INTERVIEW II

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INTERVIEWEE: ALAN L. DEAN

INTERVIEWER: David G. McComb

PLACE: Mr. Dean's office, Department of Transportation, Washington, D.C.

Tape 1 of 1

M: Now, last time we were talking about the task force under Mr. Zwick in which you worked to set up the initial organization of the Department of Transportation, and we talked about the structure of the department. But we have yet to speak about the implementation and the actual steps to get things running.

D: The first task force had as its main purpose doing those things necessary to get a Department of Transportation bill drafted and to steer it through Congress. The reason that the problems of structure and management concepts had to be resolved by the first task force was to permit the inclusion in the legislation of provisions consistent with how the department was expected to operate. Furthermore, we couldn't expect the Congress to act on the legislation unless we could explain reasonably well how a DOT was to be structured and how it would function. This effort was, as I indicated, successful. The bill received prompt consideration, particularly in the House. An actual Department of Transportation bill was ready for the President's signature in October 1966. This was unprecedented speed in the establishment of a new executive department.

M: You put together a bill, then, for the Department of Transportation.

D: Yes. The bill was quickly enacted, and the amendments did not do much damage to the basic organizational concept. In fact, in a few cases the Congress simply wrote into the bill features that we had intended only to be explanation. One example is the mandatory reporting relationships of the administrators, as I think I mentioned before. The signing of the bill meant that there was no longer any doubt about having a Department of Transportation. The entire emphasis of the Administration could now change from drafting and defense to efforts to develop more detailed organizational plans and to work out the staffing of the new department.

M: Before you get into that, let me ask you--what happened to the maritime?

D: The maritime--I did not cover the amendments to the bill in the previous session?

M: No.

D: Let me at this point, then, describe how the legislation, as it was finally enacted, differed from the administration position. I have already indicated that the bill made it mandatory for each administrator to report to the secretary, something we had intended anyhow, but we hadn't written it into the draft. Secondly, instead of having administrators appointed by the secretary, they remained presidential appointments. Thirdly, the executive level of the administrators was raised one notch, in most cases to Executive Level III, which meant higher than assistant secretaries, and in the case of FAA, Level II.

The reason for this was to protect the Level II of the FAA administrator--a rank he enjoyed as the head of a large independent agency--and to preserve other relationships.

An unfortunate addition to the bill was a mandatory requirement that the secretary delegate his functions relating to safety to certain of the administrations, particularly the FAA. The concept of the bill, as I may already have indicated, was to put all the functions in the secretary. He could then adjust them from time to time without needing legislation. However, there were elements, chiefly in the aviation community, that were fearful of letting the secretary put aviation safety functions anywhere other than in the FAA administrator. These elements wanted as much independence for the FAA as possible. Therefore, they persuaded the Senate to add a mandatory requirement that the air safety and certain other safety functions be delegated by the secretary to the appropriate administrator, in most cases the FAA administrator.

The exclusion of the Maritime Administration represented our only significant setback in terms of the jurisdiction of the department. The House, which generally went along with a very fine bill, eliminated the Maritime Administration, not because they wanted to keep it in the Commerce Department, but because of serious policy differences with Alan Boyd as under secretary of commerce for transportation. Many House members thought that the Maritime program would get better attention if it were in an independent agency.

M: Did the unions play a role in that?

D: The unions, particularly Paul Hall of the Maritime Trades Council, played a very strong role in lining up votes against including the Maritime Administration's inclusion in the Department of Transportation. The industry, on the other hand, was split. There were a number of elements in the maritime industry that had no objections or even favored the incorporation of the Maritime Administration into the department. I might add from a historical standpoint, one of the bits of folklore is this mistaken theory that an independent agency can somehow do better for a program than being a part of a cabinet department.

I have discussed why the FAA didn't do so well as an independent agency, even though it was infinitely more powerful than any maritime agency could be. Yet the FAA found, in the long haul, that it could not go it alone, and that it would work better if it were in a department with other transportation functions. The same thing applies to maritime programs. If they were standing alone as an independent agency, the administrator would never see the President. Decisions would be made by third level examiners in the Bureau of the Budget, and the program would simply drift without the kind of policy support and leadership that a cabinet secretary could give them. There is no substitute in the executive branch to having a secretary to wheel into the fray. He has much greater power and prestige than the head of an agency.

M: Well, I've heard that the shipbuilders wanted a larger shipbuilding program.

D: Shipbuilders, in the sense of the workers in the shipyards, wanted a larger domestic shipbuilding program. One of the main policy controversies was generated by the proposal of the Commerce Department, under Alan Boyd's leadership as under secretary of commerce for transportation, to permit U.S. ship operators to buy foreign ships. The airlines are free in this regard. Any time they want they can buy a Caravel or a BAC 111, but in the maritime area a U.S. operator cannot buy a foreign ship without finding himself under all kinds of restrictions on the use of that ship and ineligible for subsidies. Alan Boyd's program called for permitting foreign shipbuilding, overhauling the subsidy system, and instituting a stronger R&D program in maritime matters. While certain elements in the industry supported the Boyd, feeling that reform was necessary, others preferred to stick to the more traditional devices such as pouring federal money into building ships.

M: This is still a fault to be changed sometime in the near future--that is, to bring Maritime Administration into the DOT?

D: The result of the fight over the Maritime Administration in 1966 has been two and a half years of total stalemate--almost three years now. First, the Maritime Administration is still in the Commerce Department where very few people want to keep it. Second, there has been no significant change in the maritime program. Funding of building and construction levels remains low, and no matter what the congressional committees concerned try to do, without the support of the president, there is not going to be a larger maritime program.

M: There was a failure of a maritime program, I think sponsored by DOT, this last year, wasn't there?

D: Yes. The DOT supported a maritime program which did not get anywhere, but on the other hand the advocates of alternative programs didn't get theirs approved either. So it was a stalemate.

