

John 5/26/67
MEMORANDUM

THE WHITE HOUSE
WASHINGTON

August 26, 1966
Friday, 2:30 p.m.

MEMORANDUM FOR THE PRESIDENT

Subject: Maritime policy

100-11174 (5)
TN 7
FG 155
FG 115
FG 160
FG 696
FG 175

Attached is a letter to the President from Secretary Connor, who chaired a meeting with Secretary McNamara and Secretary Wirtz, attended by Jim Reynolds, Paul Ignatius, Alan Boyd, and myself, in Connor's office Thursday evening.

(1) All three Secretaries agree that this is not the time to discuss policy detail publicly. I concur, because, at the present time, both labor and management are more concerned about philosophy and attitude than they are with specifics.

(2) Connor and Wirtz join in specific policy recommendations, based on the Maritime Advisory Committee report. Their position would find great favor with the maritime industry. I don't think that you have to adopt these views, but I think it is politically necessary to start within this framework.

(3) McNamara states categorically that defense needs can be met without a subsidized fleet, and he prefers to remain silent on the non-defense aspects of maritime policy.

(4) The suggested statement of the Administration position, on the last page of the letter, is consistent with the views you expressed last Monday evening, at the meeting attended by Larry O'Brien, Alan Boyd, Henry Wilson, Jim Reynolds, and myself.

How all this fits into the tactical problem of winning the fight on the Department of Transportation is something I can't comment on, as I did not attend any of the meetings held since the one in your office last Monday evening, and I therefore don't feel I am adequately informed to suggest how the pieces should be put together.

MPS
Milton P. Semer



Orig -
also sent to
Files as of *1/30/67*

12/30/66

EXECUTIVE

FG 175

FG 4121

①

August 23, 1966

Honorable John W. McCormack
Speaker of the House
House of Representatives

Dear Mr. Speaker:

Attached is the language of the amendment to the Transportation Department Bill that I mentioned on the telephone. Also attached is a copy of the Bill as reported by the House Committee.

Sincerely,

Joseph A. Califano, Jr.
Special Assistant to the President

Attachments
As stated

RECEIVED
MAR 27 1967
CENTRAL FILES

yellow not in files 4/24/67

**ADDITIONAL LANGUAGE FOR
SECTION 3, H.R. 15963**

Sec. 3 (g) (1) There is hereby established within the Department a Maritime Subsidy Board. The Board shall carry out the following functions:

(A) All functions of the Federal Maritime Board transferred to it under section 105 (1), (2), and (3) of Reorganization Plan Numbered 21 of 1950 and subsequently vested in the Secretary of Commerce by section 202(b) of Reorganization Plan Numbered 7 of 1961.

(B) The administration of the provisions of title XI of the Merchant Marine Act, 1936 (52 Stat. 969; 46 U.S.C. 1271 et. seq.).

Sec. 3 (g) (2) The Board shall be composed of the Federal Maritime Administrator, who shall be Chairman, and two members who shall be appointed by the President, by and with the advice and consent of the Senate. The members shall be independent of the Maritime Administrator. Not more than 2 members of the board shall be from the same political party. The Deputy Maritime Administrator shall at no time sit as a member or acting member of the Board.

(Variation on Sunday morning -- Grinstein)

COMPROMISE

1. Delete "Federal Maritime Administration" from Section 6(5)(d). (Removing administrative finality)
2. Add: "Under the Secretary's policy guidance" in Section 6(5)(a) to preserve basic concept of Department

or

"Carry out" language of Wednesday morning.

Final Note:

3. Independent subsidy board is 99% of demands. This will move out the 100 pending applications for subsidies. This plus 3 points, plus "spin down" of functions to maritime Administrator is as far as we can go.

Administrative Authority of the Secretary of Defense Under the
National Security Act of 1947, and the 1949 Amendments

National Security Act of 1947

The National Security Act was enacted in July, 1947 after lengthy consideration. The substance of the Act was shaped by the vigorous debate between contending military interest groups, notably a fundamental disagreement between the Navy and the Army as to the extent to which the Secretary of Defense should have authority over the existing military departments and the respective roles of the Armed Services. After a long period of extensive and often public debate between these groups and their partisans, President Truman was eventually able to obtain agreement between Secretary of the Navy Forrestal and Secretary of War Patterson on a compromise proposal under which there would not be a single military department but three departments over which a Secretary of Defense would preside as "head of the Armed Forces Establishment."

The Administration bill specified that the Secretary was to "exercise direction, authority, and control." During Senate consideration, however, the word "general" was added before each of these powers. In addition, the Senate included other restrictive provisions which were later deleted from the final bill although one survived, the so-called "federal clause", which provided that all powers and duties not conferred upon the Secretary were retained by each of the respective service Secretaries.

As finally passed by the Congress, the National Security Act contained the following provisions with respect to the powers of the Secretary:

Policy

"Provide for the authoritative coordination and unified direction of the Armed Services under civilian control but not to merge them.

Section 202 - Duties of the Secretary

"The Secretary of Defense shall be the principal assistant to the President in all matters relating to the national security.

"(1) Establish general policies and programs for the National Military Establishment and for all of the departments and agencies therein.

"(2) Exercise general direction, authority, and control over such departments and agencies.

"(3) Take appropriate steps to eliminate unnecessary duplication and overlapping.

"(4) Supervise and coordinate the preparation of the budget estimates of the departments and agencies comprising the National Military Establishment; formulate and determine the budget estimates for submittal to the Bureau of the Budget and supervise the budget programs of such departments and agencies under the applicable Appropriation Act. Provided, that nothing herein contained shall prevent the Secretary of the Army, the Secretary of the Navy or the Secretary of the Air Force from presenting to the President or to the Director of the Budget after so informing the Secretary of Defense, any report and recommendations relating to his Department which he may deem necessary. Provided, further, that the Department of the Armed Forces shall be administered as individual executive department by their respective Secretaries and powers and duties relating to such departments not specifically conferred upon the Secretary of Defense by this Act shall be retained by each of the respective Secretaries.

Joint Chiefs

"The Joint Chiefs of Staff shall act as the principal military advisers to the President and the Secretary of Defense.

"Subject to the authority and direction of the President and the Secretary of Defense, the Joint Chiefs shall . . . "

The National Security Act Amendments of 1949

In the next few years following passage of the National Security Act, deficiencies in the Act became evident, particularly with respect to staff limitations on the Secretary and the difficulty of the Secretary in exercising supervision over the Joint Chiefs of Staff in the budget area. Inter-service rivalry also compounded existing administrative problems. The Hoover Commission Task Force on National Security studied the situation extensively and recommended a number of changes, many of which coincided with those advanced by Secretary Forrestal.

Among the recommended changes were those for a clarification of the powers of the Secretary and an increase of authority over preparation of the budget by elimination of the "federal clause."

The National Security Act Amendments of 1949 established a new framework for the Department of Defense. It provided:

"Under the direction of the President, and subject to the provisions of this Act, the Secretary of Defense shall have direction, authority, and control over the Department of Defense. The Secretary shall be the principal assistant to the President in all matters relating to the Department of Defense.

"(4) The Departments of the Army, Navy, and Air Force shall be separately administered under the direction, authority and control of the Secretary of Defense.

"(6) No provisions of this Act shall be construed as to prevent a Secretary of a military department or a member of the Joint Chiefs of Staff from presenting to the Congress on his own initiative, after first so informing the Secretary of Defense, any recommendation relating to the Department of Defense that he may deem proper."

Eliminated from the law was the "federal clause" which reserved all unspecified powers to the service Secretaries.

Re: S. 3010

Applying the DOD precedent would require the following changes to S. 3010:

- (1) On page 37, line 1, insert after Department "under the direction, authority, and control of the Secretary . . ."
- (2) On page 38, line 9, add ", provided however, that the Secretary may make such transfers as will ~~in his opinion~~ eliminate unnecessary duplication and overlapping."
- (3) On page 39, line 25, after the word "President" insert "and be his principal advisor. . ."

October 5, 1966

Re: S. 3010 (possible fall back position)

(1) in place of (1) on October 5 memo insert in lieu of line 24, page 37 - line 3, page 38:

In addition to such functions, powers and duties as are specifically transferred to the Administrators by this Act, the Administrator and the Commandant of the Coast Guard shall perform such functions, powers, and duties as the Secretary may prescribe. The Administrators and the Commandant of the Coast Guard shall report directly to the Secretary and shall be under his direction, authority and control, provided however, that, with respect to functions specifically transferred to the Administrator by this Act, the Administrators shall be under the general direction and authority [and control] of the Secretary.

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October 5, 1966

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The Administration bill specified that the Secretary was to "exercise direction, authority, and control." During Senate consideration, however, the word "general" was added before each of these powers. In addition, the Senate included other restrictive provisions which were later deleted from the final bill although one survived, the so-called "federal clause", which provided that all powers and duties not conferred upon the Secretary were retained by each of the respective service Secretaries.

As finally passed by the Congress, the National Security Act contained the following provisions with respect to the powers of the Secretary:

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Among the recommended changes were those for a clarification of the powers of the Secretary and an increase of authority over preparation of the budget by elimination of the "federal clause."

The National Security Act Amendments of 1949 established a new framework for the Department of Defense. It provided:

"Under the direction of the President, and subject to the provisions of this Act, the Secretary of Defense shall have direction, authority, and control over the Department of Defense. The Secretary shall be the principal assistant to the President in all matters relating to the Department of Defense.

"(4) The Departments of the Army, Navy, and Air Force shall be separately administered under the direction, authority and control of the Secretary of Defense.

"(6) No provisions of this Act shall be construed as to prevent a Secretary of a military department or a member of the Joint Chiefs of Staff from presenting to the Congress on his own initiative, after first so informing the Secretary of Defense, any recommendation relating to the Department of Defense that he may deem proper."

Eliminated from the law was the "federal clause" which reserved all unspecified powers to the service Secretaries.

89TH CONGRESS
2d Session

[Report No. 1659]

MARCH 2, 1966

SEPTEMBER 27, 1966

[Strike out all after the enacting clause and insert the part printed in *italic*]

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 *That this Act may be cited as the "Department of Trans-*
4 *portation Act."*

6 SEC. 2: The Congress hereby declares that the general
7 welfare, the economic growth and stability of the Nation
8 and its security require the development and implementation
9 of national transportation policies and programs conducive
10 to the provision of fast, safe, efficient, and convenient trans-
11 portation at the lowest cost consistent therewith and with

1 other national objectives, including the efficient utilization
2 and conservation of the Nation's resources.

3 The Congress therefore finds that the establishment of
4 a Department of Transportation is necessary in the public
5 interest and to assure the coordinated, effective administra-
6 tion of the transportation programs of the Federal Gov-
7 ernment; to facilitate the development and improvement of
8 coordinated transportation service; to be provided by private
9 enterprise to the maximum extent feasible; to encourage co-
10 operation of Federal, State, and local governments; carriers;
11 labor, and other interested parties toward the achievement
12 of national transportation objectives; to stimulate technologi-
13 cal advances in transportation; to provide general leadership
14 in the identification and solution of transportation problems;
15 and to develop and recommend national transportation
16 policies and programs to accomplish these objectives with
17 full and appropriate consideration of the needs of the pub-
18 lic, users, carriers, industry, labor, and the national defense.

19 ESTABLISHMENT OF DEPARTMENT

20 SEC. 3. (a) There is hereby established at the seat of
21 government an executive department to be known as the
22 Department of Transportation (hereinafter referred to as the
23 "Department"). There shall be at the head of the Depart-
24 ment a Secretary of Transportation (hereinafter referred to

1 as the "Secretary"), who shall be appointed by the Presi-
2 dent, by and with the advice and consent of the Senate.

3 ~~(b)~~ There shall be in the Department an Under Secre-
4 tary, who shall be appointed by the President, by and with
5 the advice and consent of the Senate. The Under Secretary
6 ~~(or, during the absence or disability of the Under Secretary,~~
7 ~~or in the event of a vacancy in the office of Under Secretary,~~
8 an Assistant Secretary determined according to such order
9 as the Secretary shall prescribe) shall act for, and exercise
10 the powers of the Secretary, during the absence or disability
11 of the Secretary or in the event of a vacancy in the office of
12 Secretary. The Under Secretary shall perform such func-
13 tions, powers, and duties as the Secretary shall prescribe
14 from time to time.

15 ~~(c)~~ There shall be in the Department four Assistant
16 Secretaries and a General Counsel, who shall be appointed
17 by the President, by and with the advice and consent of the
18 Senate, and who shall perform such functions, powers, and
19 duties as the Secretary shall prescribe from time to time.

20 ~~(d)~~ There shall be in the Department an Assistant Sec-
21 retary for Administration, who shall be appointed, with the
22 approval of the President, by the Secretary under the classi-
23 fied civil service who shall perform such functions, powers,
24 and duties as the Secretary shall prescribe from time to time.

GENERAL PROVISIONS

2 SEC. 4. (a) The Secretary in carrying out the pur-
3 poses of this Act shall, among his responsibilities, exercise
4 leadership under the direction of the President in transpor-
5 tation matters, including those affecting the national defense
6 and those involving national or regional emergencies; de-
7 velop national transportation policies and programs; and
8 make recommendations for their implementation; promote
9 and undertake development, collection, and dissemination of
10 technological, statistical, economic and other information
11 relevant to domestic and international transportation; and
12 promote and undertake research and development in and
13 among all modes of transportation and types of transportation
14 services and facilities.

(b) In exercising the functions, powers, and duties herein conferred on and transferred to the Secretary, the Secretary shall give full consideration to the need for operational continuity of the functions transferred; to the need for effectiveness and safety in transportation systems; and to the needs of the national defense.

(c) As necessary, and when not otherwise available, the Secretary is authorized to provide for, construct, or maintain the following for employees and their dependents stationed at remote localities:

25 ~~(1) Emergency medical services and supplies:~~

- 1 ~~(2)~~ Food and other subsistence supplies;
- 2 ~~(3)~~ Messing facilities;
- 3 ~~(4)~~ Motion picture equipment and film for recrea-
- 4 tion and training;
- 5 ~~(5)~~ Reimbursement for food, clothing, medicine,
- 6 and other supplies furnished by such employees in emer-
- 7 gencies for the temporary relief of distressed persons;
- 8 and

9 ~~(6)~~ Living and working quarters and facilities.

10 The furnishing of medical treatment under paragraph ~~(4)~~

11 and the furnishing of services and supplies under para-

12 graphs ~~(2)~~ and ~~(3)~~ of this subsection shall be at prices

13 reflecting reasonable value as determined by the Secretary,

14 and the proceeds therefrom shall be credited to the appro-

15 priation from which the expenditure was made.

16 ~~(d)~~ The Secretary is authorized to accept, hold, admin-

17 ister, and utilize gifts and bequests of property, both real and

18 personal, for the purpose of aiding or facilitating the work of

19 the Department of Transportation. Gifts and bequests of

20 money and the proceeds from sales of other property re-

21 ceived as gifts or bequests shall be deposited in the Treasury

22 in a separate fund and shall be disbursed upon order of the

23 Secretary of Transportation. Property accepted pursuant to

24 this provision, and the proceeds thereof, shall be used as

1 nearly as possible in accordance with the terms of the gift
2 or bequest.

3 ~~(e)~~ For the purpose of Federal income, estate, and gift
4 taxes, property accepted under section 4(d) of this Act
5 shall be considered as a gift or bequest to or for use of the
6 United States.

7 ~~(f)~~ Upon the request of the Secretary, the Secretary of
8 the Treasury may invest and reinvest in securities of the
9 United States or in securities guaranteed as to principal and
10 interest by the United States any moneys contained in the
11 fund authorized herein. Income accruing from such secu-
12 rities, and from any other property pursuant to section 4(d)
13 of this Act, shall be deposited to the credit of the fund author-
14 ized herein, and shall be disbursed upon order of the Secre-
15 tary of Transportation.

16 ~~(g)~~ The Secretary is authorized, upon the written re-
17 quest of any person, firm, or corporation, to make special
18 statistical studies relating to foreign and domestic transporta-
19 tion, and other matters falling within the province of the De-
20 partment of Transportation, to prepare from its records
21 special statistical compilations, and to furnish transcripts of
22 its studies, tables, and other records upon the payment of
23 the actual cost of such work by the person, firm, or corpora-
24 tion requesting it.

1 ~~(h)~~ All moneys received by the Department of Trans-
2 portation in payment of the cost of work under section 4 ~~(g)~~
3 of this Act shall be deposited in a special account to be
4 administered under the direction of the Secretary of Trans-
5 portation. These moneys may be used, in the discretion
6 of the Secretary of Transportation, and notwithstanding
7 any other provisions of law, for the ordinary expenses inci-
8 dental to the work and/or to secure in connection there-
9 with the special services of persons who are neither officers
10 nor employees of the United States.

11 ~~(i)~~ The Secretary is authorized to appoint such ad-
12 visory committees as shall be appropriate for the purpose
13 of consultation with and advice to the Department in per-
14 formance of its functions. Members of such committees
15 shall be entitled to per diem and travel expenses as author-
16 ized by the Administrative Expenses Act of 1946 (60 Stat.
17 808), for all persons employed intermittently as consultants
18 or experts receiving compensation on a per diem basis.

19 ~~(j)~~ Orders and actions of the Secretary or the National
20 Transportation Safety Board in the exercise of functions,
21 powers, and duties transferred under this Act shall be sub-
22 ject to judicial review to the same extent and in the same
23 manner as if such orders and actions had been by the agency
24 originally exercising such functions, powers, and duties.

1 ~~(k)~~ In the exercise of the functions, powers, and duties
 2 transferred under this Act, the Secretary is authorized the
 3 same authority as vested in the agency originally exercising
 4 such functions, powers, and duties, and his actions in exer-
 5 cising such functions, powers, and duties shall have the same
 6 force and effect as when exercised by such agency.

7 ~~(l)-(1)~~ Nothing in this Act or other law shall pre-
 8 clude appointment, detail, or assignment of a member on
 9 active duty of the Coast Guard to any position in the De-
 10 partment, other than Secretary, Under Secretary, and Assist-
 11 ant Secretary for Administration.

12 ~~(2)~~ Nothing in this Act or other law shall preclude
 13 appointment of a retired member of the Coast Guard to any
 14 position in the Department.

15 ~~(3)~~ The provisions of section 9(c)(1) shall apply to
 16 persons appointed, detailed, or assigned under authority of
 17 this subsection.

18 NATIONAL TRANSPORTATION SAFETY BOARD

19 SEC. 5: ~~(a)~~ There is hereby established within the De-
 20 partment a National Transportation Safety Board. The
 21 Board shall exercise the functions, powers, and duties trans-
 22 ferred to the Secretary by sections 6 and 8 of this Act with
 23 regard to ~~(1)~~ determining the cause or probable cause of
 24 transportation accidents, and shall report the facts, condi-
 25 tions, and circumstances relating to such accidents; and ~~(2)~~

1 the review on appeal of the suspension, amendment, modifi-
2 cation, revocation, or denial of any certificate or license issued
3 by the Secretary. In exercising these functions, powers, and
4 duties, the Board shall be independent of the Secretary and
5 the operating units of the Department.

6 ~~(b)~~ The Board shall consist of five members to be ap-
7 pointed by the President, by and with the advice and consent
8 of the Senate, and who shall continue in office as designated
9 by the President at time of nomination through the last day
10 of the first, second, third, fourth, and fifth full calendar years,
11 respectively, following the year of enactment of this Act.
12 Their successors shall be appointed for terms of five years,
13 in the same manner as the members originally appointed
14 under this Act. Members of the Board shall be appointed
15 with due regard to their fitness for the efficient dispatch of
16 the functions, powers, and duties vested in and imposed
17 upon the Board. Members of the Board may be removed
18 by the President for inefficiency, neglect of duty, or mal-
19 feasant in office.

20 ~~(c)~~ Any person appointed to fill a vacancy occurring
21 prior to the expiration of a term for which his predecessor
22 was appointed shall serve only for the remainder of such
23 term. Upon the expiration of his term of office, except in
24 the case of a member removed for cause under section 5(b),

1 a member shall continue to serve until his successor is ap-
2 pointed and shall have qualified.

3 ~~(d)~~ The President shall designate from time to time
4 one of the members of the Board as Chairman and one of
5 the members as Vice Chairman, who shall act as Chairman
6 in the absence or incapacity of the Chairman, or in the event
7 of a vacancy in the office of the Chairman. The Chairman
8 shall be the chief executive and administrative officer of the
9 Board and shall exercise the responsibility of the Board with
10 respect to ~~(1)~~ the appointment and supervision of personnel
11 employed by the Board; ~~(2)~~ the distribution of business
12 among the Board's personnel; and ~~(3)~~ the use and expendi-
13 ture of funds. In executing and administering the functions
14 of the Board on its behalf, the Chairman shall be governed
15 by the general policies of the Board and by its decisions,
16 findings, and determinations. Three of the members shall
17 constitute a quorum of the Board.

18 ~~(e)~~ The Chairman of the Board shall be compensated
19 at the rate provided for at level V of the Federal Executive
20 Salary Act of 1964 (78 Stat. 416), as provided in section
21 ~~10(d)(4)~~ of this Act. Members of the Board shall be
22 compensated at the rate now or hereafter established for
23 grade 18 of the General Schedule of the Classification Act
24 of 1949 (63 Stat. 954).

25 ~~(f)~~ The Board is authorized to establish such rules, reg-

1 ulations, and procedures as are necessary to the exercise of
2 its functions.

3 ~~(g)~~ The Board, any member thereof, or any hearing
4 examiner assigned to the Board shall have the same powers
5 as are vested in the Secretary to hold hearings, sign and
6 issue subpoenas, administer oaths, examine witnesses, and
7 receive evidence at any place in the United States it may
8 designate.

9 ~~(h)~~ Subject to the proviso in section 701~~(g)~~ of the
10 Federal Aviation Act of 1958 (72 Stat. 731), the Board
11 may delegate to any officer or official of the Board or, with
12 the approval of the Secretary, to any officer or official of the
13 Department such of its functions as it may deem appropriate.

