3) environmental influences such as changes of the central city and the changing requirements of business travel; and (4) the reluctance of the railroads to compete strongly in a service that, at best, could only break even.

There are a number of options available to us. We could recommend a freeze on all existing passenger service; or with the exception of commuter service--just let rail passenger service fade out of existence. In my opinion, neither of these approaches will add anything to our fast-developing passenger problems--both air and ground.

On the other hand, we could favor long distance runs, or put all our bets on medium range runs within specific corridors.

Let's for a moment consider the long distance train. By that I mean service from Chicago to New York or Chicago west to the Pacific Coast. The future for these long runs, in my opinion, is very bleak. You cannot produce commuter-like service by air between Chicago and New York and expect a 16-hour train to survive. Now, let's take the 16-hour run and reduce it to its major components, such as, Chicago to Cleveland, New York City to Albany and Chicago to Detroit. These are corridors wherein we have today or we predict we will have air and highway congestion to such an extent that the rail alternative will assume new importance. The corridor approach therefore focuses on future needs and we think rail service in these areas has distinct possibilities for success.

Take the Metroliners which have been in limited service on the Penn Central since January 16. Total passengers through May 31 topped the 184,000 mark with the average utilizatiom of the six trains in service at 76.7 percent. It is very significant that these passengers did not come from other

trains--they are new to the scene. And equally refreshing--at least to us in the FRA--87 percent of these passengers have indicated they will take the train next time out.

We think DOT's Turbo service between New York and Boston will be successful also, although our load factors so far are not as large as the Metroliner. Two improvements go into effect today--a reduction of 16 minutes running time, and a rescheduling to a more convenient time. We think this will improve the load factor, and also tell us what revenue increases can be expected from additional speed and more customer convenience.

The performance of the Metroliner does bode well for the development of other corridors. In fact, our people are looking at the regional approach for solving the rail passenger dilemma and are analyzing various city pairs to try to determine where such factors of high density, high demand exist. We are in the process of costing out equipment acquisition, right-of-way improvements, labor costs and other operating costs, estimating the amount of revenue that the runs could potentially produce, to see if we could produce a surplus for any of these city pairs. These results will be made public soon, and hopefully we can begin developing cooperative programs in regional rail passenger service.

To obtain any meaningful program of improved rail passenger service, however, we will need the cooperation of local communities, Federal and state governments, as well as the railroads. And frankly speaking, cooperation will mean joint funding. We must consider programs which will invite joint considerations related to keeping rail passenger service going where it is needed.

I am happy to observe today that Cleveland and the Northern Ohio region is already moving to meet its developing transportation needs. It is going to be a big and costly job. And while urban mass transit is the primary concern of a sister agency in DOT, I can certainly agree that the regional approach, with regional interests participating, seems at this point to be the best way to go. In this regard, our Northeast Corridor Transportation project is making tremendous strides, in an attempt at sophisticated transportation demand forecasting, and is intended to present and evaluate alternatives for transportation within that corridor.

We have never had this kind of data before. And once we have it, I am sure we will be able to apply these techniques to other corridors where high density populations indicate a need and possible support for rail transportation.

Further, our High Speed Demonstration Program, while intercity in character, is clearly linked to the transportation system of the terminal cities and will even have impact on such things as urban airport location.

As a matter of fact, we are currently funding a study to determine the potential of existing rail facilities for high speed ground access to Friendship International Airport between Baltimore and the Nation's Capitol. We are also studying the potential of using transportation systems such as the tracked air cushion vehicle in linking airports located some distance away to the center city. Conceivably, this type of system could be the forerunner of 200-mile per hour transit systems.

It is obvious, therefore, we at the DOT are mighty concerned about where cities such as Cleveland are going when it comes to railroad transportation. For, as you have shown very well by your very fine rapid transit line to the airport, the steel rail has a very definite role to play. And it is our job to help the railroad industry stay around to play that role and we intend to do just that.

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REMARKS PREPARED FOR DELIVERY BY FEDERAL RAILROAD ADMINISTRATOR, REGINALD N. WHITMAN, AT THE MEETING OF THE AMERICAN ASSOCIATION OF RAILROAD SUPERINTENDENTS WASHINGTON-HILTON HOTEL, JUNE 18, 1969, 12:30 P.M.

Having devoted at least half of my working life to the specific goal of becoming a railroad superintendent, I feel a certain kinship with you and am particularly delighted to appear before your association. Although I am fully aware that the life of a railroad superintendent is not without its difficulties, I cannot help but wish sometimes that I might trade the problems of my job for those of yours. At least your problems are fairly tangible. Mine are largely elusive.

From the ranks of you Railroad Superintendents will come the future top leaders of rail management. So, it seems to me that the superintendent's position is almost unique. I have in mind that the railroad superintendent has the one job which might be characterized as the pivotal point in railroad management. On the one hand you have responsibility for policy and are a part of the management team. On the other, you are close enough to the actual conduct of day-to-day railroad operations that you have not lost touch with all aspects of the operation and the employees who perform it. The railroad superintendent, therefore, is in a position to serve as a bridge

over what is sometimes a vast gulf between top management and the actual day-to-day problems of operations and providing adequate service. Your influence can be exerted both up to management and down the line to the people who do the work.

It would be wasteful of your time and of mine if I were to attempt to outline all of the many problems with which the railroad industry is confronted today. You know them well from first-hand experience. Instead, what I would like to do in the time available to me today, is to try a few ideas on you and then discuss very briefly some of the activities of the Federal Railroad Administration.

I must warn you that some of the ideas I have in mind call for a break from tradition and conformity. Indeed, there are those who will say they are not only a break from tradition but are wild and lack merit. Nevertheless, in my opinion, now is the time for new and better ideas if that time ever existed. We must think! We must act! And above all, we must be aggressive! We must take full advantage of all our opportunities, and we must do so with enthusiasm, for enthusiasm is nothing but confidence in action.

As a starter, let's examine the extensive railroad property holdings, particularly the rights of way. What

could be more basic and mundane? In most cases this property is extremely valuable. But regardless of its immense value, much of it is utilized for only short periods of a 24-hour day. There are bound to be ways by which railroads can better utilize the property they own.

Some progress in this regard has already been made. Just a few years ago, no one was doing anything about utilization of air space over railroad property. Now great strides have been made by some roads in the development of air rights over railroad property, particularly in heavily populated and dense business-oriented areas such as Chicago and New York City.

The opportunities in this areas are boundless. Take the development of the park and ride stations in some major cities and urban areas. Two and sometimes three modes service these stations. Why not expand this idea and utilize railroad property more fully? Develop transportation centers serving all ground and air modes, even perhaps: short take-off and landing aircraft (STOL) and vertical take-off and landing aircraft (VTOL)? At the same location, develop a business center with offices, shopping facilities, restaurants and other service facilities. A business-transportation center would be the natural gathering place for the masses. And in my view, a "natural" for more effective utilization of a railroad resource.

I am satisfied that we possess the genius to think of additional productive ways to take advantage of the right-of-way asset. And this is not solely the task of any one person; it is the task of every interested railroad man in the country, including railroad superintendents.

Turning to another side of railroading, it occurred to me recently that it would be interesting to see what we could produce if we were to attempt to design an ideal boxcar. Your immediate reaction to that may be that the boxcar has been around for such a long time and there are so many different variations of it; what conceivable advantage is there in seeking the ideal boxcar?

Let me tell you what I have in mind. When the Department of Defense or the commercial airlines want a better airplane, they don't go out and ask the builders for what's on the shelf. Instead, they draw up specifications and tell the builders precisely what they want in terms of performance and capability of such aircraft.

To experiment with this idea, I requested some members of my staff to list some of the characteristics or qualities that they would expect in a composite, ideal boxcar. I recognize, of course, that there are problems in this approach--and I am fully aware of the old story which explains the plight of the camel in terms of its having been designed by a committee.

Bearing this in mind, let me list for you just some of the requirements they came up with for an ideal boxcar. They said it should be weather-proof. It should have insulation which would protect frozen foods for one week without refrigeration or keep the lading warm for the same length of time. It should be capable of operating well over 100 miles per hour. It should be so suspended as to reduce inside shock and vibrations so that dunnage and securement would be practically unnecessary. It should be capable of one complete bearing failure without derailment. It should be equipped with tight lock, self-acting, unattended coupling, and remote uncoupling, but be usable with existing couplers, by adapter, if necessary. Automatic coupling should also couple air, electrical connections and steam, if necessary. It should be equipped with a combination of cushioning or remotely-controlled brakes to permit classification at speeds up to 15 miles per hour, while at the same time keeping the effective impact forces on cargo low enough to dispense with dunnage and securement. It should be equipped with fast acting, electropneumatic brakes. No separate handbrakes should be necessary. It should be possible to lubricate all bearing or rubbing surfaces from one or two points without dismantling any part of the car.

This is not the whole list. Does it sound extreme? Does it sound unrealistic? Perhaps so and perhaps not. Sure, I know there are numerous difficulties associated with this approach. But I don't believe this means we should not be thinking about it nor we should not be attempting to do something about it. I simply say to you, why not have such an ideal boxcar? Think about it. Why not give me <u>your</u> ideas?

I have another thought I would like to share with you. It is not revolutionary. It is not novel. It is very fundamental. It is something you superintendents are directly concerned with every day. I refer to railroad freight service and how to improve it.

It's too bad Parkinson didn't think about railroads when he was writing some of his laws. If he had, he would have probably put down something like this: "A railroad has varying obligations: To the public, to perform good service--service that is reliable, of high quality and priced intelligently; to its employees, to furnish, to the extent possible, steady and safe employment, and have the ability to pay wages and provide social benefits in keeping with the national level. And, a railroad has an obligation to the government to keep its plant and service at a high

level of efficiency. It has a role to play as well in protection of the country's welfare in the event of a national emergency."

All of these obligations, however, are basically dependent upon the ability of a railroad to provide service that is acceptable to the customer and on the public's support of the rail industry in using this service. In short, if this service is not provided or if the public fails to use it, the railroads will not have the ability to fulfill these obligations.