M: So the problem has continued?

D: Yes. We have both policy and organizational stalemate in the maritime area. When you consider the large number of functions being moved into the department, it was remarkable that only one significant entity proposed for inclusion in the department was excluded. There was one other relatively minor activity, the car service functions of ICC, which the administration bill omitted when the ICC took a position against it. It just wasn't worth fighting about and jeopardizing the legislation. We wanted ICC's support. They did go along with the transfer of both the motor carrier and railroad safety functions, so we decided not to press hard at that time on the car service functions.

M: In general, from your point of view, was the passage of this act quick enough to be impressive to you?

D: It was the fastest action on a cabinet department probably since the first Congress set up initial departments in 1787.

M: Last time you gave some hint as to why this occurred, that being the people in the executive branch going up and to testify for it, people like Fowler and others--

D: There were certainly three main reasons for the expeditious handling of the bill. First, there was excellent preparatory work done within the executive branch through the task force, and second was the discipline under which all key officials went up faithfully supported the bill, no matter what misgivings they may have had to start with.

Thirdly, there was a gradually developing consensus that a Department of Transportation was urgently needed. People were getting concerned at the decline of the rail service, the problems of air congestion, and the deficiencies in highway safety. Thus there was a high degree of readiness to do something.

Finally, the bulk of the industry supported DOT. There were isolated elements on the aviation side, and the maritime side, that were against the department, but by and large most of the industry was either openly supportive--this including outfits like the Transportation Association of America--or they didn't oppose it. If they did oppose it, they usually did so rather unenergetically. And when you combine these factors, recognition of need, good executive branch staff work and discipline, and industry support, things usually go through Congress.

M: Well, then, after the passage of the bill, the next step I suppose was putting together your department, gathering personnel, and so forth.

D: This is right. One of the ingenious provisions of the Department of Transportation Act was a device to assure a post-enactment planning period. We did this by saying that the functions wouldn't actually

come to be assumed by the department until ninety days after the taking office of a secretary, unless the president by executive order chose an earlier date. Why did we do this? Because of the HUD example. Did I mention this before?

M: No.

D: You are familiar with the fact that HUD law did not have such a safeguard and they found themselves with a department on their hands and no secretary. To this day there was an interregnum period in which nobody really knows whether you had the HHFA or whether you had a department. Theoretically, the department had taken effect and yet the administrator was never called acting secretary and continued to act as administrator of a defunct organization. This we watched with amazement, and we made sure that this would not happen to DOT.

So what was the sequence? The act was signed in October. Then the President, on November 8, announced that Alan S. Boyd would be the secretary. That decision was important because while everybody assumed that Boyd would be appointed, there is many a slip between an assumption and a nomination. A lot of things just couldn't go until we knew for certain who would be secretary. However by November the Congress had adjourned and Alan Boyd couldn't be confirmed and sworn in until January. Therefore, we could calculate that we would have from November 8 to probably January 15 or so, and then ninety days from that date to get the department going. To take advantage of that time period, task force number two was established, and it was changed in composition.

Organizations not slated to be included in the department were eliminated from the second task force--that is, CAB representation, ICC representation, and Department of the Army representation. The first task force disappeared. The leadership went to future DOT people with Paul Trimble, assistant commandant of the Coast Guard, becoming chairman. He was chosen on the theory that as an admiral, he would not be a candidate for any other job and could concentrate on the department. A number of people on the first task force, however, continued to serve. I continued as the FAA representative on the task force, Cecil Mackey represented Alan Boyd, and so on. But there were significant changes in membership, and the environment, of course, was radically different because now we were really talking about how to get that department going.

M: And you know who your secretary is going to be?

D: And we knew who the secretary would be. We now proceeded to establish a number of subcommittees. There was a subcommittee to plan an FRA, a subcommittee to design set up a Federal Highway Administration, a subcommittee to appropriate arrangements for personnel management, a subcommittee to deal with telecommunications, et cetera. Every area that we thought required more planning or study had a subcommittee reporting to the overall task force. These subgroups concerned themselves with staffing, fiscal requirements, and detailed organization. These were helpful studies although the task force by no means rubber-stamped them. Quite a few subcommittee proposals were found wanting

and were substantially revised. A few were just thrown in the ash can as being without merit.

M: Did you serve on some of these subcommittees?

D: I continued to serve as a senior member of the task force, having more background in government organization than any of the other members, but I generally avoided serving on individual subcommittees. I worked with most of them since by this time everybody was assuming that I was going to be assistant secretary for administration. My advice carried considerable weight in the task force work. Task force two continued under Paul Trimble until the secretary was confirmed. It was then dissolved, although certain subcommittees continued their work. Paul Trimble was asked to continue to ride herd on some of the subcommittees, which he did until I was sworn in on the twenty-seventh of January 1967.

M: Now, did Alan Boyd contact you in this period of time and reaffirm his earlier statement that you would be assistant secretary?

D: He did. He had to get his ducks in a row with the White House for the assistant secretary appointment. I will have to go back and check the exact date, I would say it was probably sometime in December that I got the word that everything was squared away for my appointment. I began to prepare to leave FAA, but I stayed in my FAA office until the day I was sworn in. A few of the substantive task forces that were dealing less with organization continued to generate reports, and Paul Trimble and I continued to to work closely together, as we always had,

in seeing that not too many balls were dropped in that handoff from the task force to the new officials of the department.

Things worked very fortunately because with a new department that inherits going programs, it is organization and staffing that is your problem. As it developed, the Secretary was sworn in as the first official of the department on the fifteenth of January, and I was sworn in as the second person on the rolls of the department on the twenty-seventh of January. Other officials came on later and they would find reasonably good plans in place as to how they were going to fit into the organization. I wasn't the only one that was early expected to occupy a key position. It was also generally assumed Cecil Mackey would be given the policy assistant secretaryship. It was widely assumed that Lowell Bridwell would be the first federal highway administrator, but there were a lot of uncertainties as to who would occupy other DOT posts.