14 ~~(i)~~ The Board is further authorized to make such rec-
15 ommendations concerning transportation safety to the Sec-
16 retary as it may deem appropriate, including recommenda-
17 tions for the conduct of special safety studies on matters
18 pertaining to safety in transportation and the prevention of
19 accidents, the initiation of accident investigations, and rules,
20 regulations, and procedures for the conduct of accident
21 investigations.

22 ~~(j)~~ Subject to the civil service and classification laws,
23 the Board is authorized to select, appoint, employ, and fix
24 compensation of such officers and employees, including attor-

1 neys; as shall be necessary to carryout its powers and duties
2 under this Act.

3 ~~(k)~~ The Secretary shall provide to the Board financial
4 and administrative services; the cost of which shall be paid
5 in advance; or by reimbursement; from funds of the Board.

6 TRANSFERS TO DEPARTMENT

7 SEC. 6. ~~(a)~~ There are hereby transferred to and vested
8 in the Secretary all functions, powers, and duties of the
9 Secretary of Commerce and other officers and offices of the
10 Department of Commerce under title 23, United States
11 Code; relating to highways; the Federal Aid Highway Act
12 of 1962 (76 Stat. 1145); relating to engineering and plan-
13 ning surveys concerning highway construction programs in
14 Alaska; the Act of July 14, 1960 (74 Stat. 526); relating
15 to the National Driver Register Service; the Federal Aid
16 Highway Act of 1954 (68 Stat. 70); relating to the Great
17 River Road; the Highway Revenue Act of 1956 (70 Stat.
18 387); relating to the highway trust fund; the Highway
19 Beautification Act of 1965 (79 Stat. 1028); the Alaska
20 Omnibus Act (73 Stat. 141); relating to transfers of lands;
21 buildings, fixtures, and other property used in connection
22 with Bureau of Public Roads activities in Alaska; Senate
23 Joint Resolution 81 (79 Stat. 578); relating to reports of
24 highway needs to Congress; section 525(e) of the General
25 Bridge Act of 1946 (60 Stat. 847); relating to the location

1 of and plans for interstate bridges; the Act of July 26, 1956
2 (70 Stat. 669), relating to the Muscatine Bridge Commis-
3 sion; the Act of December 21, 1944 (58 Stat. 846), relating
4 to the City of Clinton Bridge Commission; the Act of
5 April 12, 1941 (55 Stat. 140), relating to the White
6 County Bridge Commission; the Act of April 27, 1962
7 (76 Stat. 59), relating to the annual audit of bridge com-
8 missions; the Act of September 30, 1965, relating to high-
9 speed ground transportation (79 Stat. 893); the Urban
10 Mass Transportation Act of 1964 (78 Stat. 302); the Act
11 of September 7, 1957 (71 Stat. 629), and section 410 of
12 the Federal Aviation Act of 1958 (72 Stat. 769), relating
13 to guarantee of loans for the purchase of aircraft and air-
14 craft equipment; title XIII, War Risk Insurance, of the
15 Federal Aviation Act of 1958 (72 Stat. 800); the Great
16 Lakes Pilotage Act of 1960 (74 Stat. 259); the Merchant
17 Marine Act, 1920 (41 Stat. 988); the Merchant Marine
18 Act, 1928 (45 Stat. 689); the Merchant Marine Act, 1936
19 (49 Stat. 1985); the Shipping Act, 1916 (39 Stat. 728);
20 the Merchant Ship Sales Act of 1946 (60 Stat. 41); the
21 Maritime Academy Act of 1958 (72 Stat. 622); the Act
22 of June 12, 1940 (54 Stat. 346), relating to assistance to
23 maritime schools; the Act of August 30, 1964 (78 Stat.
24 614), relating to the fishing fleet; the Act of September 14,

1 1961 (75 Stat. 514), relating to appointments to the Mer-
 2 chant Marine Academy; the Act of June 13 1957 (71
 3 Stat. 73), to the extent it relates to operating differential
 4 subsidies; the Act of June 12, 1951 (65 Stat. 59), relating
 5 to vessel operations revolving fund; the Act of July 24,
 6 1956 (70 Stat. 605), relating to the grant of medals and
 7 decorations for service in the United States merchant ma-
 8 rine; the Act of August 9, 1954 (68 Stat. 675), relating
 9 to emergency foreign merchant vessel acquisition and oper-
 10 ation; Reorganization Plan Numbered 24 of 1950 (64 Stat.
 11 1273); Reorganization Plan Numbered 7 of 1961 (75 Stat.
 12 840); Reorganization Plan Numbered 7 of 1949 (63 Stat.
 13 1070); and the Act of August 1, 1947 (61 Stat. 715), to
 14 the extent that it authorizes scientific and professional posi-
 15 tions which relate primarily to functions transferred by this
 16 subsection.

17 ~~(b)(1)~~ The Coast Guard is hereby transferred to the
 18 Department, and there are hereby transferred to and vested
 19 in the Secretary all functions, powers, and duties, relating
 20 to the Coast Guard, of the Secretary of the Treasury and of
 21 other officers and offices of the Department of the Treasury.

22 ~~(2)~~ Notwithstanding the transfer of the Coast Guard
 23 to the Department and the transfer to the Secretary of the
 24 functions, powers, and duties, relating to the Coast Guard,
 25 of the Secretary of the Treasury and of other officers and

1 offices of the Department of the Treasury, effected by the
2 provisions of subparagraph (1) of this subsection, the Coast
3 Guard, together with the functions, powers, and duties relat-
4 ing thereto, shall operate as a part of the Navy, subject to
5 the orders of the Secretary of the Navy, in time or war or
6 when the President shall so direct, as provided in title 14,
7 United States Code, section 3.

8 ~~(3)~~ Notwithstanding any other provision of this Act,
9 the functions, powers, and duties of the General Counsel of
10 the Department of the Treasury set out in the Uniform Code
11 of Military Justice ~~(10 United States Code, section 801, et~~
12 ~~seq.)~~ are hereby transferred to and vested in the General
13 Counsel of the Department.

14 ~~(c)~~ There are hereby transferred to and vested in the
15 Secretary all functions, powers, and duties of the Federal
16 Aviation Agency, and of the Administrators and other officers
17 and offices thereof.

18 ~~(d)~~ There are hereby transferred to and vested in the
19 Secretary all functions, powers, and duties of the Civil Aero-
20 nautics Board, and of the Chairman, members, officers, and
21 offices thereof under titles VI ~~(72 Stat. 776)~~ and VII ~~(72~~
22 ~~Stat. 781)~~ of the Federal Aviation Act of 1958.

23 ~~(e)~~ There are hereby transferred to and vested in the
24 Secretary all functions, powers, and duties of the Interstate
25 Commerce Commission under the Act of March 2, 1893 ~~(27~~

1 Stat. 531), as amended by the Act of August 14, 1957 (71
2 Stat. 352), the Act of March 2, 1903 (32 Stat. 943), as
3 amended by the Act of April 11, 1958 (72 Stat. 86), and
4 the Act of April 14, 1910 (36 Stat. 298), as amended by
5 the Act of August 14, 1957 (71 Stat. 352), relating to
6 safety appliances; the Act of May 30, 1908 (35 Stat. 476),
7 relating to ash pans; the Act of February 17, 1911 (36 Stat.
8 913), the Act of March 4, 1915 (38 Stat. 1102), the Act
9 of June 26, 1918 (40 Stat. 616), the Act of June 7, 1924
10 (43 Stat. 659), the Act of June 27, 1930 (46 Stat. 822),
11 and the Act of April 22, 1940 (54 Stat. 148), the Act of
12 May 27, 1947 (61 Stat. 120), the Act of June 25, 1948
13 (62 Stat. 909), the Act of October 28, 1949 (63 Stat.
14 972), the Act of August 14, 1957 (71 Stat. 352), relating
15 to boiler inspection; Reorganization Plan Numbered 3 of
16 1965 (79 Stat. 1320), relating to locomotive inspection;
17 the resolution of June 30, 1906 (34 Stat. 838), relating to
18 block signals; the Act of May 27, 1908 (35 Stat. 325), the
19 Act of March 4, 1909 (35 Stat. 965), relating to investiga-
20 tion and testing of appliances and inspection of mail cars;
21 the Act of May 6, 1910 (36 Stat. 350), the Act of Septem-
22 ber 13, 1960 (74 Stat. 903), relating to accident reports;
23 the Act of March 4, 1907 (34 Stat. 1415), the Act of
24 May 4, 1916 (39 Stat. 61), the Act of June 25, 1948 (62
25 Stat. 909), the Act of August 14, 1957 (71 Stat. 352),

1 relating to hours of service of employees; the Act of Feb-
 2 ruary 23, 1905 (33 Stat. 743); the Act of June 13, 1957
 3 (71 Stat. 69); relating to awards; title 18, United States
 4 Code, sections 831-835, relating to explosives and other dan-
 5 gerous articles; the Act of March 19, 1918 (40 Stat. 450);
 6 the Act of March 4, 1921 (41 Stat. 1446); and the Act of
 7 March 3, 1923 (42 Stat. 1434); as amended by the Act of
 8 June 24, 1948 (62 Stat. 646); relating to the Standard
 9 Time Act; and the following sections of the Interstate Com-
 10 merce Act (24 Stat. 379): sections 1(10), 1(11), 1(12),
 11 1(13), 1(14)(a) (but not including establishment of the
 12 compensation to be paid for the use of any locomotive, car,
 13 or other vehicle not owned by the carrier using it) 1(15),
 14 1(16), 1(17), 6(8), the final sentence of 15(4), 15(10),
 15 and 420, relating to car service; section 25, relating to
 16 safety appliances, methods and systems; section 226, relat-
 17 ing to investigation of motor vehicle sizes and weights; sec-
 18 tion 1(21) except to the extent that it relates to the exten-
 19 sion of line or lines of common carriers; section 204(a)(1)
 20 and (2) to the extent that they relate to qualifications and
 21 maximum hours of service of employees and safety of opera-
 22 tion and equipment; and section 204(a) (3), (3a), and
 23 (5), relating to safety.

24 Nothing in this subsection shall diminish the functions;

1 powers, and duties of the Interstate Commerce Commission
2 under sections 1(6), 206, 207, 209, 210a, 212, and 216 of
3 the Interstate Commerce Act or under any other section of
4 that Act not specifically referred to in the first paragraph of
5 this subsection.

6 (f) There are hereby transferred to and vested in the
7 Secretary all functions, powers, and duties of the Secretary
8 of the Army and other officers and offices of the Department
9 of the Army under section 7 of the River and Harbor Act
10 of March 4, 1915 (38 Stat. 1053), and the Act of April 22,
11 1940 (54 Stat. 150), relating to water vessel anchorages;
12 section 5 of the Act of August 18, 1894 (28 Stat. 362),
13 relating to drawbridge operating regulations; the Act of
14 June 21, 1940 (54 Stat. 497), relating to obstructive
15 bridges; section 4 of the Act of March 23, 1906 (34 Stat.
16 85), section 503 of the General Bridge Act (60 Stat. 847),
17 section 17 of the Act of June 10, 1930 (46 Stat. 552), and
18 Act of June 27, 1930 (46 Stat. 821), and the Act of August
19 21, 1935 (49 Stat. 670), relating to the reasonableness of
20 tolls; the Oil Pollution Act of 1961 (75 Stat. 402), relating
21 to the detection of oil pollution and enforcement of measures
22 against same; and section 9 of the Act of March 3, 1899 (30
23 Stat. 1151), the Act of March 23, 1906 (34 Stat. 84), and
24 the General Bridge Act (60 Stat. 847), insofar as they relate

1 to the location and clearances of bridges in the navigable
2 waters of the United States.

3 TRANSPORTATION INVESTMENT STANDARDS

4 SEC. 7. (a) The Secretary shall develop and from time
5 to time in the light of experience revise standards and criteria
6 consistent with national transportation policies, for the formu-
7 lation and economic evaluation of all proposals for the invest-
8 ment of Federal funds in transportation facilities or equip-
9 ment, except such proposals as are concerned with (1) the
10 acquisition of transportation facilities or equipment by Fed-
11 eral agencies in providing transportation services for their
12 own use; (2) an interoceanic canal located outside the con-
13 tiguous United States; (3) defense features included at the
14 direction of the Department of Defense in the design and con-
15 struction of civil air, sea, and land transportation; or (4)
16 programs of foreign assistance. The standards and criteria
17 for economic evaluation of the transportation features of
18 multipurpose water resource projects shall be developed by
19 the Secretary after consultation with the Water Resources
20 Council, and shall be compatible with the standards and
21 criteria for economic evaluation applicable to nontransporta-
22 tion features of such projects. The standards and criteria
23 developed or revised pursuant to this subsection shall be

1 promulgated by the Secretary upon their approval by the
2 President.

3 ~~(b)~~ Every survey, plan, or report formulated by a Fed-
4 eral agency which includes a proposal as to which the
5 Secretary has promulgated standards and criteria pursuant to
6 subsection ~~(a)~~ shall be ~~(1)~~ prepared in accord with such
7 standards and criteria and upon the basis of information
8 furnished by the Secretary with respect to projected growth
9 of transportation needs and traffic in the affected area, the
10 relative efficiency of various modes of transport, the available
11 transportation services in the area, and the general effect of
12 the proposed investment on existing modes, and on the
13 regional and national economy; ~~(2)~~ coordinated by the pro-
14 posing agency with the Secretary and, as appropriate, with
15 other Federal agencies, States, and local units of government
16 for inclusion of his and their views and comments; and
17 ~~(3)~~ transmitted thereafter by the proposing agency to the
18 President for disposition in accord with law and procedures
19 established by him.

20 AMENDMENTS TO OTHER LAWS

21 SEC. 8. ~~(a)~~ Section 406~~(b)~~ of the Federal Aviation
22 Act of 1958, as amended ~~(72 Stat. 763)~~, is amended by
23 adding the following sentence at the end thereof: "In apply-
24 ing clause ~~(3)~~ of this subsection, the Board shall take into
25 consideration any standards and criteria prescribed by the

1 Secretary of Transportation; for determining the character
2 and quality of transportation required for the commerce of
3 the United States and the national defense."

4 (b) Section 201 of the Appalachian Regional Develop-
5 ment Act (79 Stat. 10) is amended as follows:

6 (1) The first sentence of subsection (a) of that section
7 is amended by striking the words "Commerce (hereafter in
8 this section referred to as the 'Secretary')" and inserting in
9 lieu thereof "Transportation."

10 (2) The last sentence of subsection (a) of that section
11 is amended by inserting after the word "Secretary", the
12 words "of Transportation".

13 (3) Subsection (b) of that section is amended by in-
14 serting after the word "Secretary", the words "of Com-
15 merce".

16 (4) Subsection (c) of that section is amended by strik-
17 ing the first sentence and inserting in lieu thereof the fol-
18 lowing sentence: "Such recommendations as are approved
19 by the Secretary of Commerce shall be transmitted to the
20 Secretary of Transportation for his approval."

21 (5) The second sentence of subsection (c) of that sec-
22 tion is amended by inserting after the word "Secretary" the
23 words "of Transportation".

24 (6) Subsection (e) of that section is amended by in-

1 serting after the word "Secretary" the words "of Transpor-
2 tation".

3 (7) Subsection (f) of that section is amended by in-
4 serting after the word "Secretary", the words "of Com-
5 merce and the Secretary of Transportation". Subsection
6 (f) of that section is further amended by striking the word
7 "determines" and inserting in lieu thereof "determine".

8 (8) Subsection (g) of that section is amended by
9 striking the period at the end thereof and adding the follow-
10 ing: "to the Secretary of Commerce, who shall transfer funds
11 to the Secretary of Transportation for administration of proj-
12 ects approved by both Secretaries."

13 (e) Section 206(e) of the Appalachian Regional De-
14 velopment Act of 1965 (70 Stat. 15) is amended by insert-
15 ing after "Interior," the words "Secretary of Transporta-
16 tion,".

17 (d) Sections 12, 13(1), 13(2), 20 (except clauses
18 (3), (4), (11), and (12) thereof), 204(a) (except
19 clauses 4 and 4a thereof), 204(c), 205(d), 205(f), 220
20 (except subsection (c) thereof), and 222 (except subsec-
21 tions (b)(2) and (b)(3) thereof) of the Interstate Com-
22 merce Act (27 Stat. 370) are amended by inserting "(Sec-
23 retary of Transportation with respect to the establishment
24 and enforcement of reasonable requirements with respect to
25 qualifications and maximum hours of service of employees;

1 safety of operation and equipment, and car service)" im-
 2 mediately after "Commission" where it first occurs in each
 3 such section, and by inserting "or Secretary of Transportation
 4 as the case may be" after Commission in every other place
 5 where it occurs in each such section, except where it occurs
 6 in the proviso of section 220(a) and the last time in section
 7 222(h).

8 (c) Section 212(a) of the Interstate Commerce Act (40
 9 Stat. 555) is amended by striking "of the Commission" the
 10 second, third, and fourth times those words occur.

11 (f) Section 13(b) of the Fair Labor Standards Act of
 12 1938 (52 Stat. 1067) is amended by striking the words
 13 "Interstate Commerce Commission" and inserting in lieu
 14 thereof "Secretary of Transportation."

15 (g) Section 18(1) of the Interstate Commerce Act
 16 (24 Stat. 386) is amended by inserting "or Secretary of
 17 Transportation with respect to the establishment and en-
 18 forcement of reasonable requirements with respect to quali-
 19 fications and maximum hours of services of employees; safety
 20 of operation and equipment, and car service" after "Com-
 21 mission" where it last occurs therein.

22 (h) The second sentence of section 3 of the Federal
 23 Explosives Act (40 Stat. 385) is amended as follows:
 24 "This Act shall not apply to explosives or ingredients which
 25 are in transit upon vessels, railroad cars, aircraft, or other

1 conveyances in conformity with statutory law or with the
2 rules and regulations of the Secretary of Transportation."

3 ADMINISTRATIVE PROVISIONS

4 SEC. 9. (a) In addition to the authority contained in
5 any other Act which is transferred to and vested in the
6 Secretary, the Secretary is authorized, subject to the civil
7 service and classification laws, to select, appoint, employ,
8 and fix the compensation of such officers and employees, in-
9 cluding attorneys, as are necessary to carry out the pro-
10 visions of this Act and to prescribe their authority and
11 duties.

12 (b) Subsection b of section 505 of the Classification
13 Act of 1949 (63 Stat. 959), relating to the maximum
14 number of positions authorized at any one time for grades
15 16, 17, and 18 of the General Schedule of such Act, is
16 further amended by striking the number "twenty-four hun-
17 dred" and by inserting in lieu thereof "twenty-four hundred
18 and forty-five."

19 (c) The Secretary may obtain services as authorized
20 by section 15 of the Act of August 2, 1946 (60 Stat. 810),
21 but at rates not to exceed \$100 per diem for individuals
22 unless otherwise specified in an appropriation Act.

23 (d) The Secretary is authorized to provide for par-
24 ticipation of military personnel in carrying out his functions.
25 Members of the Army, the Navy, the Air Force, or the

1 Marine Corps may be detailed for service in the Department
 2 by the appropriate Secretary; pursuant to cooperative agree-
 3 ments with the Secretary of Transportation. Members so
 4 detailed shall not be charged against any statutory limitation
 5 on grades or strengths applicable to the military departments.

6 ~~(c)(1)~~ Appointment, detail, or assignment to, accept-
 7 ance of, and service in any appointive or other position in
 8 the Department under the authority of section 4(1) and
 9 section 9(d) shall in no way affect status, office, rank, or
 10 grade which officers or enlisted men may occupy or hold
 11 or any emolument, perquisite, right, privilege, or benefit
 12 incident to or arising out of any such status, office, rank, or
 13 grade. A person so appointed, detailed, or assigned shall
 14 not be subject to direction by or control by his armed force
 15 or any officer thereof directly or indirectly with respect to
 16 the responsibilities exercised in the position to which ap-
 17 pointed, detailed, or assigned.

18 ~~(2)~~ The Secretary shall report annually in writing to
 19 the appropriate committees of the Congress on personnel
 20 appointed and agreements entered into under subsection (d)
 21 of this section, including the number, rank, and positions of
 22 members of the armed services detailed pursuant thereto.

23 ~~(f)~~ In addition to the authority to delegate and redele-
 24 gate contained in any other Act in the exercise of the func-

1 tions transferred to or vested in the Secretary in this Act;
2 the Secretary may delegate any of his functions, powers, and
3 duties to such officers and employees of the Department
4 as he may designate, may authorize such successive redele-
5 gations of such functions, powers, and duties as he may deem
6 desirable, and may make such rules and regulations as may
7 be necessary to carry out his functions, powers, and duties.

8 ~~(g)~~ The personnel, assets, liabilities, contracts, prop-
9 erty, records, and unexpended balances of appropriations,
10 authorizations, allocations, and other funds employed, held,
11 used, arising from, available or to be made available, of the
12 Federal Aviation Agency, and of the head and other officers
13 and offices thereof, are hereby transferred to the Secretary.

14 ~~(h)~~ So much of the personnel, assets, liabilities, con-
15 tracts, property, records, and unexpended balances of ap-
16 propriations, authorizations, allocations, and other funds
17 employed, held, used, arising from, available or to be made
18 available in connection with the functions, powers, and duties
19 transferred by sections 6 ~~(except section 6(e))~~ and 8(d),
20 ~~(e)~~, ~~(f)~~, and ~~(g)~~ of this Act as the Director of the Bureau
21 of the Budget shall determine shall be transferred to the
22 Secretary.

23 ~~(i)~~ The transfer of personnel pursuant to subsections
24 ~~(e)~~ and ~~(f)~~ of this section shall be without reduction in clas-
25 sification and compensation, except that this requirement

1 shall not operate after one year from the date such transfers
2 are made.