I have told myself and I told everyone around me that there is no reason why freight trains should not move on schedule, and every reason why it should. Call it the power of positive thinking or call it anything you like. In my case it had a definite effect in improving service. Although I know full well that there is good rail service, there is bad rail service, and there is mediocre rail service; I have yet to see service which cannot be improved. But to effect improvement there has to be a start somewhere. So I say to you why not start with having freight trains run on time? Don't accept excuses for poor performance. Be hard-nosed. During

my tenure as a General Manager nothing bothered me more than a superintendent who was too good-natured about poor performance.

I do not wish to dwell at length on this subject, but before leaving it, I would like to direct your attention to the comments of one of your competitors. In a recent interview published in Railway Age magazine, the president of one of the largest motor carriers in the nation said:

> "There is first of all the question of service. The customer, after all, is the kingpin. One thing most railroad people don't understand or won't understand is that companies like ours charge higher rates than the railroads do, much higher rates in many cases; and that every bit of freight that we get is because of our service."

Obviously, the big attraction of motor carrier transportation is the service it provides. If the railroads attract a larger share of freight, particularly the higher valued and rated traffic, it will have to be accompanied by improved service.

Up to now, I have been talking about ideas and have been suggesting some things you superintendents might do. Let me turn for a moment to the question: What is the Federal Railroad Administration's role?

Because the new Department of Transportation recognizes that this country has the same need for good railroad transportation as it does for its competing forms, it has charged the Federal Railroad Administration: first, to support national interests as affected by railroad transportation; second, to assure adequate safety standards; third, to guide in the promotion of economic efficiency of the industry; and finally, to support industry progress.

To achieve these goals, the Federal Railroad Administration is attempting to serve as the main communications link between the railroad industry and the Government, and exert leadership by coordinating the industry's many talents and drives. We are also attempting to act as the industry's advocate within the Department of Transportation in balance with the public interest. And finally, through research--economic and technological--we are attempting to serve the national interest by encouraging, sponsoring, stimulating and, at times, funding activities essential to a better product and more secure industry.

I should pass on to you that Secretary Volpe is extremely interested in railroad problems. And I have the feeling that Congress is too and is willing to do something constructive

for the railroad industry. The problem, it seems to me, is that no one has been able to define what form this help should take. So I think this, too, is a vital part of our job: To recommend ways that the Federal Government can help to keep this key industry economically sound, and perform the kind of service that best serves the national interest.

One concern of the Federal Railroad Administration is car service problems and we have taken one important step to assist the railroads in getting a better handle on the situation. Last month we asked contractors to submit research proposals before the end of June for developing the economic effect of freight car shortages and one additional item crucial to solving the problem--how can we forecast freight car demand on specific commodities.

Of equal concern to us--and I know it is to you--is the question of railroad safety--particularly the uptrend in train accidents and the new dimension of derailments involving hazardous materials. Although the railroad industry ranks better than average in overall industrial safety, the fact that it is handling more cars of propane, butane, anhydrous ammonia, and other equally dangerous materials, points up that many derailments go further than simply being

another railroad accident. They quickly become a matter of major public concern.

What are we doing about the total safety problem? One of the first major actions of the Secretary of Transportation Volpe was to propose the establishment of a special task force on railroad safety. This proposal was accepted by railroad management and labor, and the task force includes public members from State Utility Commissions and myself as Chairman. We are to report our findings and recommendations to the Secretary by June 30. And unless something goes amiss, I think we will meet that target date. Today, I can only give you my opinion; but I feel very strongly that the industry and its employees are ready to come to grips with the safety problem.

May I say in closing that no one person or no one group holds the key to the future of the railroad industry. I am satisfied that the future of the industry can be a bright one. But I am convinced that the extent to which such a bright future is realized depends upon the contribution made by each of us in our own particular areas. Your role as superintendent is an important one. I am sure you will make the most if it.

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TESTIMONY OF REGINALD N. WHITMAN
FEDERAL RAILROAD ADMINISTRATOR
ON HR 8449
BEFORE THE HOUSE COMMITTEE ON
INTERSTATE AND FOREIGN COMMERCE
JULY 9, 1969

Mr. Chairman, since this is my first appearance before your distinguished Committee, I would like you to know that I feel privileged to be able to represent the Department of Transportation and Federal Railroad Administration before you. As you know, I am charged with administering the federal railroad safety laws passed by Congress. At my confirmation hearings before the Senate Committee on Commerce I pledged myself to fulfill that obligation according to law and as fairly as possible. I feel very strongly that railroad safety must be improved, if the industry is to meet its responsibility of providing safe and efficient rail service. I would like to place that same pledge before your Committee.

For the Committee's information, I will first review my background. I was appointed Federal Railroad Administrator on February 26, 1969.

Prior to my appointment, I served as General Manager, (Lines East) of the Great Northern Railway. In this position, I supervised nearly 5,000 miles of railroad located in five states. At the same time, I served as President of the Lake Superior Terminal and Transfer

Railroad and Vice President of the Portal Pipe Line Company. Both are subsidiaries of the Great Northern.

My 40-year railroad career began in 1928 when I joined the Great Northern as a telegrapher. Following service on three divisions and advancement to dispatcher, I was appointed Trainmaster at Great Falls, Montana, in November 1942. During World War II, I was an officer in the 732nd Army Railroad Operating Battalion.

Following military service I returned to the Great Northern as Trainmaster and later served as Rules Examiner, Terminal Trainmaster and Superintendent of the Cascade Division with headquarters at Seattle.

In April 1955, I was given a leave of absence to serve as General Manager of the federally-owned Alaska Railroad, and returned to the Great Northern in August 1956.

In 1964, following the disastrous Good Friday earthquake in Alaska, I was sent to Anchorage to see what mainland railroads could do to assist in restoring service as quickly as possible. In 1967 I was appointed to Alaska's NORTH Commission to start an interim study of some of the transportation problems in northern Alaska.

You have invited me here today to give my views on the proposed changes in the Hours of Service Act which sets the maximum number of hours certain railroad employees may work. I must tell you frankly, at the outset, that I am personally

dedicated to the view that railroad safety problems cannot be adequately dealt with on a fragmented or piecemeal basis. The industry has many inherent hazards that are complex and interrelated. Their solution calls for comprehensive treatment. In the day-to-day operation of our railroads, management and the employees live with the whole safety problem. I would like to see a government approach encompassing the full scope of railroad safety.

Therefore, I think it is essential that we look at the question of hours of work limitations for operating employees and those employees involved in dispatching and handling of train orders in the framework of the entire railroad safety problem.

As background for consideration of the safety problem as a whole, I would like to give you a brief review of what I see as the present state of safety on the railroads. The most significant statistic confronting us today is the 66 percent increase in the rate of railroad train accidents over the 1963 to 1968 time span, as is shown in Attachment A to my statement. The chart shows an increase in the monthly average of train accidents from 400 in 1963 to 669 in 1968. Our reporting requirements define train accidents as those which cause at least $750 damage to track and/or equipment whether or not a reportable injury is involved. Since repair costs are up, more accidents come within the reportable category.

However, even with an allowance for increased costs, we find the train accident rate has increased 42 percent through 1967.

Train derailments make up the substantial portion of the problem. In 1968, there was a monthly average of 457 derailments reported, compared to a 264 average in 1963. The second category of train accidents is classified as collisions. There was an increase from an average of 92 per month in 1963 to 144 in 1968. Other train accidents -- those which are not classified either as a derailment or collision -- increased from a monthly average of 47 in 1963 to 68 in 1968. This last category includes such accidents as equipment fires, explosions, landslides, etc.

Causes of train accidents are listed in the broad classifications of (1) defects in or failures of equipment, (2) defects in or failures of track or roadbed, (3) human factors, which include employee performance, and (4) miscellaneous causes. Attachment B shows the percentage relationship of these causes. Attachment C breaks down the cause factors in more detail for the years 1963-1968. In general, the incidence of derailments is related largely to track and equipment defects, while collisions are mainly attributable to human performance.

I think it is essential that we look at the question of railroad safety in terms of people. Attachment D shows total casualties and indicates the obvious fact that the major problem of rail safety -- when it comes to <u>public</u> impact -- is the rail-highway grade crossing accident. In

1968, of the 2,359 persons killed and 24,608 injured in all types of railroad accidents, 1,547 died and 3,807 were injured at grade crossings.

The second largest group involved is the trespasser -- a person who wanders onto or enters railroad property without authorization. In this group, 568 persons were killed and 561 injured in 1968.

Employees are, of course, a major concern. In the total casualty figures, they account for approximately six percent of the total deaths and 71 percent of total injuries. In Attachment E, we show the employee casualty rate per million manhours worked by class of employee. A review of the five years, 1963-1967, indicates that the casualty rate is static. In other words, employee safety has not improved, particularly for those employees in the transportation classification.

Here are some of the problems we have found in our accident investigations.

Track problems include such things as broken rail, insufficient ballast, insufficient rail anchoring, deteriorated ties and poor drainage conditions. We have also noted contributing causes to track failures include increased amount of traffic on a line or branch due to industrial development or changes in traffic routings. Changes in freight car and locomotive sizes and weights are also a factor.

We have seen previously from the charts that equipment failures cause more than 25 percent of the train accidents. In this area, we note such problems as axle and journal failures; broken wheels; undue strain on couplers and draft gears due to bigger cars and larger train consists; inability of longer freight cars to negotiate sharp curves, crossovers, and turnouts due to truck center spacing and long overhang; buckling of jumbo tank cars (without center sills) when the car is subjected to compressive drawbar force; and harmonic rocking of freight cars with high centers of gravity.

The charts show that human failures are also a factor as they relate to operational efficiency and safety. This could include problems of age, health, fatigue, training, and qualification of railroad operating employees. Medical standards and requirements for annual medical examinations and programs to qualify and train certain railroad workers have been established by individual railroad companies, but not on a uniform basis. There is some evidence that these standards are not consistently applied. Also, railroad operating rules are not always uniform or consistent.