We had to decide when to make the department effective. You will remember the ninety-day provision. In theory, it would have run until about the fourteenth or the fifteenth of April. That did not appeal to me because it was a bad day historically, from an accounting standpoint and everything else. The Secretary, meanwhile, was under considerable pressure to get the department going.

M: Pressure from where?

D: I just don't really know. I do know that the Secretary discussed with me on a couple of occasions how early we could get the department under way. The advice that I gave him was, "You've got ninety days.

Don't crowd it. The department ought to get its ducks in a row before it is activated." We first made a tentative decision to set up March 1. Meanwhile, I had a staff borrowed from here and there working on the organization, and they were horrified at the March 1 target. They didn't think that we would get the final delegations in shape, plus a lot of other things. Sure enough, as March 1 approached, it was obvious that while we could meet the date, it wouldn't be a clean job. The Secretary was convinced, and the President issued an executive order setting April 1, 1967 as the date that the department would assume its full statutory role. This was the date I recommended because it was the beginning of a quarter. That was good from an accounting standpoint. I think it's good historically, because a lot of things are recorded by quarters. It led to certain jests about the April Fools' Day Department, but we were willing to undergo a little kidding.

Even with the April 1 date we were working until March 31 to get the final touches on the departmental orders that set up the basic structure and conveyed the necessary delegations. Because all the powers were in the Secretary, it was essential to have those delegation orders in place, and they were often pretty complicated. Without those delegations on April 1, no official would be able to act on anything without going to the Secretary. But we managed to make it, and by April 1, all of the critical directives establishing the department's organization and assignments of responsibility had in fact been issued.

M: Did you have any problem getting staff and personnel?

D: Not a great deal. Finding just the right person turned out to be difficult for the assistant secretary for research and technology. That was the only job we had trouble recruiting for. I'm not saying that all the people we recruited were necessarily the best people in the world, but for key jobs, we had very little difficulty finding qualified candidates. The department was popular and people were excited by the idea of managing a new big department. The challenge was there. Alan Boyd was, of course, extremely warmly regarded. People looked forward to working for him.

M: Did you indulge in such things as raiding other departments for personnel?

D: Well, we would call it providing people with selective career opportunities. (Laughter) It's obvious that we only had three sources of staff.

(Interruption)

M: I was asking where you got your personnel.

D: We had three sources: 1) from within the department; 2) from other agencies; and 3) from outside the government. We drew very few people from outside the government, other than an occasional assistant secretary--

(Interruption)

Within in the department, we had substantial resources, and we drew heavily on them. I came from FAA, several key office directors came from FAA, the Coast Guard provided a substantial number of both

civilian and military personnel. A few were drawn from elements like CAB, ICC, and Bureau of Public Roads. There were still some jobs for which we just didn't see anyone inherited by the department having what we wanted.

So we went outside the department and recruited some people from the Bureau of the Budget. The Director screamed bloody murder, although in a couple of cases I don't think he was particularly unhappy by the losses. I hired a director of audit from Office of Economic Opportunity and Sargent Shriver went through the roof. He called Secretary Boyd to let him know of his unhappiness. We had a few incidents of that sort, but by and large the rule that I followed was that if the department could offer an opportunity to somebody in another agency, it shouldn't hesitate to do so. It's all one government, and a certain amount of mobility across agencies is good for everybody. We also lose valued people to other departments. It has to be a two-way street.

M: Did you have anybody that was forced on you? I was thinking that on a major reorganization like this there might be some partisan politics involved.

D: Other than the selection of presidential appointee types, where political considerations are always a part of the process, the department was fortunate in being able to pretty much choose the people it wished. In fact, even at the presidential appointee level, the majority of the people chosen were clear-cut nominees of Alan Boyd rather than political

types brought in through some other channel. There were exceptions, but on the whole this was a team that Alan Boyd selected.

M: Was the office space any kind of a problem?

D: Yes, it was, but here the task forces again paid off. One of the things I started doing in task force number one, because I knew the congressional committees would ask about it, was to seek a place to put the Secretary. In November 1963 the FAA occupied the building in which we are holding this conversation, FOB 10A. Knowing the state of FAA space utilization, I was convinced that we could, by moving out of the building certain elements that were really field-oriented, free up one floor for the Office of the Secretary. Well before the act was passed there was a understanding by the FAA management that the eighth floor of FOB 10A would be absorbed by the Office of the Secretary, but we tried to assure the FAA that the Secretary would not keep crowding them off floor after floor. FAA moved their Bureau of National Capital Airports and their Washington Area Office, which was really a part of the Eastern Region based in New York, to a new office building in Falls Church, Virginia. This move was, by the way, very popular with the people involved. It put them closer to where their real operations were. A few other shifts served to free up the entire eighth floor.

We never violated that pledge to the FAA. The Office of the Secretary now has the people in the Donohoe Building, and the people in the Riddell Building. We're badly overcrowded here. We've got bits and pieces elsewhere, but we have never moved Office of Secretary

staff into any other part of this building. We did reluctantly crowd FAA once for space for the Urban Mass Transportation Administration. Because of the original arrangements for supervising that administration, and its very sad history ubder HUD, we just couldn't leave it stranded in the Riddell Building, which is in downtown Washington. So the FAA Administrator agreed to dig up some space on the seventh floor for UMTA. This didn't make anybody happy but there wasn't any choice. But we kept our commitments as far as the Office of the Secretary was concerned.

M: It sounds like you still need a building.

