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REMARKS OF SENATOR WARREN G. MAGNUSON
INLAND WATERWAYS ASSOCIATION
THIRD ANNUAL MEETING

It is a pleasure for me to appear here to address a group which is doing so much for the development of our great Northwest.

You have recognized that full regional development requires that the Columbia River become a highway of commerce for all of the Inland Empire. The achievement of this objective has absorbed much of my energy and time in the Congress, but without the support of local groups such as the Inland Waterways Association, we could not have accomplished what we have.

It was only a few short years ago that the Columbia and the Snake were undeveloped rivers. Now we have nearly completed the job of building multi-powered dams which have given us one of the greatest complexes of power, navigation, reclamation, flood control, and recreation in the Nation.

But there is still much that can be accomplished. Many more miles of the river can be opened up to river transportation. More power can still be generated. Many acres of land still cry for water. And we are only beginning to exploit the recreational values of this great river system.

Yet, as we begin to consider the final plans for this great water resources development, we must, at the same time, consciously concern ourselves with the problem of water pollution and diversion.

This is a particularly appropriate time to speak of water resource development, for Congress has just completed action on several bills which have a direct economic effect on the Northwest.

On Thursday, Congress sent to the President the annual Public Works Appropriation bill. This was a vital bill for the continued growth of the Northwest as it contained the money to not only continue many of our existing hydroelectric and navigation projects but also to begin such new developments as the third power house at Grand Coulee Dam. The Bureau of Reclamation

received three million dollars for that important start, some 25 million dollars for the Northwest-Southwest power intertie, and nearly 13 million dollars for the Columbia Basin project.

The important work of the Army Corps of Engineers was continued with appropriations of 32 million dollars for Lower Monumental Dam, 14 million dollars for Lower Granite Dam, and 39 million dollars for Little Goose Dam. In addition, over 43 million dollars was included in the bill for continuing a variety of projects on the Lower Columbia.

On Saturday, the President signed into law a historic measure establishing the twelfth cabinet department in our federal government. The new Department of Transportation will bring together transportation functions now scattered throughout the executive branch of government. The new Secretary of Transportation can provide leadership in the development of a transportation system to meet the future needs of American commerce. In the next twenty years, if the growth of our transport industry merely keeps pace with our current national economic growth, the demand for transportation services will more than double.

It is fitting that a Transportation Department should be passed on the Thirtieth Anniversary of the enactment of the National Transportation Policy. This Congressional Policy declaration has served as a broad charter to promote the development of all modes of transportation under private enterprise. We have the world's outstanding transportation system, and the only one almost wholly under private enterprise.

In recommending the establishment of a Department of Transportation, President Johnson said that no function of the new Department----no responsibility of its Secretary----will be more important than safety. The new Department will contain safety jurisdiction over all transportation modes----highway, rail, air, pipeline and maritime----and over automobile safety.

A new National Transportation Safety Board will be established within the Department to provide the focus for an across-the-board review of present programs, and to study ways to lessen the tragic annual toll of transportation accidents.

Over half of the 105,000 Americans who died in accidents last year were killed as a result of transportation accidents. Nearly 49,000 deaths involved motor vehicle accidents alone. The Secretary of Transportation can provide the leadership, the drive, and the wisdom to save thousands of lives needlessly lost in transportation accidents each year.

The Secretary of Transportation will also carry out the provisions of the new Highway Safety Act of 1966, and the National Traffic and Motor Vehicle Safety Act of 1966. The successful implementation of these new laws will make our highways safer for all Americans.

One of the most important provisions of this new Act establishing a Department of Transportation, which has been largely overlooked, is in Section 7----Transportation Investment Standards.

Section 7, at the time of its introduction in Congress, directed the Secretary of Transportation to develop, and from time to time to time in the light of experience, revise standards and criteria consistent with national transportation policies, for the formulation and economic evaluation of all proposals for the investment of Federal funds in transportation facilities or equipment by Federal agencies, both inside and outside of the proposed Department, with certain stated exceptions. This section, as introduced, further provided that the standards and criteria for economic evaluation of the transportation features of multi-purpose water resource projects would be developed by the Secretary after consultation with the Water Resources Council, and should be compatible with the standards and criteria for economic evaluation applicable to nontransportation features of such projects.

These standards and criteria were to be promulgated by the Secretary upon their approval by the President.

The Bureau of the Budget has long sought to exercise authority over matters which have always been within the proper purview of Congress. The Constitution places in Congress the authority to regulate commerce among the several states. However, in November of 1964, the Corps of Engineers, under a directive of the Bureau of the Budget, issued new criteria for the evaluation of navigation projects.

Not a single proposed waterway has met the test of these new criteria. Under the historic method used by the Corps of Engineers prior to November, 1964, there was a much needed expansion of our networks of inland waterways. The corp's experience with the development of commerce on major existing waterways has shown that this recent method of evaluating navigation benefits has resulted, in fact, in ultra-conservative estimates of traffic growth.

The provisions of new Section 7 in the bill which Congress passed last week and the President signed into law on Saturday, excludes water resources projects from the criteria to be established by the Secretary of Transportation. Navigation is a major function of any total concept of water resource development, and should not be influenced by standards and criteria established for application to problems related solely to transportation.