3 (j) Any offices and any agency heretofore established
4 by law, all the functions, powers, and duties of which are
5 transferred pursuant to this Act shall lapse: *Provided, how-*
6 *ever,* That this sentence shall not apply to the Coast Guard:
7 *And provided further,* That any person holding a position
8 compensated in accordance with the Federal Executive Sal-
9 ary Schedule who, without a break in service, is appointed
10 in the Department to a position having duties comparable to
11 those performed at the effective date of this Act shall con-
12 tinue to be compensated at not less than the rate provided
13 for such level for the duration of his service in such position.

14 (k) The Secretary is authorized to establish a working
15 capital fund, to be available without fiscal year limitation,
16 for expenses necessary for the maintenance and operation of
17 such common administrative services as he shall find to be
18 desirable in the interest of economy and efficiency in the De-
19 partment, including such services as a central supply service
20 for stationery and other supplies and equipment for which
21 adequate stocks may be maintained to meet in whole or in
22 part the requirements of the Department and its agencies;
23 central messenger, mail, telephone, and other communica-
24 tions services; office space, central services for document re-
25 production, and for graphics and visual aids; and a central

1 library service. The capital of the fund shall consist of the
 2 fair and reasonable value of such stocks of supplies, equip-
 3 ment, and other assets and inventories on order as the Sec-
 4 retary may transfer to the fund, less the related liabilities and
 5 unpaid obligations, together with any appropriations made
 6 for the purpose of providing capital, which appropriations
 7 are hereby authorized. Such funds shall be reimbursed from
 8 available funds of agencies and offices in the Department,
 9 or from other sources, for supplies and services at rates which
 10 will approximate the expense of operation, including the ac-
 11 crual of annual leave and the depreciation of equipment. The
 12 fund shall also be credited with receipts from sale or exchange
 13 of property and receipts in payment for loss or damage
 14 to property owned by the fund.

15 ~~(1)~~ The Secretary shall cause a seal of office to be
 16 made for the Department of such device as he shall approve,
 17 and judicial notice shall be taken of such seal.

18 CONFORMING AMENDMENTS TO OTHER LAWS

19 SEC. 10. ~~(a)~~ Section 10~~(d)~~~~(1)~~ of title 3, United States
 20 Code, is hereby amended by striking out the period at the
 21 end thereof and inserting a comma and the following: "Sec-
 22 retary of Transportation."

23 ~~(b)~~ Section 158 of the Revised Statutes ~~(5 U.S.C. 1)~~
 24 is amended by adding at the end thereof:

25 "Twelfth. The Department of Transportation."

1 ~~(c)~~ The amendment made by subsection ~~(b)~~ of this
 2 section shall not be construed to make applicable to the
 3 Department any provision of law inconsistent with this Act.

4 ~~(d)~~ Section 303 of the Federal Executive Salary Act
 5 of 1964 (~~78 Stat. 416~~) is amended as follows:

6 ~~(1)~~ subsection ~~(a)~~ of that section is amended by adding
 7 at the end thereof the following:

8 ~~"(11) Secretary of Housing and Urban Development.~~

9 ~~(12) Secretary of Transportation."~~

10 ~~(2)~~ subsection ~~(c)~~ of that section is amended by strik-
 11 ing ~~"(6) Under Secretary of Commerce for Transportation"~~
 12 and inserting in lieu thereof ~~"(6) Under Secretary of Trans-~~
 13 ~~portation"~~.

14 ~~(3)~~ subsection ~~(d)~~ of that section is amended by add-
 15 ing the following:

16 ~~"(22a) Assistant Secretaries, Department of Transpor-~~
 17 ~~tation (4)"~~.

18 ~~"(47a) General Counsel, Department of Transporta-~~
 19 ~~tion"~~.

20 ~~(4)~~ subsection ~~(c)~~ of that section is amended by add-
 21 ing the following:

22 ~~"(27a) Assistant Secretary for Administration, Depart-~~
 23 ~~ment of Transportation"~~.

24 ~~"(101) Chairman, National Transportation Safety~~
 25 ~~Board, Department of Transportation"~~.

1 ~~(5)~~ subsection ~~(f)~~ of that section is amended by strik-
2 ing out "thirty" and inserting in lieu thereof "thirty-nine."

3 ~~(6)~~ Immediately following subsection ~~(g)~~ of that sec-
4 tion, the following new subsection is added:

5 "~~(h)~~ The President is further authorized to place one
6 position in level III."

7 ~~(e)~~ Subsections ~~(b)~~(7), ~~(d)~~(2), and ~~(e)~~ (12),
8 ~~(13)~~, ~~(14)~~, ~~(76)~~, ~~(82)~~, and ~~(89)~~ of section 303 of the
9 Federal Executive Salary Act of 1964 ~~(78 Stat. 416)~~ are
10 repealed, subject to the provisions of section 9 of the Depart-
11 ment of Transportation Act.

12 ~~(f)~~ The Act of August 1, 1956 ~~(70 Stat. 897)~~, is
13 amended by striking the words "Secretary of Commerce"
14 where they appear therein and inserting in lieu thereof
15 "Secretary of Transportation."

16 ~~(g)~~ Title 18, United States Code, section 1020 is
17 amended by striking the words "Secretary of Commerce"
18 where they appear therein and inserting in lieu thereof "Sec-
19 retary of Transportation."

20 ~~(h)~~ Subsection ~~(1)~~ of section 801, title 10, United
21 States Code, is amended by striking out "the General Coun-
22 sel of the Department of the Treasury" and inserting in lieu
23 thereof "the General Counsel of the Department of Trans-
24 portation."

ANNUAL REPORT

SEC. 11: The Secretary shall, as soon as practicable after the end of each fiscal year, make a report in writing to the President for submission to the Congress on the activities of the Department during the preceding fiscal year.

SAVINGS PROVISIONS

SEC. 12: (a) All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges which have been issued, made, granted, or allowed to become effective by any department or agency, functions of which are transferred by this Act, or by any court of competent jurisdiction, or under any provision of law repealed or amended by this Act, or in the exercise of duties, powers, or functions which, under this Act are vested in the Secretary, and which are in effect at the time this section takes effect, shall continue in effect according to their terms until modified, terminated, superseded, set aside, or repealed by the Secretary, or by any court of competent jurisdiction, or by operation of law.

(b) The provisions of this Act shall not affect any proceedings pending at the time this section takes effect before any department, agency, or component thereof, functions of which are transferred by this Act; but any such proceedings involved in such transfer shall be continued before the De-

1 partment of Transportation, orders therein issued, appeals
2 therefrom taken, and payments made pursuant to such
3 orders, as if this Act had not been enacted; and orders
4 issued in any such proceedings shall continue in effect until
5 modified, terminated, superseded, or repealed by the Secre-
6 tary or by operation of law.

7 (c) The provisions of this Act shall not affect suits
8 commenced prior to the date on which this section takes
9 effect; and all such suits shall be continued by the Depart-
10 ment of Transportation, proceedings therein had, appeals
11 therein taken, and judgments therein rendered, in the same
12 manner and effect as if this Act had not been enacted. No
13 suit, action, or other proceeding commenced by or against
14 any officer in his official capacity of any department or
15 agency, functions of which are transferred by this Act, shall
16 abate by reason of the enactment of this Act. No cause of
17 action by or against any department or agency, functions
18 of which are transferred by this Act, or by or against any
19 officer thereof in his official capacity shall abate by reason
20 of the enactment of this Act. Causes of actions, suits, actions
21 or other proceedings may be asserted by or against the
22 United States or such official of the Department as may
23 be appropriate and, in any litigation pending when this
24 section takes effect, the court may at any time, on its own

1 motion or that of any party, enter an order which will give
2 effect to the provisions of this section.

3 (d) With respect to any function, power, or duty trans-
4 ferred by this Act and exercised hereafter, reference in any
5 other Federal law to any department or agency, officer or
6 office so transferred or functions of which are so transferred
7 shall be deemed to mean the Secretary.

8 **SEPARABILITY**

9 **SEC. 13.** If any provision of this Act or the application
10 thereof to any person or circumstances is held invalid, the
11 remainder of this Act, and the application of such provision
12 to other persons or circumstances shall not be affected
13 thereby.

14 **CODIFICATION**

15 **SEC. 14.** The Secretary is directed to submit to the
16 Congress within two years from the effective date of this
17 Act, a codification of all laws that contain the powers, duties
18 and functions transferred to and vested in the Secretary of
19 the Department by this Act.

20 **EFFECTIVE DATE**

21 **SEC. 15.** The President and the Secretary are authorized
22 to nominate and appoint any of the officers provided for in
23 sections 3 and 5 of this Act, as provided in such sections, at

1 any time after the date of enactment of this Act. Such
 2 officers shall be compensated from the date they first take
 3 office, in accordance with sections 5 and 10 of this Act.
 4 Such compensation and related expenses of their offices shall
 5 be paid from funds available for the functions to be trans-
 6 ferred to the Department pursuant to this Act. All other
 7 provisions of this Act shall take effect ninety days after the
 8 Secretary first takes office, or on such prior date after en-
 9 actment of this Act as the President shall prescribe and
 10 publish in the Federal Register.

11 *That this Act may be cited as the "Department of Trans-*
 12 *portation Act."*

13 *DECLARATION OF PURPOSE*

14 *SEC. 2. The Congress hereby declares that the general*
 15 *welfare, the economic growth and stability of the Nation*
 16 *and its security require the development of national trans-*
 17 *portation policies and programs conducive to the provision of*
 18 *fast, safe, efficient, and convenient transportation at the low-*
 19 *est cost consistent therewith and with other national objectives,*
 20 *including the efficient utilization and conservation of the*
 21 *Nation's resources.*

22 *The Congress therefore finds that the establishment of*
 23 *a Department of Transportation is necessary in the public*
 24 *interest and to assure the coordinated, effective administra-*
 25 *tion of the transportation programs of the Federal Govern-*

1 ment; to facilitate the development and improvement of
2 coordinated transportation service, to be provided by private
3 enterprise to the maximum extent feasible; to encourage
4 cooperation of Federal, State, and local governments, car-
5 riers, labor, and other interested parties toward the achieve-
6 ment of national transportation objectives; to stimulate
7 technological advances in transportation; to provide general
8 leadership in the identification and solution of transportation
9 problems; and to develop and recommend to the President
10 and the Congress national transportation policies and pro-
11 grams to accomplish these objectives with full and appro-
12 priate consideration of the needs of the public, users, carriers,
13 industry, labor, and the national defense.

14 It is hereby declared to be the national policy that, in
15 carrying out the provisions of this Act, special effort should
16 be made to preserve the natural beauty of the countryside
17 and public park and recreation lands, wildlife and waterfowl
18 refuges, and historic sites.

19 ESTABLISHMENT OF DEPARTMENT

20 SEC. 3. (a) There is hereby established at the seat of
21 government an executive department to be known as the
22 Department of Transportation (hereinafter referred to as the
23 "Department"). There shall be at the head of the Depart-
24 ment a Secretary of Transportation (hereinafter referred to

1 as the "Secretary"), who shall be appointed by the Presi-
2 dent, by and with the advice and consent of the Senate.

3 (b) There shall be in the Department an Under Secre-
4 tary, who shall be appointed by the President, by and with
5 the advice and consent of the Senate. The Under Secretary
6 (or, during the absence or disability of the Under Secretary,
7 or in the event of a vacancy in the office of Under Secretary,
8 an Assistant Secretary or the General Counsel, determined
9 according to such order as the Secretary shall prescribe)
10 shall act for, and exercise the powers of the Secretary, dur-
11 ing the absence or disability of the Secretary or in the event
12 of a vacancy in the office of Secretary. The Under Secre-
13 tary shall perform such functions, powers, and duties as the
14 Secretary shall prescribe from time to time.

15 (c) There shall be in the Department four Assistant
16 Secretaries and a General Counsel, who shall be appointed
17 by the President, by and with the advice and consent of the
18 Senate, and who shall perform such functions, powers, and
19 duties as the Secretary shall prescribe from time to time.

20 (d) There shall be in the Department an Assistant Sec-
21 retary for Administration, who shall be appointed, with the
22 approval of the President, by the Secretary under the classi-
23 fied civil service who shall perform such functions, powers,
24 and duties as the Secretary shall prescribe from time to time.

25 (e)(1) The Secretary shall establish within the Depart-

1 ment a Federal Highway Administration; a Federal Rail-
2 road Administration; a Federal Maritime Administration;
3 and a Federal Aviation Administration. Each of these com-
4 ponents shall be headed by an Administrator, and in the case
5 of the Federal Aviation Administration there shall also be
6 a Deputy Administrator. The Administrators and the Dep-
7 uty Federal Aviation Administrator shall be appointed by
8 the President, by and with the advice and consent of the
9 Senate.

10 (2) The qualifications of the Administrator of the Fed-
11 eral Aviation Agency specified in section 301(b) of the Fed-
12 eral Aviation Act of 1958, as amended (72 Stat. 744; 49
13 U.S.C. 1341), and the qualifications and status of the
14 Deputy Administrator specified in section 302(b) of the
15 Federal Aviation Act of 1958, as amended (72 Stat. 744;
16 49 U.S.C. 1342), shall apply, respectively, to the Admin-
17 istrator and Deputy Administrator of the Federal Aviation
18 Administration. However, nothing in this Act shall be
19 construed to preclude the appointment of the present Admin-
20 istrator of the Federal Aviation Agency as Administrator
21 of the Federal Aviation Administration in accordance with
22 the provisions of the Act of June 22, 1965, as amended
23 (79 Stat. 171).

24 (3) The Administrators and the Commandant of the
25 Coast Guard shall report directly to the Secretary. They

1 shall carry out such functions, powers, and duties as the
2 Secretary may prescribe and such additional functions, pow-
3 ers, and duties as specified in this Act.

4 (4) The functions, powers, and duties specified in this
5 Act to be carried out by each Administrator and by the
6 Maritime Board shall not be transferred elsewhere in the
7 Department unless specifically provided for by reorganiza-
8 tion plan submitted pursuant to provisions of chapter 9 of
9 title V of the United States Code, or by statute.

10 (f)(1) The Secretary shall carry out the provisions of
11 the National Traffic and Motor Vehicle Safety Act of 1966
12 (80 Stat. 718) through a National Traffic Safety Bureau
13 (hereinafter referred to as "Bureau"), which he shall estab-
14 lish in the Department of Transportation. The Bureau
15 shall be headed by a Director who shall be appointed by the
16 President, by and with the advice and consent of the Senate,
17 and shall be compensated at the rate prescribed for level V
18 of the Federal Executive Salary Schedule. All other pro-
19 visions of the National Traffic and Motor Vehicle Safety
20 Act of 1966 shall apply.

21 (2) The Secretary shall carry out the provisions of the
22 Highway Safety Act of 1966 (80 Stat. 731) (including
23 chapter 4 of title 23 of the United States Code) through a
24 National Highway Safety Bureau (hereinafter referred to
25 as "Bureau"), which he shall establish in the Department of

1 *Transportation. The Bureau shall be headed by a Director*
 2 *who shall be appointed by the President, by and with the*
 3 *advice and consent of the Senate, who shall be compensated*
 4 *at the rate prescribed for level V of the Federal Executive*
 5 *Salary Schedule. All other provisions of the Highway*
 6 *Safety Act of 1966 shall apply.*

7 (3) *The President is authorized, as provided in section*
 8 *201 of the Highway Safety Act of 1966, to carry out the*
 9 *provisions of the National Traffic and Motor Vehicle Safety*
 10 *Act of 1966 through the Bureau and Director authorized by*
 11 *section 201 of the Highway Safety Act of 1966.*

12 (4) *The office of Federal Highway Administrator,*
 13 *created by section 303 of title 23, United States Code, is*
 14 *hereby transferred to and continued within the Department*
 15 *under the title Director of Public Roads. The Director*
 16 *shall be the operating head of the Bureau of Public Roads,*
 17 *or any other agency created within the Department to carry*
 18 *out the primary functions carried out on the effective day*
 19 *of this Act by the Bureau of Public Roads, and he shall*
 20 *be compensated at the rate prescribed for level IV of the*
 21 *Federal Executive Salary Schedule.*

22 GENERAL PROVISIONS

23 SEC. 4. (a) *The Secretary in carrying out the pur-*
 24 *poses of this Act shall, among his responsibilities, exercise*
 25 *leadership under the direction of the President in transpor-*

1 *tation matters, including those affecting the national defense*
2 *and those involving national or regional emergencies; pro-*
3 *vide general leadership in the development of national trans-*
4 *portation policies and programs, and make recommendations*
5 *to the President and the Congress for their implementation;*
6 *promote and undertake development, collection, and dissem-*
7 *ination of technological, statistical, economic, and other in-*
8 *formation relevant to domestic and international transporta-*
9 *tion; promote and undertake research and development in*
10 *and among all modes and types of transportation services*
11 *and facilities; promote and undertake research and develop-*
12 *ment with respect to noise abatement, with particular atten-*
13 *tion to aircraft noise; and consult with the heads of other*
14 *Federal departments and agencies engaged in the procure-*
15 *ment of transportation or the operation of their own transport*
16 *services to encourage them to establish and observe policies*
17 *consistent with the maintenance of a coordinated transporta-*
18 *tion system operated by private enterprise.*

19 *(b)(1) In carrying out his duties and responsibilities*
20 *under this Act, the Secretary shall be governed by all appli-*
21 *cable statutes including the policy standards set forth in*
22 *the Federal Aviation Act of 1958, as amended (49 U.S.C.*
23 *1301 et seq.); the national transportation policy of the Inter-*
24 *state Commerce Act, as amended (49 U.S.C., preceding*
25 *§§ 1, 301, 901, and 1001); the Merchant Marine Act of*

1 1920, as amended (41 Stat. 988; 46 U.S.C. 861 et seq.);
 2 the Merchant Marine Act, 1928, as amended (45 Stat. 689;
 3 46 U.S.C. 891 et seq.); the Merchant Marine Act, 1936, as
 4 amended (49 Stat. 1985 (title I); 46 U.S.C. 1101 et seq.);
 5 the Shipping Act, 1916, as amended (60 Stat. 41; 46 U.S.C.
 6 801 et seq.); the Merchant Marine Ship Sales Act of 1946,
 7 as amended (60 Stat. 41; 50 U.S.C. App. 1735 et seq.); the
 8 Act of August 27, 1958, as amended (72 Stat. 885; 23
 9 U.S.C. 101 et seq. Federal-Aid Highways); and title 14
 10 U.S.C., titles LII and LIII of the Revised Statutes (46
 11 U.S.C., chs. 2A, 7, 11, 14, 15, and 18), the Act of April 25,
 12 1940, as amended (54 Stat. 163; 46 U.S.C. 526-526u),
 13 and the Act of September 2, 1958, as amended (72 Stat.
 14 1754; 46 U.S.C. 527-527h), all relating to the United
 15 States Coast Guard.

16 (2) Nothing in this Act shall be construed to authorize,
 17 without appropriate action by Congress, the adoption, revi-
 18 sion, or implementation of any transportation policy, or
 19 investment standards or criteria contrary to or inconsistent
 20 with any Act of Congress.

21 (c) Orders and actions of the Secretary or the National
 22 Transportation Safety Board in the exercise of functions,
 23 powers, and duties transferred under this Act, and orders
 24 and actions of the Administrators and the Maritime Board

1 taken pursuant to the functions, powers, and duties specifi-
 2 cally assigned to them by this Act, shall be subject to judicial
 3 review to the same extent and in the same manner as if such
 4 orders and actions had been taken by the department or
 5 agency exercising such functions, powers, and duties imme-
 6 diately preceding their transfer.

7 (d) In the exercise of the functions, powers, and duties
 8 transferred under this Act, the Secretary, the Administrators,
 9 and the National Transportation Safety Board and the Mari-
 10 time Board shall have the same authority as that vested in the
 11 department or agency exercising such functions, powers, and
 12 duties immediately preceding their transfer, and their actions
 13 in exercising such functions, powers, and duties shall have the
 14 same force and effect as when exercised by such department
 15 or agency.

16 (e) It shall be the duty of the Secretary to investigate the
 17 safety compliance record of each carrier (or person) seek-
 18 ing authority from the Interstate Commerce Commission
 19 (referred to in this subsection as the "Commission") and
 20 to report his findings to the Commission, and in addition
 21 (1) to intervene and present evidence of the applicant's fit-
 22 ness in Commission application proceedings for permanent
 23 authority or for approval of proposed transactions when
 24 applicant's safety record fails to satisfy the Secretary; (2) to
 25 furnish promptly upon request of the Commission a state-

1 *ment regarding the safety record of any carrier (or person)*
 2 *seeking temporary operating authority from the Commission;*
 3 *and (3) to furnish upon request of the Commission a com-*
 4 *plete report of the safety compliance of any carrier and also*
 5 *have made such additional inspections or safety compliance*
 6 *surveys which thereafter the Commission deems necessary or*
 7 *desirable in order to process an application or to determine*
 8 *the fitness of a carrier, including intervention and presenta-*
 9 *tion of evidence upon request of the Commission.*

10 *(f) The Secretary shall cooperate and consult with the*
 11 *Secretaries of the Interior, Housing and Urban Develop-*
 12 *ment, and Agriculture, and with the States in developing all*
 13 *transportation plans and programs that carry out such*
 14 *policy and include measures to maintain or enhance the*
 15 *natural beauty of the lands traversed. After the effective*
 16 *date of this Act, the Secretary shall not approve any program*
 17 *or project which requires the use of any land from a public*
 18 *park, recreation area, wildlife and waterfowl refuge, or*
 19 *historic site unless (1) there is no feasible alternative to the*
 20 *use of such land, and (2) such program includes all possible*
 21 *planning to minimize harm to such park, recreational area,*
 22 *or historic site resulting from such use.*

23 *(g) The Secretary and the Secretary of Housing and*
 24 *Urban Development shall consult and exchange information*
 25 *regarding their respective transportation policies and activ-*

ities; carry on joint planning, research, and other activities;
 and coordinate assistance for local transportation projects.
 They shall jointly study how Federal policies and programs
 can assure that urban transportation systems most effectively
 serve both national transportation needs and the comprehen-
 sively planned development of urban areas. They shall,
 within one year after the effective date of this Act, and an-
 nually thereafter, report to the President, for submission to
 the Congress, on their studies and other activities under this
 subsection, including any legislative recommendations which
 they determine to be desirable.