Railroad accidents and the three basic areas of cause -- track defects, equipment failure and human factors -- take on added significance when dangerous materials are in the train consist. The increasing shipment of hazardous materials has

brought a new dimension to the railroad safety problem. Where once a train derailment caused only equipment, track and lading damage, the presence of dangerous commodities has resulted in concern for public safety.

Very briefly, that is how we see railroad safety today. It is the reason for our concern that all factors contributing to the railroad accident experience be given appropriate attention. It is also the reason that Secretary Volpe asked railroad management, labor and the state regulatory commissions to examine the scope of the problem and advise him of their views on what the federal role in railroad safety should be. The Task Force reported to the Secretary on June 30, and information copies of the report have been provided to Committee members.

I am very proud to have served as chairman of the Task Force on Railroad Safety that the Secretary established. It was encouraging to see three groups -- with diverse views -- sit down and reach agreement on a very difficult issue. From your copy of the Task Force report you know that their first recommendation was:

"That the Secretary of Transportation, through the Federal Railroad Administration, have authority to promulgate reasonable and necessary rules and regulations establishing safety standards in all areas of railroad safety, through such notice, hearing and review procedures as will protect the rights of all interested parties."

Let me say that the formation of the Task Force followed a careful review of the extensive hearings held last year by this Committee on a general railroad safety bill. Throughout the hearing record on HR 16980, it was abundantly clear that the Chairman and many Committee members were concerned that those groups most affected by the proposed bill had not been given the opportunity to jointly study the problem, nor did they have the opportunity to agree on solutions. Recognizing the urging of this Committee, the Secretary provided a forum in which management, labor and the States could examine the problem, discuss their particular positions and agree on a unified approach. I think the high caliber of men who represented the three groups justified your faith in this approach and gave to the Federal Government strong, sensible and workable guidelines which should help reverse the upward trend of railroad accidents.

I would like to quote one more paragraph from the report:

> "Railroad safety is wide in scope and requires a more comprehensive national approach. Of first priority is treatment of total rail safety by relating all its facets to definite goals. This demands a coordinated approach by industry, labor, State and Federal governments."

Mr. Chairman, this unanimous statement is of great significance. It sets the stage for a new era of cooperation in building a safer railroad system. I think it also has a bearing on the specific issue before this Committee today.

HR 8449 would substantially amend many of the provisions of the present Hours of Service Act. The most significant change is the reduction of the work hours limit for rail operating employees from 16 down to 12. The present 9 and 13 hour limits applicable to operators, train dispatchers, and others handling orders pertaining to train movements would continue to be 9 hours where two or more shifts are employed and would be reduced to 11 hours where only one shift is employed.

Other revisions in the proposed bill are discussed in a technical analysis which I would like to submit for the record.

The present Hours of Service Act was passed more than 60 years ago when it was not uncommon to have train crews on duty 24 hours or more without sufficient rest. While the law has not been amended materially since its enactment, other factors have had the practical effect of further limiting the hours worked by most employees covered by the legislation. The 8-hour-day provision of the Adamson Act of 1916 and overtime premium pay developed through collective bargaining has had an effect on reducing the work hours of all railroad employees including those covered by the Hours of Service Act.

The extent to which present work hour limitations affect railroad safety has never been adequately determined. The Interstate Commerce Commission which administered the law prior to April 1, 1967, testified at previous hearings that available statistics do not show a relationship between the 16 hour limitation and the occurrence of railroad accidents. Railroad accident reports are not sufficiently detailed to make such a determination.

I would like to submit for the record the number of instances of excess service reported to us or developed through examination of carrier records for the years 1964 through 1968 (Attachment F). While these statistics are a report on the administration of the law, I do not believe they have any significance in defining the more complex question of how hours on duty affects safety.

I cannot advise you with any degree of accuracy, either through personal experience or from present statistics, whether the 16-hour limit is unduly hazardous or whether it should be a lesser number of hours. I do know that the hours a man works is only one of the many factors affecting safe human performance. Age, health, the working environment and the like are all important. Of basic significance is that all these factors together add up to safer performance -- not just one or two.

This takes me back to the policy enunciated by the Railroad Safety Task Force -- that of looking at the total rail safety picture when searching for solutions. While the Task Force did not discuss hours of work, I would think that, if Congress saw fit to give us regulatory authority over the human factors and other causes of railroad accidents as suggested in the Task Force Report, the hours of work limitations would be one of the more important areas we would be concerned about, along with other related factors. In my opinion, a broad approach permits government, management and labor to be more effective in their mutual support of safe railroad operations.

In summary, the basis for my views on proposed amendments to the Hours of Service Act are:

1. Accident records are not sufficiently detailed to establish a relationship between hours on duty and the occurrence of accidents.

2. Human errors that are listed as causing accidents would seem to be affected by many factors including length of time on duty.

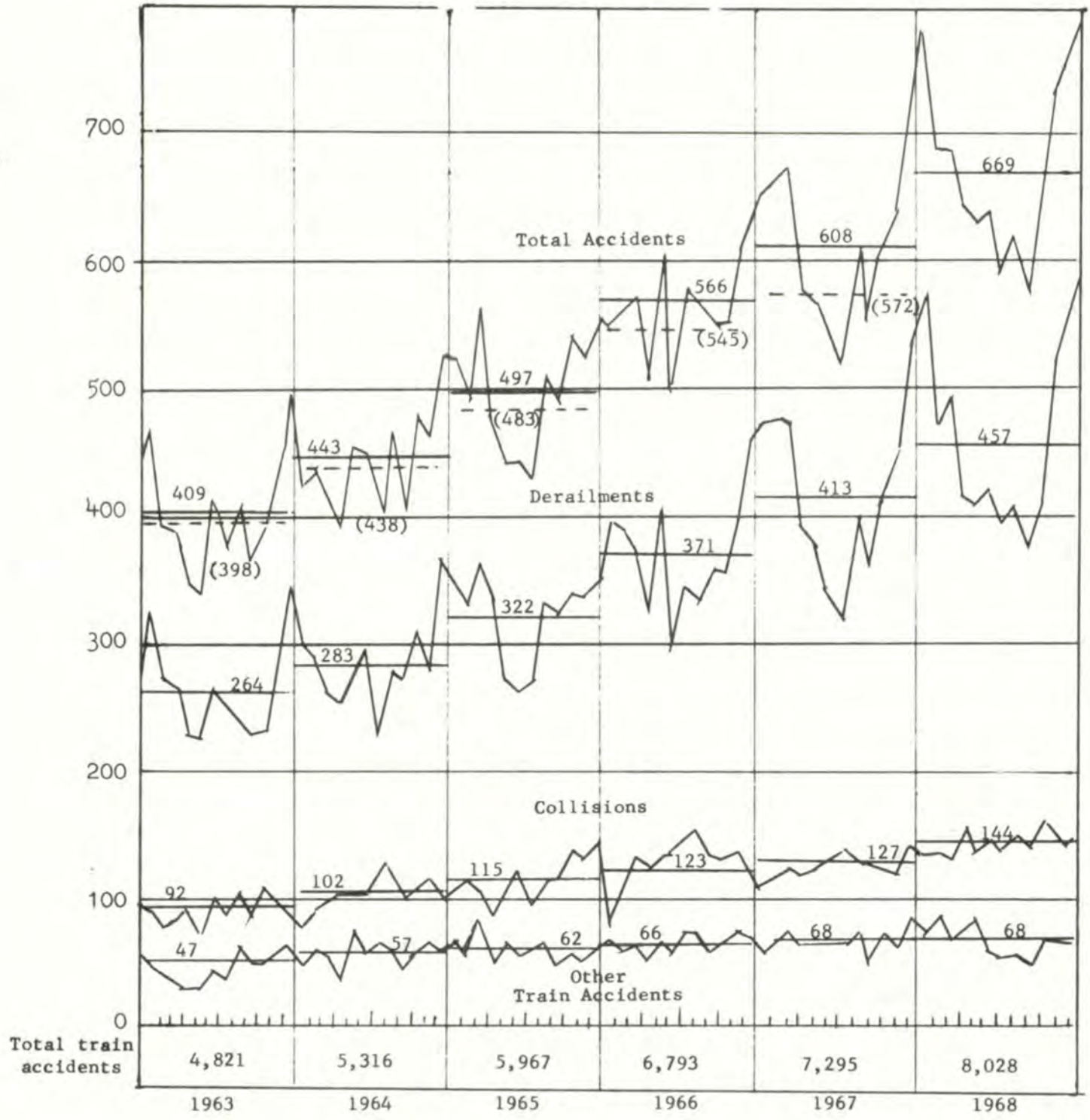
3. The Railroad Safety Task Force has suggested a policy of looking at the total rail safety problem. We are hopeful that, with the further assistance of the Task Force and the Committee, we will be able to develop the necessary means to accomplish an improvement in railroad safety.

Mr. Chairman, that concludes my testimony.

