

URBAN MASS TRANSIT

Objectives, Program Goals and Criteria

Summary

This paper sets down some initial thoughts on objectives, goals, and criteria for UMTA, for discussion purposes. It identifies:

- A. Basic objectives of the Department which are pertinent to the UMTA mission;
- B. Possible program goals for UMTA in line with these basic objectives;
- C. Criteria that would flow from these objectives and goals.

For purposes of this paper, the term "objective" is used in the sense of broad Departmental objectives; the term "goal" is used in the sense of more specific program goals.

DiscussionA. Objectives

The basic objectives of the Department, as promulgated by the Secretary in May, 1968, are:

- 1. Economic Efficiency;
- 2. Optimal Use of Environmental Resources;
- 3. Safety in Transportation;
- 4. Support of Other National Interests, including such social purposes as improving the status of poverty groups.

All of these are applicable to the Urban Mass Transit Program.

1. Economic Efficiency.

One of the basic rationales for Federal assistance to mass transit is its presumed greater economic efficiency, compared to private automobile transportation. Clearly, mass transit is technologically a more efficient means of transportation than private automobile, in the sense that it has the capability to move large numbers of people rapidly. However, the determination of its relative economic efficiency must include consideration of consumer demands, since willingness to pay is a basic measure of economic benefit.

On the other hand, relatively low demand for mass transit is not necessarily inconsistent with the possibility that it is economically efficient, given the likelihood of (a) market distortions, e.g., through price regulation of mass transit, as well as large Federal Government grants-in-aid to private highway transportation; and (b) externalities, such as adverse environmental impacts of alternate transportation systems, discussed below.

It should be kept in mind that the term "economic efficiency" is used in its broadest sense, including consideration of social costs and benefits. In this broad sense, it can include such other objectives as the "optimal use of environmental resources", which are broken out as separate items for the sake of emphasis here and in the formal statement of Departmental objectives approved by the Secretary.

In this connection, an extremely important factor -- but one which is exceedingly difficult to measure -- is the relative efficiencies of transit-induced land use vs. automobile-induced land use. Again,

the presumption is that the more dense land use development normally associated with transit represents a more efficient use of land than the dispersed pattern associated with automobile-oriented development.

2. Optimal Use of Environmental Resources.

This is certainly one of the major reasons for the urban transportation program; i.e., its less adverse impact on environmental resources than the impact of large numbers of highways necessary for the private automobile transportation system. The comment above with respect to auto-induced vs. transit-induced land use also applies here.

3. Safety.

Mass transit clearly supports this objective, inasmuch as it is much safer (in terms of accidents or fatalities per passenger mile) than the alternative -- private automobile transportation.

4. Support of Other National Interests.

The most directly applicable "other national interest" is the national effort against poverty, particularly since the poor and near-poor are relatively large users of transit.

In addition to these substantive objectives of the Department, an administrative objective is the closer coordination and integration of the activities of the various administrations, and particularly integrating the newest administration -- UMTA -- into the Department.

B. Program Goals and Priorities

Program goals which might flow from the above broad objectives are discussed below.

In support of economic efficiency:

1. Concerted Approach. In order to maximize the efficiency of the transit system, all available tools should be brought to bear on the problem. This is particularly true inasmuch as part of the rationale underlying the transfer of the mass transit program to DOT is that mass transit is part of a single urban transportation system, and that the mass transit program should therefore be brought into the Department that provides Federal aid for the other elements of that system. In line with that rationale and the objective of economic efficiency, a major goal of the program ought to be through a system approach to transit projects, the close integration of the mass transit program with other urban transportation programs of the Department, and particularly the concerted use of other transportation tools in conjunction with the mass transit program. We have in mind the use, jointly with mass transit grants, of such FHWA programs (current or proposed) as, (a) fringe parking; (b) exclusive bus lanes (under more liberal guidelines than at present); and (c) special bus turn-offs and metering devices, financed by TOPICS. Coordination with FAA and HSGT with respect to airport access would be another example under this program goal.

2. Transit viability. The Federal program of assistance to mass transit was developed without a clear conception of what it ought to accomplish. The main force behind it was the idea that "something has to be done" to balance the vast sums of Federal assistance going to highways. The program in operation, lacking any more clear-cut basic objective, has tended to become, at least in part (a) a bail-out operation for ailing transit companies, and (b) a generalized support for fixed-rail transit systems in six metropolises.

In line with the objective of economic efficiency, this outlook should be shifted. An economically efficient system ought generally to tend toward self-support. Therefore, one of the basic goals of the program ought to be increasing the long-term viability of mass transportation. The program should be directed toward doing more than providing a one-shot capital input to transit operations.

At least a portion of the capital grant program could be tied to projects which, in each case, are part of a program leading to long-term self-sufficiency of the transit system involved. Some ways of increasing the likelihood of long-term viability are discussed later in this paper. Moreover, possibly a cost-benefit analysis ought to be required (as they are for highway projects) at least with respect to expensive fixed-rail systems vs. alternative systems.

3. Efficient Land Use. One of the program goals ought to be the more efficient use of land through, for example (a) the arrangement of development to reduce the need for transportation, and (b) the use of transportation systems which are low consumers of land. This is

particularly important in light of the current trends -- in part automobile induced -- toward dispersed residential patterns coupled with increasingly dispersed employment opportunities, in which the use of mass transit is extremely difficult.

4. Local Planning. Improved comprehensive planning on a multi-jurisdictional basis ought to be a major goal. It supports not only the objective of efficiency but virtually all other objectives and goals.
5. Quality of Service. Basic to the concept of economic efficiency is the idea that the consumer determines what represents a benefit to him. In transit, studies have consistently shown that high on the list of consumer desires are such factors as trip time, reliability, and convenience of schedule. In general, overall quality of service is probably the key determinant of the level of consumer demand for transit (and more important than price). While the purchase of new equipment through mass transit grants may help achieve service improvements in these areas, it will not do so automatically.

Accordingly, a major goal of the mass transit program ought to be a maximum improvement in the quality of service in systems receiving project grants. Incentives or conditions could be imposed to assure that the grants improve the quality of service by more than merely the provision of newer equipment (e.g., by shorter head-times and pick-ups closer to more residences).

In support of optimal use of environmental resources.

Some of the above program goals, particularly No. 3 (Efficient Land Use), are in support of this objective. In addition, other supporting goals would be:

6. Aesthetic impact. An appropriate goal of the program would be a favorable aesthetic impact from transit improvements. Because of its generally less disruptive impact on the environment than automobile systems, transit ipso facto has a more favorable aesthetic impact. This impact can be further improved by careful consideration of such matters as the aesthetics of stations and rolling stock, and their careful integration into the environment.
7. Pollution control. Bus exhausts are a major pollutant, as anyone who has driven behind one can attest. New buses purchased with grant money should be required to meet strict anti-pollution standards. In addition, funds could be utilized to make improvements in existing buses to reduce their polluting characteristics.

In support of Safety. As noted above, mass transit is much safer than private automobile transportation. A special program goal in this area is probably not necessary.

In support of Other National Objectives:

8. Urban poor. Improving transportation for the poor might be one goal of the program. Priority for projects directed toward improving service to ghetto areas is one example of what could be done in this area.
-

9. Displacement. Dislocation and displacement -- of people and businesses -- are normally an unavoidable social and economic cost of major capital improvement programs. One goal of the mass transit program should be to hold such dislocation and displacement to low levels.
10. The aged and the handicapped. Transit has a particular advantage over the private automobile in that it can service the aged and the handicapped who may not be able to drive automobiles. Special consideration of the needs of these groups would be warranted (for example, through special attention to height of steps, and the use of ramps and escalators).
11. Crime control. In support of the President's initiatives in this area, special consideration could be given to projects which act to reduce crime, e.g., two-way radio communications between the transit vehicle and the transit headquarters, special shielding for bus drivers, closed-circuit TV surveillance of transit vehicles in crime-prone areas, etc.

The above comments have been directed explicitly toward the large capital grant program. However, the same foci of attention could apply to the Research, development and demonstration program.

There are two other points that merit attention regarding the latter program:

1. Strategy of analysis. During most of its existence, this program responded to requests for demonstration grants, rather than playing
-

an initiating role. In the past year or so, an effort has been made to take a more positive approach. This newer trend should be emphasized and an overall strategy for analysis should be developed, based on priority areas of interest, such as those discussed in the body of this paper. Specific projects should then be sought to illuminate the areas of interest. Also, more uniform data should be collected from all new projects.

2. Analysis of the transit problem. The program to date has largely supported demonstrations of various transit improvements, without seeking to determine the fundamental causes of the transit problem. As a result, there is the danger that we may be treating the symptoms, rather than the causes. A major effort should be undertaken to improve our understanding of the causes of the transit problem. A greater amount of academic research (for which the program has authority) might be warranted. Such questions as the possible underpricing of transit might be explored, and how to treat it while still meeting social goals with respect to the lower income groups.

C. Criteria

Criteria should flow from the above objectives, goals and priorities.

Possibilities would include the following:

<u>Departmental Objective</u>	<u>Program Goal</u>	<u>Criteria</u>
A. Economic Efficiency	1. Concerted Approach	(a) Qualitative evaluation to assure maximum joint use of other tools
	2. Transit Viability	(a) Increase in ridership (b) Increase in revenues (c) Decrease in operating expenses (d) Cost-benefit analysis for major projects
	3. Efficient Land Use	(a) Decreased need for transportation (b) Decreased use of automobiles (c) Prevention of new highway construction (d) Qualitative evaluation of impact on land use
	4. Local Planning	(a) Comprehensiveness (b) Extent of jurisdictional coverage (c) Tie-in to the implementation process (d) Qualitative evaluation
	5. Quality of Service	(a) Average trip time (b) Average head-time (c) Average distance to walk to and from transit (d) Average number of transfers per trip (e) Hours of service (f) Number of traffic generators served (g) Average number of standees (h) Comfort of ride
B. Environmental Resources	6. Aesthetic impact	(a) Qualitative evaluation of aesthetic integration into the environment (b) Qualitative evaluation of internal aesthetics (e.g., stations, rolling stock)
	7. Pollution Control	(a) Amount of pollutants expelled into the environment
C. Other National Interests	8. Urban Poor	(a) Improved service to poor areas per crite under #5 above, "Quality of Service" (b) Number of poor riders

<u>Departmental Objective (contd)</u>	<u>Program Goal (contd)</u>	<u>Criteria (contd)</u>
9. Displacement and Dis- location	(a) Number of families displaced (b) Number of poor families displaced (c) Number of businesses displaced (d) Time period of construction multiplied by average number of surface square feet under construction	
10. Aged and Handicapped	(a) Special features for aged and handicapped (b) Improved service to traffic generators for the aged and handicapped (e.g., hospitals, nursing homes), per criteria under #5 above (c) Number of aged and handicapped riders	
11. Crime Control	(a) Number of vehicles receiving crime control features (b) Number of stations receiving crime control features (c) Numbers of crimes	

DEPARTMENT OF TRANSPORTATION

July 24, 1968

ROUTE SLIP

DATE

TO: NAME	ORG/RTG SYMBOL
Mr. John Robson	
Mr. Paul Sitton	
Mr. M. Cecil Mackey	
Mr. Frank Lehan	
Mr. Langhorne Bond	
Mr. Robert Barraclough	

- ☐ PER YOUR REQUEST
☐ FOR YOUR INFORMATION
☐ PER OUR CONVERSATION
☐ NOTE AND RETURN
☐ DISCUSS WITH ME
☐ FOR YOUR APPROVAL

- ☐ FOR YOUR SIGNATURE
☐ COMMENT
☐ TAKE APPROPRIATE ACTION
☐ PLEASE ANSWER
☐ PREPARE REPLY FOR SIGNATURE
OF _____

REMARKS:

This paper attempts to be responsive to the Under Secretary's memorandum of June 26. Bob Barraclough and I have attempted to develop some alternatives on interim urban mass transit goals, priorities and criteria for consideration at the meeting Thursday afternoon, July 25. You will see a number of the same ideas that appear in the Convisser paper of July 10, or similar ideas somewhat differently arranged.

Attachment

FROM: <i>Gordon M. Murray</i>	TELEPHONE NO.	ORG/RTG SYMBOL
Gordon M. Murray	24315.	S-4

FORM DOT F 1320.9 (5-67) FORMERLY FORM OST F 1320.1

INTERIM GOALS, PRIORITIES AND CRITERIA

FOR THE ADMINISTRATION OF THE

URBAN MASS TRANSPORTATION PROGRAM

July 24, 1

I. INTERIM GOALS FOR URBAN MASS TRANSPORTATION

While long-range goals are being established during the period of assimilation of UMT into DOT, interim goals for administration of the program of Federal aids for urban mass transportation ^{1/} might be as follows:

- A. To foster comprehensive urban planning and to contribute to implementation of comprehensive development plans for desired urban structure and growth.

This would imply limiting grants under the emergency program, insisting on adequate comprehensive planning and on approved comprehensive development plans as conditions of full (2/3 share mass transit aid.

- B. To finance and provide technical assistance for transportation system planning consistent with and in furtherance of A above.

For example: (1) training of transportation personnel should be fostered through on-the-job placement where active planning operations consistent with A above are underway, (2) research and technical aid for the development of transportation planning

^{1/} Grants for Capital Improvements, Research and Demonstrations Technical Studies and Training.

methodology, studies of planning organization and intergovernmental relations should be provided where requirements of A have been met, and (3) demonstrations might be given priority or even limited to situations fulfilling the conditions of A above.

C. To finance and provide technical assistance for transportation project planning consistent with and in furtherance of both A and B above.

D. To finance transportation projects that are consistent with and in furtherance of A, B, and C above.

Preference should be given to projects which (1) promise early improvement in the quality of urban transportation services, (2) are relatively more efficient, both economically and technical, and (3) support regional and national transportation and other objectives.

E. To foster projects that will fit together in an overall DOT R&D program aimed at improvement of urban transportation. A tentative outline of a program for urban transportation research and development is appended (see V below).

II. INTERIM PRIORITIES FOR URBAN MASS TRANSPORTATION

Project priorities for program grants (for capital improvements, research and development, technical studies, demonstrations and training) and for direct Federal undertakings (research, development and demonstrations) should be based on the relative prospects of achieving the goals enumerated in I above, as evidenced in applications or prospectuses.

It appears that, in the past, priorities -- to the extent that they were found necessary -- have gone (1) in the capital grants program to sustain marginal operations; many have been 50% emergency rather than 66-2/3% fully qualified Federal participations, (2) in the demonstration grants program to test the effects of new or improved service from ghetto to blue collar job centers, methods of improving service from low-density residential areas, and (3) for other purposes, including transportation for the handicapped, alleviation of CBD congestion and general system improvements. The training programs have been insufficiently used to warrant any generalization.

A quick review should be made to determine whether priorities have in fact been followed as suggested above and to identify weaknesses of any current priorities in meeting

interim goals such as those suggested in I above. It may be, for example, that 2/3-capital grants (long-range) should be preferred to 1/2-share grants, or that research should have higher priority than technical studies or demonstrations in the light of current knowledge.

III. INTERIM CRITERIA FOR URBAN MASS TRANSPORTATION

Criteria for establishing interim program priorities -- for advancing projects which promise most nearly to meet program goals -- can be conveniently stated in a series of questions. These questions can be incorporated in the application review process and can be kept in mind during the period of surveillance of project action and afterward during the period of review and evaluation.

A possible set of sequential questions might be as follows:

1. Is there an approved comprehensive plan?
Comment: Plan might be examined to determine whether performance standards for transportation have been set on air pollution, noise, safety, crime control as well as service quality, "transportation opportunities", etc. There is substantial evidence that the "comprehensive planning process" is being accepted in lieu of "comprehensive plans".
2. If not, is a comprehensive planning process in being?
3. If so, when is a comprehensive plan likely to be completed?
4. Does the approved comprehensive plan include transportation systems plans?
5. If not, when is a systems plan likely to be completed?

6. If a systems plan is not completed or under way, does the proposed project assist in the preparation of a systems plan?
7. Does the proposal assist in the preparation of a transportation project plan consistent with comprehensive urban plans and transportation systems plans?
8. Does the project promise (a) early improvement in the quality of transportation services?
(b) greater efficiency (economic and technical)?
(c) support regional and national transportation objectives? (d) other objectives?
9. Does the project support DOT's overall R&D program for improvement of urban transportation?
10. Does the project have flexibility in terms of evolving technology (will the product become obsolete before it can be depreciated)?

IV. HIGH PRIORITY ADMINISTRATIVE TASKS

In addition to the program priorities discussed in II above, DOT/UMTA face urgent and difficult tasks of program reorganization and reorientation, budgeting, operations improvement. The order of the following list of tasks is not to be taken as establishment of priorities, but to indicate those for which priorities need to be established:

1. Prepare the 1970 budget, including program memorandum.
2. Prepare a 1970 legislative program to
 - a. consider selection of one or two prototype programs based on the new systems studies for congressional authorization of further exploratory work;
 - b. modify the 12-1/2% State allocation limitation on capital grants so as to relieve pressure in several States (California, New York, Illinois, etc.);
 - c. review the DOT 1969 legislative package and select items not included in current legislation for a further legislative effort. (See Sec. VI.)
3. Prepare organization and staffing plans for;
 - a. Washington office;
 - b. regional offices.
4. Complete the delineation of areas of responsibility of HUD and DOT under Sections 6(a), 9 and 11 of the Mass Transportation Act and other laws relating to urban transportation (highway acts, etc.)

5. Develop detailed procedures to govern transactions between DOT/HUD and local public agencies, especially where joint grant sponsorship is involved, but also to coordinate and make effective single sponsorship projects.

6. Participate in the development of coordinating mechanisms to integrate internal DOT programs affecting urban transportation (FHWA, FAA, UMTA).

7. Review UMTA operating procedures and practices to identify strengths and weaknesses of programs and recommend adjustments for future improvements in

- a. processing of grant applications;
- b. management and surveillance of active projects;
- c. review and evaluation of completed projects.

8. Develop a rationale for Congress and the public on the appropriateness of Federal participation in urban mass transit activities, the likely duration of Federal participation, the extent of Federal investment. This would involve arguments as to the catalytic effect of Federal funds on State and local investment, the possibility of eventual economic self-sufficiency of mass transit, etc.

9. Consider selection of one or more communities in which to concentrate DOT aids as a unified transportation demonstration program. (If this idea is adopted, perhaps no explicit record of selections should be made.)

V. TENTATIVE RESEARCH AND DEVELOPMENT PROGRAM

The following list of projects and tasks should be considered in developing a Research and Development program aimed at improvement of urban transportation.

1. Review and evaluate HUD's New Systems Studies on urban transportation. Select one or more worthwhile projects for further research and/or development.
 2. Establish guidelines for development of performance standards for urban transportation systems, e.g., speed, frequency, comfort, convenience, routing, signing, etc.
 3. Determine best ways and means of effecting significant improvements in urban transportation systems by making very low-cost changes in the use of present facilities, e.g., exclusive bus lanes on highways, TOPICS program, etc.
 4. Provide for joint purchases of improved urban transportation equipment by a consortium of cities e.g., create a market for a new breed of urban public transportation vehicles.
 5. Provide for urban transportation test sites, laboratories or centers.
 6. Harness NASA research and development experience to a DOT R&D program for improvement of urban transportation.
-

VI. ELEMENTS OF A BLOCK GRANT PROGRAM

For the 1968 legislative program the Department proposed an "Urban Transportation Demonstration Grants Program". This was a move toward block grants and was drafted without regard to the ultimate location of UMTA. It assumed, however, a degree of coordination between BPR and UMTA that would have substantially increased the flexibility of Federal funding for local urban transportation activities. Some of the elements came from the TOPICS program, and some have been included in the Highway Act of 1968.

The following list should be reviewed with the possibility in mind of packaging all "remainders" in a new package for UMTA legislation in 1969:

- Integration of mass transit terminals with parking at major highway interchanges.
- Joint parking fees and transit fares.
- Flexible routing and scheduling of transit vehicles.
- "Jitney" service.
- Fare collection and transit vehicle adaptations.
- Premium transit service at extra fare.
- Improved transit information services -- signs, schedule route maps, color codes, public address systems.
- Pedestrian and vehicular grade separations.
- Improved interchanges between modes.
- Development of separate lanes for passenger and freight loading and unloading.

- Preferential treatment for public transportation on common rights of way, including reservation of lanes.
- Directional controls, including reversible lanes.
- Centralized electronic traffic control systems.
- Equipment for speedy removal of accident victims and stopped vehicles to facilitate traffic flow.
- Channelization of intersections.
- Metering of traffic into expressways.
- Development of new parking facilities at selected locations.
- Pricing experiments to influence demand -- including progressive parking rates, parking rates declining as occupancy increases, variable route tolls.
- Experimental control of parking -- by hours or location.
- Training and employment of enforcement personnel.
- Public information and education programs to facilitate demonstrations.



THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D. C. 20410

6755

JUL 30 1968

Honorable Alan Boyd
Secretary,
Department of Transportation
Washington, D. C. 20590

Dear Alan:

I am sure that you are as anxious as I am to conclude the work required to implement our understandings as to HUD-DOT relationships growing out of Reorganization Plan No. 2.

Enclosed herewith is a technical services agreement that we need in order to proceed with necessary staffing and other arrangements related to our providing the support contemplated. The agreement is basically the one you proposed for execution on June 20, and that we both indicated to the Director, Bureau of the Budget, we concurred in. The only substantive changes from your June 20 version are:

- to provide that the determination of major projects to be reviewed by HUD will follow language consistent with our Summary of HUD and DOT Positions on Major Reorganization Plan Issues of February 19, 1968 rather than rely solely on Section 204 of the Model Cities Act.
- to reflect this agreement was an initial stage of the continuing cooperative arrangement.
- to confirm our understanding that DOT would not expect any payments from HUD in FY 1969.

John Robson and Robert Wood reached agreement on these substantive changes on June 20.

Your staff will find some minor perfecting language changes made from your version. These were discussed with your representative on June 24, and although we have not had John Robson's reaction, I don't believe they should present any problem.

I have asked Charles Haar to act for me in concluding the procedural understandings needed to implement our agreements. I am confident that this can and should be completed within the next two weeks.

Sincerely,

A handwritten signature in dark ink, appearing to read "R. C. Weaver", is written over the typed name.

Robert C. Weaver

Enclosure

1968 14 1968

Working Group on HUD/DOT Memoranda
of Agreement on Mass Transit

Deputy Assistant Secretary for Policy Development

John E. Robson, Under Secretary

In response to your memorandum of July 22, naming me chairman of the working group identified above, I have held a number of meetings with the other persons named in your memo and have now arrived at a proposed Memorandum of Agreement dealing with highway and mass transit issues pertaining to relationships between HUD and DOT. A copy of this revised Memorandum of Agreement is attached.

In carrying out this assignment we were guided by the fact that the discussions and understandings leading up to the submission of Reorganization Plan No. 2 involved a broad range of issues concerning the responsibilities of the two Departments in urban transportation. Some of these responsibilities deal with mass transit, others with highways. To separate the latter from the former, we felt, would distort such discussions as we will have with HUD in arriving at a final agreement. It was my strong feeling that all of the major issues should be confronted immediately and that we should not attempt to separate highway-related matters from matters dealing with our mutual involvement in the administration of the Urban Mass Transit Act.

Adhering to this principle, the working party substantially modified the draft Memorandum of Agreement dealing with highway issues which was submitted to Secretary Boyd by Secretary Weaver on July 30 (and which, in essentially that form, had been discussed at an earlier date by the two Departments). Most of our modifications and additions deal with the UMTA Act. I am certain that many aspects of this Agreement will require intensive negotiation with HUD. Given the likelihood of sharp differences of opinion, whoever represents DOT should be authorized to take a firm position on the substantive issues and should be expected to adhere closely to our draft Agreement.