SEC. 5. (a) There is hereby established within the De-
 partment a National Transportation Safety Board (referred
 to hereafter in this Act as "Board").

(b) There are hereby transferred to, and it shall be the
 duty of the Board to exercise, the functions, powers, and
 duties transferred to the Secretary by sections 6 and 8 of
 this Act with regard to—

(1) determining the cause or probable cause of
 transportation accidents and reporting the facts, condi-
 tions, and circumstances relating to such accidents; and

(2) reviewing on appeal the suspension, amend-
 ment, modification, revocation, or denial of any certifi-
 cate or license issued by the Secretary or by an Admin-
 istrator.

1 (c) *The Board shall exercise the functions, powers, and*
2 *duties relating to aircraft accident investigations transferred*
3 *to the Secretary by section 6(d) of this Act.*

4 (d) *The Board is further authorized to—*

5 (1) *make such recommendations to the Secretary*
6 *or Administrators on the basis of the exercise of its func-*
7 *tions, powers, and duties which, in its opinion, will tend*
8 *to prevent transportation accidents and promote transpor-*
9 *tation safety;*

10 (2) *conduct special studies on matters pertaining*
11 *to safety in transportation and the prevention of acci-*
12 *dents;*

13 (3) *insure that in cases in which it is required to*
14 *determine cause or probable cause, reports of investi-*
15 *gation adequately state the circumstances of the accident*
16 *involved;*

17 (4) *initiate on its own motion or conduct rail, high-*
18 *way, or pipeline accident investigations as the Board*
19 *deems necessary or appropriate;*

20 (5) *make recommendations to the Secretary or ap-*
21 *propriate Administrator concerning rules, regulations,*
22 *and procedures for the conduct of accident investigations;*

23 (6) *request the Secretary or appropriate Admin-*
24 *istrator to initiate specific accident investigations or con-*

1 *duct further investigations as the Board determines to*
2 *be necessary or appropriate;*

3 *(7) arrange for the personal participation of mem-*
4 *bers or other personnel of the Board in accident inves-*
5 *tigations conducted by the Secretary or appropriate*
6 *Administrator in such cases as it deems appropriate; and*

7 *(8) request from the Secretary or appropriate*
8 *Administrators notification of transportation accidents*
9 *and reports of such accidents as the Board deems*
10 *necessary.*

11 *(c) Except as otherwise provided by statute, the Board*
12 *shall make public all reports, orders, decisions, rules, and*
13 *regulations issued pursuant to sections 5(b)(1) and 5(b)(2)*
14 *and the Board shall also make public—*

15 *(1) every recommendation made to the Secretary*
16 *or an Administrator;*

17 *(2) every special study conducted; and*

18 *(3) every action of the Board requesting the Secre-*
19 *tary or an Administrator to take action pursuant to sec-*
20 *tion 5(d) (1), (2), (3), (5), (6), or (8).*

21 *(f) In the exercise of its functions, powers, and duties,*
22 *the Board shall be independent of the Secretary and the other*
23 *offices and officers of the Department.*

24 *(g) The Board shall report to the Congress annually on*
25 *the conduct of its functions under this Act and the effective-*

1 ness of accident investigations in the Department, together
2 with such recommendations for legislation as it may deem
3 appropriate.

4 (h) The Board shall consist of five members to be ap-
5 pointed by the President, by and with the advice and consent
6 of the Senate. No more than three members of the Board
7 shall be of the same political party. Members of the Board
8 shall be appointed with due regard to their fitness for the
9 efficient dispatch of the functions, powers, and duties vested
10 in and imposed upon the Board, and may be removed by
11 the President for inefficiency, neglect of duty, or malfeasance
12 in office.

13 (i) Members of the Board shall be appointed for terms
14 of five years, except that (1) any member appointed to fill
15 a vacancy occurring prior to the expiration of the term for
16 which his predecessor was appointed shall be appointed only
17 for the remainder of such term, and (2) the five members
18 first appointed shall serve for terms (designated by the
19 President at the time of appointment) ending on the last
20 day of the first, second, third, fourth, and fifth calendar
21 years beginning after the year of enactment of this Act.
22 Upon the expiration of his term of office, a member shall
23 continue to serve until his successor is appointed and shall
24 have qualified.

25 (j) The President shall designate from time to time

1 *one of the members of the Board as Chairman and one of*
2 *the members as Vice Chairman, who shall act as Chairman*
3 *in the absence or incapacity of the Chairman, or in the event*
4 *of a vacancy in the office of the Chairman. The Chairman*
5 *shall be the chief executive and administrative officer of the*
6 *Board and shall exercise the responsibility of the Board with*
7 *respect to (1) the appointment and supervision of personnel*
8 *employed by the Board; (2) the distribution of business*
9 *among the Board's personnel; and (3) the use and expendi-*
10 *ture of funds. In executing and administering the functions*
11 *of the Board on its behalf, the Chairman shall be governed by*
12 *the general policies of the Board and by its decisions, find-*
13 *ings, and determinations. Three of the members shall con-*
14 *stitute a quorum of the Board.*

15 *(k) The Board is authorized to establish such rules,*
16 *regulations, and procedures as are necessary to the exercise*
17 *of its functions.*

18 *(l) In carrying out its functions, the Board (or, upon*
19 *the authorization of the Board, any member thereof or any*
20 *hearing examiner assigned to or employed by the Board)*
21 *shall have the same powers as are vested in the Secretary*
22 *to hold hearings, sign and issue subpoenas, administer oaths,*
23 *examine witnesses, and receive evidence at any place in the*
24 *United States it may designate.*

25 *(m) The Board may delegate to any officer or official of*

1 the Board, or, with the approval of the Secretary, to any
2 officer or official of the Department such of its functions as it
3 may deem appropriate: Provided, however, That with respect
4 to aviation, the proviso in section 701(g) of the Federal Avia-
5 tion Act of 1958, as amended (72 Stat. 782; 49 U.S.C.
6 1441(g)) shall apply to the Secretary and his representa-
7 tives; and

8 *Provided further, That the Board shall not delegate the*
9 *appellate functions transferred to it by section 6(d) of this*
10 *Act.*

11 (n) *Subject to the civil service and classification laws, the*
12 *Board is authorized to select, appoint, employ, and fix com-*
13 *pensation of such officers and employees, including investi-*
14 *gators, attorneys and hearing examiners, as shall be necessary*
15 *to carry out its powers and duties under this Act.*

16 (o) *The Board is authorized, on a reimbursable basis*
17 *when appropriate, to use the available services, equipment,*
18 *personnel, and facilities of the Department and of other*
19 *civilian or military agencies and instrumentalities of the Fed-*
20 *eral Government, and to cooperate with the Department and*
21 *such other agencies and instrumentalities in the establishment*
22 *and use of services, equipment, and facilities of the Board.*
23 *The Board is further authorized to confer with and avail*
24 *itself of the cooperation, services, records, and facilities of*
25 *State, territorial, municipal, or other local agencies.*

1 *TRANSFERS TO DEPARTMENT*

2 *SEC. 6. (a) There are hereby transferred to and vested*
3 *in the Secretary all functions, powers, and duties of the*
4 *Secretary of Commerce and other offices and officers of the*
5 *Department of Commerce under—*

6 *(1) the following laws and provisions of law re-*
7 *lating generally to highways:*

8 *(A) Title 23, United States Code, as amended.*

9 *(B) The Federal-Aid Highway Act of 1966*
10 *(80 Stat. 766).*

11 *(C) The Federal-Aid Highway Act of 1962,*
12 *as amended (76 Stat. 1145; 23 U.S.C. 307 note).*

13 *(D) The Act of July 14, 1960, as amended*
14 *(74 Stat. 526; 23 U.S.C. 313 note).*

15 *(E) The Federal-Aid Highway Act of 1954,*
16 *as amended (68 Stat. 70).*

17 *(F) The Act of September 26, 1961, as*
18 *amended (75 Stat. 670).*

19 *(G) The Highway Revenue Act of 1956, as*
20 *amended (70 Stat. 387; 23 U.S.C. 120 note).*

21 *(H) The Highway Beautification Act of 1965,*
22 *as amended (79 Stat. 1028; 23 U.S.C. 131 et seq.*
23 *notes).*

1 (I) *The Alaska Omnibus Act, as amended (73*
2 *Stat. 141; 48 U.S.C. 21 note prec.).*

3 (J) *The Joint Resolution of August 28, 1965,*
4 *as amended (79 Stat. 578; 23 U.S.C. 101 et seq.*
5 *notes).*

6 (K) *Section 502 of the General Bridge Act of*
7 *1946, as amended (60 Stat. 847; 33 U.S.C. 525*
8 *(c)).*

9 (L) *The Act of April 27, 1962, as amended*
10 *(76 Stat. 59).*

11 (M) *Reorganization Plan No. 7 of 1949 (63*
12 *Stat. 1070; 5 U.S.C. 1332-15 note).*

13 (2) *the following laws and provisions of law relat-*
14 *ing generally to ground transportation:*

15 (A) *The Act of September 30, 1965, as*
16 *amended (79 Stat. 893; 49 U.S.C. 1631 et seq.).*

17 (B) *The Urban Mass Transportation Act of*
18 *1964, as amended (78 Stat. 306, 49 U.S.C. 1607).*

19 (3) *the following laws and provisions of law relat-*
20 *ing generally to aircraft:*

21 (A) *The Act of September 7, 1957, as amended*
22 *(71 Stat. 629; 49 U.S.C. 1324 note).*

1 (B) *Section 410 of the Federal Aviation Act of*
2 *1958, as amended (72 Stat. 769; 49 U.S.C. 1380).*

3 (C) *Title XIII of the Federal Aviation Act of*
4 *1958, as amended (72 Stat. 800; 49 U.S.C. 1531*
5 *et seq.).*

6 (4) *the following law relating generally to pilotage:*
7 *The Great Lakes Pilotage Act of 1960, as amended (74*
8 *Stat. 259; 46 U.S.C. 216 et seq.).*

9 (5)(A) *the following laws and provisions of law*
10 *relating generally to the Merchant Marine:*

11 (1) *The Merchant Marine Act, 1920, as*
12 *amended (41 Stat. 988; 46 U.S.C. 861 et seq.).*

13 (2) *The Merchant Marine Act, 1928, as*
14 *amended (45 Stat. 689; 46 U.S.C. 891 et seq.).*

15 (3) *The Merchant Marine Act, 1936, as*
16 *amended (49 Stat. 1985; 46 U.S.C. 1101 et seq.).*

17 (4) *The Shipping Act, 1916, as amended*
18 *(39 Stat. 728; 46 U.S.C. 801 et seq.).*

19 (5) *The Merchant Ship Sales Act of 1946,*
20 *as amended (60 Stat. 41; 50 U.S.C. App. 1735*
21 *et seq.).*

22 (6) *The Maritime Academy Act of 1958,*
23 *as amended (72 Stat. 622; 46 U.S.C. 1381 et*
24 *seq.).*

1 (7) *The Act of June 12, 1940, as amended*
2 *(54 Stat. 346; 46 U.S.C. 1331 et seq.)*.

3 (8) *The United States Fishing Fleet Im-*
4 *provement Act, as amended (74 Stat. 212; 46*
5 *U.S.C. 1401 et seq.)*.

6 (9) *The Act of September 14, 1961, as*
7 *amended (75 Stat. 514; 46 U.S.C. 1126b-1)*.

8 (10) *The Act of June 13, 1957, as amended*
9 *(71 Stat. 73; 46 U.S.C. 1177a), to the extent it*
10 *relates to operating-differential subsidies*.

11 (11) *The Act of June 2, 1951, as amended*
12 *(65 Stat. 59; 46 U.S.C. 1241a), to the extent it*
13 *relates to the vessel operations revolving fund*.

14 (12) *The Act of July 24, 1956, as amended*
15 *(70 Stat. 605; 46 U.S.C. 249 et seq.)*.

16 (13) *The Act of August 9, 1954, as amended*
17 *(68 Stat. 675; 50 U.S.C. 196 et seq.)*.

18 (14) *Section 500 of the Transportation Act,*
19 *1920, as amended (41 Stat. 499; 49 U.S.C. 142)*.

20 (15) *Reorganization Plan No. 21 of 1950 (64*
21 *Stat. 1273; 46 U.S.C. 1111 note)*.

22 (16) *Reorganization Plan No. 7 of 1961 (75*
23 *Stat. 840; 46 U.S.C. 1111 note)*.

1 (17) Reorganization Plan No. 6 of 1949 (63
2 Stat. 1069; 46 U.S.C. 111 note).

3 (B) There are hereby transferred to the Federal
4 Maritime Administrator and it shall be his duty to ex-
5 ercise the functions, powers, and duties of the Secretary
6 relating to the merchant marine transferred under sub-
7 section (a)(5)(A) of this section, except such as the
8 Maritime Board shall exercise in accordance with sub-
9 section (a)(5)(C) of this subsection.

10 (C) There is hereby established with the Department
11 a Maritime Board. The Maritime Board shall exercise
12 the following functions, powers, and duties:

13 (1) All functions, powers, and duties of the
14 Federal Maritime Board transferred to it under sec-
15 tion 105 (1), (2), and (3) of Reorganization Plan
16 Numbered 21 of 1950 and subsequently vested in
17 the Secretary of Commerce by section 202(b) of
18 Reorganization Plan Numbered 7 of 1961.

19 (2) The administration of the provisions of
20 title XI of the Merchant Marine Act, 1936 (52
21 Stat. 969; 46 U.S.C. 1271 et seq.).

22 (D) The Maritime Board shall be composed of three
23 members as follows: The Federal Maritime Administra-
24 tor, who shall be Chairman of the Maritime Board, and
25 two additional members appointed by the President, by

1 *and with the advice and consent of the Senate. Not more*
2 *than two members of the Maritime Board shall be from*
3 *the same political party. The two additional Maritime*
4 *Board members appointed by the President shall—*

5 *(1) be appointed for terms of four years; except*
6 *that the terms of the members first appointed shall ex-*
7 *pire as follows: one on June 30, 1968, and one on*
8 *June 30, 1970; and*

9 *(2) be compensated at the rate provided for*
10 *level IV of the Federal Executive Salary Schedule.*
11 *Each member appointed to fill a vacancy occurring*
12 *prior to the term for which his predecessor was ap-*
13 *pointed shall be appointed only for the remainder of*
14 *such term. Upon the expiration of his term of office,*
15 *a member shall continue to serve until his successor*
16 *is appointed and shall have qualified. No member*
17 *shall engage in any other business, vocation, or em-*
18 *ployment.*

19 *(3) A vacancy in the Maritime Board shall be*
20 *filled in the same manner as in the case of the original*
21 *appointment. A vacancy in the Maritime Board*
22 *shall not impair the power of the remaining members*
23 *to exercise the authority of the Maritime Board.*
24 *Any two members of the Maritime Board shall con-*
25 *stitute a quorum for the transaction of business, and*

1 the concurring votes of any two members shall be
2 sufficient for the disposition of any matter which may
3 come before the Maritime Board.

4 (4) The provisions of the last sentence of section
5 201(b) of the Merchant Marine Act, 1936 (46
6 U.S.C. 1111(b)), shall apply with respect to the
7 Federal Maritime Administrator, members of the
8 Maritime Board, and all officers and employees
9 thereof. The first two sentences of section 201(b)
10 of the Merchant Marine Act of 1936 (46 U.S.C.
11 1111(b)) are repealed.

12 (5) The Federal Maritime Administrator and
13 members of the Maritime Board shall be appointed
14 with due regard to their fitness for the efficient dis-
15 patch of the functions, powers, and duties assigned,
16 and the two additional Maritime Board members may
17 be removed by the President only for inefficiency,
18 neglect of duty, or malfeasance in office.

19 (6) The Maritime Board is authorized to estab-
20 lish such rules, regulations, and procedures as are
21 necessary to the exercise of its functions; and to
22 delegate to any officer or official of the Maritime
23 Board or Federal Maritime Administration such of
24 its functions as it may deem appropriate.

25 (7) Part II of Reorganization Plan Numbered

1 *21 of 1950, and part II and section 303(c) of Re-*
2 *organization Plan Numbered 7 of 1961, are hereby*
3 *superseded by this Act and the amendments made*
4 *by this Act.*

5 *(8) Nothing in this Act or any of the amend-*
6 *ments made by this Act shall be deemed to affect (1)*
7 *the Federal Maritime Commission established by part*
8 *I of Reorganization Plan Numbered 7 of 1961, or*
9 *(2) any of the functions of such Commission.*

10 *(E) Decisions of the Maritime Board made pur-*
11 *suant to the exercise of the functions, powers, and duties*
12 *enumerated in subsection (a)(5)(C) of this section to*
13 *be exercised by the Maritime Board shall be admin-*
14 *istratively final, and appeals as authorized by law shall*
15 *be taken directly to the courts.*

16 *(6) the following law to the extent it authorizes*
17 *scientific and professional positions which relate pri-*
18 *marily to functions transferred by this subsection: The*
19 *Act of August 1, 1947, as amended (61 Stat. 715;*
20 *5 U.S.C. 1161).*

21 *(7) The following laws and provisions of law relat-*
22 *ing generally to traffic and highway safety:*

23 *(A) The National Traffic and Motor Vehicle Safety*
24 *Act of 1966 (80 Stat. 718).*

1 *(B) The Highway Safety Act of 1966 (80 Stat.*
2 *731).*

3 *(b)(1) The Coast Guard is hereby transferred to the*
4 *Department, and there are hereby transferred to and vested*
5 *in the Secretary all functions, powers, and duties, relating*
6 *to the Coast Guard, of the Secretary of the Treasury and of*
7 *other officers and offices of the Department of the Treasury.*

8 *(2) Notwithstanding the transfer of the Coast Guard*
9 *to the Department and the transfer to the Secretary of the*
10 *functions, powers, and duties, relating to the Coast Guard,*
11 *of the Secretary of the Treasury and of other officers and*
12 *offices of the Department of the Treasury, effected by the*
13 *provisions of paragraph (1) of this subsection, the Coast*
14 *Guard, together with the functions, powers, and duties*
15 *relating thereto, shall operate as a part of the Navy, subject*
16 *to the orders of the Secretary of the Navy, in time of war*
17 *or when the President shall so direct, as provided in section*
18 *3 of title 14, United States Code, as amended.*

19 *(3) Notwithstanding any other provision of this Act,*
20 *the functions, powers, and duties of the General Counsel of*
21 *the Department of the Treasury set out in chapter 47 of*
22 *title 10, United States Code, as amended (Uniform Code*
23 *of Military Justice), are hereby transferred to and vested in*
24 *the General Counsel of the Department.*

25 *(c) There are hereby transferred to and vested in the*

1 *Secretary all functions, powers, and duties of the Federal*
2 *Aviation Agency, and of the Administrator and other officers*
3 *and offices thereof, including the development and construc-*
4 *tion of a civil supersonic aircraft: Provided, however, That*
5 *there are hereby transferred to the Federal Aviation Admin-*
6 *istrator, and it shall be his duty to exercise the functions,*
7 *powers, and duties of the Secretary pertaining to aviation*
8 *safety as set forth in sections 306, 307, 308, 309, 312,*
9 *313, 314, 1101, 1105, and 1111, and titles VI, VII, IX,*
10 *and XII of the Federal Aviation Act of 1958, as amended.*
11 *In exercising these enumerated functions, powers, and duties,*
12 *the Administrator shall be guided by the declaration of*
13 *policy in section 103 of the Federal Aviation Act of 1958,*
14 *as amended. Decisions of the Federal Aviation Admin-*
15 *istrator made pursuant to the exercise of the functions,*
16 *powers, and duties enumerated in this subsection to be exer-*
17 *cised by the Administrator shall be administratively final, and*
18 *appeals as authorized by law or this Act shall be taken directly*
19 *to the National Transportation Safety Board or to the courts,*
20 *as appropriate.*

21 *(d) There are hereby transferred to and vested in the*
22 *Secretary all functions, powers, and duties of the Civil Aero-*
23 *navics Board, and of the Chairman, members, officers, and*
24 *offices thereof under titles VI (72 Stat. 775; 5 U.S.C. 1421*

1 *et seq.) and VII (72 Stat. 781; 49 U.S.C. 1441 et seq.)*
2 *of the Federal Aviation Act of 1958, as amended: Provided,*
3 *however, That these functions, powers, and duties are hereby*
4 *transferred to and shall be exercised by the National Trans-*
5 *portation Safety Board. Decisions of the National Trans-*
6 *portation Safety Board made pursuant to the exercise of the*
7 *functions, powers, and duties enumerated in this subsection*
8 *shall be administratively final, and appeals as authorized by*
9 *law or this Act shall be taken directly to the courts.*

10 *(e) There are hereby transferred to and vested in the*
11 *Secretary all functions, powers, and duties of the Interstate*
12 *Commerce Commission, and of the Chairman, members,*
13 *officers, and offices thereof, under—*

14 *(1) the following laws relating generally to safety*
15 *appliances and equipment on railroad engines and cars,*
16 *and protection of employees and travelers:*

17 *(A) The Act of March 2, 1893, as amended*
18 *(27 Stat. 531; 45 U.S.C. 1 et seq.).*

19 *(B) The Act of March 2, 1903, as amended*
20 *(32 Stat. 943; 45 U.S.C. 8 et seq.).*

21 *(C) The Act of April 14, 1910, as amended*
22 *(36 Stat. 298; 45 U.S.C. 11 et seq.).*

23 *(D) The Act of May 30, 1908, as amended*
24 *(35 Stat. 476; 45 U.S.C. 17 et seq.).*

1 (E) *The Act of February 17, 1911, as*
2 *amended (36 Stat. 913; 45 U.S.C. 22 et seq.).*

3 (F) *The Act of March 4, 1915, as amended*
4 *(38 Stat. 1192; 45 U.S.C. 30).*

5 (G) *Reorganization Plan No. 3 of 1965 (79*
6 *Stat. 1320).*

7 (H) *Joint Resolution of June 30, 1906, as*
8 *amended (34 Stat. 838; 45 U.S.C. 35).*

9 (I) *The Act of May 27, 1908, as amended*
10 *(35 Stat. 325; 45 U.S.C. 36 et seq.).*

11 (J) *The Act of March 4, 1909, as amended*
12 *(35 Stat. 965; 45 U.S.C. 37).*

13 (K) *The Act of May 6, 1910, as amended*
14 *(36 Stat. 350; 45 U.S.C. 38 et seq.).*

15 (2) *the following law relating generally to hours of*
16 *service of employees: The Act of March 4, 1907, as*
17 *amended (34 Stat. 1415; 45 U.S.C. 61 et seq.).*

18 (3) *the following law relating generally to medals*
19 *for heroism: The Act of February 23, 1905, as amended*
20 *(33 Stat. 743; 49 U.S.C. 1201 et seq.).*

21 (4) *the following provisions of law relating gen-*
22 *erally to explosives and other dangerous articles: Sec-*
23 *tions 831-835 of title 18, United States Code, as*
24 *amended.*

1 (5) the following laws relating generally to stand-
2 ard time zones and daylight saving time:

3 (A) The Act of March 19, 1918, as amended
4 (40 Stat. 450; 15 U.S.C. 261 et seq.).