Attachments

Attachment A

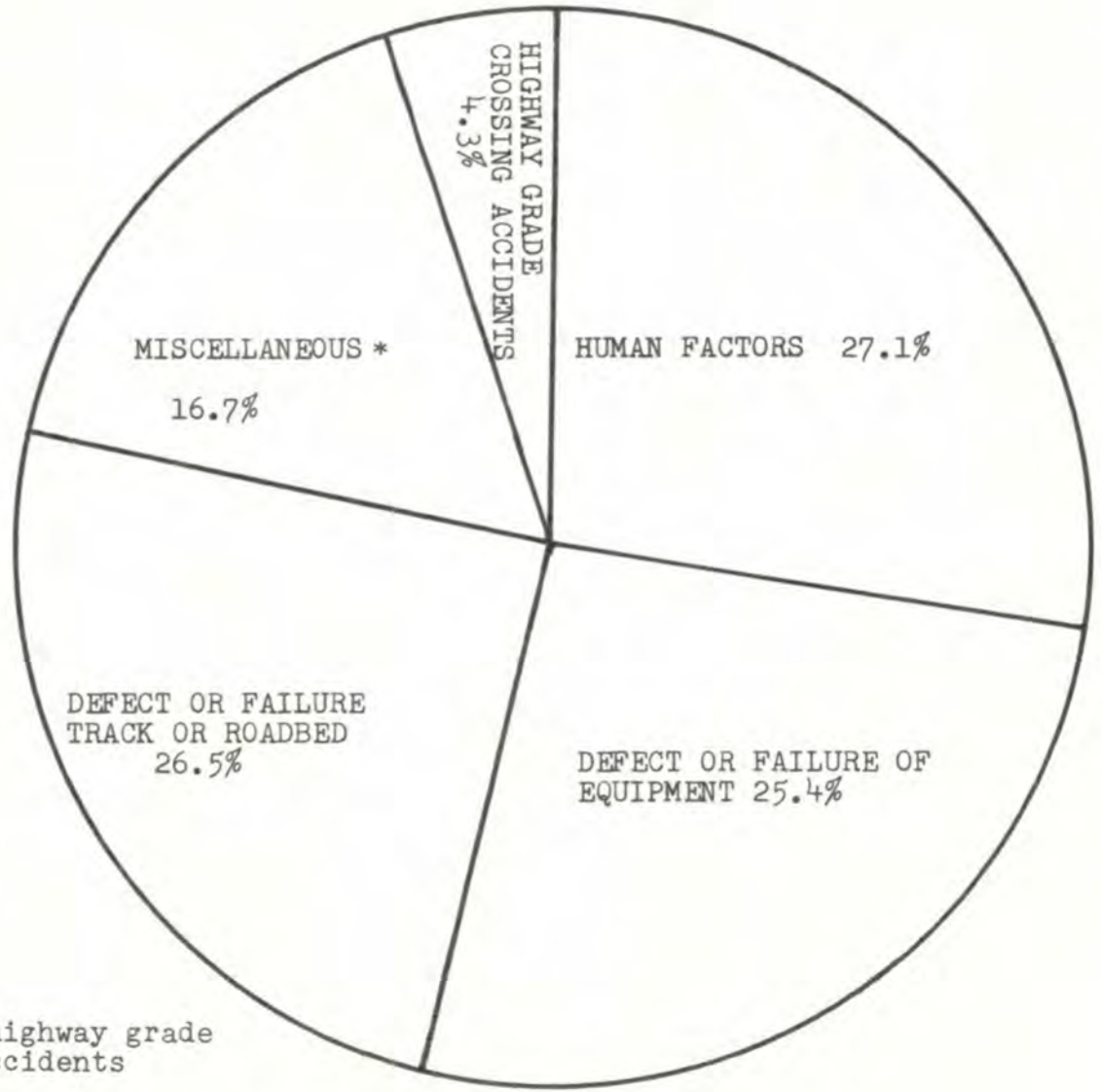
Total Train Accidents
Monthly Averages



( ) = adjusted train accidents.

Attachment B

TRAIN ACCIDENTS BY GENERAL CAUSE 1968



*Excluding highway grade crossing accidents

Attachment C

TRAIN ACCIDENTS -- 1963 THROUGH 1967

Cause	1963	1964	1965	1966	1967	1968
Negligence of employees						
Observance of signals and orders	144	128	163	153	156	174
Use of airbrakes	27	43	36	41	60	57
Use of hand brakes	275	321	367	423	373	431
Use of switches	285	366	426	521	536	544
Other causes, including excessive speed	704	713	749	861	862	968
TOTAL	1,435	1,571	1,741	1,999	1,987	2,174
Defects in or failures of equipment						
Locomotives	75	76	76	76	99	101
Running gear	254	205	236	265	295	331
Wheels and axles	758	819	849	789	769	865
Brakes	134	122	109	180	142	199
Couplers and related parts	284	272	294	346	366	367
Car structure and other parts of equip.	153	176	174	187	226	179
TOTAL	1,658	1,670	1,738	1,843	1,897	2,042
Defects in or improper maintenance of way and structure						
Track	516	631	886	1,038	1,233	1,435
Other way and structure	183	220	260	390	610	688
Signal systems	3	4	2	0	1	5
TOTAL	702	855	1,148	1,428	1,844	2,128
All other causes (including unknown)	1,027	1,221	1,340	1,523	1,566	1,684
GRAND TOTAL	4,822	5,317	5,967	6,793	7,294	8,028

Attachment D

Total Casualties - 1963 - 1968

Accidents, all types	1963*	1964	1965	1966	1967	1968
All Employees:						
Killed	162	180	171	162	171	146
Injured	19,268	20,358	18,992	18,522	17,948	17,993
Passengers:						
Killed	13	8	11	13	12	10
Injured	2,074	1,464	1,147	1,216	1,030	1,303
Nontrespassers:						
Killed	136	115	113	116	87	88
Injured	1,985	1,351	1,248	1,157	1,091	944
Trespassers:						
Killed	527	576	569	611	580	568
Injured	569	621	576	584	607	561
Rail-highway grade crossings						
Number of accidents	3,399	3,782	3,839	4,117	3,955	3,835
Total persons:						
Killed	1,302	1,544	1,535	1,782	1,633	1,547
Injured	3,560	3,820	3,826	4,073	3,847	3,807
Total all classes:						
Killed	2,140	2,423	2,399	2,684	2,483	2,359
Injured	27,456	27,614	25,789	25,552	24,523	24,608

* Employees not on duty included in Nontresp sers. (1963 only)

Attachment E

Employee Casualty Rate Per Million Man Hours Worked

Class of Employee	1963		1964		1965		1966		1967	
	K	I	K	I	K	I	K	I	K	I
III Maintenance of Way and structures	.17	10.64	.29	11.85	.22	10.76	.18	10.76	.24	10.70
IV Maintenance of equipment and stores	.09	9.57	.06	10.04	.07	8.85	.08	9.48	.07	8.83
V Transportation (other than train engine & yard employees	.02	9.12	.04	9.01	.04	8.97	.03	7.56	.05	7.22
VI(a) Transportation (yardmasters, switchtenders & hostlers)	.12	10.05	.08	9.40	.04	8.91	.04	9.17	.09	9.07
VI(b) Transportation (train & engine service)	.21	24.60	.20	25.93	.23	25.97	.22	25.60	.22	26.10
All Employees	.11	11.92	.12	12.50	.12	11.98	.11	11.93	.12	12.03
TOTAL MAN HOURS (000's)	1,398,535		1,385,202		1,319,580		1,294,926		1,224,809	

ATTACHMENT F

INSTANCES OF EXCESS SERVICE REPORTED BY CARRIERS AND BUREAU OF RAILROAD SAFETY ENFORCEMENT ACTIVITIES FISCAL YEARS 1964 - 1968

	1964	1965	1966	1967	1968
Instances of excess service reported by carriers	2,872	3,119	3,761	4,328	3,583
BRS Enforcement Activities*					
Number of regular inspections	649	751	770	781	634
Instances of excess service investigated	1,348	1,543	2,724	3,022	2,776
Violations disclosed by regular inspection	87	105	66	176	103
Number of complaints investigated	112	130	145	151	178
Violations disclosed by complaints investigated	209	283	290	299	304
Violation counts transmitted for prosecution	300	388	356	475	407

* Includes instances of excess service reported by carriers

REMARKS PREPARED FOR DELIVERY BY FEDERAL RAILROAD ADMINISTRATOR, REGINALD N. WHITMAN, AT THE 56TH MEETING OF THE AMERICAN SHORT LINE RAILROAD ASSOCIATION, WALDORF-ASTORIA HOTEL, NEW YORK CITY, SEPTEMBER 15, 12:30 p.m. 1969

I am delighted to have the opportunity to speak before a group that has played such a vital role in our Nation's transportation scheme for so long. I am also delighted at the opportunity to talk shop. Railroad men seem to revel more in that particular occupational hazard than any other professional group. And I am very anxious for us to become better acquainted.

For one thing, I hear that some of the results of a recent questionnaire conducted by your association showed a pretty big blank on the Federal Railroad Administration. It seems that the greatest percentage of you seldom if ever come into contact with the FRA. For another, excepting your president, Howard Croft, most of you almost never call on us for assistance or advice or even to criticize us for that matter.

So I first would like to take some of your time today in explaining just what we are all about, what the Federal Railroad Administration was set up some two and one-half years ago to do, what we hope our role is in the scheme of things, and how our job -- and yours -- relates to the ultimate objectives of the Department of Transportation as a whole.

As most of you are aware, up until the formation of the new Department, there was no agency within the Executive Branch of Government whose focus was specifically on the problems of railroad transportation and its future role in the social and economic life of the country.

Now, some people have written off the railroads as an important factor in the transportation future of this country. But you and I know that transportation wouldn't have much future without them. The railroads -- and that means the long ones and the short ones -- continue to play a vital role in spite of the problems that sometimes appear to be overwhelming. Over 40 percent of all intercity freight is being hauled by rail. And if we should all close down tomorrow, the other forms of commercial transportation would be hard-pressed to absorb much more than 10 percent of the tonnage the railroads handle.

Our first concern, therefore, is to help the railroads work towards a more efficient, marketable and safe transportation product while, at the same time, supporting their ability to achieve stable, long-term growth through profitable operation.

To achieve these goals, the Federal Railroad Administration is attempting to serve as the main communications link between the railroad industry and the Government, and exert leadership by coordinating the industry's many talents and drives. We are also attempting to act as the industry's advocate within the Department of Transportation in balance with the public interest. And finally, through research -- economic and technological -- we are attempting to serve the national interest by encouraging, sponsoring, stimulating and, at times, funding activities essential to a better product and more secure industry.

The railroads revolutionized transportation in the last century in a way that has been unmatched in this one. They literally pulled America into the industrial age, through two world wars and on to the space age. A half-century ago, all but two percent of the travel between American cities was by rail. Three-fourths of the Nation's freight moved by train. The Overland Limited was the most elegant way you could go, even if you didn't like champagne.