If you find the proposed Agreement acceptable, certain further steps must, of course, be taken. First, a letter with our Agreement attached will have to be sent to Secretary Weaver, responding to his letter of

CONCURRENCES
RTG. SYMBOL
INITIALS/SIG.
DATE
RTG. SYMBOL
INITIALS/SIG.
DATE
RTG. SYMBOL
INITIALS/SIG.
DATE
RTG. SYMBOL
INITIALS/SIG.
DATE
RTG. SYMBOL
INITIALS/SIG.
DATE
RTG. SYMBOL
INITIALS/SIG.
DATE
RTG. SYMBOL
INITIALS/SIG.
DATE

July 30. Second, a decision will have to be made by you as to who should represent the Department in such discussions as we will have with HUD. I can do this, but the choice is one you will have to make. I am attaching a letter for Secretary Weaver that proceeds on the assumption that you will approve the proposed Agreement.

~~RICHARD J. BARBER~~

Richard J. Barber

Attachments

RJBarber:pk 8/13/68
cc: Mr. Mackey-2
Chron File

Honorable Robert C. Weaver
Secretary of Housing and
Urban Development
Washington, D. C. 20410

AUG 30 1968

Dear Mr. Secretary:

We have your letter of July 30 to the Secretary and share with you a common desire to arrive at an understanding concerning the relationships between our two Departments stemming from Congress adoption of Reorganization Plan No. 2. Prior to the receipt of your letter, Bob Wood and I had been discussing the issues and the Secretary had established a working party of senior staff members in his immediate office to identify the issues which remain before us. We have now developed a Memorandum of Agreement which, though it differs from the proposed Memorandum which you sent me on July 30, seems to meet squarely the key issues pertinent to our mutual involvement in urban transportation. It is, I think, important that we realize, as our Memorandum recognizes, that our common interests deal with matters involving both highways and mass transit. An understanding should be reached as to both subjects and as to the best ways in which we can cooperate consistent with the spirit of the Reorganization Plan and the urgent needs of our nation's cities.

We are prepared immediately to discuss with your representatives our proposed agreement and to make every effort to arrive at a final agreement at the earliest possible moment. This will permit us to translate this general agreement into specific operational procedures. The Under Secretary will be our principal point of contact.

Sincerely,

SIGNED:

JOHN E. ROBSON

John E. Robson
Acting Secretary

Rewritten JERobson:nrr:S-2:8/29/68

Enclosure

CHURCHMAN
TG. SYMBOL
S-2
INITIALS/SIG.
RJ
DATE

TG. SYMBOL
S-2
INITIALS/SIG.
Robson
DATE

TG. SYMBOL
INITIALS/SIG.
DATE

TG. SYMBOL
INITIALS/SIG.
DATE

TG. SYMBOL
INITIALS/SIG.
DATE

TG. SYMBOL
INITIALS/SIG.
DATE

TG. SYMBOL
INITIALS/SIG.
DATE

TG. SYMBOL
INITIALS/SIG.
DATE

Chron

AGREEMENT BETWEEN THE SECRETARY OF THE
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

AND THE

SECRETARY OF THE DEPARTMENT OF TRANSPORTATION

A. Purpose. The purpose of this Agreement is to promote the effectiveness of certain programs for which the Secretary of the Department of Transportation and the Secretary of the Department of Housing and Urban Development are responsible, and to do so with maximum efficiency and economy, by enabling each Department to make use of the experience, skills and capabilities of the other as they relate to --

- (1) providing assistance to the planning of transportation and other systems in a manner that promotes a sound future development of urban areas;
- (2) developing procedures which will encourage State and local planning agencies to work more closely together in sharing planning facilities and resources and in establishing procedural arrangements which assure maximum coordination of planning for related functions and programs;
- (3) assisting in the solution of urban problems arising out of construction or initiation of transportation projects or systems,

or out of other urban activities that may have an impact on transportation systems;

- (4) exchanging information and advice on urban needs, programs, and technologies which bear upon the relationship between the character, design or scheduling of transportation systems and the development of urban areas; and
- (5) developing working relationships at national, State and local levels to insure coordination among programs supported in whole or in part by the two Departments.

B. General Understanding. The Secretaries of the two Departments agree to be guided in all activities under this Agreement by the following general understandings --

- (1) Every effort will be made to assure that full account is taken of urban development goals, needs and problems, at the earliest possible time, in the planning of transportation systems and programs affecting urban areas; and likewise that early account shall be taken of the probable impact on transportation plans and programs of any other programs or planning for programs in which HUD participates.
- (2) Every effort will be made to achieve, as rapidly as possible, fully effective working relationships among transportation

planning activities being carried on in or for urban areas pursuant to different Federal programs, and other federally assisted planning activities in those areas.

- (3) The fullest exchange of information and regular consultation shall be maintained at all levels between the two Departments, and shall be encouraged among State and local agencies and interested industry and private groups insofar as these have responsibilities or interests related to this Agreement.
- (4) All activities are to be carried on in a manner that will promote the expeditious handling of requests for assistance and the most prompt resolution of problems, consistent with applicable law, regulations and policy; minimize the possibilities of duplicating or overlapping effort; and simplify procedures and requirements that must be met by State and local agencies.

C. Program Relationships. The two Departments agree to establish formal and continuing procedures for the purpose of cooperating in the development and execution of certain of their program responsibilities, as follows:

↳ (1) Urban Transportation Planning.

- (a) The criteria for urban transportation system planning will be developed jointly by the two Departments.
-

(b) DOT will assist HUD in the development of criteria for review and in the review of program proposals under the 701 Planning Assistance Program and other HUD programs, insofar as they relate to transportation plans, programs, or requirements.

(c) HUD will assist DOT in the development of criteria and in the review of proposed State allocations of research and planning funds (as provided for in section 307, title 23, United States Code) specifically involving transportation planning in urban areas.

(d) Procedures will be developed assuring the timely exchange between the two Departments of information on locally prepared transportation system plans or other local plans affecting transportation systems.

(e) HUD will assist DOT by providing advisory certifications or other advice in connection with determinations by DOT whether there is, or is being developed, a program for a unified or officially coordinated urban transportation system as part of the comprehensively planned development of the area, as required by sections 3(c), 4(a), and 5 of the Urban Mass Transportation Act.

(f) HUD will assist DOT by providing advisory certifications or other advice, in connection with determinations by DOT as to the adequacy of the continuing transportation planning process

established and carried on in particular urban areas pursuant to section 134 of title 23, United States Code.

(g) HUD will assist DOT in connection with the development of criteria for joint development projects (e.g., the concurrent development of highway projects and adjacent land for other uses) and, as determined from time to time pursuant to this Agreement, other activities, projects, or programs involving substantial or continuing requirements for information, data, or advice, relating to comprehensive planning and urban development activities.

(2) Relocation Planning

HUD will assist DOT, upon the latter's request, in the consideration, formulation, and review of relocation plans developed in connection with transportation projects.

(3) Review of Transportation Projects

(a) "The initial responsibility for reviewing transportation projects for their consistency with the planned development of urban areas rests with the review agency designated pursuant to section 204 of the Demonstration Cities and Metropolitan Development Act of 1966. While primary reliance will be placed upon the 204 review as a basis for DOT approval, DOT will also obtain HUD comments and recommendations on projects in the following categories:

(i) Projects which the 204 review agency has indicated would have a significant impact inconsistent with the comprehensive planned development of the area;

(ii) Projects which have a significant impact on the development of an urban area (usually those raising issues requiring the involvement of the Secretary of Transportation in the approval process);

(iii) Specific projects in which HUD states it has an interest related to the planned development of an urban area.

To apprise HUD of all highway projects in which it might have an interest, the State highway departments will be requested to supply a written notice of all public hearings to the appropriate HUD regional office.

" HUD will prepare and submit to DOT in a timely manner its comments and recommendations on all projects being reviewed under this section.

(b). HUD will advise DOT of all proposed urban development projects for which it provides financial aid which would have a significant impact on transportation systems.

(4) Section 6, 9, and 11 Projects

(a) In view of the mutual interest of DOT and HUD in the implementation of sections 6, 9, and 11 of the Urban Mass Transportation Act, the two Departments recognize that it is imperative to develop suitable coordinative arrangements for the consideration, administration, and review of project proposals and undertakings. Copies of all applications for funds under sections 6, 9, and 11 and summaries of project proposals under consideration will be exchanged by the two agencies. On a regular basis representatives of DOT and HUD will discuss these project proposals and applications with a view to the avoidance of duplication of effort and the fullest possible exploitation of available funds. The Secretary of each Department will designate an official to serve as the principal point of contact in executing this overall coordinative responsibility.

(b) Although HUD and DOT recognize their common interest in the administration of sections 6, 9, and 11, it is anticipated that DOT's primary interest will be in the development of urban transportation systems and that HUD's primary interest

will lie in the assessment of the relationships between transportation and comprehensive urban development.

D. Detailed Implementation

- (1) The foregoing represents the initial stage of the continuing cooperative arrangement anticipated by the two Departments.

The two Secretaries will each designate one or more officials, with supporting staff as needed, who shall be responsible for --

(a) developing specific statements of work requirements on a quarterly or other periodic basis, giving due regard to the needs of the two Departments, the payments to be made hereunder, and the responsibilities and capabilities of each; and

(b) reviewing activities under this Agreement on a continuing basis and at least annually to permit adequate planning for the next year.

- (2) Within ten days after the effective date of this Agreement, the two Secretaries will each designate an official to serve as co-chairman of a joint task force to develop the detailed policy

and procedural documents necessary to carry out the program relationships set forth in section C of this Agreement. The co-chairmen shall submit bi-weekly joint progress reports to the two Secretaries.

E. Payments


During the fiscal year 1969 the Department of Transportation shall pay the Department of Housing and Urban Development for those services to be performed under this Agreement by HUD (except those services pertaining to the administration of the Urban Mass Transportation Act), in advance, quarterly or more often if necessary, upon submission of proper documentation. Such payments shall not exceed \$300,000.

Similar arrangements for payments by the Department of Housing and Urban Development to the Department of Transportation shall, where appropriate, be made with respect to activities performed by the Department of Transportation for the Department of Housing and Urban Development pursuant to this Agreement.

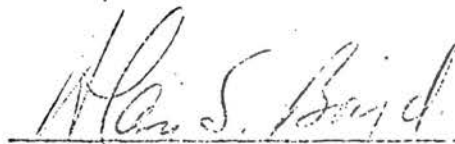
Procedures shall be established under the preceding section D for adequate justification of work, staffing and support payments.

F. Duration of Agreement

This Agreement shall continue in force until canceled by mutual agreement between the Secretary of Transportation and the Secretary of Housing and Urban Development, or by either party upon 90 days notice in writing.



SECRETARY
DEPARTMENT OF
HOUSING AND URBAN DEVELOPMENT



SECRETARY
DEPARTMENT OF
TRANSPORTATION

SEP 9 - 1968

Date

10 September 1968

Date



THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D. C. 20410

SEP 9 - 1968

Honorable Alan S. Boyd
Secretary of Transportation
Washington, D. C. 20590

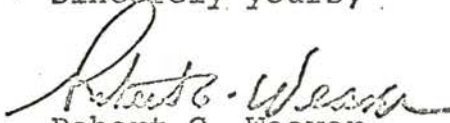
Dear Mr. Secretary:

I have signed and am returning the memorandum of agreement between our two Departments which you enclosed with your letter of August 30, 1968.

If you will return an executed copy of the agreement, we will designate officials and staff to work with your designees in the development of the operational procedures necessary to implement this memorandum of agreement.

We very much appreciate the cooperation of you and Mr. Robson in this effort. I believe, as I know you do, it is essential to assure the fullest cooperation and assistance between our two Departments in our administration of programs having close relationships in their impact on urban areas and on planning for their future development.

Sincerely yours,


Robert C. Weaver

Memorandum

DATE: September 13, 1968

SUBJECT: Urban Transportation Coordination

In reply
refer to:

FROM : The Secretary

TO : Under Secretary
Assistant Secretaries
General Counsel
Administrator, Federal Aviation Administration
Administrator, Federal Highway Administration
Administrator, Federal Railroad Administration
Administrator, Urban Mass Transportation Administration

9/23 1968

Dick
See me
on 9/23/68

Establishment of an Urban Transportation Coordination Group.

I am not satisfied with the Department's coordination on urban transportation projects and problems. While part of this may be due to understandable initial organizational problems, I think we must take some affirmative steps to improve our performance in this critical area.

Accordingly, I am by this directive establishing in the Office of the Under Secretary the Urban Transportation Coordination Group. Its responsibilities will cover all direct and federally-aided urban transportation programs and activities of the Department of Transportation. Its mission, broadly stated, will be to assure coordination throughout the Department, with other federal agencies and with outside governmental and private organizations of the urban transportation activities of the Department.

Within its broad mission, the Urban Transportation Coordination Group would:

1. Insure inter-Administration and Departmental coordination on important urban projects (this might range from a Linear City-type project to individual mass transportation and highway projects). It would include coordination and joint participation by Administrations and OST in research activities, particularly those where research grants are made to outside institutions.
- 6/9/68*

2. Coordinate the Department's role in comprehensive urban transportation studies of the kind which have been proposed by a number of cities and regions (e.g., Denver, San Francisco).

3. Provide an initial focal point for contact with other federal agencies on urban transportation matters.

4. Operate as a visible point of contact to which outside inquiries on urban transportation matters can be directed to assure channeling into the appropriate places in the Department.

Composition of Group and Qualification of Members.

A Group member shall be designated by each addressee (except TIA, TPA, TGC and TAD). The Under Secretary shall serve as chairman. Members will serve as liaison between their agencies and each of the other participating agencies or offices. While the Group will be essentially advisory to the principals of the individual members, its first objectives will be to achieve coordination and consensus. I intend that, whenever necessary, controversial issues be referred to the Under Secretary for final resolution of controversial issues by him in consultation with the respective Administrators and Assistant Secretaries concerned.

It is my intention that senior staff personnel be assigned to the Group. Members must be knowledgeable of the programs of their own and other constituent agencies and offices and will be expected to speak authoritatively for the heads of their respective agencies. The responsibilities to be imposed on these people also calls for substantial general knowledge of urban problems. I assume that will require people at supergrade levels.

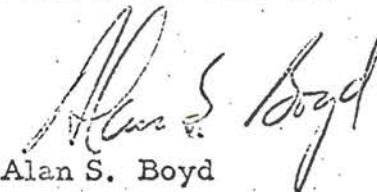
The success of the Coordinating Group will depend in no small part upon its members not becoming totally immersed in the activities of the Group but rather on their maintaining active roles in their own agencies. Only in this way can they provide on a continuing basis effective liaison with other constituent agencies and offices.

Staff Support

Secretarial assistance will be provided by constituent agencies on a rotational basis. It is also expected that statistical and other information services, as well as drafting services on analytical and position papers, will be provided by constituent agencies as reasonably requested by the Group.

Effective Date

Please advise the Under Secretary of your designee not later than September 23. The Group will be subject to call any time thereafter at the discretion of the chairman or by request of any of its members. For the present no fixed meeting schedule will be established.


Alan S. Boyd

C M Canolf

DOT/UMTA

FY 1969 DRAFT PROGRAM
SUMMARY

CONTENTS

- Section 1 URBAN MASS TRANSPORTATION
 Goals and Priorities
- Section 2 RD&D PROGRAM STATEMENT &
 WORK PLAN, FY 1969
- Section 3 PROGRAM SUMMARY AND PROJECT
 ABSTRACTS
- Section 4 ON-GOING APPROVED SECTION 6
 PROJECTS

URBAN MASS TRANSPORTATION

Goals and Priorities

URBAN MASS TRANSPORTATION

Goals and Priorities

The Urban Mass Transportation Act of 1964 established the guiding policies and purposes of the Federal program of assistance to urban mass transportation. The Act assumed that high quality mass transportation services are an essential ingredient of an effective urban transportation system and a prime force in the achievement of desired patterns of urban growth.

When the Federal program was authorized, national policy put high priority on Federal efforts to aid local communities in coping with aggravated problems of urbanization. The quality of urban transportation services, continuing a long-term decline, had become seriously inadequate to the needs of large groups of city dwellers. All too frequently, equipment was obsolete, under-maintained, and severely unattractive. Even in large cities, carriers could not finance capital improvements to provide minimum adequate service. Financially embarrassed municipal governments could not come to their assistance. Massive Federal aid for highway construction had worsened the competitive position of mass transit and contributed to an accelerating decline in traffic, revenue, and service.

TRANSPORTATION AND URBAN DEVELOPMENT

Transportation is seldom an end in itself. Rather, it is a service function that should facilitate the diverse and

geographically dispersed activities in which people engage. The increasing separation of these activities in metropolitan areas has placed serious burdens on transportation and, more important, on human beings -- in terms of time, energy, and resources. The cardinal relationship between transportation and city size, structure, growth rates, and the quality of urban living must be emphasized. In short, transportation must be planned and developed consistently with the primary goals of the community and as an integral part of the process of comprehensive community development planning directed toward implementation of those goals. In urban development and redevelopment, transportation investments must be appraised as alternatives to other problem solutions, and equally, the effects of other decisions and actions on transportation requirements must be carefully evaluated.

LONG TERM GOALS

In the long run, well-planned urban transportation investments can assist substantially in the achievement of selected development goals of each urban area. They can also contribute to the achievement of broad objectives established by the Department of Transportation for the Nation's transportation system: efficiency in the sense of maximum spread between all social costs and benefits; respect for and wise use of the urban environment; safety and protection for travelers, shippers and others affected by transportation; and support of other national goals. The long-run goal of

urban transportation is to provide users with safe, fast, and convenient service as efficiently and economically as possible while respecting and preserving other community objectives and values -- both within urban communities and between cities and their regions, the Nation and the world at large.

NEAR TERM GOALS

The shorter-range goals of UMTA are consistent with the long term objectives just discussed. They are cast to some extent, however, in recognition of (1) the abnormal conditions into which U.S. cities had drifted between world wars and (2) the decline of public transportation systems, resulting partly from the largely uncontrolled rate and structure of urban growth and partly from the inequitable promotion, taxation and regulation of transportation which favored private as against public movement and the new and more glamorous technologies against the traditional.

Short-run objectives, therefore, must necessarily be (1) to preserve existing public transportation by fostering improvements in coverage and frequency of service, safety, comfort, speed, convenience and efficiency without aggravating other basic urban problems, and (2) to provide at least minimum public transportation for those who do not have it now and cannot afford private transportation for essential trips.

These short-run objectives are classified and described in greater detail below:

1. Improved Coordination of Transportation and Overall Development Planning

a. Comprehensive Planning

If U.S. cities are to achieve democratically selected development goals, including desired growth rates, size and structure, both public and private investment must be tied much more effectively to comprehensive planning and decision making. This applies to major sub-systems including transportation.

While present planning techniques in the United States do not yield a close balancing of land-use planning and overall transportation planning, steps can be taken to improve immediate results:

- (i) The interrelationships between employment and residential locations can be more clearly identified and explained. A program of education on the consequence of alternative decisions is needed. Such decisions can substantially affect the amount and nature of transportation investments.
 - (ii) Large industrial, commercial and governmental installations should be encouraged to provide nearby residences for all classes of employees or to locate where a variety of such dwellings is in good supply.
 - (iii) Redevelopment areas in old cities, satellite towns, new cities, and planned expansion of middle size cities should be utilized as laboratories for transportation planning and development experiments.
 - (iv) Use of air rights and joint development projects involving transportation should be planned to serve overall urban objectives and for optimum investment in all sub-systems.
-

b. Transportation System Planning

Just as comprehensive transportation planning must be integrated with overall community development planning, so transportation system planning must embrace all modes and include connections between intraurban and intercity services. Close attention must be given to:

- (i) Surface transportation to airports, including evaluation of rail and bus services as alternatives to private transportation, and to terminal locations.
- (ii) Fringe parking to facilitate transfers from private auto to bus or rail line-haul services as a means of reducing downtown congestion.

2. Maintenance of Existing Public Transportation

For reasons already made clear, public transportation systems are threatened with extinction in many cities. Rail commuter services and rail rapid systems are sustained only by cross-subsidization or outright public subsidies in our larger cities. To permit careful evaluation and decision on the place of these systems in long-term urban development plans, such systems should be maintained, at least for the time being. Research, demonstration and modest capital investment to maintain and improve systems offering reasonable promise of long-run utility should be assisted by UMTA.

3. Improved Quality of Public Transportation

a. For Users

Transportation should be improved to provide more frequent, reliable and faster service; greater riding comfort, better connections and better information on routes, schedules and rates. Covered platforms and shelters against exposure to inclement weather, and clean and attractive vehicles would be important adjuncts of improved service. Together they should help to arrest the decline in ridership.

b. For Everyone

While public transportation causes less toxic air pollution than private transportation, it has deleterious impacts in the form of noise, odor and vibration and through its ubiquitous ugliness. Poor maintenance and unsightly structures contribute needlessly to the generally depressing environment of urban America. Improvements in all of these factors would encourage patronage and enliven the entire city prospect.

4. Improved Service Coverage of Public Transportation

Persons without access to automobiles -- non-drivers, many housewives, the young, the old, the handicapped, and the poor -- are often deprived of mobility if public transportation is inadequate or nonexistent. Major groups with limited mobility must be identified and their needs must be met by transportation or other means as an evaluation of alternatives may direct.

A particular objective should be to determine the role that public transportation can most appropriately play in aiding the poor and unemployed. Care must be exercised to avoid perpetuating excessively long commuting trips, low wages or poor work conditions, and discriminatory hiring practices. Evaluation of demonstration experience in extending the coverage of public transportation to these groups can avoid waste in resources through uncertain or unsound policies.

5. Relief of Congestion

Traffic congestion, especially during the peak hours of travel to and from work, is probably the focus of most articulate discontent with urban transportation services. More information about the nature and extent of congestion is urgently needed. The function of congestion is imperfectly understood; its extent, causes and effects must be more precisely identified so that appropriate remedies -- both transportation and other -- can be developed. Most urgent is the development of new technologies for CBD collection and distribution service and the development of a variety of redevelopment schemes and experimentations with schemes of regulation, incentives, structured taxes, and administrative devices that can affect the pattern of traffic in urban centers.

6. Improvements in Financing Public Transportation

Both publicly- and privately-owned transit operations require at least near-term financial assistance to restore and maintain minimum adequate service. For major improvements in service and essential system expansion, public assistance as well as new methods of financing and new sources of private funds appear to be essential. In this connection, operating costs and revenues must not be ignored. Increased fare box revenues and reduced operating costs alleviate pressure for outside funding. Especially worthy of attention are fare experiments designed to test elasticity of demand. The dogma of the industry (that demand is inelastic) simply ignores the flight of traffic having choices (mostly the well-off) and is indifferent to the welfare impact of fare increases on the captive market (Sec 4. above).

To assure maximum benefits, greatly improved financial and operating reports on public transportation operations are imperative.

7. Other Short-Term Objectives

Many other worthwhile changes are needed and appear to be possible. Efforts should be made to reduce traffic in residential neighborhoods by diversion of busses to freeways or by provision of private rights-of-way. Experiments to reduce time loss from cumbersome fare collection procedures are urgent. In the light of transit's financial problems and the burdensome cost of public transportation to the poor, entirely tax-supported -- "free" --

transportation should be carefully evaluated. Finally, no opportunity should be missed to develop, test and apply devices to maintain and improve the already good safety record of public transportation.

IMPLEMENTATION

UMTA has the basic tools needed to implement these goals and priorities including:

- Capital grants and loans to sustain existing operations, ease the financing of capital improvements, and to provide incentives to local communities for improving transportation service.
 - A program of research, development and demonstration to provide data and knowledge on which to base capital investment decisions at the local and Federal level.
 - Grants for managerial training and university research and training to enhance the number and caliber of personnel available to address urban transportation problems.
 - Technical studies for the planning, engineering and designing of urban mass transportation projects.
-



THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

October 15, 1968

Honorable Charles J. Zwick
Director, Bureau of the Budget
Executive Office Building
Washington, D.C. 20503

Dear Charlie:

The Urban Transportation program recommendations of the Department of Transportation for FY 1970, and a discussion of the major program issues, are set forth in the enclosed Program Memorandum (Program Category I). We have previously sent you a Special Study relevant to Category I, titled, "Highway Engineering Improvements", and we are forwarding separately a study on "Urban Commutation Alternatives".