D: We are jumping a little ahead of the story. We also, as soon as work on the DOT bill got under way, began to worry about where to put a new building because constructing these buildings takes quite a while. In FAA, where I had had the same role in helping set up the agency that I later had in DOT, General [Elwood "Pete"] Quesada and I, in early 1959, talked about the importance of a headquarters building. It took until 1963 to get it. We decided, therefore, long before there was a DOT act, that we had better push for a DOT building. I had had discussions with the General Services Administration looking toward securing the first big public building to become available in Southwest Washington. First, we had to reach a conclusion as to whether we were going to stay in the Southwest, but with FOB 10A there with a capacity of more than three thousand employees, it was ridiculous to think about placing the DOT headquarters some other place. We

adopted a stategy of seeking to concentrate the rest of the department close to 10A. Everyone reached agreement on that.

This was the reason why, when the Nassif interests started construction on the largest privately owned building in Washington on Seventh Street, Southwest, about a block and a half from FOB 10A, and when GSA was able to lease the whole building, it was promptly commited to the Department of Transportation. Beginning this July we will occupy the Nassif Building and by November we should have the whole DOT headquarters housed in two Southwest Washington buildings. We will have eighty-five hundred employees in either the Nassif Building or this building--FOB 10A. When that occurs, we will take UMTA, that is, the Urban Mass Transportation Administration, off the seventh floor of 10A and return all the seventh floor space to the FAA.

The ninth floor, though, will not be given back to FAA. It will be occupied by the National Transportation Safety Board and perhaps a couple of other small elements of the department. We have a number of reasons for doing this. We have a lot of offices on this floor designed for high-ranking officials, and the National Transportation Safety Board has five presidential appointees. So it's a very good place to put them.

M: From an administrative point of view, is it important to have a department such as this under one roof or close to it?

D: People not sophisticated in management might have trouble understanding how much impairment of effective operations comes from spatial

dislocation and dispersion. It breaks down coordination, consumes time, and it permits barriers to develop that are inimical to efficient administration. FAA officials could see the beneficial impact of getting into this building several years ago. The estimates of improved efficiency are difficult to quantify, but no one would deny that there was a tremendous improvement in pride, effectiveness of the headquarters organization, and productivity coming out of the consolidation of a previously scattered FAA headquarters in one modern, well-located building.

Now, we've got an unsatisfactory situation here. The Federal Highway Administrator is in the Donohoe Building which is a couple of blocks from here. His largest element, the Bureau of Public Roads, is in the Matomic Building in downtown Washington. Part of Highway Safety is in the Riddell Building. He is supposed to administer a new administration under these circumstances. Well, it's a tremendous handicap. The former Highway Administrator, Lowell Bridwell, has told me that this was one of the most serious obstacles to his developing a strong and effective organization, and I agree with him completely.

So I am confident that when we occupy the Nassif Building, with all our headquarters under two roofs separated by only a short distance--only FAA and NTSB and minor elements will be in this building--we will begin to gain some of the benefits of a Department of Transportation which have been hard to achieve with our people in numerous locations all over Washington.

M: Where did your symbol come from, incidentally? The symbol for the Department of Transportation?

D: The DOT seal has a history all of its own. One day at lunch with Alan Boyd and other members of his staff, before the department had become a department, probably early January of 1967, we talked about a need for a seal. Out of that lunch came an agreement that we would have an employee competition, and that the employees of all the elements to be included in the new department would be asked to submit ideas. We got hundreds of suggestions with accompanying designs. These we displayed in the tenth floor FAA conference area. An advisory committee was selected to review these designs, but none was found fully satisfactory. But among the designs was one showing a triskelion--a triskelion cluttered with a ship, an airplane and a truck. After reviewing this suggestion the committee concluded that if all that was used was the triskelion we would have a simple, clean seal. The triskelion is a Greek symbol for motion, so it seemed to be a logical choice. We prepared a letter to the Fine Arts Commission, and submitted the design with some trepidation because the Fine Arts Commission is a very sticky outfit. To our delight we received a response saying, "We approve your seal with enthusiasm, and that is a statement we have not had many occasions to make." We in DOT are very proud of our seal. We think that is the most distinctive agency seal in the United States government.

M: Is there any significance in the color--white and red?

D: No, we had a debate over whether the background ought to be blue or red, and the Secretary liked red, so--

M: So that's what it is. You must have had some difficulties in organizing the lower levels of the department, your field offices and so forth. Was there any problem in that respect?

D: The first special aspect of the setting up of DOT is that several reorganizations were involved simultaneously. In addition to the creation of a complex Office of the Secretary it was necessary to set up the NTSB, the Federal Railroad Administration, and the Federal Highway Administration. The Coast Guard, FAA, and St. Lawrence Seaway were not much affected and remained basically under the same leadership with the same structures as before DOT. Prior to DOT there hadn't been such a thing as an FRA, and we moved three different programs--four if you want to split the Northeast Corridor from the High Speed Ground program--into this new administration. The new Federal Highway Administration was formed from several bureau-level activities, including highway safety, motor vehicle safety and standards, motor carrier safety, and the whole Bureau of Public Roads program. The NTSB was given not only the air safety functions of the CAB but a series of ground, marine and other investigations and appellate functions. A lot of effort had to be devoted to working with this new board and these new administrations in getting them set up and functioning.

In the field, the problems were not so difficult. Most of the field organization belonged to the Coast Guard, the FAA and the Bureau of Public Roads component of the Federal Highway Administration. Federal Highway did change the Bureau of Public Roads regional

engineers into regional highway administrators, although all of them came from the Bureau of Public Roads. We had a few special problems. The motor carrier safety and the rail safety types from ICC found themselves no longer in ICC, and for awhile some of them almost disappeared from sight. Motor carrier safety was straightened out because the new Federal Highway Regions found out where these motor carrier units were and took care of them in offices. In other words, they had some big brothers to worry about them.