Today, rail passenger travel or should I say the lack thereof, has become a very large bone of contention. What was accepted as a matter of course for travel twenty-five years ago because it was convenient, because it was comfortable, because it was there, has suddenly been put into the spotlight because it generally no longer has these attributes. It obviously is being missed. But so many people were so busy buying automobiles or flying to their destinations that travel by rail was forgotten. Now the highways and airways are becoming clogged with traffic and pressure has built up for a renewal of convenient, safe and comfortable travel by rail.

In response to the demand for more rail passenger service and plenty of it, at least 15 bills on the subject have been introduced in the Congress.

The ICC has filed an avoidable cost study of the passenger train deficit with the Senate Commerce Committee

which suggests that Federal financial assistance may be necessary. And finally, the Senate Commerce Committee has announced hearings next week on a wide spectrum of rail passenger bills.

All of this, while having no direct effect on most of the Short Lines, is bound to have tremendous implications for the future. For one thing, the intercity passenger problem focuses attention on what I consider one of the basic problems facing all railroads -- money.

We are acutely aware, for instance, that in spite of the all-time highs reached last year in freight traffic and revenues, earnings did not keep pace. Much of the blame can be attributed to the rising inflation we have been fighting for the past two years. I am sure some of it is our own fault and we need to continue all possible approaches toward reversing this.

I think we can and must get on with the job of giving the shipper and the traveler better service -- that is, if we keep in mind that transportation is first and foremost a service. The value of transportation lies in its ability to provide its customers with the fastest, best coordinated, and smoothest service possible. They aren't interested in all the whys and wherefores of why it isn't done that way. They only care about the service. And they deserve their money's worth.

I am well aware of one key reason for the competitive lag being experienced by the railroads in comparison with their counterparts. Again, its money. Vast sums of Federal funds have been poured into building bigger and better highways; into modernizing our airways system and improving airports and into research and development in these areas. While these things have benefitted the Nation, they have without doubt hurt the railroads ability to compete on equal terms.

The Department of Transportation's mandate from the Congress is to provide leadership for creating a true system of total transportation in this country. And one of our basic working principles is that we cannot have a total transportation system without railroads, both freight and passenger.

I think the ICC summed the situation up very nicely when, in a recent report on the passenger train dilemma, they stated: "The development of a rail system adequate for the future needs of the nation cannot be attained simply by preserving those trains which operate today. The service must be extensively modernized." We think that this applies to freight service as well. And we also think the direction the FRA is taking reflects this: in its research on the economics of railroading, new equipment and better track; on safer operations and more reliable service; and developing a more equally competitive environment for the industry.

There is a growing interest in railroad problems. From my appearances before various committees on Capitol Hill, I sense that the Congress is extremely interested and very willing to do something constructive and I might tell you today, that as recently as two weeks ago, the National Governors' conference transportation committee proposed a strong policy statement reflecting their concern about the railroads and their ability to continue serving as a vital element of our national transportation system. Critical policy areas such as regulation, state and local taxation, rolling stock and capital equipment, research and development and passenger service were of deep concern.

So there is no monopoly on recognizing that problems exist. The great problem has been that no one has been able to define what form this help should take.

This fundamental problem has been recognized by Secretary of Transportation, John Volpe, and he has asked the FRA to come up with recommendations on where the Federal Government can help. This is our priority at the moment and our recommendations are due by the end of this year.

One area we cannot avoid in structuring these recommendations is that question of money I mentioned earlier. Another area of great importance and, I know, of critical importance to the Short Lines, is that of freight car shortages and, in the same breath, freight car utilization.

I should note here we are already moving on the shortage problem. We asked contractors in May to submit research proposals for developing methods of assessing the economic impact of railroad freight car shortages and for forecasts of freight car demand on specific commodities. Now I know when I mention this, the typical reaction is: "What another study? That's what we don't need. The freight car problem already has been studied to death and then some. How about some action!!"

In my view, this move is an important one in that we are directing a major effort to one of the really key elements of the decades old problem: The need for a systematic analysis of economic effects on all parties affected by shortages. In our view, only then can we develop a method of forecasting freight car demand on a basis other than by the seat of your pants. Equally important is the freight car service problem. It is still critical even though the railroads added some 70,000 new or rebuilt cars in 1968 at a cost of $600 million. What concerns us -- and I am sure you are even more aware of the inadequacies -- is that while overall utilization of the car fleet has improved, it has not reached a satisfactory level by any measure.

Another area in which we are deeply involved is that of railroad safety. This problem has been acute

with the increasing number of derailments in recent months -- particularly with those involving hazardous materials. Although the railroad industry ranks better than average in overall industrial safety, the fact that you are handling more cars of propane, butane, anhydrous ammonia, and other equally dangerous materials, points up that many derailments go further than simply being another railroad accident. The Mississippi accident last Thursday night points this up.

Perhaps our greatest concern here is that while the situation worsens, we are very limited in what we can do about it. The majority of the accidents that occur on the Nation's railroads are caused by factors not subject to any control by the Federal agency actually responsible for promoting railroad safety. The Task Force, set up last April by Secretary Volpe to look at the rail safety problem, says that should end. Let me hasten to add here that we definitely are not interested in producing reams of restrictive laws, but we do recognize the need for broad uniform laws as one means to correct the problem. We seek to work with the industry and its employees through such channels as proposed rule making procedures where everyone can air their gripes, make suggestions and proposals, and then we can come up with mutually agreeable regulations. This system provides the necessary flexibility we all need, and the close relationships

so necessary where safety is concerned. I note here that we have been working most of the summer preparing a legislative proposal. It was presented to Secretary Volpe last Friday. Hopefully, we will begin to move in very short order.

We are also deeply involved in research and development programs, many of which could be of significant interest to you Short Line operators. For instance, very important spin-offs may very well result from tests being carried on by our Office of High Speed Ground Transportation with its rail research cars. Automated programs measure and analyze up to 150 variables while the cars are traveling at full speed. These include vibration and temperature in specific components, the suspension, track and roadbed. Wayside instruments, placed adjacent to the test tracks, measure the effects on the guideway and overhead structure from passing trains. We think results of these tests will contribute to a better design of railroad systems as well as new types of rolling stock.

We have a project underway for investigating the dynamic response of new track structures and the cars will be used there. This, we hope, will lead us to new, more economical and more efficient track designs. We expect to begin construction this fall on a main line of the Santa Fe-- a location where severe climate and heavy tonnage will begin to yield meaningful data in a short time. Our engineers, working directly with the staff of the C&O/B&O have just

completed another test project which also used the research cars. Sections of track at Huntington were intentionally distorted and then several different box cars with varying weights and trucks were operated over them at up to 60 m.p.h. so that quantitative data on interaction forces could be obtained. The basic objectives are to see if some track roughness may be tolerated by improving truck designs and also of having a more scientific means of predicting the effect of rough track on equipment and lading.

We anticipate this project to be the forerunner of similar investigations whereby we hope to provide the railroad industry with criteria on what to base their own activity in bettering the basic railroad product.

But I think the most exciting research program, from the point of view of what it can do for the Short Lines, is the development of a fully-automatic coupling system.

A joint FRA-industry study is exploring the possibilities. The benefits could be, as you well know, tremendous. The right type of coupling system could open many doors to more efficient railroading. Loss and damage claims, which in 1967 were over $175 million, could be drastically reduced. The seven deaths and 944 injuries from coupling accidents could be reduced substantially.

In all these areas of activity, I hope I have given you some small idea of the work the FRA is trying to do.

At the same time, I hope this message has come through: We have just scratched the surface!

So in closing, I would like to make a pitch I have been making more and more frequently these days -- particularly in view of the request from the Secretary. We can't do it alone. We need you of the Short Line railroads and your partners of the railroad industry. After all, our aims are directed toward the same thing: Improving railroad transportation in this country. As partners, we can tap the enormous potential of the railroads and perhaps make their future as glorious as its past has been. But tapping this potential requires more than just new technology. It requires political action, financial assistance, geographical rationalization of our railroad network, and a lot of new initiatives.

We can, and will, make all these things happen. For our job is to help make transportation progress, and believe me, railroad transportation is right in the center of the picture.

-ooOoo-

U. S. DEPARTMENT OF TRANSPORTATION
FEDERAL RAILROAD ADMINISTRATION
WASHINGTON, D. C. 20591

TESTIMONY OF REGINALD N. WHITMAN, FEDERAL RAILROAD ADMINISTRATOR, AT HEARINGS ON RAILROAD PASSENGER SERVICE, BEFORE THE TRANSPORTATION AND AERONAUTICS SUBCOMMITTEE OF THE HOUSE INTERSTATE AND FOREIGN COMMERCE COMMITTEE, NOVEMBER 6, 1969

On behalf of the Department I wish to thank the Committee for affording us this opportunity to present our views on the subject of railroad passenger service and the bills on this subject presently pending before the Committee.

The present level of about 500 daily intercity passenger trains is indeed a much different situation than was the case when Congress last acted on this issue, with the enactment of Sec. 13a of the Interstate Commerce Act in 1958. Eleven years later we again are at a point where revenues from passenger service have declined at a much faster rate than the costs of providing the service. The result has been a sharply rising passenger deficit. The drain on railroad finances is severe at a time when available capital is very scarce and when deferred maintenance of roadbed, a vital factor in railroad safety, is building sharply. If anything, the passenger train dilemma is more perplexing than it was in 1958.

While the public would apparently like to have modern rail passenger service at its disposal, that desire is not readily translated into passenger traffic. Levels of patronage and revenues necessary for a breakeven or marginal operation are difficult to achieve. Private autos and the jet airliner have replaced the passenger train to the extent that we now have a limited national railroad passenger capability.

There is a general belief that poor quality of rail service and lack of interest on the part of the railroad industry was the main element that brought about the dismantling of a once massive rail passenger network. Such criticism may be justified in certain cases but it is not the basic reason for the overall decline in intercity rail service. Where once the businessman, vacationing family and occasional traveler had to go by train, the choice of rail today runs a poor third. The public wants the speed of air travel and the economy and flexibility of the private auto. Another factor in the decline of the passenger train is the mounting cost of providing even the level of service we have today. Many lines are down to one train a day each way. All remaining costs directly related to passenger services must be borne by that one pair of trains, rather than perhaps

four or six trains a day that were running a few years ago. This produces an impossible situation for the railroads, one in which they may lose money, even if the train runs at capacity every day. A third factor in this matter is that there has been an almost complete lack of public assistance to keep passenger trains modern and comfortable.