5 (B) The Act of March 4, 1921, as amended
6 (41 Stat. 1446; 15 U.S.C. 265).

7 (C) The Uniform Time Act of 1966, as
8 amended (80 Stat. 107).

9 (6) the following provisions of the Interstate Com-
10 merce Act, as amended—

11 (A) relating generally to safety appliances
12 methods and systems: Section 25 (49 U.S.C. 26).

13 (B) relating generally to investigation of
14 motor vehicle sizes, weights, and service of em-
15 ployees: Section 226 (49 U.S.C. 325).

16 (C) relating generally to qualifications and
17 maximum hours of service of employees and safety
18 of operation and equipment: Sections 204(a) (1)
19 and (2), to the extent that they relate to qualifica-
20 tions and maximum hours of service of employees
21 and safety of operation and equipment; and sections
22 204(a) (3), (3a), and (5) (49 U.S.C. 304).

23 (D) to the extent they relate to private car-
24 riers of property by motor vehicle and carriers of
25 migrant workers by motor vehicle other than con-

1 tract carriers: Sections 221(a), 221(c), and 224
2 (49 U.S.C. 321 et seq.).

3 (f)(1) Nothing in subsection (e) shall diminish the
4 functions, powers, and duties of the Interstate Commerce
5 Commission under sections 1(6), 206, 207, 209, 210a, 212,
6 and 216 of the Interstate Commerce Act, as amended (49
7 U.S.C. 1(6), 306 et seq.), or under any other section of
8 that Act not specifically referred to in subsection (e).

9 (2)(A) With respect to any function which is trans-
10 ferred to the Secretary by subsection (e) and which was
11 vested in the Interstate Commerce Commission preceding
12 such transfer, the Secretary shall have the same adminis-
13 trative powers under the Interstate Commerce Act as the
14 Commission had before such transfer with respect to such
15 transferred function. After such transfer, the Commission
16 may exercise its administrative powers under the Interstate
17 Commerce Act only with respect to those of its functions
18 not transferred by subsection (e).

19 (B) For purposes of this paragraph—

20 (i) the term “function” includes power and duty,
21 and

22 (ii) the term “administrative powers under the
23 Interstate Commerce Act” means any functions under
24 the following provisions of the Interstate Commerce Act,
25 as amended: Sections 12, 13(1), 13(2), 14, 16(12),

1 *the last sentence of 18(1), sections 20 (except clauses*
2 *(3), (4), (11), and (12) thereof), 204(a) (6) and*
3 *(7), 204(c), 204(d), 205(d), 205(f), 220 (except*
4 *subsection (c) and the proviso of subsection (a)*
5 *thereof), 222 (except subsections (b)(2) and (b)(3)*
6 *thereof), and 417(b)(1) (49 U.S.C. 12 et seq., 304*
7 *et seq., and 1017).*

8 *The Federal Railroad Administrator shall carry out*
9 *the functions, powers, and duties of the Secretary pertain-*
10 *ing to railroad and pipeline safety as set forth in the statutes*
11 *transferred to the Secretary by subsection (e) of this section.*

12 *The Federal Highway Administrator shall carry out*
13 *the functions, powers, and duties of the Secretary pertain-*
14 *ing to motor carrier safety as set forth in the statutes trans-*
15 *ferred to the Secretary by subsection (e) of this section.*

16 *Decisions of the Federal Railroad Administrator and*
17 *the Federal Highway Administrator made pursuant to the*
18 *exercise of the functions, powers, and duties enumerated in*
19 *the two immediately preceding paragraphs of this subsection*
20 *to be carried out by the Administrators shall be administra-*
21 *tively final, and appeals as authorized by law or this Act shall*
22 *be taken directly to the National Transportation Safety Board*
23 *or the courts, as appropriate.*

24 *(g) There are hereby transferred to and vested in the*
25 *Secretary all functions, powers, and duties of the Secretary*

1 of the Army and other officers and offices of the Department
2 of the Army under—

3 (1) the following law and provisions of law relat-
4 ing generally to water vessel anchorages:

5 (A) Section 7 of the Act of March 4, 1915,
6 as amended (38 Stat. 1053; 33 U.S.C. 471).

7 (B) Article 11 of section 1 of the Act of June
8 7, 1897, as amended (30 Stat. 98; 33 U.S.C.
9 180).

10 (C) Rule 9 of section 1 of the Act of February
11 8, 1895, as amended (28 Stat. 647; 33 U.S.C.
12 258).

13 (D) Rule numbered 13 of section 4233 of the
14 Revised Statutes, as amended (33 U.S.C. 322).

15 (2) the following provision of law relating gen-
16 erally to drawbridge operating regulations: Section 5
17 of the Act of August 18, 1894, as amended (28 Stat.
18 362; 33 U.S.C. 499).

19 (3) the following law relating generally to obstruc-
20 tive bridges: The Act of June 21, 1940, as amended
21 (54 Stat. 497; 33 U.S.C. 511 et seq.).

22 (4) the following laws and provisions of law relat-
23 ing generally to the reasonableness of tolls:

24 (A) Section 4 of the Act of March 23, 1906,
25 as amended (34 Stat. 85; 33 U.S.C. 494).

1 (B) Section 503 of the General Bridge Act of
2 1946, as amended (60 Stat. 847; 33 U.S.C. 526).

3 (C) Section 17 of the Act of June 10, 1930,
4 as amended (46 Stat. 552; 33 U.S.C. 498a).

5 (D) The Act of June 27, 1930, as amended
6 (46 Stat. 821; 33 U.S.C. 498b).

7 (E) The Act of August 21, 1935, as amended
8 (49 Stat. 670; 33 U.S.C. 503 et seq.).

9 (5) the following law relating to prevention of pol-
10 lution of the sea by oil: The Oil Pollution Act, 1961,
11 as amended (75 Stat. 402; 33 U.S.C. 1001 et seq.).

12 (6) the following laws and provision of law to the
13 extent that they relate generally to the location and clear-
14 ances of bridges and causeways in the navigable waters
15 of the United States:

16 (A) Section 9 of the Act of March 3, 1899, as
17 amended (30 Stat. 1151; 33 U.S.C. 401).

18 (B) The Act of March 23, 1906, as amended
19 (34 Stat. 84; 33 U.S.C. 491 et seq.).

20 (C) The General Bridge Act of 1946, as
21 amended (60 Stat. 847; 33 U.S.C. 525 et seq.).

22 (h) Notwithstanding any other provision of this Act,
23 the transfer of functions, powers, and duties to the Secretary
24 or any other officer in the Department shall not include
25 functions vested by the Administrative Procedure Act, as

1 amended (60 Stat. 237; 5 U.S.C. 1001 et seq.) in hear-
2 ing examiners employed by any department, agency, or com-
3 ponent thereof whose functions are transferred under the pro-
4 visions of this Act.

5 (i) The administration of the Alaska Railroad, estab-
6 lished pursuant to the Act of March 12, 1914, as amended
7 (38 Stat. 308), and all of the functions authorized to be
8 carried out by the Secretary of the Interior pursuant to
9 Executive Order Numbered 11107, April 25, 1963 (28
10 F.R. 4225), relative to the operation of said Railroad, are
11 hereby transferred to and vested in the Secretary of Trans-
12 portation who shall exercise the same authority with respect
13 thereto as is now exercised by the Secretary of the Interior
14 pursuant to said Executive order.

15 **TRANSPORTATION INVESTMENT STANDARDS**

16 **SEC. 7. (a)** The Secretary shall develop and from time
17 to time in the light of experience revise standards and criteria
18 consistent with national transportation policies, for the for-
19 mulation and economic evaluation of all proposals for the in-
20 vestment of Federal funds in transportation facilities or equip-
21 ment, except such proposals as are concerned with (1) the
22 acquisition of transportation facilities or equipment by Fed-
23 eral agencies in providing transportation services for their
24 own use; (2) an interoceanic canal located outside the con-
25 tiguous United States; (3) defense features included at the

1 *direction of the Department of Defense in the design and con-*
 2 *struction of civil air, sea, and land transportation; (4) pro-*
 3 *grams of foreign assistance; or (5) water resource projects.*
 4 *The standards and criteria developed or revised pursuant*
 5 *to this subsection shall be promulgated by the Secretary upon*
 6 *their approval by the Congress.*

7 *The standards and criteria for economic evaluation of*
 8 *water resource projects shall be developed by the Water Re-*
 9 *sources Council established by Public Law 89-80. For the*
 10 *purpose of such standards and criteria, the primary direct*
 11 *navigation benefits of a water resource project are defined as*
 12 *the product of the savings to shippers using the waterway and*
 13 *the estimated traffic that would use the waterway; where the*
 14 *savings to shippers shall be construed to mean the difference*
 15 *between (a) the freight rates or charges prevailing at the*
 16 *time of the study for the movement by the alternative means*
 17 *and (b) those which would be charged on the proposed water-*
 18 *way; and where the estimate of traffic that would use the*
 19 *waterway will be based on such freight rates, taking into*
 20 *account projections of the economic growth of the area.*

21 *The Water Resources Council established under section*
 22 *101 of Public Law 89-80 is hereby expanded to include the*
 23 *Secretary of Transportation on matters pertaining to naviga-*
 24 *tion features of water resource projects.*

25 *(b) Every survey, plan, or report formulated by a Fed-*

1 *eral agency which includes a proposal as to which the*
 2 *Secretary has promulgated standards and criteria pursuant to*
 3 *subsection (a) shall be (1) prepared in accord with such*
 4 *standards and criteria and upon the basis of information*
 5 *furnished by the Secretary with respect to projected growth*
 6 *of transportation needs and traffic in the affected area, the*
 7 *relative efficiency of various modes of transport, the available*
 8 *transportation services in the area, and the general effect of*
 9 *the proposed investment on existing modes, and on the*
 10 *regional and national economy; (2) coordinated by the pro-*
 11 *posing agency with the Secretary and, as appropriate, with*
 12 *other Federal agencies, States, and local units of government*
 13 *for inclusion of his and their views and comments; and*
 14 *(3) transmitted thereafter by the proposing agency to the*
 15 *President for disposition in accord with law and procedures*
 16 *established by him.*

17 *AMENDMENTS TO OTHER LAWS*

18 *SEC. 8. (a) Section 406(b) of the Federal Aviation*
 19 *Act of 1958, as amended (72 Stat. 763; 49 U.S.C.*
 20 *1376(b)), is amended by adding the following sentence at*
 21 *the end thereof: "In applying clause (3) of this subsection,*
 22 *the Board shall take into consideration any standards and*
 23 *criteria prescribed by the Secretary of Transportation, for*
 24 *determining the character and quality of transportation re-*

1 *quired for the commerce of the United States and the na-*
2 *tional defense."*

3 *(b) Section 201 of the Appalachian Regional Develop-*
4 *ment Act of 1965, as amended (79 Stat. 10; 40 U.S.C.*
5 *App. 206) is amended as follows:*

6 *(1) The first sentence of subsection (a) of that section*
7 *is amended by striking the words "Commerce (hereafter in*
8 *this section referred to as the 'Secretary')"* and inserting in
9 *lieu thereof "Transportation".*

10 *(2) The last sentence of subsection (a) of that section*
11 *is amended by inserting after the word "Secretary", the*
12 *words "of Transportation".*

13 *(3) Subsection (b) of that section is amended by in-*
14 *serting after the word "Secretary", the words "of Com-*
15 *merce".*

16 *(4) Subsection (c) of that section is amended by strik-*
17 *ing the first sentence and inserting in lieu thereof the fol-*
18 *lowing sentence: "Such recommendations as are approved*
19 *by the Secretary of Commerce shall be transmitted to the*
20 *Secretary of Transportation for his approval."*

21 *(5) The second sentence of subsection (c) of that sec-*
22 *tion is amended by inserting after the word "Secretary" the*
23 *words "of Transportation".*

24 *(6) Subsection (e) of that section is amended by in-*

1 serting after the word "Secretary" the words "of Trans-
2 portation".

3 (7) Subsection (f) of that section is amended by in-
4 serting after the word "Secretary", the words "of Com-
5 merce and the Secretary of Transportation". Subsection
6 (f) of that section is further amended by striking the word
7 "determines" and inserting in lieu thereof "determine".

8 (8) Subsection (g) of that section is amended by
9 striking the period at the end thereof and adding the follow-
10 ing: "to the Secretary of Commerce, who shall transfer
11 funds to the Secretary of Transportation for administration
12 of projects approved by both Secretaries."

13 (c) Section 206(c) of the Appalachian Regional De-
14 velopment Act of 1965, as amended (79 Stat. 15; 40
15 U.S.C. App. 206), is amended by inserting after "Interior,"
16 the words "Secretary of Transportation,".

17 (d) Section 212(a) of the Interstate Commerce Act,
18 as amended (49 Stat. 555), is amended by striking "of the
19 Commission" the second, third, and fourth times those words
20 occur.

21 (e) Section 13(b)(1) of the Fair Labor Standards Act
22 of 1938, as amended (52 Stat. 1067), is amended by strik-
23 ing the words "Interstate Commerce Commission" and insert-
24 ing in lieu thereof "Secretary of Transportation."

1 (f) *The second sentence of section 3 of the Federal*
2 *Explosives Act, as amended (40 Stat. 386; 50 U.S.C. 123)*
3 *is amended to read as follows: "This Act shall not apply*
4 *to explosives or ingredients which are in transit upon vessels,*
5 *railroad cars, aircraft, or other conveyances in conformity*
6 *with statutory law or with the rules and regulations of the*
7 *Secretary of Transportation."*

8 (g)(1) *Section 1 of the Act of May 13, 1954, as*
9 *amended (68 Stat. 92), is further amended as follows: Strike*
10 *the entire section 1, and insert in lieu thereof the following:*

11 "SECTION 1. *There is hereby created, subject to the*
12 *direction and supervision of the Secretary of Transportation,*
13 *a body corporate to be known as the Saint Lawrence Seaway*
14 *Development Corporation (hereinafter referred to as the*
15 *'Corporation')."*

16 (2) *Notwithstanding any other provision of this Act,*
17 *the Administrator of the Saint Lawrence Seaway Develop-*
18 *ment Corporation shall report directly to the Secretary.*

19 (h) *Section 201 of the Highway Safety Act of 1966*
20 *(80 Stat. 731) is amended by striking the words "Federal*
21 *Highway Administrator" and inserting in lieu thereof the*
22 *words "Director of Public Roads", by striking the word*
23 *"Agency" wherever it occurs in such section and inserting*
24 *in lieu thereof the word "Bureau", and by striking "an*
25 *Administrator" or "Administrator", wherever appearing*

1 *therein, and inserting in lieu thereof "a Director" or*
 2 *"Director", respectively.*

3 *(i) Section 115 of the National Traffic and Motor*
 4 *Vehicle Safety Act of 1966 (80 Stat. 718) is amended by*
 5 *striking the word "Agency" wherever it occurs in such section*
 6 *and inserting in lieu thereof the word "Bureau", and by*
 7 *striking the word "Administrator" wherever it occurs in*
 8 *such section and inserting in lieu thereof the word "Director".*

9 *(j) Section 3(a) of the Marine Resources and Engineer-*
 10 *ing Development Act of 1966 (80 Stat. 204) is amended*
 11 *by striking the words "the Treasury" and inserting in lieu*
 12 *thereof "Transportation".*

13 *(k) Section 2(e) of the Act of September 22, 1966, Pub-*
 14 *lic Law 89-599, is amended by striking the words "of Com-*
 15 *merce" and inserting in lieu thereof the words "of Transpor-*
 16 *tation".*

17 ADMINISTRATIVE PROVISIONS

18 *SEC. 9. (a) In addition to the authority contained in*
 19 *any other Act which is transferred to and vested in the*
 20 *Secretary, the National Transportation Safety Board, or*
 21 *any other officer in the Department, the Secretary is author-*
 22 *ized, subject to the civil service and classification laws, to*
 23 *select, appoint, employ, and fix the compensation of such*
 24 *officers and employees, including investigators, attorneys, and*
 25 *hearing examiners, as are necessary to carry out the pro-*

1 *visions of this Act and to prescribe their authority and*
2 *duties.*

3 *(b) Section 5108(a) of title V of the United States*
4 *Code, relating to the maximum number of positions author-*
5 *ized for grades 16, 17, and 18 of the General Schedule*
6 *is amended by striking out "2,577" and inserting in lieu*
7 *thereof "2,622".*

8 *(c) The Secretary may obtain services as authorized*
9 *by section 3109 of title V of the United States Code, but at*
10 *rates not to exceed \$100 per diem for individuals unless*
11 *otherwise specified in an appropriation Act.*

12 *(d) The Secretary is authorized to provide for partic-*
13 *ipation of military personnel in carrying out the functions*
14 *of the Department. Members of the Army, the Navy, the*
15 *Air Force, or the Marine Corps may be detailed for service*
16 *in the Department by the appropriate Secretary, pursuant*
17 *to cooperative agreements with the Secretary of Transporta-*
18 *tion.*

19 *(e)(1) Appointment, detail, or assignment to, accept-*
20 *ance of, and service in any appointive or other position in*
21 *the Department under the authority of section 9(d) and*
22 *section 9(q) shall in no way affect status, office, rank, or*
23 *grade which officers or enlisted men may occupy or hold*
24 *or any emolument, perquisite, right, privilege, or benefit in-*
25 *cident to or arising out of any such status, office, rank, or*

1 *grade, nor shall any member so appointed, detailed, or as-*
2 *signed be charged against any statutory limitation on grades*
3 *or strengths applicable to the Armed Forces. A person so*
4 *appointed, detailed, or assigned shall not be subject to direc-*
5 *tion by or control by his armed force or any officer thereof*
6 *directly or indirectly with respect to the responsibilities*
7 *exercised in the position to which appointed, detailed, or*
8 *assigned.*

9 *(2) The Secretary shall report annually in writing to*
10 *the appropriate committees of the Congress on personnel*
11 *appointed and agreements entered into under subsection (d)*
12 *of this section, including the number, rank, and positions of*
13 *members of the armed services detailed pursuant thereto.*

14 *(f)(1) In addition to the authority to delegate and redele-*
15 *gate contained in any other Act in the exercise of the func-*
16 *tions transferred to or vested in the Secretary in this Act,*
17 *the Secretary may delegate any of his functions, powers, and*
18 *duties to such officers and employees of the Department*
19 *as he may designate, may authorize such successive redele-*
20 *gations of such functions, powers, and duties as he may deem*
21 *desirable, and may make such rules and regulations as may*
22 *be necessary to carry out his functions, powers, and duties.*

23 *(2) In addition to the authority to delegate and redele-*
24 *gate contained in any other Act in the exercise of the func-*

1 tions transferred to or specified by this Act to be carried out
2 by any officer in the Department, such officer may delegate
3 any of such functions, powers, and duties to such other officers
4 and employees of the Department as he may designate; may
5 authorize such successive redelegations of such functions,
6 powers, and duties as he may deem desirable, and may make
7 such rules and regulations as may be necessary to carry out
8 such functions, powers, and duties.

9 (3) The Administrators established by section 3(e) of
10 this Act may not delegate any of the statutory duties and
11 responsibilities specifically assigned to them by this Act out-
12 side of their respective administrations.

13 (g) The personnel, assets, liabilities, contracts, prop-
14 erty, records, and unexpended balances of appropriations,
15 authorizations, allocations, and other funds employed, held,
16 used, arising from, available or to be made available, of the
17 Federal Aviation Agency, and of the head and other officers
18 and offices thereof, are hereby transferred to the Secretary:
19 Provided, however, That the personnel, assets, liabilities, con-
20 tracts, property, records, and unexpended balances of appro-
21 priations, authorizations, and other funds employed in carry-
22 ing out the duties and functions transferred by this Act to the
23 Secretary which are specified by this Act, to be carried out
24 by the Administrator shall be assigned by the Secretary to the
25 Administrator for these purposes.

