

"With those who are willing to
join, let us cooperate to reduce
the burden..."

THE GOALS AND ORGANIZATION OF INTERNATIONAL COOPERATION

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PROLOGUE

Since I started here I have noticed the lack of "Team Work." In industry, "Team Work" was preached, taught and drilled into every employee. A manager who was not able to establish the team spirit was soon removed from leadership, mainly because without team work there is no motivation or sense of belonging which would create a conducive atmosphere for productive work. Positive attitudes have to prevail.

Industrial surveys, interviews, studies confirm the general belief that most people want to be gainfully employed. I do believe that a similar survey would show the same being true among Government employees. Too much secrecy prevails between employees and echelons above. Downward information dissemination is near to nothing. The "rumor mill" is the major source of information which wastes lots of peoples' time in talking about things that are utterly incorrect. There is a lack of delegation of responsibility and authority.

In industry an effective industrial executive usually makes the strength of his employees the basis of his selection for a productive result. An effective executive knows that his subordinates are paid to perform, not to please their superiors. (See "The Effective Executive-Making Strength Productive" by Peter Drucker.)

I have observed managers in action in industry, in universities and also in Government both here and abroad. I have puzzled over what makes them tick, and I am far from the end of the puzzle, for no man can ever fully understand another, even a close friend.

Poor managers are fairly easy to catalog, but classifying a good manager is not so easy. Dr. Vannevar Bush* in his book "Science is Not Enough" compares a manager to a practitioner of an art. He considers the concept of management to be a profession, a very new profession compared to medicine or law. The structure under every art is technique and so technique underlies management also. The art of management according to Dr. Bush has much in common with the art of painting. A painter can spend hours studying the mixing of colors, the techniques of applying them to canvas and still never be an artist. Similarly, a man can spend years studying organization charts, budgets, operating statements and still never be a manager. "Technique may be learned from books, but the art must be learned from life." It is also true that no manager can be an expert in all phases of modern techniques . . . he has to depend on his TEAM.

*Dr. Bush world-renown scientist who headed the Office of Scientific Research and Development during W. W. II is a former president of Carnegie Institute and V. P. and engineering school dean of M. I. T. He is presently honorary chairman of the board of M. I. T. and also called the father of the modern computer and was a central figure in the development of nuclear fussion.

"Each of us, makes his own illusion of the world--
illusion poetic, sentimental, joyous, melancholy,
fool or dismal--according to his nature. And the
writer has no mission other than to reproduce faith-
fully this illusion, with all the processes of art he
has learned." (Guy de Maupassant)

I. Introduction

The purpose of this paper, which I prepared at your request, is to define the goals of "International Cooperation." I should emphasize that I do not profess to have a definitive formulation, but I will state my thoughts and ideas which reflect my industrial experience of 18 years in various project management and staff positions and, of course, my prejudices resulting over enthusiasm on some areas and underplaying of others. I should also emphasize that I am not intending at any time to criticize any one individual or any specific decision.

II. General

Usually when addressing a subject such as this three questions are coming in the foreground which require answering. WHAT is International Cooperation?; HOW is it to be performed?; and WHO should do it? I attempt to answer these three basic questions in that order.

A. WHAT is International Cooperation?

In answering this question we have to ask ourselves: What are the goals of International Cooperation? and what is DOT's expectation from this Office? (i.e., why is the Government interested in promoting these activities?).

Simply it could be stated with a cliché "Don't re-invent the wheel!" (a trite Aggerism).

When nations pursue parallel paths of research they should join their efforts in the common interest. The goals of this Office should be to work out and develop international agreements for cooperative efforts in the development of transportation techniques and equipment.

The above is based on two premises:

- (1) Transportation problems are unique to no one nation; and
- (2) Cooperation (in most instances) will result in budget savings and reduced development time.

"Cooperation" is defined by Webster as "the act or work with another or others; to associate with another or others for mutual (often) economic benefit", therefore - THE ASSOCIATION FOR COMMON BENEFIT.