The Urban Transportation Program Memorandum is the first one to be submitted by the Department of Transportation for FY 1970. This Memorandum, as well as the four others that will follow, differs from the FY 1969 PM's in at least three significant respects.

1. The PM is addressed to a broad category of programs, which cut across organizational and appropriation lines. The PM's last year were on an appropriation structure basis.
2. Since the Memorandum addresses a subject broader than the responsibilities of any single operating administration, it was prepared centrally, with major inputs from the operating administrations, rather than being prepared exclusively by the operating administrations as was the case last year.
3. Per BOB instruction, it focuses on Major Program Issues, and there is no attempt to discuss in detail on-going programs in which there are no significant issues.

Turning now to the substance of the Memorandum, the funding levels for FY 1970 for the programs in Category I have, by and large, already been established by the 1968 Federal Aid Highway Act and advance appropriations for the Mass Transit program. However, there are significant problems and gaps in our urban transportation programs which we believe merit attention, and several of these are addressed in the Memorandum. They are: peak-hour congestion, transportation problems of the urban poor, advance acquisition for mass transit rights-of-way, the potential effectiveness of fringe area

parking, metropolitan transportation planning, and interdisciplinary design teams and joint development.

Our estimates for FY 1970 for the Urban Transportation programs total \$2,384 million in New Obligational Authority (including \$2,160 million for the Highway Trust Fund), an increase of \$56 million over FY 1969 (\$10 million of which is for the Trust Fund).

Excluded from these totals are a FY 1970 additional appropriation for mass transit which we now have under consideration, and major new mass transportation legislation which we also are considering. We are studying the large un-met needs in this area, financing possibilities, and the possibility of a mass transit trust fund. We shall transmit our recommendations concerning this program to you as soon as possible.

This being the first year in which we have had an opportunity to go through a complete PPB cycle, we have learned a great deal about the process. Our conclusions with respect to our progress and problems in this area are being set forth in my letter to you which summarizes the Department's overall FY 1970 program-budget recommendations.

Sincerely,


Alan S. Boyd

Enclosure

U. S. DEPARTMENT OF TRANSPORTATION
FY 1970 PROGRAMS
PROGRAM CATEGORY I
URBAN TRANSPORTATION

October 4, 1968

TABLE OF CONTENTS

I. Introduction and Summary.....	1
A. Coverage	1
B. Objectives.....	1
C. The FY 1970 Program.....	2
II. Summary of Major Program Issues	3
III. Analysis of Major Program Issues.....	5
A. Should an Effort be made to Establish a Comprehensive Corridor Transportation Demonstration Program?.....	5
B. Should a Special Program be Established to Provide Convenient and Inexpensive Mass Transportation for Ghetto Areas?.....	9
C. Should a Program be Established to Provide Funds for Advance Acquisition of Right-of-Way for Mass Transit Facilities, Including Excess Condemnation?.....	13
D. Should Additional Assistance be Provided for Fringe Parking Facilities?.....	15
E. What Steps can be Taken to Strengthen Metropolitan Planning Agencies.....	18
F. Should the Use of Interdisciplinary Teams and the Consideration of Joint Development be Expanded in the Transportation Planning Process?.....	20
G. Bus Alternatives in Urban Commutation - Special Study.....	24
H. Highway Engineering Improvements - Special Study.....	25
I. Authorizations for the Urban Mass Transit Administration.....	27

Program Category I
Urban Transportation

I. Introduction and Summary

A. Coverage. This program category consists of the following programs:

1. Subcategory A. That portion of the Federal Aid Highway Program (administered by the BPR), which takes place in urbanized areas;
2. Subcategory B. The Mass Transportation Program (administered by the Urban Mass Transportation Administration).

Neither of these subcategories is purely urban. Nevertheless, they are primarily urban and can be looked upon as representing the Department's main contribution to urban transportation. Specifically, most Federal-aid highway expenditures in urbanized areas also facilitate inter-urban transportation; indeed, by and large they were developed as part of an inter-urban transportation system. Nevertheless, we look upon these programs from the viewpoint primarily of their important contribution to transportation within the urbanized areas, even though some of the transportation is moving through the area during the course of an inter-urban trip.

With respect to the mass transportation program, it is not limited to any particular definition of "urban", as grants have been made to several communities under 50,000 population. However, most of the funds have gone to urbanized areas over one million in population.

B. Objectives The objectives of the programs in this category are to serve the needs of urban society by:

1. Increasing the overall economic efficiency of the urban system;
2. Increasing safety in transportation;
3. Increasing the benefits derived from the preservation and enhancement of aesthetic, environmental and social values;
4. Supporting other national objectives when appropriate, such as efforts to decrease poverty.

For the first time, highway program costs have been identified by objective. For urbanized areas, the costs for FY 1970 are:

<u>Urban Transportation: Highways</u>	<u>NOA (millions)</u>
1. Economic efficiency	\$1,438.0
2. Safety	454.0
3. Aesthetic environmental and social values	45.3
4. Contribution to desirable urban development	248.6
TOTAL	<u>\$2,185.9</u>

- C. The FY 1970 Program. Most of the program level decisions for the urban Federal-aid highway programs (as well as the inter-urban) have already been made through the legislative process, culminating in the Highway Act of 1968. Nevertheless, the Department believes there are important issues and new or revised programs which should be considered. These, together with mass transportation issues, are summarized in Part II below, and discussed in more detail in Part III of this memorandum. The program levels estimated for FY 1970, compared to FY 1968 and FY 1969, are as follows:

		<u>NOA (Millions)</u>		
		<u>FY 1968</u>	<u>FY 1969</u>	<u>FY 1970</u>
1.	<u>Urban Transportation</u>			
(a)	<u>Highways</u>			
1.	Interstate program	\$1,428.3	\$1,460.5	\$1,460.5
2.	Federal-aid primary program	56.9	58.5	58.5
3.	Federal-aid secondary program	57.3	60.4	60.4
4.	Federal-aid urban program	182.0	194.2	194.2
5.	TOPICS	--	180.0	180.0
6.	Railway-highway grade crossing elimination	25.9	19.8	19.8
7.	Roadside hazard reduction, spot improvement	77.8	81.9	81.9
8.	Roadside beautification, billboard and junkyard regulation	.4	9.5	25.9
9.	Relocation assistance	--	35.9	35.9
10.	Advance acquisition of R.O.W.	--	40.0	40.0
11.	Metropolitan area planning	21.9	18.8	18.8
12.	Urban Corridor Demonstration	--	--	10.0
	Subtotal, Subcategory (a)	\$1,850.5	\$2,159.5	\$2,185.9
(b)	<u>Mass Transportation Program</u>			
	Total Program, Subcategory (b)	121.7	168.5	198.0
	Total, Program Category I	\$1,972.2	\$2,328.0	\$2,383.9

Authorizations and appropriations have been made under the Urban Mass Transportation Act of 1964 through FY 1970. However, because this program receives appropriations one year in advance, decisions must be made now concerning the authorization and appropriation at least for FY 1971, and a possible FY 1970 supplemental appropriation. Recommendations will be made in a separate submission as soon as these decisions have been made.

II. Summary of Major Program Issues

- A. Issue: What steps should be taken to reduce peak hour congestion, especially on high traffic density radial corridors?

Alternatives: (a) No change in current and newly authorized programs but a major effort exerted by FHWA and UMTA to coordinate their programs;

(b) a carefully planned transportation demonstration program focusing all available tools on this program in ten selected cities with a higher percentage of cost sharing (75%) and additional funds authorized for this purpose; (c) a major new program providing additional funding to solve this problem in many urban areas.

Recommendation: Alternative (b). FY 1970 cost: \$20 million to be shared equally by FHWA and UMTA ; 5-year cost: \$150 million.

- B. Issue: What steps should be taken to improve "ghetto" area transportation, particularly to jobs?

Alternatives: (a) No change in current program levels, but a greater effort exerted to decrease the severity of this problem; (b) a structured, two-year mass transportation demonstration program in 15-25 urban ghettos, as an increment to the existing mass transit demonstration program; (c) a major new ghetto mass transportation program.

Recommendation: Alternative (a). FY 1970 cost: No additional funds requested.

- C. Issue: Should the mass transportation program provide funds for advanced acquisition of rights-of-way?

Alternatives: (a) No; (b) yes, on a limited basis; (c) yes, on a more comprehensive basis.

Recommendation: Alternative (b). FY 1970 cost: \$10 million; 5-year cost: \$50 million.

- D. Issue: Are there steps that would be worth undertaking to improve the newly authorized fringe area parking program?

Alternatives: (a) No change in the new authorization but with a major effort made to implement the new provisions; (b) relax the criterion that the parking facility be within or adjacent to a Federally-aided highway right-of-way by changing existing legislation; (c) provide a \$20 million annual authorization in the Highway Trust Fund for the program, with a liberal interpretation of existing provisions.

Recommendation: Alternative (a). FY 1970 cost: no additional funds requested.

- E. Issue: What reasonable steps can be taken now to improve, and make more representative, the metropolitan transportation planning process established pursuant to Section 134 of the 1962 Highway Act?

Alternatives: (a) Evaluate the process by a study within FHWA; (b) require representation on the Policy Committee of the metropolitan transportation planning organization to be proportionate to the population of the communities in the metropolitan area, and provide additional funds for their activities; (c) require the establishment of Metropolitan Development Agencies having authority not only to plan transportation activities but to implement the plans.

Recommendation: Alternative (a). FY 1970 cost: no additional funds requested.

- F. Issue: How should the use of Interdisciplinary Teams and consideration of Joint Development be expanded?

Alternatives: (a) Encourage more use, and initiate appropriate research to measure their implications; (b) require the establishment of Interdisciplinary Teams as a prerequisite for Federal highway aid in urban areas over 1 million population, and provide additional planning funds for their use; (c) same as Alternative (b), and obtain new legislation for a loan fund for the extra early costs of Joint Development projects.

Recommendation: Alternative (a). FY 1970 costs: no additional funds requested.

In addition to these issues, the Program Memorandum reports on two Special Studies which have been submitted separately:

- G. Bus Alternatives in Urban Commutation -- This study compares the costs of two alternative approaches to meeting peak hour demand in urban areas: private automobile transportation systems and bus-based systems.
- H. SS-68-1, Highway Engineering Improvements -- This study makes some preliminary comparisons of the costs and benefits of new highway construction vs. three current programs for improving existing highways.

The Operation of the Department of Transportation

It is evident from the description above of the Department's structure and mode of operating that if the Department conducts its affairs as it is designed to do, most of its activity, apart from purely administrative functions, consists of: 1) advising the Secretary concerning proposals made by the Administrations, or 2) suggesting projects that the Secretary may assign to one of the Administrations. The character of this relationship between the Office of the Secretary and the Administrations is reflected for example in the Department's legislative program for 1968. This consisted of proposals for legislation that were worked out in collaboration between the various Assistant Secretaries and the Administrations. Usually each proposal is basically the work of one of the Administrations, but sometimes it will reflect the ideas of a part of the Secretary's staff with the collaboration of one or more Administrations.

The 90th Congress acted favorably on the Jet Noise Abatement Act, the Natural Gas Pipeline Safety Act and the Federal Aid Highway Act of 1968. The Federal Airport Development Act, on the other hand, was rejected by Congress. Detailed discussions of the collaborative work of the Administrations and the OST will be found in the discussions below of the operations of the Administrations.

The history of the Department's substantive operations as distinguished from those of the Administrations, can best be set forth in a series of "case studies" in which the actions of the several parts of the Department will be discussed. The sections that follow will consider issues with which the Department was concerned during its first eighteen months. The subjects

were not selected because of their intrinsic importance, nor because they required the most complicated action on the part of the Department, but rather to show the workings of the Department in dealing with its normal business.

Highway Beautification Policies

The Highway Beautification Act of 1965 had been enacted in part because of Mrs. Johnson's intense interest in improving the appearance of the nation's roadsides.

During the first few months of 1967, before the Department of Transportation became a legal entity, members of Secretary Boyd's staff were concerned with developing new standards or guidelines for implementing the section of the Highway Beautification Act that called for the control of outdoor advertising and junkyards near highways. When the beautification guidelines were submitted to Congress on January 10, 1967, fulfilling the directives of the 1965 Act, strong pressure to widen the guidelines came from Representative John C. Kluczynski, Chairman of the House Subcommittee on Roads. He stated that he was prepared to send telegrams to all Governors announcing hearings on highway beautification regulation and endorsing the concept of a change in the basic 1965 law.¹

In February, Mr. Boyd contacted the staffs of the Congressman and the Committee and asked for a delay in any move to revise the statute while the Department attempted to work out a compromise through changes in billboard regulation standards, thus avoiding the need to amend the basic Act.² In late March, the Secretary sent letters to all fifty Governors assuring them that the Department of Transportation would

promulgate no standards on billboard control but would negotiate such standards with each State. Mr. Boyd also attempted to dispel misunderstanding about the standards submitted to the Congress on January 10, 1967, by telling Governors that these standards were intended to serve the Secretary as a basis for his negotiations with the various States, not as arbitrary decrees.³

Despite his actions to assuage actual and potential critics, however, Secretary Boyd realized that it would be impossible to avoid a public confrontation on highway beautification legislation. As the date approached for the legal activation of the new Department, he decided that the Department should begin to assemble support for its beautification program when Congressman Kluczynski's hearings began.⁴

Assistant Secretary John Sweeney urged the Secretary to modify the impression given by the March 22 letter to the Governors that no minimum standards would be established by the Department.⁵ Meanwhile, delicate negotiations were underway between Mr. Boyd and the Democratic members of the Roads Subcommittee of the House Public Works Committee. On May 24 a compromise agreement with the Democratic members of the Subcommittee was reached.

The agreement involved land that could be classified as commercial or industrial. Under the provisions of the

Beautification Act of 1965, a commercial or industrial establishment is allowed to advertise its presence or its products with signs on the premises and for some length along the highway on either side of the business establishment. Which authority was to establish the standards for such billboards (e.g., how many feet on either side of the business establishment may a sign be erected, how large may the sign be, etc.) was the subject of the discussion between the Kluczynski Committee and Mr. Boyd. The Secretary told the Committee members that in areas which were subject to local zoning ordinances, zoned areas, the Department was fully prepared to allow the States and/or their local agents to establish the standards regulating billboards. The regulation of signs in areas not covered by any zoning law would be the subject of negotiations between the Department and the appropriate local officials. Mr. Boyd did insist on there being at least one commercial establishment in any area before the Department would agree to designate an area as being commercial or industrial, thereby allowing some sort of signs to be erected.⁶ Thus, the compromise consisted of allowing local officials to control signs in zoned areas, while the Department retained a voice in determining regulations in unzoned areas.

This agreement formed the basis for the Department of Transportation's legislative position for the remainder of the

session of Congress. The Democratic Subcommittee majority, at the suggestion of Representative Ed Edmondson, agreed that Representative Kluczynski would announce that the settlement reached with Secretary Boyd would eliminate the need for an amendment to the 1965 Beautification Act.⁷

As a reciprocal move, Mr. Boyd told the Subcommittee members that he would not penalize the States in the coming year for failure to establish highway beautification standards. He explained that he would refrain from penalizing them because several State legislatures, assuming that the Act would be amended, had not enacted legislation empowering their Governors to make agreements with the Department of Transportation. He added that the upcoming presidential election year made penalties politically sensitive.⁸

In a later report to the President on the effects of the agreement with the Kluczynski Committee, Boyd stated that while the standards negotiated in May of 1967 would remove approximately 115,000 fewer signs from the nation's highways than would the January standards, the cost of the program also dropped from \$558,000,000 to \$348,000,000. The highway mileage free of billboards was reduced from the January figure of 206,000 miles to 184,500 miles. Secretary Boyd's attitude toward the agreement with the House Subcommittee was succinctly stated in the following comment to the

President: "It is my judgment that without these concessions there will be a successful Congressional effort to amend the Beautification Act far more drastically than we have proposed by our administrative action." ⁹

While Congress was considering the highway beautification program, the Department was developing procedures for implementing a section of the Department of Transportation Act of 1966 that was closely related to the problem of highway beauty. Section 4(f) of the Act provided as follows:

The Secretary shall cooperate and consult with the Secretaries of the Interior, Housing and Urban Development, and Agriculture, and with the States in developing transportation plans and programs that include measures to maintain or enhance the natural beauty of the lands traversed. After the effective date of this Act, the Secretary shall not approve any program or project which requires the use of any land from a public park, recreation area, wildlife and waterfowl refuge, or historic site unless (1) there is no feasible and prudent alternative to the use of such land, and (2) such a program includes all possible planning to minimize harm to such park, recreational area, wildlife and waterfowl refuge, or historic site resulting from such use.

On July 14, 1967, Secretary Boyd met with Secretaries Udall and Robert C. Weaver and Assistant Secretary of Agriculture John A. Baker to discuss the implementation of this Section. The Assistant Secretary for Policy Development, M. Cecil Mackey, had urged the Secretary to stress that the basic responsibility for carrying out the provisions of Section 4(f) should rest

with the Secretary of Transportation. Accordingly, Mr. Mackey recommended that Mr. Boyd should resist any effort on the part of the other Secretaries to establish a committee composed of representatives of each of the four Departments to administer 4(f) on a collective basis. Instead, the Assistant Secretary advised that an interagency committee, composed of representatives from the four Departments with Mr. Mackey as Chairman, should be created in order to "provide the three other Departments with a full and fair opportunity to 'cooperate and consult' with us in fulfilling our statutory responsibility."¹⁰

The Federal Highway Administrator, Mr. Lowell K. Bridwell, also provided the Secretary with suggestions for a Departmental position on Section 4(f). First, Mr. Bridwell wrote that the Secretary should take the position in the meeting that Section 4(f) was to be interpreted literally, that the requirement placed on the Secretary was to be limited to the areas there specified ("public park, recreation area, wildlife and waterfowl refuge, or historic site") instead of taking the broader language of Section 2(b)(2) which declared it national policy "that special effort should be made to preserve the natural beauty of the countryside..."¹¹

Second, even concerning these clearly specified areas, the Highway Administrator recommended that the Secretary make

it clear that he would not review individual projects, but would limit his attention to broad programs.¹² He, too, advised against establishing a joint committee with the responsibility of enforcing Section 4(f) in route selections, but, unlike Mr. Mackey, Mr. Bridwell feared that such an arrangement would result in too much responsibility for Secretary Boyd instead of too little.

The Deputy Under Secretary, Paul Sitton, quickly responded to the Bridwell memorandum, strongly objecting to Mr. Bridwell's narrow interpretation of Section 4(f) and recommending to the Secretary that he broaden his concern to encompass all natural areas and historic places. The Deputy Under Secretary told Mr. Boyd that he had asked Mr. Bridwell to delay issuing instructions to the Bureau of Public Roads on compliance with Section 4(f), indicating that Mr. Mackey would work on the project and would convey "a more enlightened sense of what Section 4(f) is intended to do."¹³

When Secretary Boyd met with the officers of the Departments of Interior, Housing and Urban Development, and Agriculture, he seemed to rely heavily on the advice of Mr. Mackey and Mr. Sitton. Mr. Boyd told the other Secretaries that he interpreted the Section as directing him to take into account the entire social and environmental impact of the transportation system, saying that he intended to comply

fully with the intent of these legislative mandates as well as with the letter of the law. Mr. Boyd stated that although the responsibility for implementing Section 4(f) was clearly his, he did not intend to create procedures by which all decisions would come to the Federal level for resolution, preferring that most differences of opinion be resolved at the State and local levels. ¹⁴

Secretaries Weaver and Udall agreed that primary responsibility for action pursuant to the Section rested with Secretary Boyd, but Mr. Udall expressed the hope that the various interests in and out of government could be brought into the route-selection procedure well before the highway engineers decided on what they thought was the most desirable alignment of the highway. ¹⁵ All seemed to agree that a review process involving all the Departments in a project-by-project review would be unwieldy. Instead, a committee was established with the Assistant Secretary for Policy Development of the Department of Transportation as its Chairman to begin work on criteria for handling Section 4(f). The other members of the committee were Edward Crafts, Director of the Bureau of Outdoor Recreation, Department of the Interior; Assistant Secretary Charles Haar of the Department of Housing and Urban Development; and Henry Nichol, Assistant to the Associate Administrator of the Soil Conservation Service,

Department of Agriculture.

Also during the summer of 1967, the Citizens Advisory Committee on Recreation and Natural Beauty, under the chairmanship of Mr. Lawrence Rockefeller, sent a report to the President. The report contained a number of specific recommendations concerning highway beauty, which prompted Secretary Boyd to comment in detail to Secretary of Commerce Trowbridge on some of the Committee's suggestions. The two major recommendations concerned the selection of highway routes. The first advised "that the Secretary of Transportation make Federal highway aid contingent on route selection procedures that give full consideration to resource, recreation, and aesthetic values."

Mr. Boyd indicated that he was in total agreement with the suggestion, and stated that he was introducing several new procedures to insure that highway selection procedures do not contradict such a principle:

1. State highway departments must evaluate in writing all resource considerations prior to route approval by the Bureau of Public Roads;
2. State highway departments will be required to solicit the views of interested public resource agencies--Federal, State, and local--on proposed routes prior to approval by the BPR;
3. When conflicts arise, the State highway departments will

be required to state in writing, in detail, their reasons for disagreement with the interested resource agency;

4. Highways will not be approved for construction through historical sites, recreation areas, parklands, or wildlife refuges unless a case is made that there are no feasible or prudent alternatives; and
5. State highway departments will be required to give adequate public notice of route location recommendations prior to their approval by the Bureau of Public Roads, thus allowing interested groups to express their opinion before the route is formalized by Departmental approval.¹⁷

The second Rockefeller Committee recommendation concerning highway route selection was that the Transportation Secretary establish a Route Selection Review Board to deal with right-of-way disputes. Secretary Boyd did not approve this suggestion, for he feared that the creation of a formal channel of appeal to a high-level Federal board would "inevitably result in having more cases brought to Washington for resolution rather than having them decided in the field." In addition, the Secretary thought that such a board, which the Committee recommended be composed of representatives of the Departments of Transportation, Interior, Housing and Urban Development, and Agriculture, would institutionalize a

procedure that would compound differences between Cabinet Departments and take them into the public arena.

Instead, the Secretary preferred the informal arrangement worked out in the July 14 meeting with Interior, Agriculture, and Housing and Urban Development. Such an informal procedure allowed a broad exchange of views without creating formal access to high Federal officials which would bypass local and field channels.¹⁸ The other Committee recommendations were more restricted in scope and the Secretary expressed general agreement with them.

By the summer of 1968, the Congress was once again occupied with highway beautification in its consideration of the Federal-Aid Highway Act of 1968. Two major threats to the highway beautification effort appeared. First, the House voted to eliminate all funds for the program, making it the third straight year the House had taken such action. Second, the House struck out the ten-percent penalty provision for States which had not enacted highway beautification legislation.

The Department had requested \$85 million for each of the next two fiscal years, for a total of \$170 million. The Senate authorized \$85 million for each of the next three years, for a total of \$225 million for the highway beautification program. The sense of the House seemed to be well expressed by Congressman William H. Harsha of Ohio, who stated that the

United States could do without "luxury and cosmetic programs" until the economic situation of the country had improved.¹⁹

The need for financing the war in Viet Nam and the associated tax increase request seemed to be creating a Congressional climate which was not favorable to large expenditures for highway beautification.

