

STATEMENT OF HOWARD DUGOFF, ADMINISTRATOR, RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION, DEPARTMENT OF TRANSPORTATION, BEFORE THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE, MAY 28, 1980

Mr. Chairman and members of the Committee:

I am pleased to appear before this Committee today to discuss H.R. 4678, the "National Automotive Research Act of 1980," as reported by the House Committee on Science and Technology. I am accompanied by Joan Claybrook, the Administrator of the Department's National Highway Traffic Safety Administration.

H.R. 4678 would provide the National Aeronautics and Space Administration (NASA) with primary responsibility for a program of comprehensive automotive research and technology development. The purpose of the bill is to improve automotive fuel efficiency, safety and reliability by transferring to NASA all Federal automotive research and development functions, except those which are necessary for the support of agency rulemaking responsibilities.

The Administration in other forums has stated its opposition to this bill. We fully understand and share the deep concern for improved automotive development

reflected by this bill. However, we believe that this bill does not represent the most promising approach to either setting or achieving desired national goals for automotive research and development.

Although the bill appears calculated to leave research related to rulemaking unaffected, the language of the transfer provision is so vague and ambiguous that it is certain to cause confusion and misunderstanding among the affected agencies.

The Administration is committed to an automotive research and development program that employs the full talents of the various concerned Federal agencies and the private sector in a cooperative effort to meet future transportation goals. As we see it, such a cooperative effort must focus on basic research jointly initiated by the Federal government and industry which could be applied by private industry and end up as marketable technology.

In our view, the key to significant advances in automotive technology lies in an efficient matching of Federal and private investment and cooperation among the various concerned Federal agencies and the private sector. This endeavor would do more to promote the type of research environment necessary to achieve advances in automotive research and development than the approach taken by H.R. 4678, which would concentrate such functions in a single

governmental agency.

Acting in this belief, the Administration has expended substantial effort over the past year and a half to launch a major new program we have named the "Cooperative Automotive Research Program" (CARP). I will describe the program in detail, because I think it illustrates the advantages of a many-sided approach to the challenges of basic automotive research and development.

As you may recall, former Secretary Adams first urged the automobile industry to join with the Government in a mutually-supported program of research in December 1978. The auto industry responded constructively to this challenge and on May 18, 1979, President Carter met with the leaders of the American automobile industry at the White House. There was agreement on a set of guiding principles for a cooperative program and the decision was made to enter into further discussions aimed at defining a formal agreement between industry and Government.

Continuing discussions have been carried on by the Office of Science and Technology Policy and the Department of Transportation for the Government and the five domestic automobile manufacturers. As a result of these discussions, a detailed administrative framework which documents the terms of agreement is essentially complete and awaiting

formal endorsement by the participants.

The Department of Transportation is identified as the lead Federal agency with responsibility for coordinating the efforts of the Federal participants and serving as a central point of contact for the program. This responsibility has been actively sought by the Department and is one we take seriously and intend to satisfy fully. The other major Federal participant in Fiscal Year 1981 will be the National Science Foundation.

Preliminary planning for the cooperative program has been the responsibility of an Interagency Planning Staff under my direction. This Planning Staff includes representatives from the National Science Foundation, the Departments of Energy and Transportation, and the Office of Science and Technology Policy. In addition, our Transportation Systems Center has been an active member and the major technical and staff resource for several of the activities of the Planning Staff.

The Planning Staff developed information on a number of important issues which influenced and shaped the discussion between the industry and the Government and the nature of the organization proposed for the Government's share of the program. Issues such as the institutional alternatives for the program within the Federal agencies, the capacity of the nation's research establishment to respond to this new initiative,

and the need for new specialized research facilities have been resolved. This success has encouraged us to proceed with this new undertaking.

In addition, the Planning Staff, on behalf of the Government, undertook the development of an Inventory of Government-supported Basic Research Related to Automotive Technology. This inventory was required both to identify the relevant on-going Government research and to effectively define the research areas of the program. The research activities of each agency contacted had to be screened and judgments made concerning the relationship of particular projects to automotive technology and to distinguish between basic and applied research. By this process some \$35 million in Federal basic research being conducted in six different agencies was identified and cataloged for Fiscal Year 1979.

The activities of the Planning Staff are now focused on the development of the technical framework of the program. The technical framework will be the most important of the programmatic guidance documents produced for CARP. It will:

- (1) define the goals of the research areas established in the agreement with industry and identify potential research topics,
- (2) serve as a guide to CARP Program Managers as they prepare to define research projects, and
- (3) be widely circulated

to help research scientists and engineers begin to prepare proposals to CARP participants.

The process to establish the technical framework has involved the active participation of the research community through Working Groups formed in the nine areas in which we are now developing research topics. The Working Groups are composed of respected researchers in the field under the direction of a leader approved by both the Government and industry participants. Approximately 100 leading researchers from both the public and private sectors are currently involved in this process.

As CARP is implemented, we look to it to enhance the fundamental scientific knowledge supporting automotive technology. The further development and commercialization of this knowledge is best left to the private sector where the profit incentive and marketing experience resides. CARP is intended to fund the basic research required to make possible the development of competitive vehicles in the longer range future.

It is not necessary to detail the relationship of our domestic auto industry to the economic fiber of the Nation. In fact, it would be difficult to overdramatize the influence the auto industry exerts on the economic course of the Nation. It was precisely in recognition of these far-reaching relationships that the Congress, as part of the Chrysler legislation,

directed the Department of Transportation to examine the future of the auto industry. The cooperative approach evidenced in CARP is an initial effort to help restore the American automotive industry to a position of leadership worldwide. Cooperation rather than confrontation is the essential ingredient of our approach.

Let me conclude by saying, that as the mission agency charged with the responsibility for transportation, the Department of Transportation accepts the challenge of providing the necessary governmental leadership and support for the basic research required to assure adequate mobility in the future. The development of the CARP program shows that we are able to combine the diverse resources and abilities of government agencies and the private sector into an imaginative and effective program. We see no need to channel the government's resources through a single agency, as proposed by H.R. 4678.

This completes my statement. We are prepared to answer any questions the Committee may have. Thank you.