B. HOW is International Cooperation to be Performed?

- (1) Background Discussion - Domestic

Industrial cooperation is well known domestically. In many instances this type of cooperation is sought when

a project is too large for one industry to handle by itself or when it doesn't have all the know-how that the particular program requires. Defense programs are good examples of this kind of cooperation. Aerospace industries often join with an electrical/electronics company and with an engine manufacturer and bid for a defense project (RFP) together. Usually the Government pays for part of the R&D efforts, and it is understood by the American industry that once the Government pays for the effort the information resulting from the bid proposals belongs to the Government. Proprietary rights are safeguarded but no special assurances are given.

(2) Background Discussion - Europe

European (aerospace) industries are well aware of international cooperation. All the ESRO, ELDO and major airplane programs were awarded to industrial consortia. Even for their national space programs, national (or international) consortia are created mainly because the participating industries are not capable of undertaking major space programs by themselves nor

do they have the necessary diversified technical and management skills and know-how to cope with such large programs. Western European nations have learned to work and cooperate with NASA and also with selected U.S. industries.

The question is: How can this experience be applied to the Office of International Cooperation endeavors?

(3) General Discussion

Prior to answering the above question, certain fundamental realities must be accepted before significant progress in international industrial cooperation can be made. Namely:

- a. Communications between the Government and U.S. industry has to be established; and
- b. Feed back system between the Government and U.S. industry has to be established; and
- c. Over-all rapport between Government and U.S. industry has to be created.

The Office (International Cooperation) as a whole must become well known to and respected by all segments of the transportation industry. Members of the Office

should take a prominent position in industrial association meetings, make speeches, sit on panel discussions, travel around visting industry and per se "assimilate" to break down the barrier--to the extent that is ~~is~~ possible and practicable--that presently exists between this Office and the industry as a whole. This Office should strive to achieve the position of being the industries' confidant, advisor, guide on international cooperation matters. Maybe then this Office could achieve the position of leading industrial research cooperation activities, rather than to be led by industry or completely ignored.

I am not a dreamer that this can be accomplished overnight. Building confidence takes a long time. The over-all attitude of both sides (industry and Government) has to be changed.

It is often said in industry that the Government is providing little more than lip service, and if anything it slows down industry's initiative. This opinion, this belief, this myth has to be changed. It is my conviction, that as soon as this Office established a sincere working relationship

with industry; once industry realizes that this Office is here to assist them and not to hinder them or to create road blocks and that through information available to this Office through its connections with other Governmental agencies, industry could receive valuable guidance and direction that could prevent them from proceeding in a direction that would be disadvantageous; once industry realizes that a close association with this Office can produce valuable ^{assistance and needed} information for their international (industrial) cooperation (both in terms of profit and long-range business plan), then this Office will have established the first plateau in accomplishing the goals set forth above.

~~Believe me~~, I have no illusion that this approach will meet with everyone's approval, nor do I imagine that the break-through will be easy. But if this Office gets such operation established with industry on a give-and-take basis, almost regardless of how small the profit might be initially, this activity, this Office, would stop being regarded (by industry and maybe also in the Government) as essentially a window dressing sort of operation, and would have established a basis for continuing growth of International

~~Industrial~~ Cooperation, i. e. , joint ventures, license production, U.S. foreign industrial mergers, etc.

I realize that the above suggestion, if seriously implemented, would place us in a "put up or shut up" position. But I see no way for our present staff organization to make a real contribution in the international industrial cooperation unless we get a closer working relationship established with the transportation industry. Our individual futures, and the growth of each of us is limited in a small staff-type organization, and in the long-run we have very little prospects, but hard work and frustrations. I do not object to the hard work provided we carry it to a really meaningful end.

(4) Travel

Another obvious problem that has to be solved in order to make the Office of International Industrial Cooperation a success is adequate travel funds. You can't expect individuals from other organizations either from our Operating Administrations or from our Embassies or even the official representatives to various international committees to do the international

cooperative negotiations on behalf of this Office.

It just won't work.

The Government is already spending close to a quarter of a million (\$0.25) dollars (in salaries, overhead, and other expenses) to keep this Office in existence. The effectiveness of this expenditure is jeopardized by the lack of travel funds.

Around industry I have seen signs reading Y C D B S O Y A (literally translated "You Can't Do Business Sitting On Your ..."). Industry encourages and advocates that you move around and mix.