The rail safety people, being the only rail staff in the field other than in Alaska, has to be provided for. I went to one region of the ICC where as soon as the department had become effective, they put three rail safety inspectors in a closet without a window, took away their electric typewriters, and separated them from their secretaries. The rest of rail safety staff, who were travelling inspectors, were assigned a conference room, only they didn't have a key to it, and it was kept locked. I got back to Washington and launched a program to look at every rail office and see what we had to do. We found that conditions weren't uniformly bad. It depended on the attitudes of the individual ICC regional manager. Some of them were very helpful and did not take advantage of the fact that they could make life hard for the rail safety people. Others said, "You guys are no longer a part of us," and gave them the short end of the stick. To this day we are still working on some bits and pieces of rail organization. Basically, there is no federal railroad administrative structure in the field worthy of the name. There are only a hundred or so inspectors

running around looking at locomotives, tracks, handholds, coupling systems and so on.

M: Was there any thought about the integration of the field offices, say, in combining the different modes, the different agencies operating in different modes, under the same office?

D: We thought about that as a part of the original organizational planning, and we decided that there was no practicable way of combining a federal highway region with a Coast Guard district or an FAA region. We did decide that the field couldn't act as if there wasn't any department. We therefore introduced a device known as the Field Coordination Group. We started out with thirty of these. We first listed each major DOT office by city. In each city where we found a significant presence of DOT officials of reasonable rank, we organized a field coordination group. These were councils of the Coast Guard, the FAA, highway, rail, and NTSB people. We got out some orders which provided for the election of the chairman and told them that they were to foster coordination, communicate with each other, deal as a unit with the community, and serve on the federal executive boards. We gave them quite a list of chores. But they still are just councils of officials from different administrations. They have no directive authority over DOT field offices.

Well, since they were set up, which has now been nearly two years, they have done a lot of good work. However, some of them have been abolished. We found that a few of the weaker groups would be more effective if combined with an adjacent FCG's. For example,

we used to have one in Juneau and one in Anchorage, Alaska. We subsequently decided it was better to have one Alaska field coordination entity. We also used to have one in Portland, Oregon and one in Seattle. We concluded that a Pacific Northwest group would be more effective. We initially had one in Albany, New York, and one in New York City. Here again we decided to have only one New York group. We are now in the process of broadening the Cleveland group into an Ohio group.

These consolidations stemmed from our efforts to make sure that there is no field coordination group that doesn't have a key official from each of the big three. We seek to have a Coast Guard of at least district commander rank; an FAA official of at least area manager rank; and a Federal Highway official of at least division engineer rank in order to have an FCG with a real capacity to foster coordination. Groups composed of lower level officials such as the heads of little offices and specialized facilities just don't have the authority to do much.

I can cite the Cleveland situation to illustrate a problem. I met with that field coordination group a couple of weeks ago. There was the right kind of representation from FAA, the area manager, a strong and powerful official, and the Coast Guard, the district commander of the Ninth District, also a strong official. There were the other two gentlemen at the table. One was a motor carrier safety inspector from FHWA, and a rail safety inspector from the FRA. The motor carrier safety inspector didn't know what was happening in his

administration and he couldn't advise on the freeway issues in Cleveland. It was the unanimous judgment of the members of that group, in which I concurred, that to make the FCG effective, the boundaries had to be extended to the division engineer of the Federal Highway Administration, who happened to be in Columbus. Almost all FHWA division engineers are at state capitals. By extending the territory of the FCG, which we are now doing, to Columbus, there will be someone at the next meeting who can talk authoritatively about highways in Cleveland, in fact, about highways anywhere in Ohio. Since the Coast Guard district commander's territory includes all of Ohio and the FAA area manager's territory also covers all of Ohio, there is no reason why there shouldn't be an Ohio rather than a Cleveland field coordination group, even if its headquarters city is still, for most meeting purposes, Cleveland.

M: Now, through all of this organization of the department, was there any continuing supervision from the White House? Or did they just get the thing going and then take their hands off of it?

D: The White House played a very strong role in getting the department established through the enactment of the legislation. Thereafter the White House concern became more substantive with the sole exception of the Urban Mass Transit reorganization which I have mentioned.

M: Yes.

D: But the Bureau of the Budget didn't lose sight of us. We had to request money to start our new Office of the Secretary, and the bureau tried to make sure that we didn't put too many people in the

Secretary's office. They also kept an eye on how we were organized. The White House view was that the law was passed and now Alan Boyd should administer it. I'm not saying that we didn't have numerous dealings with the White House. We did, but it was on such things as the supersonic transport, or a problem of international aviation, or a problem of support of Vietnam, or a problem of an icebreaker not being allowed by the Russians to go somewhere.

M: Well, now, what about this urban mass transit situation?

D: This is again a long story. Most of us who worked on the DOT act felt that the urban mass transportation program of HUD belonged in the Department of Transportation. But HUD didn't initially agree. In order to avoid a fight over this question, which could have jeopardized the DOT bill, we wrote into the Department of Transportation Act a provision for the two secretaries to make a study within one year and recommend the best location. That was a dubious provision. You don't very often get two departments which have a fundamental disagreement over jurisdiction to agree on how to cut up the pie.

After months of so-called study we had made no progress with HUD. What happened is that HUD and ourselves both sent what we thought were our arguments to the Bureau of the Budget. The Bureau of the Budget prepared a memorandum to the White House recommending in favor of our position and urging the transfer of the function to DOT. The White House approved the BOB proposal, and Mr. [Robert] Weaver, the HUD Secretary, was given the happy news that he was going to lose all of the urban mass transportation program except the parts that related

primarily to urban planning and development as opposed to transportation. I was assigned the job of working with my counterpart, Dwight Ink, the Assistant Secretary for Administration of HUD, to draft a reorganization plan. This we did in consultation with the Bureau of the Budget. Once the basic decision was made, now it wasn't too hard to put together the plan. The President transmitted the reorganization plan in the spring of 1968 to be effective July 1, 1968. It went through Congress without a single resolution of disapproval being introduced--a very rare thing for a complicated reorganization plan.