The conference report resolving the differences between the Senate and House versions of the Federal Highway Act of 1968 seemed to be closer to the Senate Bill than that of the House in the sections relating to highway beautification. The amendment offered by Representative ^{William J.} Randall of Missouri and accepted by the House, providing that the States should determine whether billboards could be erected in unzoned industrial and commercial areas, was rejected by the conference committee. The ten-percent penalty clause was retained by the committee. The only substantive change in the 1968 version of the Highway Act was in accordance with the agreement between Secretary Boyd and the Kluczynski Committee: that the determination of "customary use" in zoned areas was to be made by local zoning authorities. The report authorized \$25 million for Fiscal Year 1970, the first time funds had ever been authorized for the program, plus \$1.25 million for Fiscal Years 1969 and 1970 for administrative costs. The conference Bill also assured the States that before they are required

to remove billboards, Federal funds will be available to assist them.

Samuel S.

On July 26, 1968, a motion by Representative Stratton of New York to recommit the Bill to the conference with instructions to delete all authorizations for highway beautification projects failed 166-167. The House then went on to adopt the conference report by a voice vote. Three days later, on July 29, the Senate also accepted the report, and the Act was sent to the President. Because some sections of the Act, particularly those requiring that certain segments of the Interstate Highway in the District of Columbia be constructed immediately, were objectionable to the Administration and to the Secretary of Transportation in particular, there was some thought that the President would veto the Act..

However, on August 23, 1968, the President signed the Act which received the number PL 90-495.

1. Alan Boyd, memorandum of conversation, February 8, 1967.
2. Ibid.
3. Alan Boyd to Lurleen Wallace, letter, March 22, 1967.
4. Alan Boyd to Lyndon B. Johnson, memorandum, March 27, 1967.
5. John Sweeney to Paul Sitton, Memorandum, May 19, 1967.
6. Alan Boyd to John Kluczynski, letter, May 24, 1967; John Robson to Alan Boyd, memorandum, February 20, 1967.
7. Alan Boyd to Joseph Califano, memorandum, May 24, 1967.
8. Ibid.
9. Alan Boyd to Lyndon B. Johnson, memorandum, July 15, 1967.
10. Cecil Mackey to Alan Boyd, memorandum, July 13, 1967.
11. Lowell K. Bridwell to Alan Boyd, memorandum, July 13, 1967.
12. Ibid.
13. Paul L. Sitton to Alan Boyd, memorandum, July 14, 1967.
14. Cecil Mackey, memorandum to file, July 24, 1967.
15. Ibid.
16. Ibid.
17. Alan Boyd to Alexander B. Trowbridge, letter, September 11, 1967.
18. Ibid.
19. Congressional Record, July 26, 1968, p. H7673.

THE SECRETARY OF TRANSPORTATION

WASHINGTON, D.C. 20590

February 8, 1967

MEMORANDUM OF CONVERSATION RE: Highway Beautification

Participants: Secretary Alan S. Boyd
Mr. Paul Sitten DOT
Mr. John Sweeney
Richard Sullivan, Chief Counsel, House Public
Works Committee
Mrs. Audrey Warren, Administrative Assistant to
Congressman John Kluczynski

Congressman Kluczynski, Chairman of Subcommittee on Roads, was prepared to send a telegram to all Governors indicating hearings on highway beautification regulations and endorsing the concept of a change in the basic law. We met to urge postponement of hearings pending an opportunity to meet with conservation interests, billboard and other outdoor advertising interests in an effort to work out a compromise in the regulations rather than dealing with amendments to the Act.

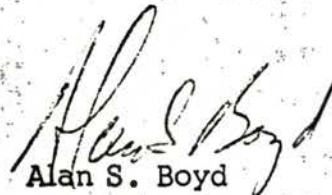
We suggested the possibility of a modification of regulations along the lines of permitting local zoning authorities, where such authority is exercised over signs, to regulate commercial and industrial zones. Mechanics would provide for certification of such exercise of jurisdiction from the local authority to the State with certification by the State to the Secretary of Transportation.

It is believed such an approach will resolve the bulk of the problems of the Outdoor Advertisers Association of America. At the same time it will eliminate the expense associated with regulation within urban areas. This latter point has been a sore one for conservation interests.

Mr. Sullivan and Miss Warren agreed on behalf of the Committee to withhold notice of hearings but to publish a statement indicating that all interests were attempting to work out a solution to pending problems. At my suggestion, Mr. Sullivan and Mrs. Warren will sit in on meetings

with the various interests and at their suggestion Cliff Enfield, Minority Counsel, will sit in in a personal capacity. He has agreed that information derived at such meetings will not be passed on to the Republican members of the Committee.

I told Mr. Sullivan that we would give this matter high priority and attempt to work out solutions by February 22.



Alan S. Boyd

March 22, 1967

Honorable Lurleen Wallace
Governor of Alabama
Montgomery, Alabama 36104

Dear Governor Wallace:

We have had numerous inquiries regarding legislation to be enacted by the States to implement the Highway Beautification Act of 1965.

There appears to be a widespread misunderstanding of the provisions of the Act, particularly as to the deadline for enacting State laws, and the lack of Federal standards.

With regard to Federal standards, the Act does not require the Secretary to promulgate standards to control signs in zoned and unzoned areas adjacent to the Interstate and primary systems. These sign controls as well as a determination of an unzoned commercial or industrial area must be accomplished by true negotiation and agreement between the Secretary and the several States and not by the promulgation of Federal standards by the Secretary.

Additionally, the Act requires the States to provide for effective control by January 1, 1968. The Secretary has no authority under the law to extend this date under any circumstances. However, the 10 percent reduction of Federal-aid funds apportioned to a State as provided under Section 131 and 136 of the Act does not go into effect until January 1, 1968.

If a State has failed to provide for effective control by this date, the Secretary may suspend the 10 percent reduction of Federal-aid funds only when he determines it to be in the public interest.

In view of these circumstances, we urge the States not to delay action to provide for effective control prior to January 1, 1968. We would recommend that the State Legislature consider a statute authorizing its highway department or other appropriate State agency to negotiate with the Secretary and to enter into an agreement as to the standards for size, lighting and spacing of signs permitted in zoned and unzoned commercial and industrial areas, and the definition of an unzoned commercial and industrial area. Since the Highway Beautification Act stipulates that no signs shall be required to be removed prior to July 1, 1970, the State Legislature would have ample time to consider and review the negotiations and agreement entered into between the Secretary and the State agency as to its propriety. Such review could be accomplished well before the required removal of any sign.

Any request for a suspension of the penalty provision must be presented at the appropriate time. Each such request will, as you can readily understand, be considered on its merits and will be handled in accordance with Section 131(1) of the Act.

Sincerely,

(sgd) Alan S. Boyd

Alan S. Boyd

Bureau of Public Roads

RRJohnson:jc:dmf - 3/16/67

Control No. None

Executive Secretariat (3) DOT

Mr. Lowell K. Bridwell (2)

Return to Bureau of Public Roads

60-40-7 4
MAR 27 1967

MEMORANDUM FOR THE PRESIDENT

Subject: April 5 Hearings -- House Public Works Committee
Beautification Bill

In early February we prevailed upon Congressmen Fallon and Kluczynski to delay hearings on changes in the Beautification Bill, pertaining to billboards, until we could determine whether we could satisfy the Congress by regulation rather than legislative revision.

We have been negotiating with the staff of the Public Works Committee for two months. Their demands for a softening of our billboard control regulations have escalated and I now believe it is impossible to avoid a public confrontation on legislation. For that reason, we will try to develop broad support for the beautification program when these hearings begin.

We do propose to relax our previous suggestions on billboard control -- as we now begin to negotiate with the states. We propose that the states may delegate control of urban outdoor advertising to local zoning authorities provided those authorities do exercise control over billboards as part of a comprehensive land use control program. In the rural areas, we propose to limit billboard advertising to those areas where one commercial activity is already in existence. We would hope to remain flexible on how much highway frontage on each side of that commercial activity could be used for billboards. This would vary from state to state depending on the amount of traffic and the character of the highway itself.

We hope to have 10 or 12 negotiations on agreements with the states underway prior to the time we testify before the subcommittee. With such negotiations we hope the Committee will recognize that changes in the law are not necessary in order to achieve a reasonable billboard control program.

I am going to work with Doug Cater to develop a vocal support base in favor of sound billboard control. We hope to get a substantial number of traditional conservationist spokesmen to testify on behalf of our approach as against legislative amendment.

((sgd)) Alan S. Boyd

JSweeney/fso
3/27/67

UNITED STATES GOVERNMENT

DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

Memorandum

DATE: May 19, 1967 ✓

SUBJECT:

In reply
refer to:FROM : John Sweeney *John Sweeney*

TO : Paul Sitton

I have reviewed the proposed letter to Chairman Kluczynski on the Beautification program. I have one comment that relates to the philosophy of paragraphs 2, 3, and 4. It seems to me that we are proposing a program in which there will be no minimum standards but rather a state-by-state definition of what would constitute a "zoned and unzoned commercial and industrial area" and a state-by-state definition of what constitutes "customary use" of billboards in such areas.

I recognize the diversity of billboard activity from state to state. But there is enough similarity among many states that to permit state legislatures and/or administrative units to come up with their own definition which, implicitly, we will not look behind, will create more problems than we will solve by such a proposal.

There is not that much difference between Illinois and Indiana in billboard display, for example, yet I take it we will permit Indiana to come up with a system that will remove far less billboards than Illinois. This will inevitably lead to pressure on the Illinois legislature to reduce its standards and I believe will then lead to pressure on Indiana to further reduce its requirements. All of which leads me to believe that standards set by the least enthusiastic state will inevitably become the common demoninator for the program.

Furthermore at the outset of the program, it strikes me, we will be engaged in debates and discussions with all 50 states. I cannot believe that these discussions and debates will not be inflammatory. I believe all the focus of controversy will be right here in this Department and the Secretary will be called upon to make an ad hoc decision, with no guidance from the law, on every single state proposal.

I do not believe such a position is necessary to preserve the Act. It will immediately be tagged as a complete sellout. I think we can offer the Committee acceptable minimum standards -- and I would urge we spend some time developing them.

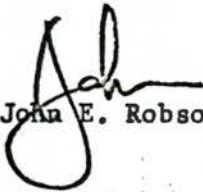
U.S. DEPARTMENT OF
SECRETARY OF TRANSPORTATION

6

February 20, 1967

Secretary Boyd:

For your information.


John E. Robson

DRAFT
2/15/67

ADMINISTRATIVELY CONFIDENTIAL

SUBJECT: Analysis of Proposed Approach to Federal-State
Agreements Under Section 131(d), Highway
Beautification Act of 1965.

This considers the legality of an agreement pursuant to section 131(d) of the Highway Beautification Act under which local zoning authorities would exercise control over signs in zoned industrial and commercial areas. The arrangement would call for certification by the local authorities to the state that such control was being exercised and recertification by the state to the Federal Government. However, the agreements would not spell out any specific standards for these areas.

We believe a respectable argument can be made that this is proper under the Act.

The Act certainly authorizes, and Congress, the industry and the Administration contemplated the negotiation of Federal-state agreements which prescribe size, lighting and spacing standards in specific numerical terms. Nonetheless, we believe that the Act can be reasonably interpreted so as not to make specific agreed upon standards the only appropriate device to accomplish the statutory objectives. Our argument runs as follows:

1. The Act clearly contemplates that the actual administration and enforcement of whatever standards were developed would not be a Federal responsibility. The Federal Government is vested with no power to control

or remove signs, in industrial and commercial areas under state jurisdiction only with authority to withhold highway funds where the state has not "made provision for effective control."

2. The Act does not vest the states with any new power to control signs. The states already had the power. However, neither the Act nor the legislative history deals with the question of the precise manner in which a state is to use this power to implement the standards. Nothing compels the conclusion that only agencies of the state government are required to police compliance. It is perfectly reasonable to assume that a state could vest its subordinate political subdivisions (i.e. counties, municipalities, etc.) with the power and duty to enforce the standards and would be considered to have "made provision" for sign control. This is true both as to industrial and commercial and other areas.

3. Section 131(d) permits the maintenance of signs in zoned and agreed unzoned industrial and commercial areas if (i) it is consistent with the purposes of the Act (defined in Section 131(a) to include the protection or promotion of safety, the recreational value of travel, the public investment and natural beauty) and (ii) it is consistent with "customary use."

The provisions of Section 131(d) that the size, lighting and spacing of the permitted signs are to be agreed upon by a state and the Secretary may be construed as permitting the Secretary to insist on specific numerical tests. However, they may also be construed as permitting the Secretary to require the states to agree to observe size, lighting and

spacing standards which will achieve the more broadly stated, but clear, objectives of subsection 131(a). This approach:

- A. recognizes the developmental character of the standards (a characteristic commented upon in the House Report),
- B. relieves the Federal Government of the responsibility of determining "customary use", a determination made much easier by the states because of varying local conditions,
- C. permits accomplishment of the fundamental statutory objectives, and
- D. is nowhere prohibited in the legislative history.

4. The conclusion, therefore, is that the suggested approach of local control consistent with the statutory standards is within the permissible interpretations of the Act. The certification procedure is merely a mechanical device.

The above argument does not assume that the states agree to see to it that local zoning authorities assert control over signs in a manner designed to achieve the statutory purposes. Presumably the certification would not be conclusive and the withholding of funds could be made if it were determined that the local authorities in a state had taken no legislative action to deal with the problem. In unzoned industrial and commercial areas the states would probably have to undertake to exercise control until a zoning authority was established and some definition of these areas would be provided in the agreement.

✓ 1
MAY 24 1967

Honorable John Kluczynski
Chairman, Subcommittee on Roads
House Public Works Committee
House of Representatives
Washington, D. C.

Dear Mr. Chairman:

The recent hearings before your subcommittee have helped us to understand the feelings of your committee. We hope they may have produced commensurate insight into our thinking. Surely none of us are infallible. We earnestly want to administer the Highway Beautification Act of 1965 faithfully, and to do so in complete fidelity to Congressional intent. To this end, the hearings may have been productive of an improved climate of mutual understanding. Since practically all of the previous misunderstanding revolved around the divergent interpretations of exactly what was meant in Title I of the bill, let me reiterate the following four points which should demonstrate our total interest and concern in administering the law as the Congress would want it administered:

- ✓ 1. As the law directs, we are fully prepared to accept state determinations with respect to zoned commercial and industrial areas.
- ✓ 2. Concerning unzoned commercial and industrial areas, we shall be happy to request the guidance and suggestions of the several states with respect to designating these areas. The only absolute requirement upon which we would have to insist would be the existence of at least one commercial activity in any such area. Surely this could not be considered unreasonable.

- ✓ 3. With regard to the determination of what constitutes "customary use" in the zoned commercial and industrial areas, we shall be glad to look to the states for certification that either the state authority or a bona fide local zoning authority has made such a determination. With respect to unzoned areas, we will recognize local practice on customary use as mutually agreed to by State and Federal agencies. It will be our policy to assume the good faith of the several states in this regard.

The only exception to the above would be a situation in which a state or local authority might attempt to circumvent the law by zoning an area as "commercial" for billboard purposes only. We think you will agree that this is a reasonable position, since we know that the Congress does not wish for the law to be deliberately evaded by subterfuge.

- ✓ 4. What is determined in good faith by a bona fide local or state zoning authority as "customary use" will be an acceptable basis for standards as to size, spacing and lighting in the commercial and industrial areas within the geographical jurisdiction of that state or local authority.

I believe that this memorandum addresses itself substantially to the principal points of concern expressed by members of your subcommittee with respect to the administration of the Act. We would be very glad to have your concurrence with this basic understanding.

Sincerely,

signed Alan S. Boyd

cc: Secretary Boyd ✓

6040-7
May 24, 1967

MEMORANDUM TO JOSEPH A. CALIFANO

Subject: Beautification Bill

I met this morning, as you know, with the Democratic Members of the Roads Subcommittee of the House Public Works Committee. They have the major responsibility for the Beautification Bill.

The meeting was as harmonious and as productive as any I have been involved in with the Congress on Beautification. The sum and substance of this meeting was:

- ✓ 1. I agreed to send the attached letter to the Chairman. This letter, in summary, commits two major decisions on billboard control.
✓ First, we will leave control of billboards to local zoning authorities.
✓ Second, we will expand the definition of an unzoned commercial area and thereby remove less billboards along the rural stretches of highways. Nevertheless, we will still have a sound billboard control program.
- ✓ 2. You will recall that Kluczynski wired all governors of his intention to hold hearings to amend the Beautification Act. As a result, a number of state legislatures which were in session did not enact legislation empowering the governors to execute an agreement with the Department of Transportation. Because of this, I advised the caucus that I would not attempt to impose a penalty on those states which were unable to reach agreements until the next session of the legislature. I also stated that as a practical political matter, I did not contemplate imposing penalties on any state in a year when the President would be up for reelection.

The caucus feels that a public announcement indicating that penalties will not be imposed where the states have no authority to sign, will be a satisfactory substitute for an amendment to the legislation to requiring a moratorium.

3. At the suggestion of Ed Edmondson it was agreed that the Chairman would announce that the Democratic majority found my letter an acceptable answer to the questions raised and it would obviate the need for amendment.

4. On the basis of my letter and the Chairman's statement of acceptance, I would immediately begin to negotiate for agreements with the states which would further reduce the pressure for amendments.

Signed Alan S. Boyd

Alan S. Boyd

Attachment

JLSweeney/fso

Revised:ASBoyd:jap 5/24/67

cc: Mr. Sweeney

Exec. Secretary

Douglass Cater, White House, w/cpy of ltr to Cong. Kluczynski

16

THE SECRETARY OF TRANSPORTATION

WASHINGTON, D.C. 20590

JUL 15 1967

MEMORANDUM FOR THE PRESIDENT
The White House

Subject: Highway Beautification

I want to report to you on the results of negotiations I have conducted with Congress on the Beautification program.

✓ As you know, I have tried to prevent any amendment of our present beautification legislation. In order to do this, I have outlined the administrative steps that I would take to solve some of the problems which Congress originally indicated could only be solved by amendment to the Beautification Act. The easiest way to sum up the effect of my proposed administrative actions is in the following table. The table should be read with one fact in mind -- there are 265,000 miles of highways, streets and roads which are subject to the Beautification Act.

In a January 10 report to the Congress I suggested guidelines for reaching agreement with the 50 states on beautification standards. The Act clearly prohibits me from issuing any national standards but says that I must reach agreement, on a state-by-state basis, on a billboard removal program for each state. The first column in the table shows what would have happened if the states had followed the guidelines I proposed in January. The second column shows what will be the result if the states follow the changes I have suggested in my negotiations with the Congress.

	<u>Standards Proposed in January 10 Report</u>	<u>Standards in Present Negotiations</u>
Number of Signs to be Removed	1,017,000	725,000
Cost of Program	\$558,000,000	\$348,000,000
Mileage Free of Billboards	206,000	184,500

✓ The negotiations which I have conducted have largely involved two basic issues:

- ✓ 1. What controls shall be exerted over billboards in areas where there is already billboard zoning? Obviously, these billboards are in urban areas where there is a local zoning body.
- ✓ 2. What standards shall prevail out in the rural sections along our highways where there is no zoning but where there are commercial establishments such as gas stations, motels, repair garages and the like? These are referred to in the act as "unzoned commercial and industrial areas."

✓ As to point 1, we have agreed to delegate billboard control authority to the states which, in turn, will sub-delegate this authority to local zoning bodies. We believe this is a small price to pay given the fact that the beautification act does not touch on-premise billboards which advertise the local businesses. Thus we could do nothing, under the act, about the signs advertising "Joe's Lunch" or "Carl's Repair Shop" which stand in front of or on the building in which such services are offered. All we could take down under the act would be advertising not related to the business involved. Such signs constitute a minimal number of those found in cities.

As to point 2, we proposed in January that the definition of an "unzoned commercial and industrial area" would be an area containing two commercial or industrial activities on the same side of the highway and a distance, up to 500 feet, on either side of such activities.

✓ We have agreed to modify that definition to require only one such activity and have agreed to permit a longer distance on either side of it to be used for advertising purposes.

Under this January definition, 839,000 signs would be removed. Under the definition we have now suggested, 725,000 signs would be removed, a drop of approximately 115,000 in the number of signs to be removed.

✓ It is my judgment that without these concessions there will be a successful Congressional effort to amend the Beautification Act far more drastically than we have proposed by our administrative action.

Alan S. Boyd

cc: Messrs. Mackey & Bridwell

July 14 meeting with Secretaries of Interior,
HUD, and Agriculture re implementation of
sections 2(b)(2) and 4(f) of the DOT Act

JUL 13 1967

Assistant Secretary for Policy Development

Secretary of Transportation

PURPOSE OF MEETING

This meeting is the first formal step you will have taken to carry out your responsibilities under section 4(f) of the DOT Act. The opening sentence of this subsection directs that you "shall cooperate and consult with the Secretaries of the Interior, Housing and Urban Development, and Agriculture, and with the States in developing transportation plans and programs that include measures to maintain or enhance the natural beauty of the lands traversed." At this meeting you should

- express, again, your wholehearted support for the beauty principles contained in the DOT Act;
- make clear your willingness to "cooperate and consult" with the other Secretaries on a regular basis;
- announce the creation of a high-level, interdepartmental committee to deal with section 4(f), designate me to serve as your principal representative to head up the committee, and ask each of the other Secretaries to nominate a suitable representative to serve on the committee;
- indicate what DOT is presently doing to achieve 4(f) objectives and thus note implicitly that the basic responsibility for implementing 4(f) is your own.

MAJOR POINT OF POSSIBLE CONTENTION

The other Secretaries may urge the formation of a committee, composed of representatives of each of the four Departments, that would administer 4(f) on a collective basis. This would give each Department one vote and

would remove effective responsibility from DOT. The formation of such a committee was proposed in the recent report of the Citizens' Advisory Committee on Recreation and Natural Beauty, headed by Laurence Rockefeller. This recommendation is presently under review, pursuant to Presidential directive, by Secretary Trowbridge and Bureau of the Budget Director Schultz.

- ✓ This proposal for the formation of a committee should be resisted. Final judgment as to its merit, and legality, can await assessment by Trowbridge and Schultz and by the interagency committee which you are establishing at the meeting.

BACKGROUND.

The main issues presented at this meeting will be the implementation of sections 2(b)(2) and 4(f) of the DOT Act. They provide as follows:

2(b)(2). It is hereby declared to be the national policy that special effort should be made to preserve the natural beauty of the countryside and public park and recreation lands, wildlife and waterfowl refuges, and historic sites.

4(f). The Secretary shall cooperate and consult with the Secretaries of the Interior, Housing and Urban Development, and Agriculture, and with the States in developing transportation plans and programs that include measures to maintain or enhance the natural beauty of the lands traversed. After the effective date of this Act, the Secretary shall not approve any program or project which requires the use of any land from a public park, recreation area, wildlife and waterfowl refuge, or historic site unless (1) there is no feasible and prudent alternative to the use of such land, and (2) such program includes all possible planning to minimize harm to such park, recreational area, wildlife and waterfowl refuge, or historic site resulting from such use.

Similar concepts may be found in the Federal-Aid Highway Act of 1966 and the Historical Preservation Act of 1966. Probably the main impetus behind these proposals, insofar as they relate to highways, was ✓ Senator Yarborough who had vigorously opposed a BPR project through a park in San Antonio.

The Citizens' Advisory Committee on Recreation and Natural Beauty headed by Laurence Rockefeller has just recently submitted its report to the President. This report recommends--

- ✓ 1. The Department of Transportation should make federal aid for highways contingent on route selection procedures that guarantee consideration of natural resources, recreation and natural beauty. The procedures should include early involvement of all interested public agencies, two full public hearings, a complete and public record, and greater consideration to natural values in competition with economic and engineering considerations.

More specifically, the Committee states--

- a. Coordination with resource agencies from the beginning.
- b. Early public hearing.
- c. Second public hearing.
- d. Formal decision on the final proposed alignment.
- e. Impartial hearing forum.