Thus, I would describe the railroad passenger problem, and the events which brought the situation to where it is today, in terms of low use, high costs and lack of public assistance. These same problem elements are also critical in any plan to structure a future role for intercity rail service. The rail passenger service issue involves large questions of public policy. Solutions may require large sums of private or public funds. A great industry and its employees are concerned that something be done. Most important, those who ride the trains want action.

The Federal Railroad Administration has been examining the problem since hearings on the passenger train question in the last Congress. We have two Departmental task force teams working on the passenger rail problem. One team is continuing

an analysis of all pending legislative proposals of past special studies, and of the related foreign experience in this matter in an effort to develop a dynamic program which will be responsive to both immediate and long-term implications of the rail passenger service problem. The other team is engaged in data collection and the development of both corridor and long distance cost models. Our computer programs are now preparing revenue and expense statements in selective market areas.

It appears that any requirement for continued service lies essentially in a number of short haul, high-density corridors; plus perhaps a skeletal long distance service. We have examined intercity markets in which present air and highway congestion suggests the need for the rail alternative. Also being considered are markets that may not need rail service today but conceivably could as population and traffic congestion increases.

On September 25, 1969, in testimony before the Senate Subcommittee on Surface Transportation, several alternative program plans were identified. Although we are still two months away from

completing our study, I would also like to cover these alternative programs with you.

One possible program would be to provide passenger service in those areas where local public agencies are willing to join with the Federal Government to provide funds to operate the routes. The Federal commitment would be in the form of capital grants for planning of routes, acquisition of equipment, upgrading of track and stations, and testing and demonstration of equipment. Under this program, a public agency willing to assume a share of the project costs, could apply for Federal assistance. Public agencies would be permitted to join together and to jointly make the application for Federal aid, such as is done in rapid transit, airports, and highway programs.

Some favor this program because it provides for the acceptance of financial responsibility on the part of local agencies which believe passenger service is needed. This is a built-in protection against poorly conceived programs. This plan would be responsive to future needs. Further, it allows maintenance of essential service to local areas and offers financial relief to railroads which continue the particular passenger service. Criticism of the plan is that it is too restricted because it saves only those routes having a local financial sponsor.

A second possible program involves a legislative proposal to charter a private corporation to provide rail passenger service in selected high density routes throughout the Nation for at least a three-year period. The corporation, which we have called "Railpax" in our discussions, would have a board of directors composed of stockholder representatives and Presidential appointees. The plan envisions ownership of stock by railroads and the public.

Railpax would enter into contracts with existing carriers to operate the passenger service which Railpax desires to preserve or initiate. Neither fares nor routes would be subject to jurisdiction of the Interstate Commerce Commission. Should Railpax find a given service unprofitable and wish to discontinue it, states or municipalities could contract with Railpax for partial or full support of the service. The railroad relieved of the burden of providing a particular deficit passenger service would pay a levy to Railpax, equal to 50 percent of the annual avoidable cost savings which the railroad claims in its train-off case before the Interstate Commerce Commission. The levy would be collected over each of the three years following discontinuance, for a total of 150 percent of total savings claimed. It is estimated that the levy upon the railroads would amount to about $330 million.

The major advantage of Railpax is that no Federal funds are required. Other advantages are that only essential service will be maintained, and that there is no dependence on local initiative, except in cases where local groups act to prevent discontinuances by Railpax by advancing full or partial financial support. A disadvantage of the plan would be the reduction of Federal control through removal of rail passenger service from the regulatory process.

A third possible program would provide Federal grants for rolling stock equipment, and initial roadbed and station improvements. State and local governments could, of course, participate in preserving an essential route but unlike the first described alternative, the initiation of such a program would not depend upon local participation. This plan would afford some financial relief to railroad passenger service and would provide an opportunity to improve service. Further, it would assist in meeting the critical problem of replacing worn-out or obsolete passenger equipment, and would provide for the initial upgrading of undermaintained right-of-way and run-down stations now used in passenger operations. A

drawback to the plan is, of course, that Federal funds will be required. In addition, the lack of any required participation by local interests will make the selection of essential routes somewhat more difficult.

I think it is clear, from this brief review of activities and areas which the Department is exploring, that we are covering the wide range of bills that are before your Committee. Those include proposals directing the Department of Transportation to study the problem of passenger service requirements; granting Federal consent to creating regional intercity passenger service authorities; providing for a moratorium on ICC approval of rail mergers and passenger train discontinuances; and providing Federal funds for capital acquisition-leasing and operating subsidy. However, these proposals along with other legislative suggestions, are being analyzed fully as we explore all possible solutions to the longstanding and complex passenger train problem.

An important information source is the Department's Northeast Corridor Transportation Study which is developing a data base and system by which passenger transportation needs and the means of satisfying such needs can be evaluated. The Department

must look ahead to new technologies for moving people - technologies that transcend the conventional steel wheel on steel rail. In this regard, we have been actively researching the promising tracked air cushion vehicle. We are also looking at the hovercraft, the hydrofoil and vertical/short take-off and landing aircraft as possible means of providing high speed-high density passenger transportation in the future.

Finally, Mr. Chairman, the Federal Railroad Administration and the Department have been studying the problem of the role of rail passenger service in the total transportation system in much the same manner as recommended by a number of the pending bills. As already mentioned, we are about two months away from completing our analysis and recommending a positive course of action. We need the additional time to define more precisely the question of need in terms of routes, priorities, and costs and assess the implications for other modes of transportation. While we realize that the Committee is anxious to work out a solution, we hope that you can defer action on all pending legislation until we are prepared to offer positive recommendations.

This concludes my prepared statement, Mr. Chairman. I shall be pleased to answer any questions the Committee may have.

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U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL RAILROAD ADMINISTRATION
WASHINGTON, D. C. 20591

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TESTIMONY OF REGINALD N. WHITMAN, FEDERAL RAILROAD ADMINISTRATOR, AT HEARINGS ON RAILROAD PASSENGER SERVICE, BEFORE THE SENATE SUBCOMMITTEE ON SURFACE TRANSPORTATION, SEPTEMBER 25, 1969

On behalf of the Department I wish to thank the Committee for affording us this opportunity to present our views on the subject of railroad passenger service and the bills on this subject presently pending before the Committee. Other witnesses have presented considerable testimony on the passenger train problem and I will try not to cover the same ground.

The present level of about 500 daily intercity passenger trains is indeed a much different situation than was the case when Congress last acted on this issue, with the enactment of Sec. 13a of the Interstate Commerce Act in 1958. Eleven years later we again are at a point where revenues from passenger service have declined at a much faster rate than the costs of providing the service. The result has been a sharply rising passenger deficit. The drain on railroad finances is severe at a time when available capital is very scarce and when deferred maintenance of road-bed, a vital factor in railroad safety, is building

sharply. If anything, the passenger train dilemma is more perplexing than it was in 1958.

While the public would apparently like to have modern rail passenger service at its disposal, that desire is not readily translated into passenger traffic. Levels of patronage and revenues necessary for a break-even or marginal operation are difficult to achieve. Private autos and the jet airliner have replaced the passenger train to the extent that we no longer have a national railroad passenger capability, although the basic elements of a national system remain.

There is a general belief that poor quality of rail service and lack of interest on the part of the railroad industry was the main element that brought about the dismantling of a once massive rail passenger network. Such criticism may be justified in certain cases but it is not the basic reason for the overall decline in intercity rail service. Where once the businessman, vacationing family and occasional traveler had to go by train, the choice of rail today runs a poor third. The public wants the speed of air travel and the economy and flexibility of the private auto. Another factor in the decline of the passenger train is the mounting cost of providing even the level of service we have today. Many lines are down to one train a day each way. All remaining costs directly

related to passenger services must be borne by that one pair of trains, rather than perhaps four or six trains a day that were running a few years ago. This produces an impossible situation for the railroads, one in which they may lose money, even if the train runs at capacity every day. A third factor in this matter is that there has been an almost complete lack of public assistance to keep passenger trains modern and comfortable.

Thus, I would describe the railroad passenger problem, and the events which brought the situation to where it is today, in terms of low use, high costs and lack of public assistance. These same problem elements are also critical in any plan to structure a future role for intercity rail service. The rail passenger service issue involves large questions of public policy. Solutions may require large sums of private or public funds. A great industry and its employees are concerned that something be done. Most important, those who ride the trains, want action.

The Federal Railroad Administration has been examining the problem since hearings on the passenger train question in the last Congress. While our study is not complete, we have identified alternative plans which I would like to discuss with you briefly. We are led to the conclusion that any requirement for continued service

lies essentially in a number of short haul, high-density corridors; plus perhaps a skeletal long distance service. We endeavored to examine intercity markets in which present air and highway congestion suggests the need for the rail alternative. Also considered were markets that may not need rail service today but conceivably could as population and traffic congestion increases. The cost of financing this type of service is something we have been analyzing with our own staff resources.

One possible program would be to provide passenger service in those areas where local public agencies are willing to join with the Federal Government to provide funds to operate the routes. The Federal commitment would be in the form of capital grants for planning of routes, acquisition of equipment, upgrading of track and stations, and testing and demonstration of equipment. Under this program, a public agency willing to participate financially and assume a share of the project costs, could apply for Federal assistance. Public agencies would be permitted to join together and to jointly make the application for Federal aid, such as is done in rapid transit, airports, and highways programs.

Some favor this program because it provides for the acceptance of financial responsibility on the part of local agencies which believe passenger service is

needed. This is a built-in protection against poorly conceived programs. This plan would be responsive to future needs. Further, it allows maintenance of essential service to local areas and offers financial relief to railroads which continue the particular passenger service. Criticism of the plan is that it is too restricted because it saves only those routes having a local financial sponsor.