1 (h) So much of the positions, personnel, assets, liabilities,
2 ties, contracts, property, records, and unexpended balances
3 of appropriations, authorizations, allocations, and other funds
4 employed, held, used, arising from, available or to be made
5 available in connection with the functions, powers, and duties
6 transferred by sections 6 (except section 6(c)) and 8 (d)
7 and (e) of this Act as the Director of the Bureau of the
8 Budget shall determine shall be transferred to the Secretary:
9 Provided, however, That the positions, personnel, assets, liabilities,
10 contracts, property, records, and unexpended balances
11 of appropriations, authorizations, allocations, and other funds
12 employed by the CAB in carrying out the duties transferred
13 by this Act to be exercised by the National Transportation
14 Safety Board shall be transferred to the National Transportation
15 Safety Board: Provided further, That the positions, personnel, assets, liabilities,
16 contracts, property, and unexpended
17 balances of appropriations, authorizations, and other funds
18 employed in carrying out the functions, powers, and duties
19 transferred by this Act to the Secretary which by this Act are
20 transferred to or to be exercised by the Federal Maritime Administrator, or the Maritime Board shall be assigned by the
21 Secretary to the Federal Maritime Administrator or the Maritime Board. as appropriate for these purposes. Except as
22 provided in subsection (i), personnel engaged in these functions,
23 powers, and duties shall be transferred in accordance
24
25

1 *with applicable laws and regulations relating to transfer of*
2 *functions.*

3 *(i) The transfer of personnel pursuant to subsections*
4 *(g) and (h) of this section shall be without reduction in*
5 *classification or compensation for one year after such*
6 *transfer.*

7 *(j) In any case where all of the functions, powers,*
8 *and duties of any office or agency, other than the Coast*
9 *Guard, are transferred pursuant to this Act, such office or*
10 *agency shall lapse. Any person who, on the effective date*
11 *of this Act, held a position compensated in accordance with*
12 *the Federal Executive Salary Schedule, and who, without a*
13 *break in service, is appointed in the Department to a posi-*
14 *tion having duties comparable to those performed immedi-*
15 *ately preceding his appointment shall continue to be com-*
16 *pensated in his new position at not less than the rate pro-*
17 *vided for his previous position, for the duration of his service*
18 *in his new position.*

19 *(k) The Secretary is authorized to establish a working*
20 *capital fund, to be available without fiscal year limitation,*
21 *for expenses necessary for the maintenance and operation of*
22 *such common administrative services as he shall find to be*
23 *desirable in the interest of economy and efficiency in the De-*
24 *partment, including such services as a central supply service*
25 *for stationery and other supplies and equipment for which*

1 adequate stocks may be maintained to meet in whole or in
2 part the requirements of the Department and its agencies;
3 central messenger, mail, telephone, and other communica-
4 tions services; office space, central services for document re-
5 production, and for graphics and visual aids; and a central
6 library service. The capital of the fund shall consist of the
7 fair and reasonable value of such stocks of supplies, equip-
8 ment, and other assets and inventories on order as the Sec-
9 retary may transfer to the fund, less the related liabilities and
10 unpaid obligations, together with any appropriations made
11 for the purpose of providing capital, which appropriations
12 are hereby authorized. Such funds shall be reimbursed in
13 advance from available funds of agencies and offices in the
14 Department, or from other sources, for supplies and services
15 at rates which will approximate the expense of operation,
16 including the accrual of annual leave and the depreciation
17 of equipment. The fund shall also be credited with receipts
18 from sale or exchange of property and receipts in payment
19 for loss or damage to property owned by the fund. The
20 Comptroller General of the United States shall make an an-
21 nual audit of the working capital fund at the end of each
22 fiscal year and there shall be covered into the United States
23 Treasury as miscellaneous receipts any surplus found therein,
24 all assets, liabilities, and prior losses considered, above the
25 amounts transferred or appropriated to establish and main-

tain said fund, and the Comptroller General shall report to the Congress annually the results of the audit, together with such recommendations as he may have regarding the status and operations of the fund.

(l) The Secretary shall cause a seal of office to be made for the Department of such device as he shall approve, and judicial notice shall be taken of such seal.

(m) In addition to the authority contained in any other Act which is transferred to and vested in the Secretary, the National Transportation Safety Board, or other officer in the Department, as necessary, and when not otherwise available, the Secretary is authorized to provide for, construct, or maintain the following for employees and their dependents stationed at remote localities:

- (1) Emergency medical services and supplies;
 - (2) Food and other subsistence supplies;
 - (3) Messing facilities;
 - (4) Motion picture equipment and film for recreation and training;
 - (5) Reimbursement for food, clothing, medicine, and other supplies furnished by such employees in emergencies for the temporary relief of distressed persons; and
 - (6) Living and working quarters and facilities.
- The furnishing of medical treatment under paragraph (1)

1 *and the furnishing of services and supplies under paragraphs*
2 *(2) and (3) of this subsection shall be at prices reflecting*
3 *reasonable value as determined by the Secretary, and the pro-*
4 *ceeds therefrom shall be credited to the appropriation from*
5 *which the expenditure was made.*

6 *(n)(1) The Secretary is authorized to accept, hold,*
7 *administer, and utilize gifts and bequests of property, both*
8 *real and personal, for the purpose of aiding or facilitating the*
9 *work of the Department. Gifts and bequests of money and*
10 *the proceeds from sales of other property received as gifts*
11 *or bequests shall be deposited in the Treasury in a separate*
12 *fund and shall be disbursed upon order of the Secretary.*
13 *Property accepted pursuant to this paragraph, and the pro-*
14 *ceeds thereof, shall be used as nearly as possible in accord-*
15 *ance with the terms of the gift or bequest.*

16 *(2) For the purpose of Federal income, estate, and gift*
17 *taxes, property accepted under paragraph (1) shall be con-*
18 *sidered as a gift or bequest to or for use of the United*
19 *States.*

20 *(3) Upon the request of the Secretary, the Secretary of*
21 *the Treasury may invest and reinvest in securities of the*
22 *United States or in securities guaranteed as to principal and*
23 *interest by the United States any moneys contained in the*
24 *fund provided for in paragraph (1). Income accruing*
25 *from such securities, and from any other property held by*

1 *the Secretary pursuant to paragraph (1) shall be deposited*
2 *to the credit of the fund, and shall be disbursed upon order*
3 *of the Secretary.*

4 *(o)(1) The Secretary is authorized, upon the written*
5 *request of any person, or any State, territory, possession, or*
6 *political subdivision thereof, to make special statistical*
7 *studies relating to foreign and domestic transportation, and*
8 *other matters falling within the province of the Department,*
9 *to prepare from its records special statistical compilations,*
10 *and to furnish transcripts of its studies, tables, and other*
11 *records upon the payment of the actual cost of such work*
12 *by the person or body requesting it.*

13 *(2) All moneys received by the Department in payment*
14 *of the cost of work under paragraph (1) shall be deposited*
15 *in a separate account to be administered under the direction*
16 *of the Secretary. These moneys may be used, in the discre-*
17 *tion of the Secretary, for the ordinary expenses incidental to*
18 *the work and/or to secure in connection therewith the special*
19 *services of persons who are neither officers nor employees of*
20 *the United States.*

21 *(p) The Secretary is authorized to appoint, without*
22 *regard to the civil service laws, such advisory committees*
23 *as shall be appropriate for the purpose of consultation with*
24 *and advice to the Department in performance of its functions.*
25 *Members of such committee, other than those regularly em-*

1 *ployed by the Federal Government, while attending meetings*
2 *of such committees or otherwise serving at the request of the*
3 *Secretary, may be paid compensation at rates not exceeding*
4 *those authorized for individuals under subsection (c) of this*
5 *section, and while so serving away from their homes or*
6 *regular places of business, may be allowed travel expenses,*
7 *including per diem in lieu of subsistence, as authorized by*
8 *section 5703 of title V of the United States Code for persons*
9 *in the Government service employed intermittently. Pay-*
10 *ments under this subsection shall not render members of ad-*
11 *visory committees employees or officials of the United States*
12 *for any purpose.*

13 *(q)(1) Notwithstanding any provision of this Act or*
14 *other law, a member of the Coast Guard on active duty may*
15 *be appointed, detailed, or assigned to any position in the*
16 *Department other than Secretary, Under Secretary, and*
17 *Assistant Secretary for Administration.*

18 *(2) Subject to the provisions of title V of the United*
19 *States Code, a retired member of the Coast Guard may be*
20 *appointed to any position in the Department.*

21 *(r)(1) The Secretary is authorized to enter into con-*
22 *tracts with educational institutions, public or private agencies*
23 *or organizations, or persons for the conduct of scientific or*
24 *technological research into any aspect of the problems related*

1 to the programs of the Department which are authorized by
2 statute.

3 (2) The Secretary shall require a showing that the
4 institutions, agencies, organizations, or persons with which
5 he expects to enter into contracts pursuant to this section
6 have the capability of doing effective work. He shall furnish
7 such advice and assistance as he believes will best carry out
8 the mission of the Department, participate in coordinating all
9 research initiated under this section, indicate the lines of
10 inquiry which seem to him most important, and encourage
11 and assist in the establishment and maintenance of coopera-
12 tion by and between the institutions, agencies, organizations,
13 or persons and between them and other research organiza-
14 tions, the Department, and other Federal agencies.

15 (3) The Secretary may from time to time disseminate
16 in the form of reports or publications to public or private
17 agencies or organizations, or individuals such information
18 as he deems desirable on the research carried out pursuant
19 to this section.

20 (4) Nothing contained in this subsection is intended
21 to amend, modify, or repeal any provisions of law ad-

1 ministered by the Department which authorize the making
2 of contracts for research.

3 CONFORMING AMENDMENTS TO OTHER LAWS

4 SEC. 10. (a) Section 19(d)(1) of title 3, United States
5 Code, as amended, is hereby amended by striking out the
6 period at the end thereof and inserting a comma and the
7 following: "Secretary of Transportation."

8 (b) Section 101 of title V of the United States Code is
9 amended by inserting at the end thereof the following:

10 "The Department of Housing and Urban Development.

11 "The Department of Transportation".

12 (c) The amendment made by subsection (b) of this
13 section shall not be construed to make applicable to the
14 Department any provision of law inconsistent with this Act.

15 (d) Subchapter II (relating to executive schedule pay
16 rates) of chapter 53 of title V of the United States Code is
17 amended as follows:

18 (1) Section 5312 is amended by adding at the end there-
19 of the following:

20 "(11) Secretary of Housing and Urban Development.

21 "(12) Secretary of Transportation."

1 (2) Section 5313 is amended by striking out “(7)
2 Administrator of the Federal Aviation Agency” and insert-
3 ing in lieu thereof “(7) Under Secretary of Transportation”,
4 and by adding at the end thereof the following:

5 “(19) Administrator, Federal Aviation Administra-
6 tion.”

7 (3) Section 5314 is amended by adding at the end thereof
8 the following:

9 “(46) Assistant Secretaries of Transportation (4).

10 “(47) Administrator, Federal Highway Administra-
11 tion.

12 “(48) Administrator, Federal Railroad Administration.

13 “(49) Administrator, Federal Maritime Administra-
14 tion.

15 “(50) Chairman, National Transportation Safety
16 Board.”

17 (4) Section 5315 is amended by adding at the end
18 thereof the following:

19 “(78) Members, National Transportation Safety
20 Board.

21 “(79) General Counsel, Department of Transporta-
22 tion.

23 “(80) Deputy Administrator, Federal Aviation Ad-
24 ministration.

1 “(81) Assistant Secretary for Administration, Depart-
2 ment of Transportation.

3 “(82) Director of Public Roads.”

4 (6) Section 5317 is amended by striking out “thirty”
5 and inserting in lieu thereof “thirty-nine”.

6 (7)(A) After section 5317 insert a new section as fol-
7 lows:

8 “§ 5318. Presidential authority to place a position at level

9 **III**

10 “The President is further authorized to place one posi-
11 tion in level III.”

12 (B) Amend the table of contents at the beginning of
13 chapter 53 by inserting at the end of the material relating
14 to subchapter II the following:

 “5318. Presidential authority to place one position in level III.”

15 (e) Subsections 5314(6), 5315(2), and 5316 (12),
16 (13), (14), (76), (82), and (89) of title V of the United
17 States Code are repealed, subject to the provisions of section 9
18 of the Department of Transportation Act.

19 (f) The Act of August 1, 1956, as amended (70 Stat.
20 897; 46 U.S.C. 1241c), is amended by striking the words
21 “Secretary of Commerce” where they appear therein and
22 inserting in lieu thereof “Secretary of Transportation”.

23 (g) Title 18, United States Code, section 1020, as

1 amended, is amended by striking the words "Secretary of
2 Commerce" where they appear therein and inserting in lieu
3 thereof "Secretary of Transportation".

4 (h) Subsection (1) of section 801, title 10, United
5 States Code, as amended, is amended by striking out "the
6 General Counsel of the Department of the Treasury" and
7 inserting in lieu thereof "the General Counsel of the De-
8 partment of Transportation".

9 ANNUAL REPORT

10 SEC. 11. The Secretary shall, as soon as practicable after
11 the end of each fiscal year, make a report in writing to the
12 President for submission to the Congress on the activities of
13 the Department during the preceding fiscal year.

14 SAVINGS PROVISIONS

15 SEC. 12. (a) All orders, determinations, rules, regula-
16 tions, permits, contracts, certificates, licenses, and privi-
17 leges—

18 (1) which have been issued, made, granted, or al-
19 lowed to become effective—

20 (A) under any provision of law amended by
21 this Act, or

22 (B) in the exercise of duties, powers, or func-
23 tions which are transferred under this Act,

24 by (i) any department or agency, any functions of

1 *which are transferred by this Act, or (ii) any court of*
2 *competent jurisdiction, and*

3 (2) *which are in effect at the time this Act takes*
4 *effect,*

5 *shall continue in effect according to their terms until modified,*
6 *terminated, superseded, set aside, or repealed by the Secre-*
7 *tary, Administrators, Board, Maritime Board, or General*
8 *Counsel (in the exercise of any authority respectively vested*
9 *in them by this Act), by any court of competent jurisdiction,*
10 *or by operation of law.*

11 (b) *The provisions of this Act shall not affect any*
12 *proceedings pending at the time this section takes effect be-*
13 *fore any department or agency (or component thereof),*
14 *functions of which are transferred by this Act; but such*
15 *proceedings, to the extent that they relate to functions so*
16 *transferred, shall be continued before the Department. Such*
17 *proceedings, to the extent they do not relate to functions so*
18 *transferred, shall be continued before the department or*
19 *agency before which they were pending at the time of such*
20 *transfer. In either case orders shall be issued in such pro-*
21 *ceedings, appeals shall be taken therefrom, and payments*
22 *shall be made pursuant to such orders, as if this Act had not*
23 *been enacted; and orders issued in any such proceedings shall*
24 *continue in effect until modified, terminated, superseded, or*

1 *repealed by the Secretary, Administrators, Board, Maritime*
2 *Board, or General Counsel (in the exercise of any authority*
3 *respectively vested in them by this Act), by a court of compe-*
4 *tent jurisdiction, or by operation of law.*

5 *(c)(1) Except as provided in paragraph (2)—*

6 *(A) the provisions of this Act shall not affect suits*
7 *commenced prior to the date this section takes effect, and*

8 *(B) in all such suits proceedings shall be had, ap-*
9 *peals taken, and judgments rendered, in the same man-*
10 *ner and effect as if this Act had not been enacted.*

11 *No suit, action, or other proceeding commenced by or against*
12 *any officer in his official capacity as an officer of any depart-*
13 *ment or agency, functions of which are transferred by this*
14 *Act, shall abate by reason of the enactment of this Act.*

15 *No cause of action by or against any department or agency,*
16 *functions of which are transferred by this Act, or by or*
17 *against any officer thereof in his official capacity shall abate*
18 *by reason of the enactment of this Act. Causes of actions,*
19 *suits, actions, or other proceedings may be asserted by or*
20 *against the United States or such official of the Department*
21 *as may be appropriate and, in any litigation pending when*
22 *this section takes effect, the court may at any time, on its own*
23 *motion or that of any party, enter an order which will give*
24 *effect to the provisions of this subsection.*

25 *(2) If before the date on which this Act takes effect,*

1 any department or agency, or officer thereof in his official
2 capacity, is a party to a suit, and under this Act—

3 (A) such department or agency is transferred to the
4 Secretary, or

5 (B) any function of such department, agency, or
6 officer is transferred to the Secretary,

7 then such suit shall be continued by the Secretary (except in
8 the case of a suit not involving functions transferred to the
9 Secretary, in which case the suit shall be continued by the
10 department, agency, or officer which was a party to the suit
11 prior to the effective date of this Act).

12 (d) With respect to any function, power, or duty trans-
13 ferred by this Act and exercised after the effective date of this
14 Act, reference in any other Federal law to any department
15 or agency, officer or office so transferred or functions of
16 which are so transferred shall be deemed to mean the officer
17 or agency in which this Act vests such function after such
18 transfer.

19 **SEPARABILITY**

20 *SEC. 13. If any provision of this Act or the application*
21 *thereof to any person or circumstances is held invalid, the*
22 *remainder of this Act, and the application of such provision*
23 *to other persons or circumstances shall not be affected*
24 *thereby.*

CODIFICATION

1
2 *SEC. 14. The Secretary is directed to submit to the*
3 *Congress within two years from the effective date of this*
4 *Act, a proposed codification of all laws that contain the*
5 *powers, duties, and functions transferred to or vested in*
6 *the Secretary or the Department by this Act.*

EFFECTIVE DATE; INITIAL APPOINTMENT OF

OFFICERS

8
9 *SEC. 15. (a) This Act shall take effect ninety days*
10 *after the Secretary first takes office, or on such prior date*
11 *after enactment of this Act as the President shall prescribe*
12 *and publish in the Federal Register.*

13 *(b) Any of the officers provided for in section 3, 5, or 6*
14 *of this Act may (notwithstanding subsection (a)) be ap-*
15 *pointed in the manner provided for in such sections, at any*
16 *time after the date of enactment of this Act. Such officers*
17 *shall be compensated from the date they first take office, at*
18 *the rates provided for in sections 3, 5, 6, and 10 of this Act.*
19 *Such compensation and related expenses of their offices shall*
20 *be paid from funds available for the functions to be trans-*
21 *ferred to the Department pursuant to this Act.*

Calendar No. 1627

89TH CONGRESS
2d Session

S. 3010

[Report No. 1659]

A BILL

To establish a Department of Transportation,
and for other purposes.

By Mr. MAGNUSON

MARCH 2, 1966

Read twice and referred to the Committee on
Government Operations

SEPTEMBER 27, 1966

Reported with an amendment

Union Calendar No. 780

89TH CONGRESS
2D SESSION

H. R. 15963

[Report No. 1701]

IN THE HOUSE OF REPRESENTATIVES

JUNE 27, 1966

Mr. HOLIFIELD introduced the following bill; which was referred to the Committee on Government Operations

JULY 15, 1966

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italic]

A BILL

To establish a Department of Transportation, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Department of Trans-
4 portation Act".

DECLARATION OF PURPOSE

5
6 SEC. 2. The Congress hereby declares that the general
7 welfare, the economic growth and stability of the Nation
8 and its security require the development and implementation

1 of national transportation policies and programs conducive
2 to the provision of fast, safe, efficient, and convenient trans-
3 portation at the lowest cost consistent therewith and with
4 other national objectives, including the efficient utilization
5 and conservation of the Nation's resources.

6 The Congress therefore finds that the establishment of
7 a Department of Transportation is necessary in the public
8 interest and to assure the coordinated, effective administra-
9 tion of the transportation programs of the Federal Govern-
10 ment; to facilitate the development and improvement of
11 coordinated transportation service, to be provided by private
12 enterprise to the maximum extent feasible; to encourage co-
13 operation of Federal, State, and local governments, carriers,
14 labor, and other interested parties toward the achievement
15 of national transportation objectives; to stimulate technologi-
16 cal advances in transportation; to provide general leadership
17 in the identification and solution of transportation problems;
18 and to develop and recommend national transportation
19 policies and programs to accomplish these objectives with
20 full and appropriate consideration of the needs of the pub-
21 lic, users, carriers, industry, labor, and the national defense.

22 ESTABLISHMENT OF DEPARTMENT

23 SEC. 3. (a) There is hereby established at the seat of
24 government an executive department to be known as the
25 Department of Transportation (hereafter referred to in this

1 Act as the "Department"). There shall be at the head of
2 the Department a Secretary of Transportation (hereafter
3 referred to in this Act as the "Secretary"), who shall be
4 appointed by the President, by and with the advice and con-
5 sent of the Senate.

6 (b) There shall be in the Department an Under Secre-
7 tary, who shall be appointed by the President, by and with
8 the advice and consent of the Senate. The Under Secretary
9 (or, during the absence or disability of the Under Secretary,
10 or in the event of a vacancy in the office of Under Secretary,
11 an Assistant Secretary or the General Counsel; determined
12 according to such order as the Secretary shall prescribe)
13 shall act for, and exercise the powers of the Secretary, dur-
14 ing the absence or disability of the Secretary or in the event
15 of a vacancy in the office of Secretary. The Under Secretary
16 shall perform such functions, powers, and duties as the Secre-
17 tary shall prescribe from time to time.

18 (c) There shall be in the Department four Assistant
19 Secretaries and a General Counsel, who shall be appointed
20 by the President, by and with the advice and consent of the
21 Senate, and who shall perform such functions, powers, and
22 duties as the Secretary shall prescribe from time to time.

23 (d) There shall be in the Department an Assistant Sec-
24 retary for Administration, who shall be appointed, with the
25 approval of the President, by the Secretary under the classi-

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1 fied civil service who shall perform such functions, powers,
2 and duties as the Secretary shall prescribe from time to time.

3 (e) The Secretary shall establish within the Department

4 (1) a Federal Highway Administration, (2) a Federal

5 Railroad Administration, (3) a Federal Maritime Admin-

6 istration, and (4) a Federal Aviation Administration. Each

7 of these components shall be headed by an Administrator who

8 shall be appointed by the President, by and with the advice

9 and consent of the Senate, and ~~who shall report directly to~~

10 the Secretary and shall have such duties and powers as he

11 may prescribe.