- ✓ 2. The Secretary of Transportation should establish a Route Selection Review Board. We suggest a five member review board, which would include representatives of the Departments of the Interior, Housing and Urban Development, and Agriculture as well as the Department of Transportation.

- ✓ 3. Similar review boards should be established by the governors of each state. The state planning offices might serve as the coordinating agency."

The Rockefeller group also feels that additional public scrutiny of proposed highway construction is in order if full effect is to be given to 4(f). While one public hearing is now required on highway route selection alignment, the Rockefeller panel contends that "it is customarily held only after the highway planners have tentatively chosen the route which they favor." It recommends an additional, earlier hearing to consider the differences between various interested public groups.

DOT'S PRESENT ROLE IN 4(f) MATTERS

While highway construction presents the most obvious potential involvement with section 4(f), other Departmental activities must also be taken into account in the administration of this subsection. Such matters as airport, bridge, and causeway construction in an estuarine area, heliport construction in a park, extension of the Alaska Railroad through a wilderness area, and the twinning of the Seaway locks could all affect the natural beauty of the countryside. Highway construction, however, probably raises the most serious 4(f) questions. FHA has developed a proposed instructional memorandum for implementation of 4(f). It represents a diligent effort to set forth a specific step-by-step procedure for dealing with the requirements of 4(f) and of other relevant statutes. I am presently in the process of evaluating it in depth. I have also called upon the other Operating Administrations for the prompt submission of their proposals to implement 4(f). Further, on our own initiative we are appraising a proposal, submitted by a consultant, which sets forth a method for determining what constitutes a "feasible and prudent alternative" within the meaning of section 4(f). When we have received submissions from the Administrations and have subjected them to close analysis, we will recommend a specific procedure for you to promulgate in guiding the operating modes in those activities which have 4(f) implications. We anticipate that we will propose such a procedure within a month. Prior to its promulgation, it could be submitted to the inter-agency committee for review in fulfillment of our obligation to "cooperate and consult" with the three other Departments.

WHAT THIS MEETING WILL ACCOMPLISH

You will have made clear your own personal, as well as Departmental, commitment to the natural beauty and other objectives contained in section 4(f) and 2(b)(2) and you will have created an interagency committee, with myself as chairman, that will meet on a regular basis so as to provide the three other Departments with a full and fair opportunity to "cooperate and consult" with us in fulfilling our statutory responsibility. In addition, you will have placed yourself in a position of leadership and will, implicitly, have indicated that you deem 4(f) to be a matter for which you have primary responsibility under the law.

RICHARD J. BARBER

for

M. Cecil Mackey

RJBarber:pk 7/13/67

cc: Secretariat-3; Mr. Mackey-2

CHRON File

Memorandum

TO : Mr. Alan S. Boyd
Secretary of Transportation

DATE: JUL 13 1957

FROM : Lowell K. Bridwell
Federal Highway Administrator

In reply refer to:

SUBJECT: Meeting with Secretaries of Interior, Agriculture, and Housing
and Urban Development with respect to implementation of
Section 4(f) of the Department of Transportation Act

With the hope that it will be helpful to you in connection with the meeting you have scheduled to discuss Section 4(f), I wish to make the following comments:

The first sentence is a broad requirement that "The Secretary ... lands traversed."

"The Secretary shall cooperate and consult with the Secretaries of the Interior, Housing and Urban Development, and Agriculture, and with the States in developing transportation plans and programs that include measures to maintain or enhance the natural beauty of the lands traversed."

The second sentence calls on the Secretary of Transportation for specific action, namely:

"After the effective date of this Act, the Secretary shall not approve any program or project which requires the use of any land from a public park, recreation area, wildlife and waterfowl refuge, or historic site unless (1) there is no feasible and prudent alternative to the use of such land, and (2) such program includes all possible planning to minimize harm to such park, recreational area, wildlife and waterfowl refuge, or historic site resulting from such use."

Referring first to the requirements of the second sentence, an instructional memorandum has been prepared, after thorough review, prescribing the specific procedure to be followed by the State highway departments in processing plans for Federal-aid highway projects and by the Bureau of Public Roads in connection with direct Federal construction. I am attaching a copy of this memorandum, which I am now about to distribute to the field. This memorandum provides for compliance with the requirement



BUY U.S. SAVINGS BONDS REGULARLY ON THE PAYROLL SAVINGS PLAN

in the case of highway programs or projects that require the use of land from historic sites, as well as from parks, recreational areas, and wildlife and waterfowl refuges.

✓ In the preparation of this memorandum the Bureau of Public Roads requested comments from the Department of the Interior and the Citizens Advisory Committee on Recreation and Natural Beauty. Mr. John Shanklin, Assistant Director, Bureau of Outdoor Recreation, did not feel that he could appropriately comment until a definite position with respect to the whole problem had been considered at Secretarial level in response to the first sentence of Section 4(f). Mr. Charles H. Stoddard, Executive Director of the Citizens Advisory Committee, made three specific points, which subsequently were substantially included in the Annual Report of the Committee to the President dated June 29, 1967. I believe these points are important since they are consistent with the position of the Department of the Interior. I am attaching a copy of Mr. Stoddard's letter.

✓ One of Mr. Stoddard's points is easily disposed of. The Bureau of Public Roads has repeatedly urged upon the States the holding of preliminary public hearings, and a memorandum making this a requirement is now in preparation. Moreover the attached instructional memorandum calls for continuing review of proposed projects at various stages, as a further means of insuring early and effective communication between the State highway departments and other agencies involved.

Another of Mr. Stoddard's points refers to the statement in Sec. 2(b)(2) of the Transportation Act that

"It is hereby declared to be the national policy that special effort should be made to preserve the natural beauty of the countryside and public park and recreation lands, wildlife and waterfowl refuges, and historic sites."

✓ Mr. Stoddard suggests broadening the scope of the instructional memorandum by requiring that all projects be subject to review, and recommends the expansion of the definition of "park and site authorities" in the memorandum to include Soil Conservation Districts and State and regional planning agencies. It is my view that our instruction should comply literally with the requirement placed on the Secretary of Transportation by the second sentence of Section 4(f) and be limited to the areas there specified. Mr. Stoddard's point that attention must be given to the statement of policy in Section 2(b)(2) is valid, but I believe it should be treated not in this memorandum, but in a more general way under the response to the first sentence of Section 4(f). Moreover, as a matter of practical operation, Section 2(b)(2) is already being partially implemented through the application of Section 319(B) of Title 23 (Highway Beautification Act of 1965). The soil conservation

in the case of highway programs or projects that require the use of land from historic sites, as well as from parks, recreational areas, and wildlife and waterfowl refuges.

✓ In the preparation of this memorandum the Bureau of Public Roads requested comments from the Department of the Interior and the Citizens Advisory Committee on Recreation and Natural Beauty. Mr. John Shanklin, Assistant Director, Bureau of Outdoor Recreation, did not feel that he could appropriately comment until a definite position with respect to the whole problem had been considered at Secretarial level in response to the first sentence of Section 4(f). Mr. Charles H. Stoddard, Executive Director of the Citizens Advisory Committee, made three specific points, which subsequently were substantially included in the Annual Report of the Committee to the President dated June 29, 1967. I believe these points are important since they are consistent with the position of the Department of the Interior. I am attaching a copy of Mr. Stoddard's letter.

✓ One of Mr. Stoddard's points is easily disposed of. The Bureau of Public Roads has repeatedly urged upon the States the holding of preliminary public hearings, and a memorandum making this a requirement is now in preparation. Moreover the attached instructional memorandum calls for continuing review of proposed projects at various stages, as a further means of insuring early and effective communication between the State highway departments and other agencies involved.

Another of Mr. Stoddard's points refers to the statement in Sec. 2(b)(2) of the Transportation Act that

"It is hereby declared to be the national policy that special effort should be made to preserve the natural beauty of the countryside and public park and recreation lands, wildlife and waterfowl refuges, and historic sites."

✓ Mr. Stoddard suggests broadening the scope of the instructional memorandum by requiring that all projects be subject to review, and recommends the expansion of the definition of "park and site authorities" in the memorandum to include Soil Conservation Districts and State and regional planning agencies. It is my view that our instruction should comply literally with the requirement placed on the Secretary of Transportation by the second sentence of Section 4(f) and be limited to the areas there specified. Mr. Stoddard's point that attention must be given to the statement of policy in Section 2(b)(2) is valid, but I believe it should be treated not in this memorandum, but in a more general way under the response to the first sentence of Section 4(f). Moreover, as a matter of practical operation, Section 2(b)(2) is already being partially implemented through the application of Section 319(B) of Title 23 (Highway Beautification Act of 1965). The soil conservation

Aspect has been under study by the Bureau of Public Roads and the Soil Conservation Service, as recently reported to the Congress in accordance with Section 14 of the Federal-Aid Highway Act of 1966.

✓ Mr. Stoddard's remaining request is not acceptable. He proposes that there be "provision for coordination and review by the three Secretaries once the route has been tentatively selected and approved by the Bureau's District Engineer." He does not say which three of the four Secretaries would constitute the review team. The Committee's Annual Report proposes on page 10, that "The Secretary of Transportation should establish a Route Selection Review Board ... to include representatives of the Departments of Interior, Housing and Urban Development, and Agriculture, as well as the Department of Transportation." The report does not specify what the Board should "review" but notes that "the principles may apply to the problems raised by other forms of transportation as well" (as highways).

✓ Senator Jackson in a letter to the Secretary of Transportation of April 20 made a number of points, one that the law was intended to apply to all forms of transportation, not merely highways, and another that the two sentences of Section 4(f) "should be read in juxtaposition with each other," and that the cooperation and consultation with the other Secretaries applies to "any program or project." Under this interpretation the consultation and cooperation of the first sentence and the review procedures of the second would all apply to plans, programs, and projects. The Secretary in the reply of May 23 said that the Senator's "recommendations are most welcome."

✓ Despite the intent of the Act as ascribed by Senator Jackson, it would, in my opinion be utterly impracticable to open up opportunity for review at Secretarial level of individual projects. This procedure could only result in innumerable appeals to one or more of the Secretaries, with the consequent impossible workload involved in attempting to array and resolve quantities of data and opinions to reach a consensus in each case. Opportunity for appeal of decisions with respect to transportation are now readily available to anyone, and the Department of Transportation may be expected to consult with other interested agencies whenever the situation indicates that to be desirable without a formal review board. Beyond that, by its very existence such a board would invite complaints by parties believing themselves injured by a transportation decision. In the last analysis the responsibility for administering the transportation programs rests with the Secretary of Transportation and cannot be abrogated to a "review board."

✓ To sum up, my views are that the attached instructional memorandum carries out the requirements placed on the Secretary of Transportation under the second sentence of Section 4(f) and that nothing in that section calls for review at Secretarial or any other level of projects processed under the procedures he prescribes. I believe, however, that there is need for more consistent consideration to be given to preserving the natural beauty of the countryside, as called for in the Transportation Act and as emphasized by the

recommendations of the Citizens Advisory Committee. The Department of Transportation could well take the leadership in this effort, under the provisions of the first sentence of Section 4(f), at the meeting of the four Secretaries this coming Friday.

This sentence calls for cooperation in "developing transportation plans and programs ... to maintain or enhance the natural beauty of the lands traversed." It does not refer to projects, nor is it limited to highways. Moreover, it calls for the Secretary of Transportation to cooperate and consult not only with the other three Secretaries, but also with the States.

I suggest, therefore, that this Department take leadership, through the cooperative and consultative approach, in developing guides or criteria for use in plans and programs, for all modes of transportation, that will promote the objectives of the Transportation Act with respect to natural beauty. These guides or criteria would incorporate the results of research now being carried on to identify and evaluate social and community values. They would be directed to the physical design of facilities to recognize their social and environmental impact on the areas they traverse, to alleviate their ill effects and emphasize the benefits they can produce. They would also cover the administrative procedures and communications processes found to be desirable to insure that the proposed transportation improvements are consistent with overall official plans for development of the areas they traverse. They should also describe the obligations of local jurisdictions and of private enterprise to insure the continued compatibility of transportation facilities and their environment.

✓ I believe that if the Department could obtain the cooperation of the other Departments specified in Section 4(f), and appropriate representatives of the "States" (not just State highway departments), it could produce a document that could bear the signatures of the officials cooperating in the effort and be a solid step in accomplishing one of the objectives of the Transportation Act.

Attachments

cc:

DOT Exec Sec (3) ✓

FHA Exec Sec (2)

Signer

Central Files (2)

Mr. Swick

Mr. Holmes

EHHolmes:lrh - 7-12-67

JUL 14 1967

Meeting with Secretaries of Interior,
Agriculture and HUD on Section 4(f) of
the DOT Act
Deputy Under Secretary

The Secretary

I got the impression from Lowell Bridwell's memo to you of July 13 on Section 4(f) that he intends to comply with the letter of the law, but hardly with the spirit. In fact, he says this in the memo:

"It is my view that our instruction should comply literally with the requirements placed on the Secretary of Transportation by the second sentence of Section 4(f) and be limited to the areas there specified."

In my opinion, you should not, in your meeting today, take the point of view contained in Bridwell's letter, but should express a willingness to broaden your concern for the effect that highways have on all natural areas and historic places. I would recommend that you inform the other Secretaries of your intention to honor the intent of the law fully.

Bridwell has instructions to the field which he plans to issue shortly on complying with Section 4(f). We have asked him to hold up on issuing those. In the meantime, I believe Cecil Mackey can work them over to convey a more enlightened sense of what Section 4(f) is intended to do.

Paul L. Sitton

Paul L. Sitton

CARRULL:nla:7/14/67

cc: Mackey
Sweeney
Hutchinson
Exec. Sec. (3)

UNITED STATES GOVERNMENT

DEPARTMENT OF TRANSPORTATION 15

OFFICE OF THE SECRETARY

Memorandum

SUBJECT: Secretary Boyd's meeting with HUD,
Agriculture, and Interior on section 4(f)
of the DOT Act

FROM : Assistant Secretary for Policy Development

TO : The File

DATE: July 24, 1967

In reply
refer to:

On Friday, July 14, Secretary Boyd met with Secretary Weaver, Secretary Udall, and Assistant Secretary Baker of Agriculture to discuss ways of implementing section 4(f). Mr. Boyd opened the meeting by discussing some of the background of section 4(f), citing section 2(b)(2) of the DOT Act, and also referring to the Federal-aid Highway Act of 1966. He said that these statutes indicated clearly the Congressional intent that transportation planning should take into account fully the social and environmental impact of transportation systems. He said that he felt this reflected not only the intent of Congress but also the general attitude of the public. He stated further that he was determined to comply fully with the intent of these legislative mandates as well as with the letter of the law.

He then turned specifically to the language of section 4(f) and said that, while he thought it was absolutely essential to develop close coordination with the other agencies involved, he was not going to turn the decision-making process into a town meeting and that the responsibility rested clearly with the Secretary of Transportation. The first and most important problem, as the Secretary viewed it, was to be sure that DOT was in compliance with the statutory mandate since the date of the Act was the effective date of the applicability of section 4(f). He said that what was needed was a set of criteria which could be used to establish the values which should be taken into account in decision-making on transportation investment programs and projects. To the maximum extent possible differences of opinion should be worked out at the State and local levels and we should not create a procedure which would cause all decisions to come to the Federal level for resolution and which would inevitably produce conflict among Government departments on major proposals.

✓ Secretary Weaver responded saying that he accepted the proposition that the Secretary of Transportation had the responsibility for making the decisions and he was glad that it was that way. He went on to say, however, that, in his opinion, it was inevitable that the other departments of Government which had major interests which would be affected by highway decisions and similar transportation projects would have to be involved. He cited a number of cases where local groups had come directly to HUD to seek help or to plead their case. He concurred wholeheartedly in the proposition that conflicting interests should be resolved at the local level as much as possible and said that too often local authorities were simply trying to pass the buck to someone in Washington. He thought that the Philadelphia situation had proved that cooperative effort among Government agencies could produce acceptable solutions where there had been an assumption that no acceptable solution was possible.

✓ Secretary Udall likewise agreed that final responsibility had to be with the Secretary of Transportation. He made reference to the recent report of the Citizens' Advisory Committee on Natural Beauty and discussed the possibility of establishing a review committee as the report suggested. He said that he thought there were a number of possibilities which had not yet been fully utilized for bringing program responsibility and financial resources from other departments to bear on highway problems in the hope of getting broader scale solutions. He suggested that the Interior Department "Open Spaces" program and similar programs from HUD might provide money that could be used in connection with highway funds. He was hopeful that the various interests could be brought into the procedure at an early stage--well before decisions had been made by the highway engineers as to what they thought the most desirable alignment or highway would be.

Assistant Secretary Baker was in general agreement with the reaction to Mr. Boyd's remarks as stated by Secretaries Weaver and Udall.

✓ After some general discussion which seemed to reflect a consensus that a review process involving all the departments in a project-by-project review would be unwieldy. It was decided that a committee would be established with the Assistant Secretary for Policy Development in DOT heading the effort with representatives from each of the other departments to begin work on criteria for handling section 4(f). The representatives named from the other departments were Edward Crafts, Director, Bureau of Outdoor Recreation, Department of Interior;

Assistant Secretary Charles Haar of HUD; and Henry Nichol,
Assistant to the Associate Administrator of the Soil Conservation
Service, Department of Agriculture



M. Cecil Mackey

8-10 ✓
6040-7

SEP 11 1967

Honorable Alexander B. Trowbridge
Secretary of Commerce
Washington, D. C. 20230

Dear Mr. Secretary:

As requested in your letter of July 26, 1967, I have reviewed the recommendations of the Citizens Advisory Committee on Recreation and Natural Beauty, with particular attention to those recommendations relating to the Department of Transportation's role in the development of the nation's highways. The following are my comments on the specific recommendations:

A. SELECTION OF HIGHWAY ROUTES

Committee Recommendation: "We recommend that the Secretary of Transportation make federal highway aid contingent on route selection procedures that give full consideration to resource, recreation and aesthetic values."

✓ My Comments: I am in total accord with this recommendation and I am in process of instituting various new procedures to guarantee this objective.

✓ Among these new procedures will be the requirement that State Highway Departments evaluate in writing all resource considerations prior to route approval by the Bureau of Public Roads. State Highway Departments will be required to solicit the views of interested public resource agencies -- Federal, state and local -- on proposed routes prior to approval by the Bureau of Public Roads. When conflicts arise, the State Highway Departments will be required to state in writing, in detail, their reasons for disagreement with the interested resource agency. Highways will not be constructed through historical sites, recreation areas, parklands, or wildlife refuges unless a case is made that there are no feasible or prudent alternatives. Letters and reports on these questions in cases of controversy would be made a part of the public record, available for public inspection at the Bureau of Public Roads local office and in Washington.

Another important new procedure will be the requirement that State Highway Departments institute a two-hearing procedure, in line with the recommendation of the Citizens Committee. The first hearing would concern itself with the broad highway corridor, the second with the specific highway alignment within that corridor. Resource agencies will be notified well in advance of the first hearing of the various routes under consideration, and the views of these agencies -- Federal, state and local -- will be solicited in writing as well as orally at the public hearing.

The Citizens Committee recommended that State Highway Departments be required to make public their recommended routes prior to approval by the Bureau of Public Roads. We agree with the objectives of this recommendation and the Department will institute procedures to insure that appropriate public notice of route location recommendations is given by the States, together with the basis for such recommendations, before final approval. This notice will include final written statements of approval or disapproval by the interested resource and planning agencies.

We are also developing as rapidly as possible criteria and methodology for measuring the resource values specified in section 4(f) of the Department of Transportation Act. I am hopeful that this effort, in which we are being aided by consultants from the Institute for Environmental Studies at the University of Pennsylvania, will result in bold new standards and techniques for considering environmental quality. When utilized in conjunction with cost-benefit analyses, I believe we will have an innovative technique well suited to the problems of highway route selection.

One of the primary aims of these various new procedures is to ensure, as much as possible, that route selections reflect local desires and are consistent with local goals and objectives. Where controversies arise, we would hope that they can be settled at the local level with the fullest and widest public discussion. The goal is to resolve such controversies as may arise amicably prior to submission to Washington.

Committee Recommendation: "We recommend that he (the Secretary of Transportation) establish a Route Selection Review Board to deal with significant right-of-way disputes."

My Comments: I understand the history and the past frustrations which prompted the Committee to make such a recommendation. There will undoubtedly continue to be a few cases each year which for one reason or another cannot be satisfactorily resolved

at the local level. The real answer to the problem which is of concern to the Committee, however, lies in assuring that the various interests which must be considered in the decision making process are adequately represented and evaluated at the local or regional level.

The Secretary of Transportation does not -- indeed cannot under the DOT Act -- consider matters such as these solely from the viewpoint of transportation interests. The creation of a formalized board of review would have the effect of holding out the possibility of an appeal process and inevitably result in having more cases brought to Washington for resolution rather than having them decided in the field. In my opinion, it would be a serious mistake to institutionalize a procedure that would compound differences between Cabinet Departments and take them into the public arena. An after-the-fact public airing of differences as suggested by the Committee, after a final decision has been reached by the Secretary of Transportation can serve no useful purpose and may do substantial harm.

I am confident that the character of the new Department and the reforms we are instituting will do much to assuage such feelings in the future. The development of the two-stage hearing procedure, the other procedures I have mentioned, and substantive changes in evaluation methodology will prove to be, in day-to-day activities, a very practical and appropriate means to give effect to the basic concerns of the Advisory Committee. It would therefore appear that the need for the elaborate Route Selection Board procedures is obviated by the foregoing changes.

After consultations with the Secretaries of Interior, Agriculture, and Housing and Urban Development, I have established an informal board chaired by the Assistant Secretary of Transportation for Policy Development and composed of representatives from the other Departments.

This informal board is now in process of reviewing the various new highway route selection procedures I outlined earlier so as to ensure maximum participation in their development by the other agencies.

In addition, we are establishing mechanisms to provide ample opportunity for consultation between ourselves and the three other Departments on those major right-of-way disputes which reach Washington. Each Department will be given a full

opportunity to discuss these cases with my office prior to the final decision. The Secretaries of the other Departments have made it clear that they agree with the view that every effort shall have been made to resolve these controversies at the local level prior to submission to Washington.

The premise for such an informal arrangement -- as against the formalized board envisioned by the Committee -- is that, inasmuch as all Cabinet Secretaries work under the President who appoints them, there is every reason for resolving controversies amicably in an informal atmosphere among themselves.

Committee Recommendations: "We recommend that the governors of the states establish similar review boards."

My Comments: While I do not want to intrude into the process by which governors may resolve disputes between conflicting interests within their states, governors should play a more active role in the route selection process.

Therefore, I intend to seek the views of governors on these controversies reaching Washington where there appear to be conflicting interests within the state inasmuch as governors, by the nature of their position, represent all facets of state government.

B. SCENIC ROADS

Committee Recommendation: "We recommend that the Council carefully examine the implications for a National Scenic Roads program."

My Comments: I agree entirely with the Committee that the proposal for a National Scenic Roads program requires a great deal more evaluation before decisions are made.

Such a proposal should be viewed in the context of the nation's total highway needs -- whether they be scenic, urban or interstate, or whether they be financed by the Highway Trust Fund or by general revenues. It would be in order to evaluate all needs before embarking on another major program.

Committee Recommendation: "We recommend a vigorous effort by the Bureau of Public Roads and the States to use the tools now available for making roads more scenic, in particular, those provided under Title III of the Highway Beautification Act of 1965."

My Comments: While the level of funding for this program is still under review by the Congress, I agree that this program must be administered as vigorously as possible. In general, the states are taking advantage of Title III funding to a substantial extent.

C. HIGHWAY SIGNS

Committee Recommendation: "We recommend that the Secretary of Transportation set up a task force to develop new and better standards for effectual highway signs."

My Comments: I agree with the Committee's view that a better signing program needs to be developed, both for safety and aesthetic reasons.