A second possible program involves a legislative proposal to charter a private corporation to provide rail passenger service in selected high density routes throughout the nation for at least a three year period. The corporation, which we have called "Railpax" in our discussions, would have a board of directors composed of stockholder representatives and Presidential appointees. The plan envisions ownership of stock by railroads and the public.

Railpax would enter into contracts with existing carriers to operate the passenger service which Railpax desires to preserve or initiate. Neither fares nor routes would be subject to jurisdiction of the Interstate Commerce Commission. Should Railpax find a given service unprofitable and wish to discontinue it, states or municipalities could contract with Railpax for partial or full support of the service. The railroad relieved of the burden of providing a

particular deficit passenger service would pay a levy to Railpax, equal to 50 percent of the annual avoidable cost savings which the railroad claims in its train-off case before the ICC. The levy would be collected over each of three years following discontinuance, for a total of 150 percent of total savings claimed. It is estimated that the levy upon the railroads would amount to about $330 million.

The major advantage of Railpax is that no Federal funds are required. Other advantages are that only essential service will be maintained, and that there is no dependence on local initiative, except in cases where local groups act to prevent discontinuances by Railpax by advancing full or partial financial support. Disadvantages of the plan are the imposition of another level of management on top of present management; and reduction of Federal control through removal of rail passenger service from the regulatory process.

A third possible program would provide Federal grants for rolling stock equipment, and initial roadbed and station improvements. The only condition required would be the otherwise profitable operation of the route or the availability of state or local subsidies to cover operating deficits. On the plus side this plan would afford some financial relief

to railroad passenger service; it would provide an opportunity to improve service, and would allow state and local participation in the preservation of essential routes. Further, it would assist in meeting the critical problem of replacing worn-out or obsolete passenger equipment, and would provide for the initial upgrading of under-maintained right-of-way and run-down stations now used in passenger operations. A drawback to the plan is, of course, that Federal funds will be required. And the otherwise profitable condition to which I referred would severely limit the selection of lines.

I think it is clear, from this brief review of the areas which the Department is exploring, that we are covering the wide range of bills that are before your committee. Those include proposals directing the Department of Transportation to study the problem of passenger service requirements; granting Federal consent to creating regional intercity passenger service authorities; providing for a moratorium on ICC approval of rail mergers and passenger train discontinuances; and providing Federal funds for capital acquisition-leasing and operating subsidy.

We have carefully reviewed the various bills, particularly in regard to the alternative programs we have under discussion. The Department would have serious doubts as to the advisability of a moratorium

or the use of Federal funds to subsidize operating deficits. However, these proposals along with other legislative suggestions, are being analyzed fully as we explore all possible solutions to the longstanding and complex passenger train problem.

In our analysis, we are attempting to utilize all the information available to us from the High Speed Ground program. Most recently available to us is a survey of rail passenger traffic in the Northeast Corridor for the January to June period of this year. We are releasing the survey statistics this week. They indicate a substantial number of passengers were diverted from auto or air to the Metroliner service.

Another information source is the Department's Northeast Corridor Transportation study which is developing a data base and system by which passenger transportation needs and the means of satisfying such needs can be evaluated. The Department must look ahead to new technologies for moving people - technologies that transcend the conventional steel wheel on steel rail. In this regard we have been actively researching the promising tracked air cushion vehicle. We are also looking at the hovercraft, the hydrofoil and vertical/short take-off and landing aircraft as possible means of providing high speed-high density passenger transportation in the future.

Finally, we will be consulting with the various groups and individuals concerned with this problem to obtain the benefit of their views.

In effect, Mr. Chairman, the Federal Railroad Administration and the Department have been studying the problem of the role of rail passenger service in the total transportation system in much the same manner as recommended by a number of the pending bills. However, we are about three months away from completing our analysis and recommending a course of action. We need the additional time to define more precisely the question of need in terms of routes, priorities, and costs, and assess the implications for other modes of transportation. While we realize that the Committee is anxious to work out a solution, we hope that you can defer action on all pending legislation until we are prepared to offer positive recommendations.

This concludes my prepared statement, Mr. Chairman. I shall be pleased to answer any questions the Committee may have.

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DEPARTMENT OF TRANSPORTATION
FEDERAL RAILROAD ADMINISTRATION
WASHINGTON, D.C. 20591

REMARKS PREPARED FOR DELIVERY BY FEDERAL
RAILROAD ADMINISTRATOR, REGINALD N. WHITMAN, BEFORE
THE NATIONAL SAFETY CONGRESS, CHICAGO, ILLINOIS
October 29, 1969

I am delighted to be here today, but I must say that I accepted the invitation with mixed feelings. With the long-term record of this audience in promoting safety, it would take a book of major revelations to add much to your knowledge on the subject. And I bring no such book.

On the other hand, I could find no more sympathetic group for a discussion of what we at the Federal Railroad Administration are trying to do--and why--to increase rail safety.

As you know, we have only limited responsibility for railroad safety. Our authority covers signals, brakes, locomotives and such safety appliances as handholds and ladders. Most of the laws providing for these regulations were passed in the early 1900's. Needless to say, they are outmoded, limited to particular hazards and contain broad gaps.

Over the past several years there has been a steady increase in train accidents, with derailments the most significant factor. In fact, the increase in accidents between 1963 and 1968 amounts to 66 percent--an average monthly increase from 400 in 1963 to 669 in 1968.

Obviously the problem has become acute, particularly since some of these accidents involve hazardous materials. Greater industrial uses of these materials has naturally led to the handling of more cars carrying chemicals by the railroads, thus increasing the potential for this type of accident.

The overall number of employee injuries and fatalities has declined somewhat, but so has the number of employees. So employee safety in the railroad industry is, at best, static.

While statistics can't tell all of a story, there is one statistic that is meaningful: ninety-five percent of all railroad accidents result from causes not subject to control by the Federal agency charged with the responsibility for promoting railroad safety.

That the rail safety problem has become a critical public

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issue, one only has to look at the hearing record made before Congressional Committees last year and as recently as yesterday. I think the tone of these hearings can be summed up very briefly. The public and the Congress want action!

Thus, the basic philosophy behind the railroad safety bill submitted to the Congress October 16 by the Department of Transportation is that broader authority will permit us, through the regulatory process, to get at the hard core of the railroad accident experience. Perhaps even more important than Federal regulatory authority however, is the fact that the proposed legislation would pull together the efforts of everyone concerned --the States, the Federal Government, labor and the industry itself--to provide for greatly improved safety practices. This is possible because, in a sense, the bill is the result of a joint effort.

Last April, Secretary of Transportation John Volpe appointed a special task force to look into all aspects of railroad safety and to recommend solutions. I was asked to be its chairman and membership included representatives of railroad management and labor, and the state regulatory commissions. Our report to the Secretary provided the springboard for the current legislative proposal.

Basically, the bill follows the task force recommendation that the Secretary of Transportation be authorized to prescribe rules, regulations and standards as he finds necessary for all areas of railroad safety and to conduct railroad safety research. These would include safety standards for construction and performance of track, roadbed, and rolling stock, as well as qualifications of employees.

One major section of the bill covers transporting of hazardous materials. It calls for the Secretary to set up a round-the-clock central reporting system which could provide information and assistance in emergencies. This system would also make possible an accelerated review of all aspects of hazardous materials transportation. The proposed control center would be set up to assist in accidents involving all modes of transportation.

Another key area to be covered by the proposed legislation is that of grade crossing safety. It is one of our most complex problems not only because of sheer numbers, but because of the high fatality rate in grade crossing accidents and in the enormous costs in protecting or separating them. In grade

crossing accidents reported to the FRA, for instance, the injury rate is almost one for every accident and the fatality rate is one in every two accidents.

This is somewhat overstated because of Federal reporting rules, but the severity rate is extremely high by almost any measure. Also the rate has held steady for ten years despite the gradual decrease in the number of grade crossings and a substantial decrease in total train miles. The tremendous increase in motor vehicle miles is a key factor.

The bill would provide for a one-year study into the problem. The results should help us to establish guidelines based on the hazards which, in turn, will help us to commit our resources to common sense solutions.

Basic research is another area of vital importance if safety is to keep pace with technological innovation. This legislation would authorize the Department to begin an immediate research program into the many unexplored problem areas of rail safety. For the first time, the Federal Government would be able to couple rail safety research with regulation. This, to my mind, is an eminently logical step, for how can we produce effective regulations if we don't know why the accidents occurred?

The railroad industry, faced with continuing financial difficulties, rising costs and increasing competition, simply doesn't have the resources to put into research on any large scale. And I personally see no reason why the burden of extensive research should be theirs. We are conducting some modest programs at the present time, but we haven't had the funds to carry out any large-scale projects. With this new bill we should be able to open many new safety doors.

Provision has also been made for effective implementation of a bill of this scope. As I said earlier, this bill is largely the product of a joint effort. In order to continue this cooperative approach, the bill proposes establishment of a Railroad Safety Advisory Committee made up of representatives of management, labor, the state regulatory commissions and the public. Its function would be, in the language of the bill, "to advise and make recommendations to the Department in the development of safety standards and concerning railroad safety generally."

In addition, the legislation specifically encourages maximum cooperation between the Federal Government and the various

state governments in order to secure railroad safety in the most practicable and economic manner possible. To do this, the Secretary would be given the authority to enter into agreements with the states authorizing them to conduct railroad safety programs on his behalf. Also, Federal funds would be authorized to assist the States in providing inspection services and other functions which may be required in the implementation of rail safety programs.

Let me say here that the goal in our relationship with the states is to obtain uniformity in safety programs, not to become enmeshed in a Federal-versus-State conflict over competing programs. In short, we are faced with the bare facts that indicate only a nationwide program will meet the nationwide problem head on.

All of us at FRA also hope to take advantage of the knowledge and expertise of you people who are the real professionals in rail safety. You were working on promotion of safety long before it became fashionable and I think I can say for everyone attending this conference that you have set an outstanding example.