M: Did it leave in its wake some hard feelings between the two departments?

D: It depends on what part of the department. The administrative people in HUD were not unhappy. They felt that it was handled as well as it could be, but some of the program-oriented officials, who were losing jurisdiction over an important program, were very unhappy. They weren't able to stop it, however. We had an advantage. DOT is inherently a more popular department than HUD, not because it's any more deserving, but because its programs are more popular and less politically controversial. In any clash between HUD and DOT, we can count on the bulk of the Congress being on our side, if our case is at all reasonable. We are a powerful and big department compared to HUD. You could lose the HUD in one corner of FAA. I think it has not over 20,000 people in the entire department. We have 100,000. They have a lot of money, but it is chiefly mortgage finance money and grant money. So it was an unequal contest.

We also had momentum going for us. Mass transportation sounds like transportation. We had the Bureau of the Budget on our side; we had the congressional committees on our side. Even the city organizations like the National League of Cities and the Conference of Mayors, which some HUD people thought would oppose the plan, refused to opposed the transfer. I say a few hard feelings were left among those who felt that we had gobbled up part of a sister department.

M: Well, now, in your position of assistant secretary, have you had much to do with the formulation of policy of programs such as beautification?

D: No. I try to be a policy-sensitive assistant secretary in the sense that administration only exists to see that program and policy objectives are efficiently carried out. But I am a fully stretched official, in that my work day cannot be lengthened any more and still maintain any kind of productivity. I spend from eleven to twelve hours a day at the office. I usually put in a six-day week. There is also a fair amount of weekend and night reading. There is a diminishing return point to which I am quite sensitive. [So for] this one reason I just don't try to tell the Secretary what the answers are on beautification or how motor vehicle standards ought to be written, or how to get rid of air congestion in airways. I do try to keep an eye on what is happening in these areas so that my authority over organization and personnel, budget, supply, facilities, and support services are used sensitively to respond to real needs and priorities. In DOT councils I don't mind jumping in with my two-cents worth on a policy

matter with administrative implications. I don't work at policy issues very hard, and if I did I would be interfering with the other assistant secretaries whose job is to address substantive questions. We don't lack for things to do in this department.

M: Well, now, there are a number of programs I might ask you about, such as beautification, and the administration of them. Are there any of these programs such as beautification or rapid transit to New York or the SST program that you had to spend a lot of time on?

D: I used to spend a lot of time on the SST when I was in FAA. I have spent relatively little time on it since coming to DOT. There have been questions on how to organize the program and a few budgetary problems. I have worked with the High Speed Ground program a reasonable amount in terms of its organization, its management, its funding, the need for test facilities. I have spent virtually no time on beautification except for shaking my head, not on the merits of the program, but the difficult funding problems we've gotten into.

M: You mean the amount of money being spent?

D: Whether to handle it from the trust fund or direct appropriations. Also what funding level is required. How many years' authorization to get for it. It's been a disaster area from an administrative standpoint.

M: Is the billboards aspect of it a problem?

D: Yes, it is. All parts of the highway beautification program are a problem.

M: And mainly from the funding point of view?

D: Well, it's an unstable area. We lack the consensus required to move ahead on a sustained basis. There are a lot of people who are defenders or are skeptical of a federal beautification program. Many of them are in the Congress and don't see much merit in the program. We are in an interesting and sensitive transition in this country today. It has only been in the last few years that we have gotten out of an exploitation state of mind in which we viewed the resources of the country as endless and didn't pay much attention to what happened to them. This was the case in such areas as strip mining, water pollution, air pollution and junkyards along the highway.

Things have been changing. In my years in government the level of concern with the impact of government programs on the environment has steadily increased. You couldn't have come close to getting a highway beautification act ten years ago. We did get it two years ago. In the future we will find that our department will have to be more sensitive to the impact of transportation on the congeniality, attractiveness, and wholesomeness of the environment. In fact, we are reflecting this imperative by restructuring the original assistant secretary assignments to provide for an assistant secretary for urban systems and environment.

This is the first time we have raised environmental concern to that level. We are also deeply involved in water pollution control insofar as our facilities affect it, although the lead responsibility here is the Interior Department. We are involved in noise abatement, an area in which we have the lead responsibility. We are concerned

with the impact of highways on the cities and with the beauty of highways, and with billboards. We can't administer any of our programs with the philosophy that the only thing that counts is getting the airport built for the cheapest cost. It's a different environment.

But the consensus for beautification and a reasonable magnitude of effort hasn't yet reached the point, in spite to Mrs. Johnson's many efforts on its behalf, to assure that in addition to legislation there is adequate funding follow-through. Sometimes in this country there is enough enthusiasm behind a piece of legislation to get it enacted, and then the opponents go to work on the appropriation side, so that a fine-sounding law ends up without the funds to carry it out. I can remember the flood control act in 1956. It never got one penny. It was never administered. I worked on the matter when I was in the Bureau of the Budget. It was inspired by the Missouri River floods, and the legislation went through. By the time the first appropriations were requested, the tears were dry and so was the Missouri. The Appropriations Committee said, "Forget it." So there was a law on the books that never got administered. The fate was not quite that harsh on beautification, but it's had a mighty risky existence.

M: Now, about the rapid rail transit to New York. What was your role in that?

D: Primarily worrying about the organization. The management of the project has had many deficiencies because Federal Rail is not a strong, a mature administration. FRA doesn't have much experience in

big project management, so I have gotten concerned with procurement, contracting, how they were handling their projects, and their procedures.