✓ Although the Bureau of Public Roads is currently undertaking a study to this end, I intend to appoint a blue-ribbon task force to coordinate such efforts in line with the Committee's recommendation.

For the future, the Department of Transportation is resolved to support and contribute promptly to the national effort to preserve and maintain and enhance the natural beauty of the countryside. I am convinced that the program I have outlined will meet these goals.

I would note further that my concern in this area goes well beyond the highway situation. All of this Department's operating administrations are carefully reviewing their many activities, and will submit to me in the near future their proposals to meet the mandates of section 4(f) of the DOT Act where applicable. You may be assured that this Department will implement section 4(f) as to their activities in a manner similar to that set forth above where circumstances dictate.

Sincerely,

Original signed by:
H. Cecil Mackey

for Alan S. Boyd

DMSchwartz:brk:8/23/67

Pages 1, 4, and 5 REWRITTEN:RBShapiro:mo:8/25/67

cc: Exec. Sec. - Control #3132
U/S Hutchinson
Mr. Mackey
Mr. Robson
Mr. Sweeney
Mr. Bridwell
Mr. Schwartz
Mr. Sitton

Formulation of Maritime Policy in the Department

The Administration's formal proposal to Congress in the spring of 1966 for the creation of a Department of Transportation specified the inclusion of the Maritime Administration in the new Department. The Congress, however, at the insistence of the House Merchant Marine and Fisheries Committee, voted to keep the responsibility for maritime programs in the Department of Commerce, while at the same time establishing the Department of Transportation with the responsibility of developing a national transportation policy.

Accordingly one of the assignments of the DOT (Trimble) Task Force was to suggest "organizational arrangements" that would facilitate a good working relationship with the Maritime Administration and the maritime industry. The report of the Maritime activities working group suggested that the Department would need a capability in maritime matters to participate in interagency activities for coordination of water transportation programs, to relate water transportation policies to overall transportation policy, and to coordinate reports and recommendations dealing with water transport policy, port development, and related matters. The rationale for this conclusion was that even if the Maritime Administration remained in the Department of Commerce, that Department's responsibilities as they affect national transportation policy would be subject to the national transportation policy coordinating responsibilities of the Secretary of Transportation and for that reason the DOT would need to have effective staff liaison with both the Maritime Administration and the

industry. Because the Department would have to coordinate port development matters that related to national transportation policy, it would also need to conduct liaison with all other interested Federal agencies. The existing effective relationships between the Coast Guard and the industry should be maintained. Having examined the structure of the Department, the working group decided that the appropriate location for the liaison function just described would be the Office of General Transportation Liaison.¹

When the President signed the Act creating the Department, he stated that he would look to the Secretary of Transportation to formulate the nation's maritime policies, despite the fact that the Maritime Administration was not responsible to the Secretary. Even before the new Department officially came into being, therefore, Secretary Boyd and his staff were concerned with the formulation of maritime policy.

Mr. Boyd believed that if the Administration, and more particularly the Department of Transportation, developed positive proposals regarding maritime policy and vigorously supported these policies, the later transfer of maritime programs to the Department would be greatly facilitated. By thus seizing the initiative, the Department could better frustrate attempts by certain segments of the

maritime industry, labor, and Congress to establish an independent maritime agency.^{1a} Secretary Boyd feared that if the Administration failed to develop a positive maritime policy, Congressional hearings on the matter might result in the crystallization of sentiment opposing the transfer of the Maritime Administration to the new Department.² Mr. John L. Sweeney, the newly appointed Assistant Secretary of Transportation for Public Affairs, stated that "the Administration realizes that it cannot hope to sell the idea of combining maritime with the Department of Transportation" unless some type of new maritime policy is proposed.³

After making the decision to tie the issue of placing the Maritime Administration in the Department to the Administration's new policy proposals concerning the maritime industry, Secretary Boyd began a series of conferences with key people in the industry in order to gauge opinion on the Department's maritime proposals and to marshal support for those proposals. In February of 1967 he met with Solon Turman, Chairman of the Lykes Brothers Line; Frank Nemec, President of the Lykes Brothers Line and Chairman of the Committee of American Steamship Lines; Joe Curran, President of the National Maritime Union of America (AFL-CIO); Lane Kirkland, Executive Assistant to George Meany, AFL-CIO; and Warren Magnuson, Chairman of the Senate Commerce Committee. Messrs. Turman and Nemec told Boyd that their organizations

would probably support the transfer of the Maritime Administration to Transportation if the Maritime Subsidy Board were guaranteed autonomy within the Department and if the Maritime Administrator were given statutory authority⁴ over most maritime affairs.

Mr. Curran of the NMU gave the Department his full endorsement of its plans to assume maritime responsibilities, and was critical of Mr. Paul Hall, President of the Seafarers International Union, for his efforts to have an independent Maritime Administration created. Mr. Curran opposed an independent agency because he feared that such an arrangement would leave the maritime industry without a spokesman in the Administration.⁵ Mr. Kirkland was asked by Secretary Boyd to speak to Mr. Hall and attempt to get his support for the Department's maritime plans.⁶ Senator Magnuson expressed strong support for the relocation of the Maritime Administration.⁷

In testimony before the appropriate Congressional committees, the positions indicated to Boyd by these witnesses were formalized. Mr. Curran said that his union now supported the maritime reorganization because the proposed Maritime Administration within the Department of Transportation, unlike that of the first version of the Administration's Bill, was granted sufficient autonomy and status to protect the interests of the industry. He repeated his

fears that a Maritime Administration independent of the Executive branch would result in loss of influence and funds within the government.

Frank Nemec of the Committee of American Steamship Lines told the Senate committee that his organization supported the proposed move of the maritime programs to Transportation. These statements of support were added to that given by the Chairman of the Federal Maritime Commission, Rear Admiral John Harllee. Strong opposition to the proposed transfer came from Paul Hall, who said that his union objected to the assumption of maritime responsibilities by Secretary Boyd, who, Hall stated, had been tainted by his association with the Interagency Task Force on the Merchant Marine. The report of this Task Force had caused Mr. Hall to believe that the Administration and Secretary Boyd in particular were not sympathetic to revitalizing America's Merchant Marine.

The American Society of Civil Engineers and the Transportation Association of America both communicated their support of the reorganization in letters to the President and to Representative Edward Garmatz, Chairman of the House Merchant Marine Subcommittee.

Meanwhile, the Department was working out details of a reorganization plan to present to the President. Alan Dean, Assistant Secretary for Administration, suggested to Secretary Boyd a plan having the following features:

1) all maritime functions to be transferred directly to the Secretary of Transportation; 2) the creation of a Federal Maritime Administrator; 3) the creation of a Civil Maritime Board; 4) all maritime functions should either be assigned to the ^{Civil Maritime Board} / collectively or to the Federal Maritime Administrator, who could in turn sit on the Board; and 5) the only authority to review, reverse, or remand orders or decisions of the Board should be assigned to the ¹² Secretary.

Although a reorganization message was prepared by which the President could inform Congress of his intention to remove the Maritime Administration from the Commerce Department and place it in the Transportation Department, the message was never sent. Rather the substance of the reorganization message was incorporated into a set of proposed amendments to the Merchant Marine Act of 1936. The transfer proposals largely incorporated the suggestions made earlier by Mr. Dean, and were eventually sent to Congress on May 20, 1968.

Later in the year, Secretary Boyd met with Senators Magnuson and Bartlett and Representatives Garmatz and Downing in order to work out an informal understanding concerning the Administration's merchant marine policies. The agreement included a commitment to increase ship construction to thirty ships a year and to build all ships in U. S. yards. The Secretary could get no commitment on the question of moving

the Maritime Administration to the Transportation Department, though Senator Magnuson indicated he favored such a
13
move.

The year 1968 saw a worsening of Congress-Administration relations over the Merchant Marine issue. The Department took four major decisions to which the Congress objected. First, in response to Congressional calls for a \$6 billion cut in Federal expenditures, Secretary Boyd announced that the Administration was considering a complete halt in all ship construction. Second, Boyd stated that it is the Department's objective to eliminate subsidies for ship construction except for shipping considered vital to the security of the United States. Third, the Secretary said that the Government ought to subsidize American shipping companies to build ships in foreign yards if that seems the most economical way of serving the national interests. Finally, it was decided that only the Secretary of Transportation would speak for the Administration on maritime issues before Congressional committees.

These decisions and proposals stimulated some vigorous opposition. James Farrell, Chairman of Farrell Lines, said that Boyd's attitude on ship construction subsidies caused him to reverse his firm's previous support for transferring the Maritime Administration from Commerce to Transportation. Mr. Farrell felt that the Department of Transportation would
14
not grant to ships the necessary funds for efficient operation.

The Senate Merchant Marine Subcommittee reacted sharply to Boyd's program and even promised to hold hearings on a Bill to establish an independent Maritime Administration, a move which had previously been confined to the House.¹⁵ Joseph Curran of the NMU attacked the proposals as "designed to kill the United States Merchant Marine", and the Committee of American Steamship Lines also attacked the plan.¹⁶ Senator Bartlett announced that he was reluctantly calling up the Bill for an independent maritime agency.¹⁷ The Administration policy resulted in ordering James W. Gulick, Acting Maritime Administrator, not to answer any questions regarding maritime policy or data during his appearance before Rep. Garmatz's House Committee. The Secretary of Commerce said that Mr. Boyd had been designated to speak for the Administration on maritime matters. This so aroused Rep. Garmatz that he wrote to the President that same day saying that his Committee had been "treated to a rare indignity which we collectively feel has been most offensive."¹⁸

The Administration response to Congressman Garmatz's letter was conveyed in a letter from Mr. Boyd to Mr. Garmatz on June 11. Mr. Boyd explained the President's rationale for looking to Mr. Boyd to advise him on maritime matters even though the Congress had not allowed the proposed shift of the Maritime Administration to the Department of Transportation. The need to consider and coordinate all modes of transportation lay at the base of the President's attitude, and in addition, Section 4(a) of the DOT Act placed in the Secretary leadership in coordination and planning a national transportation system. The

conclusion of the letter was a recognition of a basic disagreement between Congressman Garmatz and the Administration as to the wisdom of keeping maritime matters out of the Department of Transportation.¹⁹

At this point in time, therefore, it appears that the chances of transferring the Maritime Administration to the Department of Transportation have been lessened by the events of the past few months. The eventual outcome, however, is difficult to predict. As of mid-summer, 1968, the Maritime Administration is still not a component of the Department of Transportation.

NOTES

1. Memorandum, Boyd to Califano, Special Assistant to the President, Jan. 31, 1967.
 - 1.^a Memorandum, Trimble to Boyd, no date indicated, subject: "Report of Maritime Activities Working Group; Submittal of," OMS File.
 2. Op. Cit.
 3. The Baltimore Sun, Feb. 17, 1967, p. 1. Mr. Sweeney's responsibilities also included Congressional liaison.
 4. Departmental memoranda from Alan S. Boyd, Feb. 17 and Feb. 21, 1967.
 5. Ibid., Feb. 28, 1967.
 6. Ibid., Feb. 21, 1967.
 7. Ibid.
 8. Statement of Joseph Curran before the Subcommittee on the Merchant Marine of the House Committee on Merchant Marine and Fisheries, July 17, 1967.
 9. Statement of Frank A. Nemec before the Subcommittee on Merchant Marine, Senate Commerce Committee, June 26, 1967.
 10. Summary of the statement of Paul Hall to the Subcommittee on Merchant Marine, Senate Commerce Committee, June 23, 1967.
 11. Letter to President Johnson from Earle Andrews, June 15, 1967, and letter to Rep. Edward Garmatz from Howard Hammond, Aug. 4, 1967.
 12. Memorandum from Alan L. Dean to Secretary Boyd, May 22, 1967.
 13. Memorandum from Alan S. Boyd to President Johnson, Oct. 25, 1967.
 14. Quoted by George Panitz, Journal of Commerce, June 4, 1968, p. 26.
 15. Journal of Commerce, May 22, 1968, p. 3.
 16. Helen D. Bently, The Baltimore Sun, May 22, 1968, p. C-11.
 17. Ibid.
 18. Letter from Rep. Garmatz to President Johnson, May 21, 1968.
 19. Letter from Boyd to Garmatz, June 11, 1968.
-

MEMORANDUM

11/31/67

FOR ☒ THE SECRETARY
☐ THE UNDER SECRETARY

SUBJECT: Memorandum to Mr. Califano with Attached background papers for personal use.

Suggesting the role to be played by the Department of Transportation in the development of maritime policies and programs. Requests Mr. Califano's guidance on what role the Department of Transportation may play in supporting the President's objective in the maritime area.

*Seen by Secretary
 Not of Department
 Given to him for
 on file & clearing
 out of Secretary*

107 FEB 6 1968

SUBMITTER AND ORGANIZATION	PREPARED BY	CLEARED BY	CLEARED BY	CLEARED BY	CLEARED BY	CLEARED BY
	P.L. Sitton	M.C. Mackey	<i>Ex Sec</i>			
INITIALS AND DATE	<i>[Signature]</i>	<i>CMY 1/31</i>	<i>[Signature]</i>			

MEMORANDUM FOR

Honorable Joseph A. Califano
Special Assistant to the President

SUBJECT: Development of Maritime Policies and Programs

Attached for your information is a briefing background on significant activities currently underway in the area of maritime policy development, future consequences of such activities and a suggested role to be played by the Department of Transportation.

For the last several months the press has carried reports on maritime legislative proposals being promoted by both maritime industry and labor to (1) establish an independent maritime agency, and (2) provide annual authorization oversight by program committees in the Congress (i.e., the House Merchant Marine and Fisheries and the Senate Commerce Committee).

Representatives Garnatz and Maillard are cooperating in a bipartisan effort to push for adoption of these proposed legislative measures. In addition, the Republican leadership has adopted a policy position in support of a stronger U.S. merchant marine (which means increased appropriation levels). As you know, Senator Bartlett also has indicated his intention of holding hearings on maritime programs during this session and has already requested that I plan to testify.

If hearings on measures being promoted by special interest groups are permitted to proceed without specific Administration policy guidance on maritime programs, undesirable legislation may be passed by the Congress which will be difficult for the President to veto.

In my view, the best way for the Administration to head off this threat is through vigorous support of alternative proposals. In this way the Administration will gain the initiative and cannot be accused of failure in responding to what the Congress frustratingly charges as inaction in this critical national policy area. Indefinite delay by the Administration combined with sustained pressure of articulate special interest groups will otherwise force the Congress into precipitate action on its own program.

13100:km 1/31/67

cc: Secretary Boyd

Mr. Sinton

Mr. Hughes

Mr. Bell

Mr. [unclear]

Opportunity: There is an opportunity (and a need) for some maritime

A forthcoming program at this time could avoid critical comments that the Administration is failing to act on these needs. In addition, constructive program steps would facilitate transfer of maritime programs to the Department of Transportation. Although I continue to remain uninvolved in current discussions between Commerce, BOB, and Defense, my impression is that decisions can be reached in a sufficient number of program areas to permit presentation of a constructive and meaningful program to the Congress. This would involve, however, certain increased budget expenditures. It is my view that the trade-off achieved by even a short-term liberalization may, over the long term, result in substantial gains and savings to the Federal Government and the economy as a whole. It would also provide the Administration with some maneuverability and flexibility to achieve desired results.

The present status quo merely continues to favor the subsidized segment of the U.S. merchant marine without substantial improvements in its efficiency or competitive position while the non-subsidized component of this fleet moves nearer towards economic disaster. Any expansion by the Congress of programs under present policies will further entrench the subsidized operators. The non-subsidized segment of the industry provides us with the best instrument for promoting industry competition and exploiting innovative subsidy alternatives in our effort to achieve better rationalization of government subsidy programs in ocean shipping.

Significance:

I believe the Department of Transportation could usefully take initiative in this effort and that it is the appropriate agency for providing leadership in coordinating the promotion of a maritime program which will receive substantial acceptability among industry and labor groups. Such results could blunt efforts to establish maritime responsibility in an independent agency, as union efforts have been principally oriented for maximum public relations effects, this one appears to be aimed at (and on). I would appreciate your guidance on what role the Department of Transportation may play in supporting the President's objectives in the maritime area.

2. Rep. Gerald Ford's remarks at the first session of the program, the "legislative outlook conference" that the Republicans would "support measures which would revive the merchant marine," gives the maritime policy problem a high-level partisan twist that it hasn't had before.

3. Their efforts seem to be gathering support from previously uninterested congressmen (Rep. Celler Alan S. Boyd).

4. Mr. Lester Velie's Readers Digest article (Dec. '66) has generated intense public interest, nation-wide, than we have seen since release of the Interagency Maritime Task Force. (There have been a FL Sitton: kam 1/31/67 and White House referrals on it). There is to be cc: Secretary Boyd in January or February.

Mr. Sitton

Mr. Mackey

Mr. Bridwell

Executive Secretariat-2

MARITIME POLICY ACTION

Opportunity: There is an opportunity (and a need) for some maritime policy action to be taken by the Department of Transportation. This view is based on the considerations given below.

Current Activities by Maritime Labor and Industry:

The Paul Hall wing of maritime labor, with support from the AFL-CIO Executive Council and most of the maritime industry is making a drive to push two major items through Congress:

- ✓ 1. An independent Maritime Administration.
- ✓ 2. Legislative authorization of MarAd funds by the House Merchant Marine and Fisheries Committee.

Currently underway is a program of public and private meetings sponsored by the AFL-CIO Maritime Trades Department (Hall's group, Curran is not a member), with speeches by industry and political figures.

Significance:

A number of factors give this campaign more significance than past efforts:

1. While past union efforts have been principally oriented for maximum public relations effects, this one appears to be aimed at (and organized for) a serious, substantive result.
2. Rep. Gerald Ford's remarks at the first session of the program, the "legislative outlook conference" that the Republicans would "support measures which would revive the merchant marine," gives the maritime policy problem a high-level partisan twist that it hasn't had before.
3. Their efforts seem to be gathering support from previously uninterested congressmen (Rep. Celler for example).
4. Mr. Lester Velie's Readers Digest article (Dec. '66) has generated a more intense public interest, nation-wide, than we have seen since release of the Interagency Maritime Task Force. (There have been a number of Congressional and White House referrals on it). There is to be a follow-on article in January or February.

Administration Problem on Maritime Actions:

All this comes at a time when due to:

1. Formation of DOT without MarAd, and
2. Secretary Connor's departure,

there is an inability to act forcefully by parts of the Administration which would normally be most directly concerned. Best available information is that the people behind the union drive are very aware of this power vacuum.

Near Future Consequences:

The immediate use to which they intend to put all the political support and public awareness being generated is to influence the upcoming Maritime hearings by the Senate and House Committees. Now, look at two contrasting possible outcomes:

1. If the Administration is prepared to present a program at the coming hearings, broad Congressional support for the union/industry viewpoint may be blunted. Then the President can (without fanfare) send over a reorganization order to place MarAd in DOT which would then risk only a very small possibility of Congressional rejection. This would move MarAd into DOT without placing any encumbering commitment on the Administration with regard to maritime policy or program size other than the package it submitted in the hearings. This, of course, is the consummation devoutly to be wished.

2. If, however, the Administration remains mute on policy issues and the hearings do generate broad Congressional support for the union/industry views, both the "independent agency" and "legislative authorization" measures could be passed. They would be very difficult to veto: Maritime programs tend to come wrapped in red, white and blue, are inexpensive related to other national programs, and under the probable public relations conditions at the time, would cause considerable criticism if vetoed. The Administration would continue to be faced with many unresolved policy issues, and the likelihood of later success would be lessened by the previous set backs.

Action Opportunity

The foregoing points up the need for:

1. DOT (with White House blessing) to take the initiative on maritime policy and program in a quiet way, but as soon as possible.
2. DOT to develop a proposal for submission to the Congress as part of the strategy to prevent the hearings from generating strong pressures for "independent agency" or "legislative oversight," so that a reorganization order can be smoothly moved at an early date.



BALTIMORE, FRIDAY, FEBRUARY 17, 1967

WHITE HOUSE WORKING ON SHIP POLICY

Maritime Plans Will
Be Made Public Soon,
Sweeney Says

By JOHN B. O'DONNELL, JR.

The Johnson Administration will make public a proposed new maritime policy in the near future, a high Government official said yesterday.

John L. Sweeney, who has been nominated by President Johnson as the assistant secretary of transportation for public affairs, said that a study on the "outlines" of a new maritime policy is now under way, and that the proposals should be released "in a month or so."

Sweeney, whose nomination now is before the Senate Commerce Committee, spoke at a Junior Association of Commerce port and industrial development committee luncheon.

Spoke For Brewster

Now the chairman of the Federal Development Planning Committee for Appalachia, Sweeney filled in for Senator Brewster (D., Md.) the scheduled speaker. Brewster was in Europe and was unable to get to Baltimore in time for the meeting.

Sweeney read a speech which Senator Brewster had prepared for delivery. The Brewster speech recommended several steps which should be taken to improve the American merchant marine, including the formulation of a new Government maritime policy.

Before reading the speech, which was critical of the Government, Sweeney said, "The views expressed in this speech do not necessarily represent the official thinking of the Department of Transportation."

Question Raised

Following the speech, he was asked what the Transportation Department planned to do about having the Maritime Administration brought into the new department.

Sweeney told the group that "the Administration realizes that it cannot hope to sell the idea of combining maritime with the Department of Transportation" unless some type of new maritime policy is proposed.

He said that after the Administration concludes the current study, which is being developed by the White House, "we hope to . . . take it to the industry and find out what the consensus is."

He indicated that, if the proposed new policy is attractive to the various segments of the industry and Congress, the Transportation Department then will initiate an effort to have the Maritime Administration, which now is a part of the Department

of Commerce, moved to the Transportation Department.

The Administration attempted to have the Maritime Administration included in the Department of Transportation when the new Cabinet-level agency was created. However, the move was blocked in the House of Representatives by a coalition of Republicans and Democrats who are considered pro-merchant marine.

Many of these same congressmen, and many segments of the maritime industry, who also opposed the Administration move, advocate the creation of an independent maritime agency.

Sweeney acknowledged that the "coalition (of congressmen and industry and labor organizations) that has developed is a tough one. The question is whether we can make this thing (the policy under discussion) attractive enough to them."

Funds Urged

In his speech, Brewster called for the formulation of a "pro-maritime policy" by the Administration.

He also called for the enactment of legislation allowing the Senate Commerce Committee "to authorize such funds for the merchant marine as it thinks proper."

THE SECRETARY OF TRANSPORTATION

WASHINGTON, D.C. 20590

FEB 21 1967

MEMORANDUM OF CONVERSATION WITH SOLON TURMAN, CHAIRMAN OF THE BOARD,
LYKES BROTHERS STEAMSHIP LINES


SUBJECT: Maritime Program

Mr. Turman is responsible for the very extensive Lykes interests in banking, insurance companies, ranching, and steamship operations. He is also a member of the Business Advisory Council and is well known to the President. I outlined to him the proposed Maritime program. He was particularly interested in the so called incentive subsidy approach and related to me the history of past efforts in the Maritime subsidy field. He indicated his belief that the "lump sum" agreement which was utilized in the late 1920's or early 1930's was similar to the incentive proposals which we are suggesting. He also discussed the mail contract payment method which he concluded was unsuccessful. The strong impression I gathered from him was that he does not think too much of any other type of subsidy than the current method of paying parity. Although he did not say so, he expressed an interest in studying this in more detail.

In his eyes, the major problem is the one of dealing with the Maritime labor. He feels that as a part of any package, the proposal the Administration takes forward must include an agreement among the unions with the operators for voluntary binding arbitration of disputes. He feels particularly strong about this in the area of automation.

