Here has been a great deal of discussion and, in fact, consensus and agreement on the need for a systemic view of transportation that reflects the overall user perspective and for greater participation from the private sector that seeks broad industry consensus to determine project priorities as well as to participate in project funding. The U.S. Department of Transportation (DOT) recognizes the importance of systemic research to improving the efficiency and the connectivity of the transportation system; and this conference has addressed the relationship between information technology and transportation and how to strengthen that relationship.

Given the agreement on this issue, the obvious question is, "What's the problem?" There are factors that make the implementation of this vision extremely difficult, and many of those factors are represented by interest groups not at this conference. I think it is important to address the diverse perspectives of these interest groups and to figure out a strategy for identifying intermodal research that generates useful products for a variety of users.

The first factor that we must consider is the diffuse nature of the transportation industry—there are many players and we tend to deal with them on a variety of different levels. Deputy Secretary Downey characterized the transportation system as being in many ways like the Internet; when we talk about trying to coordinate intermodal transportation, we try to do it in that same framework—where we do not want to stifle creativity, but we want it to be workable for a wide variety of independent players in the system.

Frank Weber pointed out that it seems that no one is in charge; and that is in fact the case. While there is a federal transportation program, under our current surface transportation authorization, the states have a great deal of authority in deciding how those funds get spent. Local governments are important players as well. And we are all aware that industry has an awful lot to say and do in areas that pertain to the movement of freight; in fact, that is where the majority of the creative advances have come from.

Coupled with these very diffuse interests is the notion of an intermodal mindset that Michael Meyers raised. For example, a couple of years ago when we were reauthorizing the Airport Improvement Program, DOT suggested that a small portion, a very small portion, of the funds that would be dedicated to the Airport Improvement Program should be set aside for
intermodal planning to tie airports to the broader transportation system. That proposal basic­
ally went nowhere because of significant concerns on the part of an important constituency—
specifically, the airlines and the aviation industry—that these funds would be diverted for nonairport uses. This is the argument that we will need to deal with day in and day out.

That particular point is starting to play itself out once again as we move toward reautho­
rization of the Intermodal Surface Transportation Efficiency Act (ISTEA) in 1997. While we

can all talk about the need to build on and advance the vision that was set forth by ISTEA
for greater intermodal planning, thinking, and ultimately project funding, I think it is also im­
portant to point out that there are extremely significant and powerful segments within the
transportation enterprise who are concerned about possibly reversing some of the advances
that we saw in ISTEA. And so, at the same time that we are talking about building on the
principles of ISTEA, I think it is also fair to point out that a significant part of that conver­
sation will be focused on how do we hold on to the principles that we were able to originally
incorporate into ISTEA.

There was also a discussion today about how shortage of funding suggests an imperative
to cooperate, and that is true. If there is less money to go around, we all need to invest it more
wisely. But there is also an indisputable fact that a shortage of funding does not exactly en­
courage distinct players in the transportation enterprise to cooperate. In many instances,
a shortage of funding encourages people to protect turf and to hold onto their portion of
funding that might be allocable.

This plays itself out in many different ways. My example about the Airport Improvement
Program is but one; we have seen many others. And this is compounded by the fact of how
DOT is viewed when we propose expanded eligibility for funding. Michael Jackson pointed
out quite correctly that DOT is viewed as the regulator; but when we propose something that
an interest in the transportation system might view as punitive, we are viewed as adversaries.
Building on intermodal program investments, planning criteria, and research agendas con­
sensus is going to be extremely difficult.

Many would agree with John King's assertion that the evolution to intermodalism is
irreversible. But we also have much more in the way of evidence that it is extraordinarily
difficult to embrace that vision. Jeff Crowe talked about getting around our divergent self-
interests, and Michael Jackson further elaborated on the difficulties we have had in achiev­
ing consensus both in industry and in government. For example, it has taken many years to
come to some consensus as to how we should implement the Intermodal Safe Container Act.
We have a lot of work to do in this area.

There has also been a lot of discussion about making the transportation system as efficient
as it possibly can be. That is certainly an extremely important objective. If we cannot invest
in new capacity in the system, then at least we have to ensure that we are managing the system
as well as we possibly can and that we are getting the full benefit from it.

Optimization, however, also raises some difficult questions about levels of access to the
transportation system. While markets are efficient, they are sometimes messy, and one of the
things that we hear a lot about DOT concerns providing a full range of choices to users of
the transportation system. Witness the annual argument that we have in the appropriations
process about things like essential air service or local rail-freight assistance—programs that
are intended to provide a base level of service across more than one mode of transportation.
We are expected to balance the efficiency of the system with a level of access to the system,
and we need to recognize that these objectives are often in conflict with one another.

Funding and institutional issues are the easy ones to deal with. There is no question that
these are important issues, and in fact I agree with the framework developed by this confer­
ce. However, we need to shift the discussion away from defining where we need to go, there
is a great deal of consensus around that; instead we need to focus the discussion on deter­
mining how we get to where we need to be, because that is the problem. It is these issues that
are really the key to realizing the intermodal research vision, and DOT alone will be unable
to break through them without some significant help from our partners in industry and from
the U.S. Department of Defense.
ISTEA did not address the issues of distinct modal organizations or how research funds are parceled out among the modes. Lillian Borrone pointed out that these are still in what she termed "modal cubbyholes." Changing this arrangement is not going to be easy.

We only need to point to our experience of last year in proposing a dramatic restructuring of the funding resources and DOT's institutional structures. At that time, we actually proposed many of the things that we have been talking about today—greater funding flexibility for research and development and a centralized focus for research and technology. However, what we found is that while there has been some support, there are also many significant concerns; and these will take time to resolve.

We need to search for a way to build "enlightened self-interest," which I guess is convincing your opponents that what you want is what they want. Building interests and incentives so that we can all collectively understand what it is that we need out of this total transportation system is where we need to focus our efforts.

While DOT does have the capacity to lead, those to be led have a choice as to whether they will follow. It is in this area that we all need to join forces to overcome the narrower interests that provide not just a hindrance but actually a barrier to realizing the intermodal vision that we all believe is inevitable.