Members of the Operating Administration (i. e., FAA, FHWA, FRA, USCG and UMTA) travel abroad and exchange information with counterpart organizations throughout the world. Seldom is anyone from this Office invited to go along or even advised in advance that such a trip is planned. The result is that the subject of international cooperation is not explored or if discussed it is questionable in what terms. This creates two problems for this Office:

- a. If the subject of international cooperation is not brought to the attention of, or discussed with, foreign Government transportation experts, the Office of International Industrial Cooperation loses an opportunity to explore and exploit the collaboration aspects at a time when both countries' experts are together.
- b. If the subject of international cooperation is discussed and no one from this Office is present, two other problems arise: The Office of International Industrial Cooperation may not be advised by the Operating Administrations representative that such cooperative discussion took place. This could cause embarrassment when at a later date someone from this Office meets with representatives of that MOT and is completely ignorant of what went on during previous meetings between the two Department's representatives. If the Office of International Industrial Cooperation is advised (by a representative of one or the Operating Administrations)

subsequently to such a meeting with MOT regarding international cooperation discussions it is (a) questionable how the cooperation aspects were handled; (b) who will follow-up; and (c) what commitments were made and what should be the next step. In addition, the necessary follow-up is made more difficult, since prerequisite to getting cooperations negotiated depends often on the personal relations of the parties involved. The more the members of this Office can be exposed to foreign MOT personnel the easier it is to get cooperation agreements or arrangements negotiated.

C. WHO Should Negotiate International Cooperative Agreements?

There are two schools of thought on this subject. There are those who believe that it is not important who negotiates international cooperative agreements as long as such agreements are discussed or negotiated and benefits from these cooperations are derived. I, however, belong to the other school of thought. It is my belief that these international negotiations should be centralized in OST/TPI-60 for the

following reasons:

Three of the five Operating Administrations, the FAA, the FHWA and the USCG, have staff sections with international responsibilities. The international activities of the FRA and the UMTA are performed by anyone within these model organizations mainly by chance (who ever gets involved in activities that have international aspects).

It is doubtful that anyone would argue the point that one international office for the entire Department of Transportation would be more skillfull, more efficient, and more effective in conducting international negotiations regarding research cooperation.

We are in a period when the focus is on the dollar.

The President advocates the reduction of Government expenditure. I think savings in these areas could be realized and in addition negotiations would be more skillfully and more efficiently handled and from a policy view better informed.

None of the operating administrations should be concerned by loss of prestige, since they would continue to play a major part in the performance of the negotiated agreements. Once agreement is reached program management responsibilities

are assigned to one of the Operating Administrations. In addition, the technical portion of an agreement would come from the Operating Administration-line organization. Neither the Operating Administrations international office nor the OST TPI have the necessary up-to-date "state of the art know-how" that would be sufficient without the line organizations' technical assistance.

The argument is not valid that just because they had an international organization established long before this department was conceived, they can do their own negotiations better. On the contrary, there are some rules against such assumptions: It should not be assumed that organizations are normally created by nature or by God. They are created by fallible men, mostly on a basis of the needs of the time. Tempora mutantur--maybe today's need is different, and what was sensible then may not be valid today; therefore, it should not be considered that organizations are laid in concrete (including ours).

The challenge of the time requires strong leaders who are willing to fight for what they believe in. Its starting point is not one of despondency and frustration but an attitude of: "Yes, we can do this thing if we'll apply ourselves to it." We need to incorporate this attitude into our "Blueprint of Progress." We have to move ahead. Centralization of certain activities does not necessarily mean retrogression. It may be required from a control point of view. The OST's interests runs parallel to the Operating Administrations, and centralization would allow more integrated and planned international activities.

An analogue suggesting centralization of research and development is suggested by the House of Representatives Report No. 1956 (90th Congress) "Department of Transportation Appropriation Bill, 1969" Page 9

". . . It may be that the restructuring of all the research programs throughout the Department may be required before Transportation Research and Development can be considered as a single integrated entity rather than a scattering

of programs in various modal areas. Clear objectives and firm direction in the area of Research and Development are very much required."

" . . . The Committee firmly believes that consolidation of offices would not only lead to cost savings, but would reduce problems of coordination and improve generally the quality and timeliness of the advice and assistance which is provided to the Secretary . . ."

I finally believe the same suggestion being true in the international activities area.

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