He also indicated that in his view, the industry would accept the inclusion of the Maritime Administration in DOT provided the Senate approach was utilized. This was the legislative effort of 1966 which would have provided complete autonomy for the Maritime Subsidy Board, as well as delegating by statute to the Maritime Administrator, the bulk of the remaining authority in the Maritime Administration. I told him that while I was not sure the operators would find it in their best interest to have an autonomous subsidy board, this should not be a matter which would kill any proposals that I might suggest to the Administration.

In summary, Mr. Turman had questions about the subsidy proposals. He insists that an agreement on voluntary arbitration is essential to any program. He feels the proposals must be acceptable to labor and would personally agree to the Senate version of including the Maritime Administration in the Department.


Alan S. Boyd

40 THE SECRETARY OF TRANSPORTATION

WASHINGTON, D.C. 20590

February 17, 1967

MEMORANDUM OF CONVERSATION WITH FRANK NEMEC, PRESIDENT, LYKES
BROTHERS STEAMSHIP LINE AND CHAIRMAN OF CASL, AND
ADM JIMMY JAMES, EXECUTIVE DIRECTOR OF CASL

SUBJECT: Maritime Program

I discussed with these two gentlemen the Maritime proposal which I have discussed with others. ADM James was particularly interested in the subsidy proposal and wanted to know whether a trial period of an experimental subsidy would delay the renewal of a subsidy contract such as that of U. S. Lines which will expire in 1969. I told him I had no idea but it seemed to me that if we could get something going in the way of experimentation, it might be possible to merely extend the existing U. S. Lines subsidy contract for another year or 18 months to see how one or more of the experimental procedures might be working out.

CASL These gentlemen indicated that there is a complete split within council over the trade route versus trade area argument. They also expressed the belief that the CASL operators would be interested in transferring Maritime Administration into DOT on the basis of the Senate version of the Bill in 1966. They felt the CASL operators would be willing to enter agreements to provide a certain quantity of ships to DOD on a nondiscriminatory call-out basis provided the DOD is willing to pay a reasonable rate. They had considerable complaint about the rates which DOD has offered in the past.

In summary, these gentlemen felt the proposals I outlined were a reasonable basis for discussion. This was expressed as their personal views. They felt that Labor support was quite important and indicated a desire to get contract arbitration agreements with the unions and promised to provide me with a draft of the conversation which they proposed to send to the members of CASL. I asked that this be provided by Monday afternoon.

ASB.
Alan S. Boyd

THE SECRETARY OF TRANSPORTATION

WASHINGTON, D.C. 20590

February 28, 1967

MEMORANDUM OF CONVERSATION WITH JOE CURRAN

SUBJECT: Maritime program

I spent an hour and a half with Joe Curran on Saturday morning, February 25 at Miami Beach. In the course of our conversation, I outlined to him the Merchant Marine proposal which I have outlined to others. He advised me that several years ago the Marine Engineers Union MEBA had gone on record favoring foreign construction although he does not know their present policy. He was very critical of Paul Hall and his efforts to obtain an independent Maritime Administration stating that independence would be deaf in this case, because such an Administration would have no voice in the policies of government. He says that there is a great deal of re-thinking going on among the Maritime Unions relative to their position on foreign construction. He has no qualms whatsoever about foreign construction. He also believes the Maritime Administration should be a part of the Department of Transportation.

I asked him for his views on the proposal I had outlined. He commented that it was a very good basis and that while he might quarrel with the number of ships to be constructed, he felt this was a worthwhile program. He also believes that we should make some sort of a start and build from there. In his words, it is possible to build a one story house this year and put a second story on next year, but if no effort is made to build the first story there can be no second story. He indicated that if we were able to get a program through the Congress at 15 ships a year U. S. constructed, he might very well be back before the Congress next year urging a larger number of ships but he would not want that to deter support for the original number of ships.

(From Alan Boyd)

✓
(b)
THE SECRETARY OF TRANSPORTATION

WASHINGTON, D.C. 20590

FEB 21 1937

MEMORANDUM OF CONVERSATION WITH Mr. Lane Kirkland, Exec.
Assistant to George Meany, AFL/CIO

Subject: Maritime Program

Tuesday, February 14, I spent an hour with Lane discussing the proposed Maritime program. He was quite enthusiastic and expressed the view that the package contained all the elements for success, although he could not express a judgment on quantities insofar as U. S. construction is concerned. He advised me, confidentially, that Paul Hall has indicated to him he has no objection in principle to the Maritime Administration becoming a part of the Department of Transportation.

Kirkland feels the key to this matter is providing a means for Hall to disengage himself from the shipbuilding unions. In this connection, Kirkland believes it will be important to get at least the assistance or acquiescence of some of the shipbuilders. He is convinced the shipbuilders can have a strong influence over their own unions.

Kirkland was to call Paul Hall, on a confidential basis, to try out the program I had outlined to Hall through Kirkland. He also agreed to ask Hall not to create any ruckus in terms of resolution, publicity, etc. about the lack of a Maritime program at the Federal level.

Asst.
Alan S. Boyd

✓
⑥ ⑦
THE SECRETARY OF TRANSPORTATION

WASHINGTON, D.C. 20590

FEB 21 1967

MEMORANDUM OF CONVERSATION WITH SENATOR WARREN G. MAGNUSON

SUBJECT: Maritime Program

I discussed with Senator Magnuson the outline of a proposed merchant marine program. His responses indicated a generally favorable attitude toward the outline. He was critical of the number of ships suggested to be constructed in U. S. shipyards and indicated a strong feeling that with the support of the Department of Defense he could easily obtain sufficient appropriations to build 20 or 22 ships per year in the U. S. shipyards. He feels very strongly that the Maritime Administration should be located within the Department of Transportation.

He feels the program will run into trouble in the areas of quantity of ships constructed in U. S. shipyards and also on the basic question of foreign construction. He did not state this as a personal feeling. In fact, he indicated his amusement that many people seem to think that there are shipyards in the State of Washington which would be effected by one or another Maritime program. He stated the Washington State Shipyards have been primarily involved in custom operations and do not appear to be particularly concerned with Maritime Administration activities.

ASB
Alan S. Boyd

STATEMENT OF JOSEPH CURRAN, PRESIDENT,
NATIONAL MARITIME UNION OF AMERICA, AFL-CIO
BEFORE THE
SUBCOMMITTEE ON MERCHANT MARINE
OF THE
HOUSE COMMITTEE ON MERCHANT MARINE AND FISHERIES
ON H.R. 159 AND RELATED BILLS

PRESENTED:

July 17, 1967

STATEMENT OF JOSEPH CURRAN
PRESIDENT, NATIONAL MARITIME UNION, AFL-CIO

JULY 17, 1967

I am Joseph Curran, President of the National Maritime Union of America, AFL-CIO.

Mr. Chairman, thank you for this opportunity to appear before your committee on a matter which could have a most important bearing on the future of the U.S. Merchant Marine. This hearing is most timely and you and your committee are to be commended for your faithful and continued efforts to promote U.S.-flag shipping.

Your joint statement with Senators Magnuson and Bartlett set forth the proposition that the differences which exist with respect to the build foreign and independent agency issues, would not prevent the Congress from moving ahead on all other maritime matters. This was indeed heartening.

We believe the primary motivation for your efforts, comes not only from a basic understanding and appreciation of the benefits of an American-flag merchant marine to this country, but arises also from a deep concern over the Soviet Union's tremendous merchant ship expansion program. This concern is shared by us also.

Currently the U.S.S.R. has over 500 ships under construction or on order, totaling more than 5 million deadweight tons. When added to their existing fleet they will have over 1,700 ships totaling approximately 14 million deadweight tons. The Soviet long range merchant ship buildup is part of their overall strategy to take over the foreign commerce of the world, increase the scope of international communism, and create the sealift essential to supplying civil conflict in emerging and under-developed countries.

When this massive maritime effort is related to the precarious status of our own merchant fleet, a very great danger to the security of our country is brought into focus.

You have introduced H.R. 159, and altogether, some 104 similar bills have been introduced pertaining to the same subject. We would like to review some of the implications arising from this proposed legislation.

Two apparent misconceptions exist, in our judgment, concerning the establishment of an independent agency. The first misconception is that there is a way that an independent agency can be set up that will avoid the exercise of financial control by the Bureau of the Budget. Other administrative processes can also tend to render

the so-called independent agency meaningless. The second misconception derives from the first -- and that is, the idea that an independent agency, in itself, can build a strong merchant marine. ^{We all know that this is untrue.} The condition of the U.S. Merchant Marine during the years the agency was independent, did not depend so much upon the agency's independent status, but rather upon economic and other world situations and the Administration's own maritime attitudes.

At the outset, therefore, I want to make it clear that one of the primary problems which has confounded the Merchant Marine and the Congress since World War II, has been the administrative frustration of our maritime policies and the negation of responsible Congressional efforts to build up our Merchant Marine. Without some basic solution to this problem, nothing else which the maritime industry or the Congress can do will have any substantial meaning. This brings into perspective the matter of where maritime functions are to be lodged within government.

When we last had the privilege of appearing before your committee, we spoke of many issues, including the establishment of an independent agency which we, at that time, advocated. We supported the independent agency concept when H.R. 13200 was introduced in the Congress (this was the administration bill to establish the Department of Transportation and to transfer MARAD from Commerce to the new Department).

While we did not oppose the Department of Transportation as such, we objected to including MARAD for the following reasons:

- too little
author.
for maritime
admin.*
1. The original bills downgraded water transportation by making the Maritime Administrator merely a department appointee. While a later bill, (Revised Administration Bill, H.R. 15963) was introduced and amended to make this official a Presidential appointee, subject to the advice and consent of the Senate, it still did not clothe him with adequate authority to administer maritime laws and policies, unhampered by multiple echelons of supervisory control.
 2. The Administration proposals further downgraded maritime transportation by denying to it a maritime board to handle promotional and quasi-judicial functions. Under the original bills, such functions were delegated to the Secretary of Transportation to handle as he will. No other medium of transportation is denied a regular quasi-judicial body through which to discharge such specialized responsibilities.
 3. There was a complete vacuum in any fundamental policy and program pronouncement from the Administration. This is preponderantly more important and vital than merely deciding the particular agency in which

maritime affairs are to reside. To throw maritime functions under such a roof with all the other multitudinous facets of transportation, without adequate safeguards and without a program, would be to relegate it to a position of relative insignificance. For our part, we could not trust maritime affairs to any Department under such an arrangement.

4. The maritime industry, from March 1964 through June 1966, suffered almost three years of the most negative administration at the hands of the most inexperienced and academic administrative leadership. There is no counterpart to this experience in all our long maritime history. During this period, the image of the American Merchant Marine was seriously damaged. Future expansion was ruled out and an appreciable surrender to foreign shipping interests was openly advocated. The industry was taught a most important lesson -- that, without a positive maritime program, there is no real hope that mere changes in organizational structure would serve in themselves, to reverse the current downward trend of our Merchant Marine.

5. The President's own Maritime Advisory Committee, in its final report, submitted positive and widely acclaimed recommendations for achieving a strong U.S.-flag fleet. Yet, these have neither been officially

endorsed nor adopted, nor has any substantial commitment been made with respect to them. Some positive action by the Administration in this regard is, therefore, imperative. The announcement of the Administration's program should precede, or at least be coordinated with, the determination of where maritime functions are to be housed within Government.

Primarily because of the efforts of this committee in removing MARAD from the Department of Transportation in the House, a revised Senate version of H.R. 15963 was offered by that body.

This bill contained the following corrective measures that are basic to a workable administration of our national maritime laws and policies:

- ✓ (a) A Maritime Administrator appointed by the President with advice and consent of the Senate.
- ✓ (b) Greater independence of action on the part of the Maritime Administrator, unfettered by pyramiding echelons of authority within the Department. Finality of authority in all matters involving public hearings or public notice. (Note: H.R. 15963 had already been amended in the House to require appointment by the President with the consent of the Senate).
- ✓ (c) A Federal Maritime Board appointed by the President with advice and consent of the Senate.
- ✓ (d) Finality of Federal Maritime Board decisions even within the Executive Branch of Government and with no appeal from such decisions except to the courts (we would now suggest a modification of this to allow the private parties affected to elect to appeal to the Secretary of Transportation as well as to the courts).

- (e) Retention in the Congress of the authority to establish criteria and standards for transportation investment controls with no abdication of such criteria and standards to the new Department.

We felt that these provisions made H.R. 15963 an acceptable bill and we joined with the Labor-Management Maritime Committee to support it as the preferable solution to the organizational problems involved. This was consistent with our position of supporting the basic objectives of the Bonner Bill.

It is obvious to us that the modifications of H.R. 15963 adopted by the Senate would have insufficient meaning unless the administration came forth with a policy and program declaration reversing the negative maritime concepts promulgated over the past several years; additionally, there must be a commitment on the part of governmental leadership to enthusiastic promotion of such a positive and well-conceived national maritime program. This, as we have stated, is overriding. It supersedes the question of which administrative House the Maritime Administration is lodged within.

It seems apparent to us that while there may be sufficient congressional strength to keep MARAD out of the Department of Transportation, there may not be enough to enact legislation creating an independent maritime agency. We would concede that it may well be possible to pass an independent agency bill through the House. Our contacts with the Senate leadership, however, lead us to the firm conclusion that the Senate

From here this possible

it is our further belief that the President would veto it. This is nothing more than taking a hard, realistic and pragmatic approach to the situation.

The composite result of having failed to create an independent agency while, at the same time, succeeding in keeping maritime out of the Department of Transportation would leave us just where we are today. The Maritime Administration would still be in the Department of Commerce where it has been submerged for years and where all of the destructive, chaotic practices of recent years have been inflicted on it.

Having weighed all these factors, we have concluded to support the transfer of Maritime functions to the Department of Transportation. Many new developments attest to this necessity.

1. Intermodal transportation is developing on a worldwide basis with ever accelerating speed. There is a well-known adage which admonishes that "no man is an island." Today, no transportation system is an island to itself. Containerization and automation meld together the varied transport interests and form a blood stream that flows throughout the entire arterial system of transportation. Thus, the interrelationships in the review and formulation of national transportation policy are facilitated by one over-all department of Government dedicated to this purpose.

2. The sole argument that an independent agency is preferable because unfriendly personalities hold high office in the Department of Transportation is not valid. It is an almost universally supported concept in Administrative procedure and practice, that organizational structure should not be adjusted to personalities. Rather, it should be devised to meet basic organizational needs and requirements. People should be fitted to the organization -- not the organization to the particular personalities. People are temporary incumbents of positions. Organizations should be permanent instruments to achieve long range governmental objectives. Administrative experience under the 1936 Merchant Marine Act forcefully proves this concept.
3. Adequate financial support is such a key element in revitalizing our merchant marine that full backing by the President is most essential. Creating an independent agency for which the Chief Executive has little or only token responsibility would not facilitate this cause. The Chief Executive would probably be less than enthusiastic about recommending the substantial appropriations needed for an agency over which he has little or no control or responsibility.

Conversely, were the Congress to appropriate sufficient monies to adequately implement our maritime laws, there is no certainty that the Executive would carry through in their use or expenditure. Such a situation would bring to a standstill our efforts as a nation to create and maintain a modern and viable merchant marine.

As a clear example of this, the Congress in 1958, approved construction of and authorized funds for, a replacement for our then second largest passenger vessel, the SS AMERICA. This has never been implemented.. Two years ago, the AMERICA was retired. She has since been sold foreign and is now permitted to operate under foreign flag in competition with American ships, and no action has been taken in response to that 9-year old Congressional mandate to replace her.

Earlier I indicated that the most pressing problem confronting the merchant marine is that of administrative frustration. The House and the Senate must give attention to this problem -- and insofar as possible, find appropriate solutions before any real progress can be achieved.

Passage of a House measure to create an independent maritime agency and subsequent failure to enact it into law could have the effect of stalemating the industry for at least an additional session of Congress.

We have hoped for some time now that the administration would present a positive and well-rounded maritime program to

satisfactory, it would, at least, represent a starting point from which we could begin. But, as we all know, the Administration has failed to do this. While this situation may complicate the task, it should not prevent the Congress and the industry from moving forward in formulating a constructive maritime program.

We said, last year, as we have said many times, that normally Presidential action is needed before a meaningful program to re-establish and develop our merchant marine can be developed. However, if the President does not accept this leadership, it is then necessary for Congress to act on its own. We, therefore, urge that this Committee continue to work with the Senate Commerce Committee in an effort to solve our overall maritime problems.

We presented an extensive program to the Senate Commerce Committee on June 29 of this year for their consideration in developing a maritime program. Our recommendations unquestionably can be improved upon. Some of them will not be completely accepted by all parties. But, above all, we submit that we must have without delay a program sufficient to get our country started on rebuilding the American Merchant Marine. There is no time to lose. It is our hope that your committee will move in this direction. When it does we are ready to assist.

Again, may I express our sincere appreciation to you, the other members of this Committee, and the members of the House, for the continued support of a U.S.-flag merchant marine.

①

- SUMMARY OF -
STATEMENT OF FRANK A. NEMEC
Chairman, Committee of American Steamship Lines

Senate Commerce Committee
(Subcommittee on Merchant Marine)

June 26, 1967

(Based on Advance Text)

CASL believes the protracted dialogue regarding a new maritime policy is drawing to a satisfactory close after a low point represented by the Interagency Maritime Task Force Report. The good points of the "Boyd Program" i.e., doubling of CDS, retention and strengthening of cargo preference and retention, strengthening and extension of ODS meet the real needs of the industry and greatly outweigh the practical significance of the two points which form the basis for opposition. The proposed level of subsidized construction (30 ships per year) will more than likely use all available private funds and make the issue of according foreign built vessels U.S. privileges an academic one. Whether MarAd is in DOT or independent is of no real consequence to the industry; the key issues are the existence of an Administration policy and an effective agency, enjoying the confidence of the President. CASL supports the Boyd Program since it will provide enough money to permit the building of ships when needed at world prices to meet competition in both the liner and bulk trades. It urges early action in a situation which can brook no further delay.

Our present maritime resources are strained to the breaking point and any additional demands will have to be met at the expense of our current

trustees having industry, supplier, professional and governmental membership which would select research projects to be jointly funded by industry and government.

CASL supports the transfer of MarAd to DOT as a logical move. To ensure independence of decision and continuity (of the Maritime Subsidy Board?) it proposes a three-man board of Presidential appointees. To get the best qualified personnel, it supports amendment of the "conflict of interests" legislation.

Finally, CASL sees a real need for permanent machinery to handle labor-management relations to preclude interruption of work and urges early action to implement the President's proposals of August 1965.

(10)

SUMMARY OF STATEMENT OF PAUL HALL,
President, Seafarers International Union
and
AFL-CIO Maritime Trades Department

Senate Commerce Committee
(Subcommittee on Merchant Marine)

June 23, 1967
(Based on Advance Text)

When Secretary Boyd entered maritime scene the Maritime Advisory Committee was meeting regularly and there was an air of optimism that the Administration would finally get going on a maritime program. The Committee, with broad membership, developed and reported out a sound program which, however, has never been given serious consideration or publicity. Rather, a so-called Interagency Task Force, which had a very narrow representational base, issued a report which Secretary Boyd adopted and widely promoted. The report was rejected by all elements of industry, not only for its unsound recommendations but also because it was prepared in secrecy and its proponents refused to discuss its ramifications. Secretary Boyd's objectivity in maritime matters is tainted by his association with this report notwithstanding the fact it has been rejected. This taint led in part to labor fighting the move of MarAd to DOT and it is the basis for some resentment that the President has tapped Secretary Boyd for his current role in selling a maritime program.

Hall opposes Boyd Program at this time because it is not specific and can't be analyzed. (He resents "confidential" label which was placed on it when it was discussed with him in the face of the fact practically everyone knows the "details.")

The construction subsidy proposal is typical -- nowhere is the manner of determining the rate, or the amount stated. This is important because rate selected has great impact on U.S. industry. There is no specified limit on foreign construction for U.S. documentation. The whole concept of foreign competition involves a battle with industries paying substandard wages, repudiates the U.S. cabotage tradition and requires the repeal of well considered laws. The 15 ship per year level initially proposed is grossly inadequate and even the 30 ship level [seemle] doesn't leave enough left over (15) for the sick elements of the industry -- bulkers and tankers -- to embark on a rational replacement program. Pretermittting the question of the adequacy of the commitment -- who is giving it -- isn't it the Congress' role rather than the Executive's?

Labor has tried to be objective -- it really doesn't make any difference who builds ships if it means jobs for U.S. seamen -- but threat to U.S. shipyard industry and unions is too great. The program is a foot in the door for their destruction.

U.S. shipyards need lots of money to get in shape to compete or even to build types of ships that are needed today. Hall has suggested to Secretary Boyd that industry needs a Government guarantee of work at full capacity (as determined administratively by Secretary Boyd) for a sufficient time span to get on its feet. Secretary Boyd has rejected this suggestion as inflationary but isn't this a matter of degree -- doesn't the increase from 15 to 30 ships per year Secretary Boyd has agreed to

create inflation? Seems all Secretary Boyd -- a man who sees positive virtues in foreign construction -- wants is to get control of the industry and he has given Congress an ultimatum.

Secretary Boyd doesn't believe the industry is capable of building the ships he feels the U.S. needs, but didn't he have the responsibility as under Secretary of Commerce for Transportation to review annually with the Secretary of the Navy the state of commercial shipyards and report unsatisfactory conditions. Has he neglected his duty; why should we feel he'll do any better wearing a different hat?

Hall supports all the objectives of the Boyd proposal -- who wouldn't? But he does not see that there is a program -- does one exist? What will ODS program for bulkers look like? What will happen to operators with large investments at U.S. prices? What are the guidelines to be for the hearings Secretary Boyd describes as a solution to the problem?

What can we expect from an administrator who says his program will continue cargo preference provisions but who is philosophically opposed to the concept and who has the misconception that cargo preference has been of no real help. The U.S. bulker trade has lived only because of cargo preference and many liner operations have relied heavily on its benefits.

How can extension of ODS be spoken of as a new program? The law now permits ODS for many operators not receiving this support. The failure to approve applications is but another element of the Administration's

neglect of the industry. The proposal to give presently subsidized operators a monitoring role in new ODS programs is ridiculous since they are direct competitors.

Labor supports a nuclear merchant vessel program but doubts state of the art warrants diversion of funds which could be used for conventional vessels.

Labor supports an increased research program.

Labor doubts it is worthwhile to upgrade the Victory Ships but is reconciled to the inevitability of this DOD sponsored program.

The Boyd proposals do not do justice to domestic lines and give short shift to their progress in container trade.

Labor's opposition to the transfer of MarAd to DOT was not a "bargaining ploy." The move promised nothing for MarAd that did not already exist. What industry wants is a program, an able administrator and an administration committed to saving the merchant marine.

The announced support for the Boyd Program is not what it seems:

- CASL speaks for only 13 subsidized operators (and not all subsidized lines are members)
- AMMI only speaks for many CASL members and some international oil and ore companies who operate foreign flag vessels (and some members have resigned because of AMMI position).
- NMU does not speak for a majority of seamen (and has close ties to CASL)

We offer the following 20 point program as a solution:

1. A commitment to all U.S. vessel construction.
2. CDS at current rate to presently subsidized companies to permit building 15 vessels per year.
3. CDS to replace unsubsidized fleet - 80 vessels - at rate of 16 vessels per year for 5 years.
4. ODS for the 80 unsubsidized vessels.
5. CDS to build up U.S. dry-bulk fleet to carry 30% U.S. trade - minimum 30 ships per year for 5 years.
6. Standardized bulk ship design.
7. ODS for bulk fleet on cost-parity basis.
8. Cargo preference rates for all Government cargoes.
9. Centralize administration of cargo preference in MarAd
10. Reserve 30% of licensed and quota cargo for U.S. vessels
11. A study to improve passenger vessel competitive position.
12. Control of foreign cruise vessel operations from U.S. ports.
13. Authorization procedures for maritime funds.
14. An independent MarAd.
15. Federal-aid to develop nuclear commercial vessels.
16. Extend Construction Reserve Fund to all vessels.
17. Procedures to expedite handling Title XI applications.
18. Increase of cargo reserved for U.S. vessels
19. Control of ICC rate determinations where competing rail and water carriers are involved.