12 (f) The Secretary shall establish within the Depart-

13 ment an Office of Accident Investigation, which shall be in-

14 dependent of the Federal Aviation Administration. The

15 office shall, among its duties, investigate aviation accidents

16 in accordance with rules and regulations prescribed by the

17 Secretary.

18 (6)

GENERAL PROVISIONS

19 SEC. 4. (a) The Secretary in carrying out the pur-

20 poses of this Act shall, among his responsibilities, exercise

21 leadership under the direction of the President in transpor-

22 tation matters, including those affecting the national defense

23 and those involving national or regional emergencies; de-

24 velop national transportation policies and programs, and

25 make recommendations to the President and Congress for

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1 their implementation; promote and undertake development,
2 collection, and dissemination of technological, statistical,
3 economic, and other information relevant to domestic and
4 international transportation; promote and undertake research
5 and development relating to transportation, including noise
6 abatement, with particular attention to aircraft noise; and
7 consult with the heads of other Federal departments and
8 agencies on the transportation requirements of the Gov-
9 ernment.

10 (b) In exercising the functions, powers, and duties
11 conferred on and transferred to the Secretary by this Act,
12 the Secretary shall give full consideration to the need for
13 operational continuity of the functions transferred, to the
14 need for effectiveness and safety in transportation systems,
15 and to the needs of the national defense.

16 (c) Orders and actions of the Secretary or the Na-
17 tional Transportation Safety Board (established by section 5
18 of this Act) in the exercise of functions, powers, and duties
19 transferred under this Act shall be subject to judicial review
20 to the same extent and in the same manner as if such orders
21 and actions had been by the department or agency exercising
22 such functions, powers, and duties immediately preceding
23 their transfer. Any statutory requirements relating to
24 notice, hearings, action upon the record, or administrative
25 review that apply to any function transferred by this Act

specifying

1 shall apply to the exercise of such functions by the Secretary
2 or the National Transportation Safety Board.

3 (d) In the exercise of the functions, powers, and duties
4 transferred under this Act, the Secretary shall have the same
5 authority as that vested in the department or agency exercis-
6 ing such functions, powers, and duties immediately preced-
7 ing their transfer, and his actions in exercising such func-
8 tions, powers, and duties shall have the same force and effect
9 as when exercised by such department or agency.

10 (e) Nothing in this Act shall be construed to authorize,
11 without appropriate action by Congress, the adoption or
12 revision of a national transportation policy. Nor shall the
13 Secretary promulgate investment standards or criteria par-
14 suant to section 7 of this Act which are contrary to or in-
15 consistent with Acts of Congress relating to standards or
16 criteria for transportation investments.

17 NATIONAL TRANSPORTATION SAFETY BOARD

18 SEC. 5. (a) There is hereby established within the De-
19 partment a National Transportation Safety Board (referred
20 to hereafter in this Act as "Board").

21 (b) There are hereby transferred to, and it shall be
22 the duty of the Board to exercise, the functions, powers, and
23 duties transferred to the Secretary by sections 6 and 8 of this
24 Act with regard to—

25 (1) determining the cause or probable cause of

1 transportation accidents and reporting the facts, condi-
2 tions, and circumstances relating to such accidents; and

3 (2) the review on appeal of the suspension, amend-
4 ment, modification, revocation, or denial of any certifi-
5 cate or license issued by the Secretary.

6 (c) The Board is further authorized to—

7 (1) make such recommendations to the Secretary
8 as, in its opinion, will tend to prevent transportation
9 accidents;

10 (2) conduct special studies on matters pertaining
11 to safety in transportation and the prevention of
12 accidents;

13 (3) insure that in cases in which it is required to
14 determine cause or probable cause, reports of investiga-
15 tion adequately state the circumstances of the accident
16 involved. Where additional information is needed, the
17 Board may require the Secretary to conduct further
18 investigations or to take such other measures as are
19 required in the opinion of the Board to insure develop-
20 ment of all facts and circumstances surrounding the
21 accident;

22 (4) make recommendations to the Secretary con-
23 cerning policies, programs, and procedures for transpor-
24 tation safety, and rules, regulations, and procedures for
25 the conduct of accident investigations;

1 (5) require the Secretary to initiate specific accident
2 investigations as the Board determines to be necessary or
3 appropriate;

4 (6) arrange for the personal participation of mem-
5 bers or other personnel of the Board in accident investi-
6 gations conducted by the Department in such cases as it
7 deems appropriate; and

8 (7) require from the Secretary notification of trans-
9 portation accidents and reports of such accidents as the
10 Board deems necessary.

11 *(d) Except as otherwise provided by statute, the Board*
12 *shall make public all reports, orders, decisions, rules, and*
13 *regulations issued pursuant to sections 5(b)(1) and 5(b)*
14 *(2); and the Board shall also make public—*

15 *(1) every recommendation made to the Secretary,*

16 *(2) every special study conducted, and*

17 *(3) every action of the Board requiring the Sec-*
18 *retary to take action*

19 *pursuant to section 5(c)(1), (2), (3), (4), (5), or (7).*

20 ~~(d)~~ *(e) In the exercise of any of its functions, powers,*
21 *and duties, the Board shall be independent of the Secretary*
22 *and the other offices and officers of the Department, and shall*
23 *give full consideration to the requirements imposed on the*
24 *Secretary by section 4 (b) of this Act.*

25 ~~(e)~~ *(f) The Board shall report to the Congress two*

1 years after the effective date of this Act annually on the con-
2 duct of its functions under this Act and the effectiveness of
3 accident investigations in the Department, together with such
4 recommendations for legislation as it may deem appropriate.
5 An interim report shall be submitted to the Congress one
6 year after the effective date of this Act.

7 ~~(f)~~ (g) The Board shall consist of five members to be
8 appointed by the President, by and with the advice and con-
9 sent of the Senate. Members of the Board shall be appointed
10 with due regard to their fitness for the efficient dispatch of
11 the functions, powers, and duties vested in and imposed
12 upon the Board, and may be removed by the President for
13 inefficiency, neglect of duty, or malfeasance in office.

14 ~~(g)~~ (h) Members of the Board shall be appointed for
15 terms of five years, except that (1) any member appointed
16 to fill a vacancy occurring prior to the expiration of the term
17 for which his predecessor was appointed shall be appointed
18 only for the remainder of such term, and (2) the five mem-
19 bers first appointed shall serve for terms (designated by the
20 President at the time of appointment) ending on the last day
21 of the first, second, third, fourth, and fifth calendar years be-
22 ginning after the year of enactment of this Act. Upon the
23 expiration of his term of office a member shall continue to
24 serve until his successor is appointed and shall have qualified.

1 ~~(h)~~ (i) The President shall designate from time to time
2 one of the members of the Board as Chairman and one of
3 the members as Vice Chairman, who shall act as Chairman
4 in the absence or incapacity of the Chairman, or in the event
5 of a vacancy in the office of the Chairman. The Chairman
6 shall be the chief executive and administrative officer of the
7 Board and shall exercise the responsibility of the Board with
8 respect to (1) the appointment and supervision of personnel
9 employed by the Board; (2) the distribution of business
10 among the Board's personnel; and (3) the use and expendi-
11 ture of funds. In executing and administering the functions
12 of the Board on its behalf, the Chairman shall be governed
13 by the general policies of the Board and by its decisions,
14 findings, and determinations. Three of the members shall
15 constitute a quorum of the Board.

16 ~~(i)~~ (j) The Chairman of the Board shall be compensated
17 at the rate provided for level IV of the Federal Executive
18 Salary Schedule. Members of the Board shall be compen-
19 sated at the rate provided for level V of such Schedule.

20 ~~(j)~~ (k) The Board is authorized to establish such rules,
21 regulations, and procedures as are necessary to the exercise
22 of its functions.

23 ~~(k)~~ (l) In carrying out its functions, the Board (or,
24 upon the authorization of the Board, any member thereof or

1 any hearing examiner assigned to or employed by the Board)
2 shall have the same powers as are vested in the Secretary to
3 hold hearings, sign and issue subpoenas, administer oaths,
4 examine witnesses, and receive evidence at any place in the
5 United States it may designate.

6 ~~(h)~~ (m) Subject to the proviso in section 701 (g) of the
7 Federal Aviation Act of 1958 (72 Stat. 731 782; 49 U.S.C.
8 1441 (g)), the Board may delegate to any officer or official
9 of the Board or, with the approval of the Secretary, to any
10 officer or official of the Department such of its functions as
11 it may deem appropriate.

12 ~~(m)~~ (n) Subject to the civil service and classification
13 laws, the Board is authorized to select, appoint, employ, and
14 fix compensation of such officers and employees, including at-
15 torneys and hearing examiners, as shall be necessary to carry
16 out its powers and duties under this Act.

17 ~~(n)~~ (o) The Board is authorized, on a reimbursable basis
18 when appropriate, to use the available services, equipment,
19 personnel, and facilities of the Department and of other
20 civilian or military agencies and instrumentalities of the
21 Federal Government, and to cooperate with the Department
22 and such other agencies and instrumentalities in the estab-
23 lishment and use of services, equipment, and facilities of the
24 Board. The Board is further authorized to confer with and

1 avail itself of the cooperation, services, records, and facilities
2 of State, territorial, municipal, or other local agencies.

3 TRANSFERS TO DEPARTMENT

4 SEC. 6. (a) There are hereby transferred to and vested
5 in the Secretary all functions, powers, and duties of the
6 Secretary of Commerce and other offices and officers of the
7 Department of Commerce under—

8 (1) the following laws and provisions of law re-
9 lating generally to highways:

10 (A) Title 23, United States Code.

11 (B) The Federal-Aid Highway Act of 1962
12 (76 Stat. 1145, 23 U.S.C. 307 note).

13 (C) The Act of July 14, 1960 (74 Stat. 526,
14 23 U.S.C. 313 note).

15 (D) The Federal-Aid Highway Act of 1954
16 (68 Stat. 70).

17 (E) The Act of September 26, 1961 (75 Stat.
18 670).

19 (F) The Highway Revenue Act of 1956 (70
20 Stat. 387, 23 U.S.C. 120 note).

21 (G) The Highway Beautification Act of 1965
22 (79 Stat. 1028, 23 U.S.C. 131 et seq. notes).

23 (H) The Alaska Omnibus Act (73 Stat. 141,
24 48 U.S.C. 21 note prec.).

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1 (I) The Joint Resolution of August 28, 1965
2 (79 Stat. 578, 23 U.S.C. 101 et seq. notes) .


3 (J) Section 525 (c) of the General Bridge Act
4 of 1946 (60 Stat. 847, 33 U.S.C. 525 (c)) .

5 (K) The Act of April 27, 1962 (76 Stat. 59) .

6 (L) Reorganization Plan No. 7 of 1949 (63
7 Stat. 1070, 5 U.S.C. 133z-15 note) .

8 (2) the following laws and provisions of law relat-
9 ing generally to ground transportation:

10 (A) The Act of September 30, 1965 (79 Stat.
11 893, 49 U.S.C. 1631 et seq.) .

12 (B) Section 3 of the Urban Mass Transporta-
13 tion Act of 1964 (78 Stat. 306, 49 U.S.C. 1607). 

14 (3) the following laws and provisions of law relat-
15 ing generally to aircraft:

16 (A) The Act of September 7, 1957 (71 Stat.
17 629, 49 U.S.C. 1324 note) .

18 (B) Section 410 of the Federal Aviation Act of
19 1958 (72 Stat. 769, 49 U.S.C. 1380) .

20 (C) Title XIII of the Federal Aviation Act of
21 1958 (72 Stat. 800, 49 U.S.C. 1531 et seq.) .

22 (4) the following law relating generally to pilotage:
23 The Great Lakes Pilotage Act of 1960 (74 Stat. 259,
24 46 U.S.C. 216 et seq.) .

(i) Policy Guidance?
(ii) INDEP S. Bd yes

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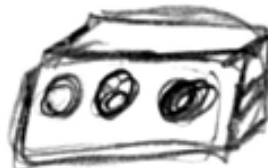
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(5) the following laws and provisions of law relating generally to the Merchant Marine:
(A) The Merchant Marine Act, 1920 (41 Stat. 988, 46 U.S.C. 861 et seq.).
(B) The Merchant Marine Act, 1928 (45 Stat. 689, 46 U.S.C. 891 et seq.).
(C) The Merchant Marine Act, 1936 (49 Stat. 1985, 46 U.S.C. 1101 et seq.).
(D) The Shipping Act, 1916 (39 Stat. 728, 46 U.S.C. 801 et seq.).
(E) The Merchant Ship Sales Act of 1946 (60 Stat. 41, 50 U.S.C. App. 1735 et seq.).
(F) The Maritime Academy Act of 1958 (72 Stat. 622, 46 U.S.C. 1381 et seq.).
(G) The Act of June 12, 1940 (54 Stat. 346, 46 U.S.C. 1331 et seq.).
(H) The United States Fishing Fleet Improvement Act (74 Stat. 212, 46 U.S.C. 1401 et seq.).
(I) The Act of September 14, 1961 (75 Stat. 514, 46 U.S.C. 1126b-1).
(J) The Act of June 13, 1957 (71 Stat. 73, 46 U.S.C. 1177a), to the extent it relates to operating-differential subsidies.
(K) The Act of June 2, 1951 (65 Stat. 59,

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15

1 46 U.S.C. 1241a), to the extent it relates to the
2 vessel operations revolving fund.

3 (L) The Act of July 24, 1956 (70 Stat. 605,
4 46 U.S.C. 249 et seq.).

5 (M) The Act of August 9, 1954 (68 Stat. 675,
6 50 U.S.C. 196 et seq.).

7 (N) Section 500 of the Transportation Act,
8 1920 (41 Stat. 499, 49 U.S.C. 142).

9 (O) Reorganization Plan No. 21 of 1950 (64
10 Stat. 1273, 46 U.S.C. 1111 note).

11 (P) Reorganization Plan No. 7 of 1961 (75
12 Stat. 840, 46 U.S.C. 1111 note).

13 (Q) Reorganization Plan No. 6 of 1949 (63
14 Stat. 1069, 46 U.S.C. 111 note).

15 (6) the following law to the extent it authorizes
16 scientific and professional positions which relate pri-
17 marily to functions transferred by this subsection: The
18 Act of August 1, 1947 (61 Stat. 715, 5 U.S.C. 1161).

19 (b) (1) The Coast Guard is hereby transferred to the
20 Department, and there are hereby transferred to and vested
21 in the Secretary all functions, powers, and duties, relating
22 to the Coast Guard, of the Secretary of the Treasury and of
23 other officers and offices of the Department of the Treasury.

24 (2) Notwithstanding the transfer of the Coast Guard
25 to the Department and the transfer to the Secretary of the

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1 functions, powers, and duties, relating to the Coast Guard,
2 of the Secretary of the Treasury and of other officers and
3 offices of the Department of the Treasury, effected by the
4 provisions of paragraph (1) of this subsection, the Coast
5 Guard, together with the functions, powers, and duties
6 relating thereto, shall operate as a part of the Navy, subject
7 to the orders of the Secretary of the Navy, in time of war
8 or when the President shall so direct, as provided in section
9 3 of title 14, United States Code.

10 (3) Notwithstanding any other provision of this Act,
11 the functions, powers, and duties of the General Counsel of
12 the Department of the Treasury set out in chapter 47 of
13 title 10, United States Code (Uniform Code of Military
14 Justice) are hereby transferred to and vested in the General
15 Counsel of the Department.

16 (c) (1) There are hereby transferred to and vested in
17 the Secretary all functions, powers, and duties of the Federal
18 Aviation Agency, and of the Administrator and other officers
19 and offices thereof.

20 (2) Nothing in this Act shall affect the power of the
21 President under section 302 (e) of the Federal Aviation Act
22 of 1958 (*72 Stat. 746*, 49 U.S.C. 1343 (c)) to transfer, to
23 the Department of Defense in the event of war, any func-
24 tions transferred by this Act from the Federal Aviation
25 Agency to the Secretary.

1 (d) There are hereby transferred to and vested in the
 2 Secretary all functions, powers, and duties of the Civil Aero-
 3 nautics Board, and of the Chairman, members, officers, and
 4 offices thereof under the following provisions of law relating
 5 generally to aviation safety: Titles VI and VII of the Fed-
 6 eral Aviation Act of 1958 (72 Stat. ~~776~~ 775, 49 U.S.C.
 7 1421 et seq.).

8 (e) There are hereby transferred to and vested in the
 9 Secretary all functions, powers, and duties of the Interstate
 10 Commerce Commission, and of the Chairman, members,
 11 officers, and offices thereof, under—

12 (1) the following laws relating generally to safety
 13 appliances and equipment on railroad engines and cars,
 14 and protection of employees and travelers:

15 (A) The Act of March 2, 1893 (27 Stat. 531,
 16 45 U.S.C. 1 et seq.).

17 (B) The Act of March 2, 1903 (32 Stat. 943,
 18 45 U.S.C. 8 et seq.).

19 (C) The Act of April 14, 1910 (36 Stat. 298,
 20 45 U.S.C. 11 et seq.).

21 (D) The Act of May 30, 1908 (35 Stat. 476,
 22 45 U.S.C. 17 et seq.).

23 (E) The Act of February 17, 1911 (36 Stat.
 24 913, 45 U.S.C. 22 et seq.).

1 (F) The Act of March 4, 1915 (38 Stat.
2 1192, 45 U.S.C. 30).

3 (G) Reorganization Plan No. 3 of 1965 (79
4 Stat. 1320).

5 (H) Joint Resolution of June 30, 1906 (34
6 Stat. 838, 45 U.S.C. 35).

7 (I) The Act of May 27, 1908 (35 Stat. 325,
8 45 U.S.C. 36 et seq.).

9 (J) The Act of March 4, 1909 (35 Stat. 965,
10 45 U.S.C. 37).

11 (K) The Act of May 6, 1910 (36 Stat. 350,
12 45 U.S.C. 38 et seq.).

13 (2) the following law relating generally to hours of
14 service of employees: The Act of March 4, 1907 (34
15 Stat. 1415, 45 U.S.C. 61 et seq.).

16 (3) the following law relating generally to medals
17 for heroism: The Act of February 23, 1905 (33 Stat.
18 743, 49 U.S.C. 1201 et seq.).

19 (4) the following provisions of law relating gen-
20 erally to explosives and other dangerous articles: Sec-
21 tions 831-835 of title 18, United States Code.

22 (5) the following laws relating generally to stand-
23 ard time zones and daylight saving time:

24 (A) The Act of March 19, 1918 (40 Stat.
25 450, 15 U.S.C. 261 et seq.).

1 (B) The Act of March 4, 1921 (41 Stat.
2 1446, 15 U.S.C. 265) .

3 (C) The Uniform Time Act of 1966 (80
4 Stat. 107) .

5 (6) the following provisions of the Interstate Com-
6 merce Act—

7 ~~(A)~~ relating generally to car service: Sections
8 ~~1(10), 1(11), 1(12), 1(13), 1(14)(a)~~ (but not
9 including establishment of the compensation to be
10 paid for the use of any locomotive, car, or other
11 vehicle not owned by the carrier using it); ~~1(15),~~
12 ~~1(16), 1(17), 6(8), the final sentence of 15(4),~~
13 ~~15(10), and 420 (49 U.S.C. 1 et seq. and 1020).~~

14 ~~(B)~~ (A) relating generally to safety appliances
15 methods and systems: Section 25 (49 U.S.C. 26) .

16 ~~(C)~~ (B) relating generally to investigation of
17 motor vehicle sizes, weights and service of em-
18 ployees: Section 226 (49 U.S.C. 325) .

19 ~~(D)~~ relating generally to facilities for car serv-
20 ice: Section ~~1(21), except to the extent that it re-~~
21 lates to extension of lines of common carriers ~~(49~~
22 U.S.C. ~~1(21)).~~

23 ~~(E)~~ (C) relating generally to qualifications and
24 maximum hours of service of employees and safety

1 of operation and equipment: Sections 204 (a) (1)
 2 and (2), to the extent that they relate to qualifica-
 3 tions and maximum hours of service of employees
 4 and safety of operation and equipment; and sections
 5 204 (a) (3), (3a), and (5) (49 U.S.C. 304).

6 ~~(F)~~ (D) to the extent they relate to private
 7 carriers of property by motor vehicle and carriers of
 8 migrant workers by motor vehicle other than con-
 9 tract carriers: Sections 221 (a), 221 (c), and 224
 10 (49 U.S.C. 321 et seq.).

11 (f) (1) Nothing in subsection (e) shall diminish the
 12 functions, powers, and duties of the Interstate Commerce
 13 Commission under sections 1 (6), 206, 207, 209, 210a, 212,
 14 and 216 of the Interstate Commerce Act (49 U.S.C. 1 (6),
 15 306 et seq.) or under any other section of that Act not
 16 specifically referred to in ~~the first paragraph of this~~
 17 ~~subsection~~ subsection (e).

18 (2) (A) With respect to any function which is trans-
 19 ferred to the Secretary by subsection (e) and which was
 20 vested in the Interstate Commerce Commission preceding
 21 such transfer, the Secretary shall have the same adminis-
 22 trative powers under the Interstate Commerce Act as the
 23 Commission had before such transfer with respect to such
 24 transferred function. After such transfer, the Commission
 25 may exercise its administrative powers under the Interstate

1 Commerce Act only with respect to those of its functions
2 not transferred by subsection (e).

3 (B) For purposes of this paragraph—

4 (i) the term “function” includes power and duty,
5 and

6 (ii) the term “administrative powers under the
7 Interstate Commerce Act” means any functions under
8 the following provisions of the Interstate Commerce Act:
9 Sections 12, 13 (1), 13 (2), 14, 16 (12), the last sen-
10 tence of 18 (1), sections 20 (except clauses (3), (4),
11 (11), and (12) thereof), 204 (a) (6) and (7), 204
12 (c), 204 (d), 205 (d), 205 (f), 220 (except subsection
13 (c) and the proviso of subsection (a) thereof), 222
14 (except subsections (b) (2) and (b) (3) thereof), and
15 417 (b) (1) (49 U.S.C. 12 et seq., 304 et seq., and
16 1017).