Section 7, if enacted, also provides that standards and criteria developed or revised shall not be promulgated by the Secretary until they are approved by the Congress. The Secretary of Transportation would have the responsibility for developing the standards and criteria, but Congress would retain the final responsibility for their approval-----thereby maintaining the checks and balances contemplated by the framers of the Constitution.

The bill as passed would continue the authority of the Water Resources Council to establish standards and criteria for the evaluation of water

resources projects where it was placed by the Congress just last year when the Council was established by Section 101 of Public Law 89-80. Consistent with the intent of Public Law 89-80, the membership on the Water Resources Council is expanded to include the Secretary of Transportation on matters pertaining to navigation features of water resource projects.

Finally, and this is the largely overlooked provision, Congress wrote into the Act a definition of primary navigation benefits. This definition will insure that future projects will be evaluated on that basis which resulted in the development of our truly great system, a system which served our Nation so well in peace and war.

Before November, 1964, the Corps used what was called the "current rate" theory on criteria for navigation projects. As a result of the Bureau of the Budget directive, the Corps began using what is called a "compelled rate" theory. Under the "current rate" theory the cost-benefit ratio is based on current rates in the actual area where the navigation project is proposed. Under the Bureau of the Budget directive, the criteria for determining the benefits was not based on a comparison with presently existing rates for transportation by competing facilities, but rather on what the rates might be after the navigation project was completed, and rates began to come down to meet competition.

Section 7 of the enacted Department of Transportation bill defines primary navigation benefit as follows:

"For the purpose of such standards and criteria, the primary direct navigation benefits of a water resource project are defined as the product of the savings to shippers using the waterway and the estimated traffic that would use the waterway; where the savings to shippers shall be construed to mean the difference between (a) the freight rates or charges

prevailing at the time of the study for the movement by the alternative means and (b) those which would be charged on the proposed waterway; and where the estimate of traffic that would use the waterway will be based on such freight rates, taking into account projections of the economic growth of the area."

This means, where available in the area of the proposed waterway, prevailing published rates being applied for movement of the type and approximate volume of each commodity considered as potential traffic for the proposed waterway are to be used in the economic analysis.

Where such constructed rates are necessary they are to be developed using rate structures on the alternative modes of transportation that have not been depressed due to their direct competition with an existing waterway.

Thus, Section 7, as written by Congress, will insure that the calculation of navigation benefits will be essentially those that have been historically employed by the Corps of Engineers. It is high time that Congress recaptured the initiative in developing our Nation's natural waterways, and it will be able to do so through the language in the bill passed by Congress.

This past week in Congress has also seen agreement reached by Senate and House conferees on the 1966 amendments to the Federal Water Pollution Control Act and Clean Rivers Restoration Act of 1966. We should be voting on acceptance of that report tomorrow or Wednesday.

As our population and industry expands in the Inland Empire, we must insure that our great Columbia does not meet the fate of so many of our Eastern rivers. To permit this River to become an open sewer like the Hudson River would be the perpetration of a crime upon our children.

If we want the Columbia and Snake Rivers only for navigation by tug and barge or for disposal of municipal and industrial waste, then polluted water

will suffice. But, if we wish to use these great rivers for recreation, swimming, fishing, and water-skiing, then we must guard against pollution.

No one can complain that water pollution is not getting its share of attention. The real test will come in seeing how well we translate words and aspirations into effective action on the Federal, State, and local levels.

The problems of pollution are not new. They have plagued man from the earliest days. Man cannot live without creating waste. But, in recent years the threat has been magnified, and become, in effect, a new problem because of our population growth and industrialization.

Last year Congress enacted the Water Quality Act of 1965, the basic purpose of which was "to enhance the quality and value of our water resources".

There are those who pay lip service to the doctrine of pollution control and abatement--as long as it doesn't cost any money. But, fortunately for the conservation of our water resources, there is an increasing number of citizens who are ready and willing to make the necessary investment in the improvement of water quality.

The Water Quality Act of 1965 is not the final answer to these needs. But it was designed to provide us with two important instruments for the establishment and implementation of a national water policy; (1) a new Water Pollution Control Administration, directly responsible to the Secretary of HEW and armed with a mandate to consider all aspects of water pollution control and abatement; and (2) the water quality standards section, designed to stimulate cooperative Federal-interstate-State-local water resource planning and aimed at improvement as well as repair of those water resources.

In addition, the Act provided for modest increases in Federal authorizations for sewage treatment construction grants, a pilot program to deal with the problem of combined storm and sanitary sewage, and a bonus for regional planning of sewage treatment systems.

The 1966 amendment which should pass Congress this week is an important implementary step in this conservation program. It will include increasing Federal authorizations nearly five times, to a total of four billion dollars through 1972; eliminating the present dollar ceiling on Federal grants for treatment facilities; paying 30 per cent of the costs of treatment facilities, regardless of the individual project price; and strengthening research and development efforts for advanced waste treatment and industrial-municipal systems.

This legislation will only continue our expanding program. It will not be a final solution. Our quest for clean water is still a race against the clock----a race we cannot afford to lose.

The 89th Congress has been a productive one for water resource development. I have only discussed the legislation of the past week, but it is indicative of the total program of a very successful Congress. We must now look forward to continuing our Northwest development by concerted action on the part of the Federal government and the States of Washington, Oregon, and Idaho.