20. DOD long-term charter for tankers

These points constitute a program and give a lie to the contention labor opposes -- rather than proposes -- improvement in the merchant marine. This program has been offered to the Administration -- we now offer it to Congress. It will help all concerned, subsidized and unsubsidized operators, shipbuilders and operators, labor and management.

AMERICAN SOCIETY OF CIVIL ENGINEERS

UNITED ENGINEERING CENTER

345 EAST FORTY-SEVENTH STREET • NEW YORK, N. Y. 10017

OFFICE OF THE PRESIDENT
ARLE T. ANDREWS
P.O. BOX 245
CARLETON SPRINGS, WEST VIRGINIA

June 15, 1967

The Honorable Lyndon B. Johnson
The White House
Washington, D. C.

Dear Mr. President:

The American Society of Civil Engineers, by virtue of its continuing interest and concern with transportation, has studied the pattern of department and agency organization developing in the Federal establishment under your leadership. The aggressive assumption of its assigned responsibilities by the Department of Transportation has been most encouraging.

As originally proposed, and endorsed by this Society, the coordination of all Federal non-regulatory transportation functions under one Department has, we believe, many advantages. Our purpose in writing to you is to emphasize this viewpoint, at the time consideration is being given to possible further changes in jurisdiction.

More specifically, our studies support the conclusion that maritime and shipping should appropriately be included within the responsibilities of the Department of Transportation. This same conclusion applies also to urban transportation.

Extensive studies of this interrelationship have been brought to your attention. It would seem unnecessary and presumptive therefore to repeat or reinforce such thorough analyses of the circumstances involved. The possibility of conflicting approaches by several separate agencies of government, on matters so closely intertwined as are modes of transportation, presents a real and serious problem. The interdependence of land and water transport, as a system, is a constant

The Honorable Lyndon B. Johnson
June 15, 1967
-page 2-

reality facing engineers involved in planning, design, construction and operation of such facilities. Similar potential problems and the need for their resolution through an integrated systems approach are relevant also to all modes of transportation involved in serving the needs of our urban centers.

It is our considered opinion that the inclusion of all Federal non-regulatory transportation functions, including those of urban transportation and maritime and shipping, within the jurisdiction of the U. S. Department of Transportation, would assure the maximum result from the new emphasis given to the role of transportation by your administration.

Sincerely,

A handwritten signature in dark ink, reading "Earle T. Andrews". The signature is written in a cursive, flowing style with a large initial "E" and a long, sweeping underline.

Earle T. Andrews
President

ETA:fm

420
TRANSPORTATION ASSOCIATION



OF AMERICA

1101 17TH STREET, N.W. • WASHINGTON, D. C. 20036 • Telephone: 296-2470

AROLD F. HAMMOND
President

August 4, 1967

Honorable Edward A. Garmatz
Chairman
House Merchant Marine Subcommittee
U. S. House of Representatives
Washington, D. C.

Dear Chairman Garmatz:

Since the question of where to place the Maritime Administration in our Government's organizational structure is now being considered by your Subcommittee, I should like to express the views of the Transportation Association of America of this issue.

The TAA Board of Directors has adopted the following policy position on the overall question of centralization of non-regulatory transport functions within the newly created Department of Transportation:

"The Transportation Association of America favors the establishment of a Cabinet-level Department of Transportation within which would be centralized the major non-regulatory transport functions of the Federal Government which the Executive Branch of the Government is empowered to administer. The Association strongly opposes any transfer to such a Department of economic regulatory functions, such as control over rates, entry, and routes, from the Civil Aeronautics Board, Federal Maritime Commission, and the Interstate Commerce Commission, which should be independent agencies directly responsible to the Congress."

In line with the above policy, TAA is in favor of the transfer of the Maritime Administration from the Department of Commerce to the Department of Transportation. Our basic reason for being in favor of centralizing all of the Government's functions within the Department of Transportation is to provide for a more rational and balanced policy approach to the nation's over-all transportation problems.

For the record, TAA is a national transportation policy organization made up of transportation users, suppliers, investors, and carriers of all modes who work together to develop national policy positions designed to maintain the strongest possible transport system in this country under private enterprise principles.

If a formal record is to be made of the current hearings on this policy issue, we request that this letter be made a part thereof.

Sincerely,

UNITED STATES GOVERNMENT

Memorandum

DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

DATE: May 22, 1967

SUBJECT: Organizing for Maritime Functions in the
Department of TransportationIn reply
refer to:

FROM: Assistant Secretary for Administration

TO: The Secretary

I realize that it may not now be urgent to move ahead with the preparation of a reorganization plan transferring maritime functions to the Department of Transportation and providing appropriate internal arrangements in the Department. However, you may find of interest my reactions to the draft prepared by Carl Davis, which I understand to reflect various discussions with you. I have also attached revised drafts of the plan and message reflecting my comments.

From a theoretical standpoint, it would be desirable to transfer all maritime functions to the Secretary and to make no provision in the text of the plan itself for the internal structure designed to carry them out. Most reorganization plans over the last 30 years have used this approach because it permits flexibility in making subsequent organizational adjustments and is consistent with the approach taken by the Hoover Commission in 1949.

The Department of Transportation already departs, however, from the theoretical ideal in that the major operating elements are specified in the Transportation Act. The establishment by plan of a Federal Maritime Administration and a Civil Maritime Board would, therefore, be consistent with what has been done in other modes. Furthermore, the political realities of getting the plan accepted would appear to leave no alternative.

We should, however, attempt to provide for maritime functions in a manner which is reasonably clear cut and consistent with the general organization and management philosophy of the Department. In some respects, the draft plan falls short of these objectives. I suggest, therefore, that the reorganization plan, when eventually submitted, have the following features:

1. All functions should be transferred directly to the Secretary. (This is consistent with the present draft.)
2. A Federal Maritime Administration should be provided for with a Level III Administrator and a Level V Deputy. (The present plan does not provide for a Deputy Federal Maritime Administrator.)

3. All maritime functions transferred by the plan, other than those to be assigned to the Civil Maritime Board, should be administered by the Federal Maritime Administrator as the head of the Federal Maritime Administration. This intent should be made clear in the message. ✓
4. The entire concept of a Director of the Maritime Administration and of the Maritime Administration as distinguishable from the Administrator of the Federal Maritime Administration should be eliminated from the plan and message. The current provisions are confusing and would be almost impossible to defend to either the Bureau of the Budget or the Congress. ✓
5. I see no need to create an Office of the General Counsel. This can be done by administrative action as is the case in the other Administrations of the Department.
6. The need for a separate Civil Maritime Board is recognized but it is dubious that its Chairman could be an official as far down the hierarchy as the proposed Director of the Maritime Administration. ✓
7. The provision for review of Board actions by the Federal Maritime Administration in addition to the Secretary is cumbersome and would be hard to defend. It is suggested instead that the Civil Maritime Board be recognized as one of the major elements of the Department reporting immediately to the Secretary. It would, however, be permissible either to provide that the Federal Maritime Administrator be the Chairman or to provide that the President designate an official of the Department of Transportation as Chairman. The only authority to review, reverse or remand orders or decisions of the Board should be in the Secretary. ✓

I would suggest that whenever it appears timely you meet with members of your staff and Carl Davis to discuss the draft plan and the various suggestions I have made.


Alan L. Dean

Attachment

*This approach is reasonable
& we should discuss with
Carl Davis on his return*
JD

6-4-68

Boyd Maritime Stand Attacked

By GEORGE PANITZ

The head of a subsidized American ship line charged yesterday that recent proposals by Transportation Secretary Alan S. Boyd to curtail aid to the ocean vessel industry have shown that neither he nor his agency should be given control over the fate of the merchant marine.

James A. Farrell, Jr., board chairman of Farrell Lines, said that the Boyd attacks on subsidies for American ships have caused a reversal of an earlier view that the Department of Transportation be allowed to take over shipping policy programs.

"Farrell Lines had previously

endorsed Secretary Boyd's suggestion that the Maritime Administration be part of the Department of Transportation instead of its present location in the Department of Commerce," he said.

"However, in view of Secretary Boyd's most recent utterances, we do not believe that either he or a deputy would grant to ships the necessary funds for efficient operation."

Separate Administration

Speaking to cadets and guests at the 112th graduation exercises of the State University of New York Maritime College at Fort Schuyler, he added that Farrell Lines will now support proposals to establish the Maritime Ad-

ministration as a separate entity of the federal government.

Mr. Farrell, whose shipping company is a key element in United States trade with Africa, Australia and New Zealand, indicated that while irritated by Mr. Boyd's views, he was not pessimistic about the future of American - flag shipping. The merchant marine is not likely to be totally lost as long as the industry can retain the support of many leaders in Congress, he said.

Cautioning the 125-man graduating class to "harden yourselves against the temptation to be discouraged by irresponsible mouthings" directed against the industry, Mr. Farrell said that

many problems of the merchant marine are the result of a national confusion over policy.

The 1936 Merchant Marine Act, which established subsidies for companies such as Farrell Lines and others to compete against foreign lines, must be retained as the basis of maritime policy for the U. S., he said.

Conceding that the law should be updated and amended in part, Mr. Farrell added, however, that Mr. Boyd's view that support be given to shipping only to the extent that it provided some backing for defense is faulty.

Validity of Routes

"It seems to be quite forgotten that the strictest requirements of the 1936 act are to assure the validity of essential trade routes and only secondly to provide shipping to serve as war auxiliaries," he said.

While objecting to Mr. Boyd's proposals on subsidies for the merchant marine, Mr. Farrell said that the transportation secretary was correct in urging changes in present law so that American owners could buy ships in foreign countries and to use them without restriction under American flag.

"If the American shipyards cannot provide better delivery than is their current practice and if there is to be insufficient construction funds available for building at home, then provision must be made for American-flag owners to build abroad and to place such ships under the American flag for offshore operations and have them covered by the remaining provisions of the existing 1936 Merchant Marine Act," Mr. Farrell said.

He also indicated that Mr.

Boyd's proposal to phase out subsidies for passenger liners is a proper stand since subsidizing "pleasure cruising" is like subsidizing recreation resorts in the Poconos, Adirondacks and Miami. The only subsidy for passengers should be where this is consistent or complimentary to cargo service, he added.

PERIL TO TAX VOTES FOUND IN SHIP PLAN

Garmatz Unit Blames Loss Of Funds On 6-Billion Cut

By HELEN DELICH BENTLEY
(Maritime Editor of The Sun)

Washington, May 21—The Administration's "double cross" on a national maritime policy could well have cost it at least 30 to 40 sorely needed votes on the 10-per-cent surtax, the chairman of the House Merchant Marine and Fisheries Committee predicted today.

In closing remarks at a fiery hearing with blasts from Democrats and Republicans alike at the Administration and particularly at Alan S. Boyd, Secretary of Transportation, for presenting a program completely contrary to what had been agreed upon with congressional leaders late last year, Representative Garmatz (D., Md.) stated the President had taken an unwise step at a time when his tax program already was in trouble.

Garmatz Regrets Visit

"I am sorry that President Johnson sent Boyd out to try to make friends and influence people," Chairman Garmatz said

as the hearing ended. "He certainly has not helped to gain a single vote for the 10-per-cent surtax."

Afterwards Garmatz elaborated by saying that it now is possible that every member of the 33-man House Merchant Marine and Fisheries Committee will oppose the tax program.

He pointed out that the maritime industry has been promised a complete halt in all ship construction if the cutback accompanying the surtax is as much as \$6,000,000,000, the amount agreed upon by Senate and House conferees. Under the program other ships are to be built in foreign yards.

"None Of Us Can Accept"

"None of us can accept this," Garmatz stated.

Representative Clark (D., Pa.) called for the committee to report its pending bill out and "ram it down the throat" of the Administration.

The bitterness has grown out of Boyd's presentation of the long-awaited Administration program yesterday before the Senate Commerce Committee and after senators and representatives reviewed the document which calls for sweeping changes, including a big foreign shipbuilding program and dropping passenger ships.

Management and labor—including particularly those who have been supporting Boyd to date—also issued strong denunciations of the Administration program.

Curran Moves To Dissent

Joseph Curran, chairman of the AFL-CIO Maritime Committee, and president of the National Maritime Union, described Boyd's program as "inadequate, unimaginative and unsatisfactory" and "designed to kill the United States merchant marine."

"The program he advocates," Curran said, "borders on being an arrogant affront to the Senators and congressmen who have labored long and hard to restore the American flag to its rightful place on the seas."

Curran, who has been supporting the Administration and Boyd on the transferring of the Maritime Administration into the Department of Transportation and other general points outlined in the past by Secre-

tary Boyd, today declared his labor unions were "completely opposed to any such step"—"abandonment of our national maritime policy as it is embodied in the 1936 Merchant Marine Act."

Ship Committee Hostile

The Committee of American Steamship Lines, which likewise has been generally following the Administration line, described the program as presented by Boyd as most "unrealistic."

W. T. Moore, chairman of the committee and board chairman of Moore-McCormack Lines, referred to the recommendation of suiting the size of the merchant marine solely to the needs of the Defense Department as "indeed shortsighted."

Paul Hall, president of the AFL-CIO Maritime Trades Department and of the Seafarers International Union of North America, simply remarked:

"I told you so."

Hall Always In Opposition

Hall has never wavered in his opposition to Boyd and the transfer of the Maritime Administration to the new Transportation Department. His continued antagonism has been premised on his belief that Boyd was no friend of the American merchant marine and never would be.

Hall and his group led the successful fight on Capitol Hill to keep the Maritime Administration out of the new department and in getting the House to pass legislation to establish it as an independent agency.

Yesterday after Boyd had outlined the Administration's program, Senator Bartlett (D., Alaska), chairman of the Senate merchant marine subcommittee, remarked that the agreement they had had with the Administration obviously has been "rudely shattered."

Calling Up Agency Bill

Bartlett then went on to announce that he was calling up the bill for an independent agency, a step he had been reluctant to take before.

When the Administration was in trouble last March with the civil rights bill and the filibuster on the Senate side, Hall and his team were called upon by the AFL-CIO at the request of the White House to help swing the needed vote.

EDWARD A. CARMAZ, MD., CHIEFMAN

W. (MR. JOHN D.) SULLIVAN, MO.
 CLARK, PA.
 L. ASHLEY, OHIO
 DINGELL, MICH.
 ALTON LERSON, N.C.
 THOMAS N. DOWNING, VA.
 JAMES A. EYBIE, PA.
 EDWIN GREEN, CREG.
 PAUL G. ROGERS, FLA.
 FRANK A. STUDEFIELD, KY.
 JOHN M. MURPHY, N.Y.
 WILLIAM L. ST. ONGE, CONN.
 JOHN C. DOW, ILL.
 JOSEPH E. KARTH, MINN.
 WILLIAM D. HATHAWAY, MAINE
 WALTER D. JONES, H.C.
 RICHARD T. HANNA, CALIF.
 HENRY HELSTOSKI, N.J.

WILLIAM S. MAILLIARD, CALIF.
 THOMAS M. KELLY, WASH.
 CHARLES A. MOSHER, OHIO
 JAMES H. GROVEN, JR., N.Y.
 ROBERT C. B. MORTON, MD.
 HASTINGS KEITH, MASS.
 JACK EDWARDS, ALA.
 G. ROBERT WATKINS, PA.
 ED REINECKE, CALIF.
 HENRY C. ECHADEBERG, WIS.
 WILLIAM V. ROTH, DEL.
 JOHN DELLENBACH, OREG.
 HOWARD W. POLLOCK, ALASKA
 PHILIP E. RUPPE, MICH.
 DANIEL E. RUTTON, N.Y.

ROBERT J. MCELROY, CHIEF CLERK

House of Representatives, U.S.

Committee on

Merchant Marine and Fisheries

Room 1334, Longworth House Office Building

Washington, D.C. 20515

May 21, 1968

JOHN M. DOWNING
CHIEF COUNSELBERNARD J. ZINCKE
COUNSELNEO P. EVERETT
COUNSELARTHUR PANKOFF, JR.
MINORITY COUNSEL

The President
 The White House
 Washington D.C.

Dear Mr. President:

Only as a last resort do I write you, knowing full well your pre-occupation with many vital matters of national concern. Few can appreciate more than you the responsibilities of the Congress in effectuating and/or initiating programs and policies of our government. Certainly, I cannot add to your knowledge anything on the essentiality of creating cooperative attitudes and relationships between the White House and the Congress.

In recent days, I personally, as Chairman of the House Merchant Marine and Fisheries Committee, and my colleagues have been treated to a rare indignity which we collectively feel has been most offensive.

On April 23, 1968, our Committee commenced hearings on legislation to formulate, modify and improve our merchant marine through a national policy. We recognized that it was impossible to delay much longer initiating mechanisms to rectify the many things wrong with our maritime industry.

We invited the Secretary of Commerce, in whose Department the Maritime Administration operates, to appear. In response, I was advised that all transportation functions were placed by you in charge of the Secretary of Transportation. This, in spite of the fact that the Congress in approving the creation of the Department of Transportation, specifically excluded from that Department maritime functions. Moreover, this year the House agreed to establish an independent Maritime Administration outside of any specific established government department.

May 21, 1963

For the Secretary of Commerce, with maritime authority under him, to decline our invitation and, in fact, delegate it to the Secretary of Transportation who has been denied such custody, creates confusion for all of us and even worse, denotes a total rejection of the expressed will of Congress.

We all realize that our merchant marine program is largely contingent upon the scope of federal appropriations therefor. While we are in the midst of prolonged and basic hearings on this vital subject, we were kept unaware of the Administration's thinking on the amount of appropriations that might be requested in the future. Instead, we learned of the Administration's point of view in this regard from the public press on May 9. On that day, the Baltimore Sun reported, and Secretary Boyd has confirmed the reliability of that report, to the effect that if the Administration is required to seek reductions in federal expenditures, one of the vehicles chosen would in effect decimate even the very limited appropriations earlier requested.

This, Mr. President, is the equivalent of ending new merchant construction for at least a full year, perhaps longer. This step was apparently taken within the Administration without prior consultation with responsible congressional leaders of your own Party. You can, I am sure, appreciate my shock, not only at the substantive suggestion but at being advised thereof by the press.

Last fall, Mr. President, you indicated to me and others of the House and Senate your desire to move forward with an improved modernized merchant marine in light of its present decrepit state. You recognized maritime industry's vital trade and defense role which will continue to be demanded of it and which demands it has always met in the past.

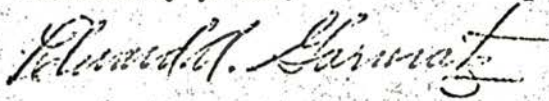
That need continues at this very moment, but no progress is as yet in sight. Instead, we are treated to a few examples of lack of concern--perhaps even worse.

In these critical times, it is essential that positive and constructive declarations on our merchant marine come from you as our national leader. This is a pressing need. We in Congress can then seek to legislate your maritime wishes. We must not, however, be placed in a position of being both slighted and ignored. The Administration's spokesman at the departmental level must not be the head of an agency who has been denied this authority by the Congress itself.

May 21, 1968

Hopefully, it is not already too late but I fear only you can
right the neglect and wrong our Merchant Marine has felt for too
many years.

Faithfully yours,

A handwritten signature in cursive script, appearing to read "Edward A. Garmatz".

Edward A. Garmatz, M.C.
Chairman

*Grand Data
By Secretary
6/19/68
2 PM
w/ Harmony
(initials)*

19

#5091

JUN 11 1968

Honorable Edward A. Garmatz
Chairman, Committee on Merchant
Marine and Fisheries
U. S. House of Representatives
Washington, D. C. 20515

Dear Mr. Chairman:

The President has asked me to respond to your letter of May 21. I do not think it is necessary for me to emphasize the President's appreciation of the need for wholehearted cooperation between the Congress and the Executive and the value which he places on it for advancing programs and policies which are in the national interest. He has repeatedly stated this conviction which he holds so firmly.

the circumstances which prompted you to write him do not reflect any disposition on the part of the President, or on the part of his Administration, to slight the essential role of the Congress in the development of national policy.

On May 15, I replied to your telegram of May 10, regarding the possible impact of Government-wide expenditure reductions in fiscal year 1969 on the current maritime program. In acknowledging that the matter was under study, I had hoped that I made it clear that no decisions had yet been made; that no decisions would be made until expenditure levels were settled; and that the Congress would be consulted when the time for decisions came. (Separately the President has indicated that he would welcome initiatives by the Congress to identify areas for reduction.) However, I did state that it would be unrealistic to ignore the possibility that maritime construction program could be drastically affected by heavy overall reductions in Federal expenditure levels. Many vital social and economic programs, in which the consequences of reduced expenditure levels might be even more serious than those of reduced maritime expenditures will have to be considered for reduction or elimination in the event expenditure levels are reduced more than four billion dollars.

CONCURRENCES	
RTG. SYMBOL	TPA-1
INITIALS/SIG.	
DATE	
RTG. SYMBOL	
INITIALS/SIG.	
DATE	
RTG. SYMBOL	
INITIALS/SIG.	
DATE	
RTG. SYMBOL	
INITIALS/SIG.	
DATE	
RTG. SYMBOL	
INITIALS/SIG.	
DATE	
RTG. SYMBOL	
INITIALS/SIG.	
DATE	

I have reviewed my earlier letter to see if I suggested in any way that Congress should not play its proper role in the difficult decisions which are pending; I cannot find any such suggestion.

I am concerned that you have concluded that this Administration has exhibited a "lack of concern -- perhaps even worse" in its consideration of maritime problems and its decisions on maritime policy. I can think of no single transportation issue to which I have personally devoted more time. I can also assure you that other leading figures in the Administration have spent countless hours on this subject. As you know, I have made every effort to talk with all the interests that are involved in the industry. I have also held numerous conversations with Members of Congress concerned about the future of the maritime program.

I deeply regret that our efforts to develop a sound new maritime program have yet to result in an agreement. I share the deep concern of many members of the Congress for the future of the merchant marine, and I respect their efforts in developing a program which will be acceptable to the industry, the Congress and the Administration. But I do not believe that failure to find a consensus reflects on the goodwill or integrity of any of the parties. Indeed I believe that continued discussion can ultimately resolve the still outstanding issues.

I am also concerned that my role as the President's chief advisor and spokesman on transportation affairs (including maritime matters) has been a source of friction with you and other members of the Congress. My activity in this area is not based on any intent of the President to disregard the clearly expressed desires of the Congress to continue present operational authority for the maritime program in the Department of Commerce and of the evidence that many members of the House of Representatives would prefer that the Maritime Administration be accorded independent status. Rather, the President is faced with the fact that transportation policy can no longer be formulated on a modal basis, independent of the other forms of transportation. This has become increasingly apparent with the development of the new technology in shipping. This new technology clearly forecasts a totally interrelated transportation system. The responsibility for Federal Government leadership for a national transportation system is vested in me by Section 4(a) of the Department of Transportation Act.

On May 7, the Urban Mass Transportation Administration was transferred from the Department of Housing and Urban Development to the Department of Transportation. Thus the only major, non-regulatory, transportation

function of the Federal Government still outside the Department of Transportation is the Maritime Administration. I hope you will therefore understand that no insult or rebuff to the Congress is intended because this Administration continues to hold the view that such an omission is unwise when related to the future of the Nation's transportation system. I assure you that we recognize that many others in the Congress share the view that such an omission is sound. While we disagree, I sincerely hope that our disagreement can be discussed without any personal animosity on either side until agreement is reached.

Sincerely yours,

(sgd) Alan S. Boyd

Alan S. Boyd

PBURSLEY:nla:6/7/68

Mr. Sitton
Mr. Sweeney
Executive Secretariat - 1

INTERCOM

DEPARTMENT OF TRANSPORTATION / FEDERAL AVIATION ADMINISTRATION