M: Have you personally had to sit in on meetings and oversee this?

D: I've got my chief of logistics and procurement policy doing the contract work with the Penn Central, because it didn't seem to be manageable within FRA. That administration does not have sufficient depth, maturity, management resources, and project management experience. It has had to get some help.

M: So is your role then mainly advisory in that you suggest what they should do?

D: Yes, I'm a staff official. I do have authority to give orders in some matters, but my role is chiefly advisory. I prefer it that way. In this particular contract exercise the under secretary signed a directive placing the responsibility by name on one of my officials, so he in effect became the contracting officer for Federal Rail.

M: And with the SST program--

D: The SST involves occasional problems of budget treatment. Since the department was set up, problems of design have emerged. Boeing has been sent back to the drawing boards to get rid of their variable sweep-wing design and replace it by a design that has lesser weight penalities. We thought we had a very good initial design and approved it, but when Boeing started developing the refined specs, they could not control the weight required to handle a variable sweep wing, and they couldn't lick some of the problems of landing gear location.

They ended up with an airplane which if they had built it would have been fine except it wouldn't be able to carry passengers. In order to get the cruising distance required, about all it would have carried would have been its fuel. So Boeing had to redesign the whole thing, and that took the momentum out of our program. There was darn little for anybody to do except to work with Boeing to see whether or not they could come up with a new design that had acceptable performance characteristics.

M: The problem was more in the technical field than in the managerial?

D: Purely technical. The SST project office is a very efficient unit, and the only problem there that comes up from time to time is whether or not it ought to be taken out of FAA.

(Interruption)

M: Have you gotten into any of the District of Columbia problems, such as the highway and the Three Sisters Bridge?

D: I'm involved in them. Let me tell you the kinds of things. With respect to Three Sisters Bridge, I've been an adviser to the Secretary because I was once active in Arlington County politics, and was an Arlington planning commissioner. I thus had a little knowledge of the problem. I get involved in the problems of transporting people in the District of Columbia by wearing my hat as assistant secretary for administration. I am concerned with our new headquarters building and how to get our employees to and from work. The Forrestal Building which is being completed and the new HUD building present similar problems. Southwest Washington will have a hundred thousand people

going to work and back every day when the buildings are complete, which is more than there are in all of downtown Baltimore or Pittsburgh or Seattle.

I started worrying about employee transportation, which is my direct responsibility. While I was still in FAA we organized a committee of FAA, HEW, Agriculture, the Smithsonian, HUD, GSA, and so on to try to look at the problem. This committee was able to get enough strength to change the whole subway plan of the District of Columbia. We got a major subway loop put in to the Southwest so that the approved subway system for the District of Columbia will provide service to this part of town. It was accomplished solely through the work of this committee, and now the committee continues. I serve on its executive committee, and DOT along with GSA and HUD exercise the leadership to improve bus service, to improve street configurations, to improve parking availability, and in general to make it possible to move people in and out of Southwest Washington. The other big question is, is the Northwest Freeway necessary? I don't get involved in this issue. The Secretary is in it over his ears. Here he has the assistance of his under secretary, Paul Sitton, who not only is an expert on urban affairs and highways, but also works on a variety of substantive things that the Secretary has to worry about.

M: You don't have to go to the Congress to do battle over things like this?

D: I go to Congress on only administrative matters and the defense of appropriations. In the past two years I have handled for the

department our testimony on things relating to accounting systems, audits, supergrades, other personnel matters, public buildings, procurement, and related matters. I testify often, but it is usually on the internal management of the department. If something is external, and entails direct service to the public or external policy, I try to keep informed for the reasons I have indicated, but I don't spend time on it because that's other people's work. If it involves the internal management systems of the department or the people and resources of the department, then I worry about it.

M: Are you convinced that the subway is the answer to transporting the people in the Southwest area?

D: And how. There is just no other answer. Everything else that we are going to do is going to be merely palliative. A hundred thousand people per day are not moved by motor vehicles with one and a quarter persons per car. Things are going to get worse before they get better because we aren't going to have this subway working here until about 1974.

M: Is a subway better than say a monorail system?

D: Well, subway only means one thing, and that is that it is under the ground. This happens to be a rail subway system. It's not monorail because it is going to ride on two rails.

M: I was thinking of a monorail on the surface.

D: In a central city the subway has one tremendous advantage. It is neither unsightly, because it is out of sight, nor does it clutter other kinds of surface use, because it is not on the surface. And monorails, no matter what you call them, are still a version of an

elevated railway, with all their problems of surface routing, and surface space occupancy. Monorail has all kinds of popular connotations. People see stylized futuristic pictures of rails supported by beautifully bent pillars. There are almost no monorails in the world. There are three or four that really work, short routes like in Seattle and one or two in Germany.

A complicated rail system is never monorail. This one will be relatively high speed. It will be a two-rail electrified system which would be distinct from other subway systems like New York's only in that the modern technology would be used in the design of the cars, control systems and station. The subways will be attractive, will be kept at the right temperatures and so on. The cars themselves will be modern, fast, attractive, safe, air-conditioned. There will be improved methods of entering and leaving a car, very short stop periods and so on. But it will still basically use two tracks, whatever electrification system is employed.

M: Are you convinced that your people will be using this without difficulty?

D: Of course, the more adequate the system gets, the more people will use it. Eventually it will be tied in with fringe parking and other devices. Instead of somebody taking his car and driving to work and trying to find a parking place for thirty-five dollars a month, he will park at a free fringe parking lot within a block of the subway system. He then rides to within a block of this building. We think that if he can do that and ride a fast, air-conditioned car that's

attractive, quiet and comfortable, and which does not get jammed up like buses and streetcars do with surface traffic, the subway is going to be very popular indeed.

M: Are there any areas that you think necessary for the Department of Transportation to get into to complete its organization? Say research?

