

**Philip M. Condit:
Chicago and Transportation**

The Boeing Company was a new arrival to Chicago when Phil Condit, its chairman and chief executive officer, visited The Economic Club of Chicago on April 18, 2002, to talk about the importance of transportation.



“First, I want to start with a fundamental premise: economic growth follows infrastructure. If this premise is correct, and I believe it is, it leads to a critical conclusion: if a city or a region is to have a strong, vibrant economy,

it needs a strong, integrated infrastructure. That means reliable, interdependent, efficient transportation and communication systems...

“The great cities of the world grew up around access to transportation and, therefore, trade. Early in the history of the world’s great cities, you didn’t have to build a transportation system, it was there in nearby rivers and oceans. So cities like Rome, Florence, London, Paris, and Shanghai grew up on rivers that led to the sea. New York, Hong Kong, Singapore, San Francisco and Sydney clearly grew up around harbors. That old expression, ‘all roads lead to Rome,’ showed that infrastructure and economic growth were closely linked. Chicago grew up around the confluence of a lake and a river as commerce moved through the Great Lakes to the Mississippi and the Gulf of Mexico.

“There was a brief period in the history of the United States where some cities grew up around rail transportation. Dallas/Fort Worth and Chicago are great examples. Railroads made Chicago a hub, a central switching point, connecting the East and the West, and this became a vital infrastructure for movement of people and goods.... Air travel had its roots here in Chicago when passenger air service started here with the first Boeing Air

Transport flight from Chicago to San Francisco on July 2, 1927. What a lot of people don’t know is that the flight originated in San Francisco the day before and carried just a few mailbags to Chicago. Jane Eads, a Chicago Herald Examiner reporter, was the first passenger to use the service. Her ‘quick and comfortable’ trip took 22 and a half hours in a two-passenger cabin about the size of a freezer. She introduced a curious public to what it was like to fly with stories written in long hand (sometimes by flashlight, as the cabin’s overhead light wasn’t working) and filed with her editor through the advanced technology of Western Union.

“Today air transportation is absolutely essential to all cities. So if cities are to have vibrant economic growth, air, sea and land transportation systems, then equally important is a communications structure. However, to be truly efficient, these infrastructures of transportation and communication must operate not as separate modes but as an integrated set. Today, I believe, they must work together, and this is a huge challenge.

“Now, let me give you an example. The goods in a container on a ship are not more valuable after three days at sea than they were when they left. In fact, they are slightly less valuable because ‘time is money.’ Similarly, valuable time and money are lost when a doctor, a lawyer, an airline executive or a reporter stand in long check in or at security lines or sit idly in an airport waiting area. The concept of ‘time is money’ is not a tough concept to comprehend when you think of the confluence of the Ryan, Eisenhower, Stevenson and Kennedy expressways.

“Transporting people and goods will always involve some non-value-added time, but I happen to think that technology offers many interesting opportunities. Technology can help to optimize the routing of goods in order to minimize transit time. Technology can allow the passenger in the waiting area to do some productive work. If we work together collectively, we can make a significant difference. By integrating systems for the ease of the passenger or movement of products, people can

be more productive and goods can be delivered quickly and safely...

“I believe that Chicago, or any city, needs to think seriously about developing an efficient, integrated infrastructure to greatly enhance the opportunity for economic success. We can work together for common purpose and use technology to streamline and integrate processes for greater efficiency. And that sets the stage for the future, because technology can make, and is making us more connected, more mobile, and more efficient. But many of our old models don't fit 21st century needs. And that leads me to the picture for the future...

“The first example is a container ship that is crossing the Pacific Ocean, a ship that is guided precisely by GPS. With the aid of satellite weather data, the ship minimizes its transit time. When the ship arrives at its destination port and is unloaded, both the shippers and the customers use a communications system that produces an automatic status report as each container is off-loaded onto a train or truck. The trucks, carrying goods destined for another city, move away from the port on a dedicated right of way highway that leads to the interstate system. Trains leave the port on tracks that have no grade crossings, minimizing disruption to surface traffic. That kind of dedicated routing speeds travel and reduces congestion on surface streets and crowded urban freeways. Trucks that are making local deliveries guided by GPS also optimize their trip with real-time congestion data. The combination of communications technologies and infrastructure design can dramatically speed the flow of goods, reduce the time, and reduce the impact on the city.

“I believe that there is an even more exciting possibility for air commerce. I expect that every person in this room has flown many times; some since September 11th, and your ground segment has increased over your air segment. Imagine if you could ride to the airport via rapid rail and check in using a fully electronic system, using your ‘smart card’ with its stored reservation, in front of a

sensor. After you key in the number of bags that you are checking, electronic bag claims attach to your bags for further processing. You have an ‘opt-in’ system that positively identifies you and avoids the problems of a mandatory national identification card. I say it's an opt in system because I have yet to find a frequent flyer who would not pay to eliminate standing in a security line for moving quickly through a system for convenience...

“Almost all of this is possible with technology available today. Now we are going to have to have the courage to do it. But with determination by cities and governments, it is very possible. Easy access to airports by auto, light rail, and high-speed rail is an important part of that integrated system. The incorporation of technology into passenger and baggage handling and security will take investment, but that investment payoff will be great...”