Railroad safety is but a small part of the total safety picture but, to my mind, a very important part. The smooth and safe flow of rail commerce is a major economic consideration. The safety of citizens as affected by shipments of hazardous material by rail, as well as safe working conditions for railroad employees, demand that a major effort be made by all to reverse the present accident trend. We feel very strongly that the industry, its employees and Government bodies, as the regulatory agents, must come to grips with the problems. We must act now. The solutions must result from joint concern and joint action by both industry and Government. The beginning is in sight and let us hope that concrete results aren't too far behind.

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DEPARTMENT OF TRANSPORTATION | NEWS

FEDERAL RAILROAD ADMINISTRATION

WASHINGTON, D. C. 20591

REMARKS PREPARED FOR DELIVERY BY FEDERAL RAILROAD ADMINISTRATOR, REGINALD N. WHITMAN, BEFORE THE UNION LEAGUE CLUB, RAILWAY SUPPLY GROUP, CHICAGO, ILLINOIS, FRIDAY, NOVEMBER 14, 1969, 11:45 A.M.

It is always a pleasure to come to Chicago. To be at the very heart of American railroading reminds me that the picture isn't quite so black as my mail would have me believe.

Any visitor to this city cannot help but see that there is a lot of spunk left in the old girl yet. Not only do you have the best rail commuting system in the country today, but there is still rail transportation to every part of the country.

But these aren't the only indications that the railroads haven't given up the ghost. There is still a very strong sense of the vitality and exuberance that opened up our country a hundred years ago and helped to make it the powerful world force it is today.

There are many problems, as you well know, but railroading is very definitely not dead and I, for one, see no signs of its imminent demise. In fact, we at the Federal Railroad Administration are optimistic enough in the vital role the railroads have to play in the transportation scheme to have begun some very detailed planning for the future.

But before I tell you about some of the exciting plans we have for the 70's, I would like to talk briefly about some of our accomplishments during our brief two and one-half years of existence. Some have hit the headlines, others have hit some sore spots.

Perhaps least known from the start is the fundamental reason the FRA is in business: To help the railroads work towards a more efficient, marketable and safe transportation product while, at the same time, supporting their ability to achieve stable, long-term growth through profitable operation.

To many, this sounds like a mouthful of words and only that. For to achieve these goals, the Federal Railroad Administration must become more than just another Federal agency, more than just another layer of regulations, and more than just a building full of government report forms.

I must confess that my initial reaction to the formation of the first Federal Railroad Administration was one of similar question, but with a very soft whisper of "good luck!" It became another matter indeed, however, when I was given the opportunity to go to Washington and become its Administrator last February. I can tell you I looked the situation over very carefully. I saw that maybe, just maybe, an Agency such as this, with the right people, could contribute greatly towards solving some of the real and growing problems I knew from experience the railroad industry could not solve alone. So I took the job and eight months later here I am in Chicago. Perhaps I am still whispering "good luck." But I am here to tell you in person that I am not sorry I took the job. And I want to pass on to you today some ideas of why. First, let me elaborate on that main objective I cited a minute ago. To achieve it, we have been attempting to open up the communications pipeline between the railroad industry and the Government. As you might imagine, it's become a little corroded with age. So if we are ever to overcome our problems, this is the first order of business. Secondly, we must help coordinate the industry's many talents and drives into a unified voice--not one in the wilderness but one that gets heard in the right places. And finally, through research--economic and technological--we must encourage, sponsor, and fund activities essential to a better railroad product and more secure industry.

To bring you up to date, here are some of the specific projects in which we have been actively engaged:

-- We have just completed a study into the safety problems connected with grade crossings. I am sure you are aware that this is one of the most complex problems we face not only because of the high fatality rate in grade crossing accidents, but in the enormous costs involved in protecting or separating them. We intend to propose a five-year program to the Congress which will greatly reduce these accidents.

-- By the end of the year, we expect to have another proposal ready for the Congress concerning rail passenger service. In this one, we are attempting to define the question of need in terms of routes, priorities, and costs, and to assess the implications for other modes of transportation. At least three alternative plans are now under study and our experts are attempting to decide which will provide the most efficient and economic solution for all concerned.

-- Our high speed train projects have been underway for some months and so far have been very favorably

received by the traveling public. One statistic bears mentioning regarding the Metroliners running on the Penn Central: Half of the 228,000 passengers from January to July had switched from using a plane, bus or auto.

-- In order to keep pace with technological innovations in other parts of the world and to prevent costly duplication of research work, we have signed a number of research data exchange agreements. We have a contract with France and have already received much valuable information on their Aerotrain. We sent a team to Japan to study their high-speed rail system. We have recently signed an agreement with Tracked Hovercraft Ltd. of Great Britain for an exchange of information on high speed ground transport systems. Secretary John Volpe, on a trip to Europe last month, signed a similar agreement with the Italians and one with the Spanish is presently being worked out. Representatives were sent to the recent International Railway Conference where many valuable ideas were acquired. And, Secretary Volpe has announced his intention to send a team to the Third International Symposium on Railway Cybernetics in Tokyo next April.

-- Perhaps most important of all our programs is the one concerning a definition of just what the railroads' problems really are and what we can do to help solve them. Secretary Volpe has asked that a report be on his desk by January 1. I can assure you it will be there.

We are also attempting to lend our support to other areas. For example, the Department went to bat for the Illinois Central before the ICC last year when they wanted to begin a radical new enterprise called "Rent-A-Train." And we intend to back up the industry in its request for a rate hike.

Let me say here that I don't mean this recital to be a monologue on the marvels the Federal government hath wrought. None of these projects would have gotten off the ground without support from key quarters. We need this support from the railroad industry. And we need the help particularly of the railway suppliers if we are to gain the vision to move into a brighter future. In fact, one of our major purposes is to spur industry to take up the challenge provided by new technological innovations which are bound to revolutionize transportation in the next several years.

As Nietzsche once said, "Our destiny exercises its influence over us even when, as yet, we have not learned its nature: it is our future that lays down the law of our today."

As I said earlier, we have been using "our today" to do some detailed planning for the future. The rail safety bill we sent to the Congress quite specifically asks that the Secretary of Transportation be authorized to conduct railroad safety research. This is our jumping off spot and we hope our basic research will provide the industry with a jumping off place of its own.

Presently, our three main program areas are in railroad safety, grade crossings, and in planning and policy research. And, of course, we will also continue our work on new high speed ground transportation systems.

Identifying just what the needs are for improvements in rail safety presented us with a problem of major proportions. But our people now feel they have defined a first approach and have pinpointed 29 problem areas. Due to budgetary restraints, the initial research plan has been reduced to the nine most critical areas. These include human factor studies, braking systems, automatic train control, hazardous materials, derailment-causal/economic analysis, a central information system, and automatic train couplers.

A comprehensive research plan has been developed for each of these areas and we hope to begin work on them in the next fiscal year.

The second program, that of grade crossings, is perhaps further advanced. I mentioned that we have completed a 5-year research plan which has identified the problem areas and where we can best invest our money to help correct the situation.

Our objectives in this 5-year program will be: (1) to reduce grade crossing accidents by 25 percent; (2) to develop special devices which will help reduce accidents at grade crossings with low vehicle and train volumes; (3) complete accurate inventories and records of all grade crossings, accidents at these crossings, and costs so that we may better formulate future policies; (4) improve cost and benefit information as a basis for selecting improvement projects of merit; and (5) to carry out demonstration projects in several communities with the objective of eliminating unnecessary crossings and providing protection for all crossings which are allowed to remain.

The third area in our overall research plan is, I am sure, of special interest to my audience here today. We have done very little to date on planning and policy research because of the very low budget within which we have had to work. But we hope this situation will be corrected.

Major research areas in which we plan to delve include: passenger service, commuter transportation, freight car service, functional box car development, intermodal systems, freight service quality control, and terminal systems, to mention a few.

I would like to repeat here that our hopes lie with you, the railway suppliers, and with the industry itself in furthering the cause of greater operating efficiency and safety. We don't intend to do all the work, nor do we want to take over. We want to stimulate you to expand your research efforts, to develop prototypes, and to help push the railroads into the 21st century in a manner which will allow them to compete more effectively with other modes.

The final program I would like to discuss with you briefly is that of high-speed ground transportation research and development. I find these projects particularly exciting because not only will they help us to develop entirely new transportation systems, but the spinoff will greatly enhance research in some of the other areas I have already mentioned.

The Office of High Speed Ground Transportation is planning to build a wheel/rail dynamics laboratory which will be of tremendous importance in providing an actual environment for the testing of new equipment. It will contain a track on which passenger and freight cars can be tested as well as new high speed systems--in fact, anything from 50 miles per hour on up to 300 mph.

The National Aeronautics and Space Administration, the railroads, and metropolitan transit authorities are assisting in the planning and evaluation of this project. And we hope that when the facility is completed, the railway supply people will take full advantage of it. In fact, we intend to issue special invitations.

Another very exciting program is the development of a Tracked Air Cushion Vehicle which will be propelled by a linear electric motor. Our experts think this is the new technology and we expect to have a prototype completed in the early 70's.

Here again we hope to take advantage of your know-how. As you may know, operation of the TACV involves picking up power from the wayside since it has no wheels and must depend upon pure thrust for propulsion. We hope you will be able to help give us the answer to picking up of power at high speeds.

The linear electric motor has been built and a special vehicle has been constructed for its testing. It is capable of speeds of up to 250 miles per hour and the engine has a thrust of 3,750 pounds. A special ceremony has been planned for unveiling of the LEM on December 9 in Los Angeles.

Other projects underway or planned include a special study of tunneling with a view toward reduction of the cost of digging a tunnel as well as in its maintenance; experimental work on other unconventional transportation systems such as tube vehicles and automobile-related systems which range from automated highways to the autotrain; and increased study into the uses of systems engineering.

I realize that I have been rather brief in my descriptions and many of the details some of you would probably like to have on these projects are lacking. But I was told that the cardinal rule governing these meetings is that they end by 1:30. I would like to be invited back one day so I had better not annoy my hosts.

I do hope that I have piqued your interest, however. And I hope we will be seeing a great deal of one another in the 1970's.

Thank you.

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