D: The number of areas is so long that it would take half the day to describe them. Many relate to ultimate jurisdiction of the department in terms of what is its mission, some relate to how you structure internally for whatever you are going to do. We are by no means a mature department in the sense of either internal structure or the evolution of our mission. Let me cite some things.

We obviously are still fighting to acquire the maritime program. We don't know what our ultimate oceanographic role will be, that is, our ocean science role. We don't know whether we will eventually pick up the coast geodetic survey or the weather bureau or any part of these agencies. We don't know whether or not in the long run NASA is going to continue to do aeronautical research or if it's going to come to the department. We don't know how long it is going to take before the car service functions will move from ICC. We don't know if we are going to become a department of transportation and telecommunications or not. I'm just rattling off a few of the kinds of things that remain to be resolved. We don't know what our ultimate rivers and harbors functions and inland waters functions are going to be. Once you create a big cabinet department, it is a magnet that becomes a

power center of great attractiveness. It sets in motion forces that will felt in the sense of what might be called after-shock effects on the rest of the government for years.

The other set of problems relates to how we will ultimately organize. Should we pull together all the R&D in the department and put it in one place? Should we even pull together the R&D in Federal Highways which is now in two places and put it in one place in Federal Highways? This is a very significant question. How should we organize for hazardous materials? Where does the pipeline safety function belong? It's now in the Office of the Secretary where we know it doesn't belong. Do we put it in the Railroad Administration, or do we create a new pipeline safety administration? Should the St. Lawrence Seaway remain independent even though it only has one hundred and sixty-two people, or do we merge it into the Coast Guard, or do we just try to pick up some more inland waterways functions and have some kind of fresh water administration? How do we handle safety? Safety is now generally associated with the administration which it supports, which is fundamentally good. I think it is. Still, there is a lot of talk about at least having a functional assistant secretary for safety. There are just a few of the problems which remain to be dealt with.

M: There is much work to be done yet?

D: Much work to be done. We don't have a single accounting system, we don't have an integrated system for the use of ADP equipment in this department, we don't have a single logistics and procurement system yet. We've got a decade of work to sharpen up this department.

M: Well, are you satisfied with the progress that you have made so far? I mean, there is a great deal to do just in getting things going.

D; The fact that today we've got a functioning department roughly three years after the President transmitted the DOT bill, that it is fairly well regarded, that it seems to carry out its daily functions with reasonable skill is a matter for great satisfaction. But when you are as close to it as I am and you see the things that can be done and should be done, you can't help but be discontent. I think we have done about as much as one could in shaping and moving such an enormous and complex organization with such a high degree of congressional and industry involvement. I would have to say that we have made the kind of progress, that if you would sum up all the plus marks, you can take some satisfaction in.

But there's a lot to be done. We don't have a national transportation system. We don't really know how to balance service in the Northeast transportation corridor. We don't have our national programs in balance. The amount of money we put in one program remains disproportionate compared to what we put in another one that may be of equal or greater importance. It will take years before the ways we approach our problems will make optimum contributions to the total fabric of transportation in this country. All you have to do is look at pathetic programs we have like rail safety and compare it to marine or FAA safety. It just jars you.

M: Can you tell me what you did to prepare for the transition to Nixon?

D: Yes, I can. This the second time I've been transition planning officer of a big organization, having done the same thing in 1960-61 for FAA. We started by making certain that we had good, organized informational briefing materials on every significant problem and activity of the department, in form that could be understood and appreciated. We turned out tools like the key executives' books which I may have mentioned. It never existed before. We decided the new people should be able to quickly learn about whom they inherited, including referring their photographs. The names are organized by administration and we have charts to show how they fit. We also prepared a basic transition briefing book--I keep giving away my copy. It was about this thick, but well organized.

M: That's about three to four inches thick?

D: Right. But we got the word back from the White House that it was the best prepared by any executive department. This was the unanimous view of the Nixon group--that it was best organized, most readable, and so on. I don't think it was all that outstanding, but it was good by the standards of transition materials.

Then we did other elementary things like preparing kits on housing and conditions in Washington and kits on employee benefits, rights, and privileges. We set up a group of offices well in advance of the first people being named. We had them all furnished, all ready for them to come in. We tried to generate among all of our staff, whether they were permanent or not, a spirit to which the Secretary, Secretary Boyd, contributed to very much, namely, "This is a department we all

have pride in. Let's try to make sure it doesn't fall on its face. Whether you are happy the Republicans won or not, let's at least try to make sure that there is real continuity."

So we had a most harmonious transition. To this day, some of the political officers of the old administration are still in office--urban mass transportation administrator, St. Lawrence Seaway development administrator, to name two. Now, they will eventually depart, but they are still here helping out. Many of the second layer people are here. The acting FAA administrator is being retained permanently as deputy administrator. Of course, you wouldn't expect any change in the Coast Guard. There has been a sincere effort on both sides to convey this department from President Johnson and Alan Boyd to President Nixon and John Volpe in the smoothest possible way. This effort has succeeded. There is always some confusion when you change guards, but it has gone pretty well.

M: Let me ask you one last question. I'll leave this open-ended. Is there anything you wish to make comment about or any area that I should have covered and I didn't?

D: When you deal with a story as complex as the Department of Transportation, it is easy to leave out many anecdotes that would be enlightening, but I think we have in these two interviews covered most of the department's history. One thing we have not covered in depth is the way in which the management system came actually to operate within the department, how decisions were really made, how the Secretary worked, how the relationships shaped up between the

administrations and the Office of Secretary. What were the friction points and so on? It might be well to have a session sometime on that which you might call the "Department in Action."

M: Very good.

D: The time has now run out, and I have a four-thirty meeting.

M: Fine.

End of Tape 1 of 1 and Interview II

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