17 (g) There are hereby transferred to and vested in the
18 Secretary all functions, powers, and duties of the Secretary
19 of the Army and other officers and offices of the Department
20 of the Army under—

21 (1) the following law and provisions of law relating
22 generally to water vessel anchorages:

23 (A) Section 7 of the Act of March 4, 1915 (38
24 Stat. 1053; 33 U.S.C. 471).

1 (B) Article 11 of section 1 of the Act of June
2 7, 1897 (30 Stat. 98; 33 U.S.C. 180).

3 (C) Rule 9 of section 1 of the Act of February
4 8, 1895 (28 Stat. 647; 33 U.S.C. 258).

5 (D) Rule numbered 13 of section 4233 of the
6 Revised Statutes (33 U.S.C. 322).

7 (2) the following provision of law relating gen-
8 erally to drawbridge operating regulations: Section 5
9 of the Act of August 18, 1894 (28 Stat. 362; 33 U.S.C.
10 499).

11 (3) the following law relating generally to obstruc-
12 tive bridges: The Act of June 21, 1940 (54 Stat. 497;
13 33 U.S.C. 511 et seq.).

14 (4) the following laws and provisions of law relat-
15 ing generally to the reasonableness of tolls:

16 (A) Section 4 of the Act of March 23, 1906
17 (34 Stat. 85; 33 U.S.C. 494).

18 (B) Section 503 of the General Bridge Act of
19 1946 (60 Stat. 847; 33 U.S.C. 526).

20 (C) Section 17 of the Act of June 10, 1930
21 (46 Stat. 552; 33 U.S.C. 498a).

22 (D) The Act of June 27, 1930 (46 Stat. 821;
23 33 U.S.C. 498b).

24 (E) The Act of August 21, 1935 (49 Stat.
25 670; 33 U.S.C. 503 et seq.).

1 (5) the following law relating to prevention of pol-
 2 lution of the sea by oil: The Oil Pollution Act, 1961
 3 (75 Stat. 402; 33 U.S.C. 1001 et seq.).

4 (6) the following laws and provision of law to the
 5 extent that they relate generally to the location and clear-
 6 ances of bridges and causeways in the navigable waters
 7 of the United States:

8 (A) Section 9 of the Act of March 3, 1899 (30
 9 Stat. 1151; 33 U.S.C. 401).

10 (B) The Act of March 23, 1906 (34 Stat. 84;
 11 33 U.S.C. 491 et seq.).

12 (C) The General Bridge Act of 1946 (60 Stat.
 13 847; 33 U.S.C. 525 et seq.).

14 (h) Notwithstanding any other provision of this Act,
 15 the transfer of functions, powers, and duties to the Secretary
 16 shall not include functions vested by the Administrative Pro-
 17 cedure Act (60 Stat. 237; 5 U.S.C. 1001 et seq.) in hear-
 18 ing examiners employed by any agency or component
 19 thereof whose functions are transferred under the provisions
 20 of this Act.

21 TRANSPORTATION INVESTMENT STANDARDS

22 SEC. 7. (a) The Secretary shall develop and from time
 23 to time in the light of experience revise standards and criteria
 24 consistent with national transportation policies, for the formu-

1 lation and economic evaluation of all proposals for the invest-
2 ment of Federal funds in transportation facilities or equip-
3 ment, except such proposals as are concerned with (1) the
4 acquisition of transportation facilities or equipment by Federal
5 agencies in providing transportation services for their own
6 use; (2) grant-in-aid programs authorized by law; (3) an
7 interoceanic canal located outside the continental United
8 States; (4) defense features included at the direction or
9 upon official certification of the Department of Defense
10 in the design and construction of civil air, sea, and land trans-
11 portation; ~~or~~ (5) programs of foreign assistance; *or* (6)
12 *water resource projects.* The standards and criteria devel-
13 ~~oped by the Secretary shall be applicable to transportation~~
14 ~~features of water resource projects upon concurrence of the~~
15 ~~Water Resources Council and shall be compatible with the~~
16 ~~standards and criteria for economic evaluation applicable to~~
17 ~~nontransportation features of such projects. For purposes~~
18 ~~of considering such standards and criteria in relation to water~~
19 ~~resource projects, the Secretary shall be a member of the~~
20 ~~Water Resources Council.~~ The Secretary shall, at a time
21 selected by him, prior to the presentation of standards and
22 criteria to the President for approval, publish a notice of
23 proposed standards and criteria in the Federal Register and
24 provide an opportunity for interested persons to present their
25 views on them. The standards and criteria developed or

1 revised pursuant to this subsection shall be promulgated by
2 the Secretary upon their approval by the President.

3 (b) Every survey, plan, or report formulated by a Fed-
4 eral agency which includes a proposal as to which the Sec-
5 retary has promulgated standards and criteria pursuant to
6 subsection (a) shall be (1) prepared in accord with such
7 standards and criteria and upon the basis of information fur-
8 nished by the Secretary with respect to projected growth
9 of transportation needs and traffic in the affected area, the
10 relative efficiency of various modes of transportation, the
11 available transportation services in the area, and the general
12 effect of the proposed investment on the overall transporta-
13 tion system of the area, and on the regional and national
14 economy; (2) coordinated by the proposing agency with
15 the Secretary and, as appropriate, with other Federal agen-
16 cies, States, and local units of government for inclusion of his
17 and their views and comments; and (3) transmitted there-
18 after by the proposing agency for disposition in accord with
19 law and procedures established by the President.

20 AMENDMENTS TO OTHER LAWS

21 SEC. 8. (a) Section 406 (b) of the Federal Aviation
22 Act of 1958 (72 Stat. 763, 49 U.S.C. 1376 (b)), is amended
23 by adding the following sentence at the end thereof: "In
24 applying clause (3) of this subsection, the Board shall take

1 into consideration any standards and criteria prescribed by
2 the Secretary of Transportation, for determining the character
3 and quality of transportation required for the commerce of
4 the United States and the national defense.”

5 (b) Section 201 of the Appalachian Regional Develop-
6 ment Act of 1965 (79 Stat. 10, 40 U.S.C. App. 201) is
7 amended as follows:

8 (1) The first sentence of subsection (a) of that section
9 is amended by striking out “Commerce (hereafter in this
10 section referred to as the ‘Secretary’)” and inserting in
11 lieu thereof “Transportation”.

12 (2) The last sentence of subsection (a) of that section
13 is amended by inserting “of Transportation” after “Secre-
14 tary”.

15 (3) Subsection (b) of that section is amended by in-
16 serting “of Commerce” after “Secretary”.

17 (4) Subsection (c) of that section is amended by strik-
18 ing out the first sentence and inserting in lieu thereof the fol-
19 lowing: “Such recommendations as are approved by the
20 Secretary of Commerce shall be transmitted to the Secretary
21 of Transportation for his approval.”

22 (5) The second sentence of subsection (c) of that sec-
23 tion is amended by inserting “of Transportation” after “Sec-
24 retary”.

1 (6) Subsection (e) of that section is amended by in-
2 serting "of Transportation" after "Secretary".

3 (7) Subsection (f) of that section is amended by strik-
4 ing out "Secretary determines", and inserting in lieu thereof
5 "Secretary of Commerce and the Secretary of Transportation
6 determine".

7 (8) Subsection (g) of that section is amended by in-
8 serting before the period at the end thereof the following:
9 "to the Secretary of Commerce, who shall transfer funds to
10 the Secretary of Transportation for administration of projects
11 approved by both Secretaries".

12 (c) Section 206(c) of the Appalachian Regional De-
13 velopment Act of 1965 (79 Stat. 15, 40 U.S.C. App.
14 206(c)) is amended by inserting "Secretary of Transporta-
15 tion," after "Interior,".

16 (d) Section 212(a) of the Interstate Commerce Act
17 (49 Stat. 555, 49 U.S.C. 312(a)) is amended by striking
18 out "of the Commission" the second, third, and fourth times
19 those words occur.

20 (e) Section 13(b)(1) of the Fair Labor Standards
21 Act of 1938 (52 Stat. 1067, 29 U.S.C. 213(b)(1)) is
22 amended by striking out "Interstate Commerce Commis-
23 sion" and inserting in lieu thereof "Secretary of Transporta-
24 tion".

1 (f) The second sentence of section 3 of the Federal
2 Explosives Act (40 Stat. 385 386, 50 U.S.C. 123) is amended
3 to read as follows: "This Act shall not apply to explosives
4 or ingredients which are in transit upon vessels, railroad
5 cars, aircraft, or other conveyances in conformity with statu-
6 tory law or with the rules and regulations of the Secretary
7 of Transportation."

8 ADMINISTRATIVE PROVISIONS

9 SEC. 9. (a) In addition to the authority contained in
10 any other Act which is transferred to and vested in the
11 Secretary, the Secretary is authorized, subject to the civil
12 service and classification laws, to select, appoint, employ,
13 and fix the compensation of such officers and employees, in-
14 cluding attorneys, as are necessary to carry out the pro-
15 visions of this Act and to prescribe their authority and
16 duties.

17 (b) Notwithstanding any provision of this Act or other
18 law—

19 (1) a member of the Coast Guard on active duty
20 may be appointed, detailed, or assigned to any position
21 in the Department other than Secretary, Under Secre-
22 tary, and Assistant Secretary for Administration, and

23 (2) a retired member of the Coast Guard may be
24 appointed to any position in the Department.

25 (c) The Secretary may obtain services as authorized

1 by section 15 of the Administrative Expenses Act of 1946
2 (60 Stat. 810, 5 U.S.C. 55a), but at rates not to exceed
3 \$100 per diem for individuals unless otherwise specified in
4 an appropriation Act.

5 (d) The Secretary is authorized to provide for par-
6 ticipation of military personnel in carrying out his func-
7 tions. Members of the Army, the Navy, the Air Force, or
8 the Marine Corps may be detailed for service in the Depart-
9 ment by the appropriate Secretary, pursuant to cooperative
10 agreements with the Secretary of Transportation.

11 (e) (1) Appointment, detail, or assignment to, accept-
12 ance of, and service in any appointive or other position in the
13 Department under the authority of subsection (b) (1) or sub-
14 section (d) shall in no way affect status, office, rank, or
15 grade which officers or enlisted men may occupy or hold, or
16 any emolument, perquisite, right, privilege, or benefit, inci-
17 dent to or arising out of any such status, office, rank, or grade
18 nor shall any member so appointed, detailed, or assigned be
19 charged against any statutory limitation on grades or
20 strengths applicable to the armed forces. A person so ap-
21 pointed, detailed, or assigned shall not be subject to direction
22 by or control by his armed force or any officer thereof di-
23 rectly or indirectly with respect to the responsibilities exer-
24 cised in the position to which appointed, detailed, or
25 assigned.

1 (2) The Secretary shall report annually in writing to
2 the Congress on personnel appointed and agreements en-
3 tered into under subsection (d) of this section, including
4 the number, rank, and positions of members of the armed
5 services detailed pursuant thereto.

6 (f) In addition to the authority to delegate and redele-
7 gate contained in any other Act, in the exercise of the func-
8 tions transferred to or vested in the Secretary in this Act,
9 the Secretary may delegate any of his functions, powers, and
10 duties to such officers and employees of the Department
11 as he may designate, may authorize such successive redele-
12 gations of such functions, powers, and duties as he may deem
13 desirable, and may make such rules and regulations as may
14 be necessary to carry out his functions, powers, and duties.

15 (g) The personnel, assets, liabilities, contracts, prop-
16 erty, records, and unexpended balances of appropriations,
17 authorizations, allocations, and other funds employed, held,
18 used, arising from, available or to be made available, of the
19 Federal Aviation Agency, and of the head and other officers
20 and offices thereof, are hereby transferred to the Secretary.

21 (h) So much of the positions, assets, liabilities, con-
22 tracts, property, records, and unexpended balances of ap-
23 propriations, authorizations, allocations, and other funds
24 employed, held, used, arising from, available or to be made
25 available in connection with the functions, powers, and duties

1 transferred by sections 6 (except section 6 (c)), 8 (d) , and
2 8 (e) of this Act as the Director of the Bureau of the Budget
3 shall determine shall be transferred to the Secretary. Ex-
4 cept as provided in subsection (i) , personnel engaged in
5 these functions, powers, and duties shall be transferred in
6 accordance with applicable laws and regulations relating
7 to transfer of functions.

8 (i) The transfer of personnel pursuant to subsections
9 (g) and (h) of this section shall be without reduction in
10 classification or compensation for one year after such
11 transfer.

12 (j) In any case where all of the functions, powers, and
13 duties of any office or agency, other than the Coast Guard,
14 are transferred pursuant to this Act, such office or agency
15 shall lapse. Any person who, on the effective date of this
16 Act, held a position compensated in accordance with the
17 Federal Executive Salary Schedule, and who, without a
18 break in service, is appointed in the Department to a posi-
19 tion having duties comparable to those performed immedi-
20 ately preceding his appointment shall continue to be com-
21 pensated in his new position at not less than the rate pro-
22 vided for his previous position, for the duration of his service
23 in his new position.

24 (k) The Secretary is authorized to establish a working
25 capital fund, to be available without fiscal year limitation,

1 for expenses necessary for the maintenance and operation of
2 such common administrative services as he shall find to be
3 desirable in the interest of economy and efficiency in the De-
4 partment, including such services as a central supply service
5 for stationery and other supplies and equipment for which
6 adequate stocks may be maintained to meet in whole or in
7 part the requirements of the Department and its agencies;
8 central messenger, mail, telephone, and other communica-
9 tions services; office space, central services for document re-
10 production, and for graphics and visual aids; and a central
11 library service. The capital of the fund shall consist of any
12 appropriations made for the purpose of providing capital
13 (which appropriations are hereby authorized) and the fair
14 and reasonable value of such stocks of supplies, equipment,
15 and other assets and inventories on order as the Secretary
16 may transfer to the fund, less the related liabilities and
17 unpaid obligations. Such funds shall be reimbursed from
18 available funds of agencies and offices in the Department,
19 or from other sources, for supplies and services at rates which
20 will approximate the expense of operation, including the ac-
21 cernal of annual leave and the depreciation of equipment.
22 The fund shall also be credited with receipts from sale or
23 exchange of property and receipts in payment for loss or
24 damage to property owned by the fund.

25 (1) The Secretary shall cause a seal of office to be

1 made for the Department, and judicial notice shall be taken
2 of such seal.

3 (m) In addition to the authority contained in any other
4 Act which is transferred to and vested in the Secretary, and
5 as necessary and when not otherwise available, the Secretary
6 is authorized to provide for, construct, or maintain the fol-
7 lowing for employees and their dependents stationed at re-
8 mote localities:

- 9 (1) Emergency medical services and supplies;
- 10 (2) Food and other subsistence supplies;
- 11 (3) Messing facilities;
- 12 (4) Motion picture equipment and film for recrea-
13 tion and training;
- 14 (5) Reimbursement for food, clothing, medicine,
15 and other supplies furnished by such employees in emer-
16 gencies for the temporary relief of distressed persons;
17 and
- 18 (6) Living and working quarters and facilities.

19 The furnishing of medical treatment under paragraph (1)
20 and the furnishing of services and supplies under para-
21 graphs (2) and (3) of this subsection shall be at prices
22 reflecting reasonable value as determined by the Secretary,
23 and the proceeds therefrom shall be credited to the appro-
24 priation from which the expenditure was made.

25 (n) (1) The Secretary is authorized to accept, hold, ad-

1 minister, and utilize gifts and bequests of property, both real
2 and personal, for the purpose of aiding or facilitating the
3 work of the Department. Gifts and bequests of money and
4 the proceeds from sales of other property received as gifts or
5 bequests shall be deposited in the Treasury in a separate fund
6 and shall be disbursed upon order of the Secretary of Trans-
7 portation. Property accepted pursuant to this paragraph,
8 and the proceeds thereof, shall be used as nearly as possible in
9 accordance with the terms of the gift or bequest.

10 (2) For the purpose of Federal income, estate, and gift
11 taxes, property accepted under paragraph (1) shall be con-
12 sidered as a gift or bequest to or for use of the United States.

13 (3) Upon the request of the Secretary, the Secretary of
14 the Treasury may invest and reinvest in securities of the
15 United States or in securities guaranteed as to principal and
16 interest by the United States any moneys contained in the
17 fund provided for in paragraph (1). Income accruing from
18 such securities, and from any other property held by the
19 Secretary pursuant to paragraph (1), shall be deposited to
20 the credit of such fund, and shall be disbursed upon order
21 of the Secretary of Transportation.

22 (o) (1) The Secretary is authorized, upon the written
23 request of any person, or any State, territory, possession, or
24 political subdivision thereof to make special statistical studies
25 relating to foreign and domestic transportation, and *special*

1 *statistical studies relating to* other matters falling within the
2 province of the Department, to prepare from its records
3 special statistical compilations, and to furnish transcripts of
4 its studies, tables, and other records upon the payment of
5 the actual cost of such work by the person or body re-
6 questing it.

7 (2) All moneys received by the Department in pay-
8 ment of the cost of work under paragraph (1) shall be
9 deposited in a special account to be administered under
10 the direction of the Secretary. These moneys may be used,
11 in the discretion of the Secretary, and notwithstanding any
12 other provisions of law, for the ordinary expenses incidental
13 to the work and/or to secure in connection therewith the
14 special services of persons who are neither officers nor em-
15 ployees of the United States.

16 (p) The Secretary is authorized to appoint, without
17 regard to the civil service laws, such advisory committees as
18 shall be appropriate for the purpose of consultation with and
19 advice to the Department in performance of its functions.
20 Members of such committees, other than those regularly em-
21 ployed by the Federal Government, while attending meet-
22 ings of such committees or otherwise serving at the request
23 of the Secretary, may be paid compensation at rates not
24 exceeding those authorized for individuals under subsection
25 (c) of this section, and while so serving away from their

1 homes or regular places of business, they may be allowed
 2 travel expenses, including per diem in lieu of subsistence, as
 3 authorized by section 5 of the Administrative Expenses Act
 4 of 1946 (5 U.S.C. 73b-2) for persons in the Government
 5 service employed intermittently.

6 CONFORMING AMENDMENTS TO OTHER LAWS

7 SEC. 10. (a) Section 19(d) (1) of title 3, United
 8 States Code, is hereby amended by inserting before the period
 9 at the end thereof the following: “, Secretary of Trans-
 10 portation”.

11 (b) Section 158 of the Revised Statutes (5 U.S.C. 1)
 12 is amended by adding at the end thereof:

13 “Twelfth. The Department of Transportation.”

14 (c) The amendment made by subsection (b) of this
 15 section shall not be construed to make applicable to the
 16 Department any provision of law inconsistent with this Act.

17 (d) Section 303 of the Federal Executive Salary Act
 18 of 1964 (78 Stat. 416, 5 U.S.C. 2211) is amended as
 19 follows:

20 (1) Subsection (a) of that section is amended by add-
 21 ing at the end thereof the following:

22 “(11) Secretary of Housing and Urban Develop-
 23 ment.”

24 “(12) Secretary of Transportation.”

25 (2) Subsection (c) of that section is amended by strik-

1 ing out “(6) Under Secretary of Commerce for Transporta-
2 tion” and inserting in lieu thereof “(6) Under Secretary of
3 Transportation”.

4 (3) Subsection (d) of that section is amended by add-
5 ing at the end thereof the following:

6 “(70) Assistant Secretaries, Department of Trans-
7 portation, (4).”

8 “(71) General Counsel, Department of Trans-
9 portation.

10 “(72) Chairman, National Transportation Safety
11 Board, Department of Transportation.”

12 (4) Subsection (e) of that section is amended by adding
13 at the end thereof the following:

14 “(101) Assistant Secretary for Administration, De-
15 partment of Transportation.

16 “(102) Members, National Transportation Safety
17 Board, Department of Transportation (4).”

18 (5) Subsection (f) of that section is amended by strik-
19 ing out “thirty” and inserting in lieu thereof “thirty-nine”.

20 (6) That section is further amended by adding at the
21 end thereof the following new subsection:

22 “(h) The President is further authorized to place one
23 position in level III.”

24 (e) Subsections (b) (7), (d) (2), and (e) (12),
25 (13), (14), (76), (82), and (89) of section 303 of the

1 Federal Executive Salary Act of 1964 (78 Stat. 416, 5
2 U.S.C. 2211) are repealed.

3 (f) The Act of August 1, 1956 (70 Stat. 897, 46
4 U.S.C. 1241c), is amended by striking out the words "Sec-
5 retary of Commerce" where they appear therein and insert-
6 ing in lieu thereof "Secretary of Transportation".

7 (g) Section 1020 of title 18, United States Code, is
8 amended by striking out "Secretary of Commerce" wherever
9 it appears therein and inserting in lieu thereof "Secretary of
10 Transportation".

11 (h) Subsection (1) of section 801 of title 10, United
12 States Code, is amended by striking out "the General Coun-
13 sel of the Department of the Treasury" and inserting in lieu
14 thereof "the General Counsel of the Department of Trans-
15 portation".

16 ANNUAL REPORT

17 SEC. 11. The Secretary shall, as soon as practicable after
18 the end of each fiscal year, make a report in writing to the
19 President for submission to the Congress on the activities of
20 the Department during the preceding fiscal year.

21 SAVINGS PROVISIONS

22 SEC. 12. (a) All orders, determinations, rules, regula-
23 tions, permits, contracts, certificates, licenses, and privi-
24 leges—

1 (1) which have been issued, made, granted, or al-
2 lowed to become effective—

3 (A) under any provision of law amended by
4 this Act, or

5 (B) in the exercise of duties, powers, or func-
6 tions which are transferred under this Act,

7 by (i) any department or agency, any functions of
8 which are transferred by this Act, or (ii) any court of
9 competent jurisdiction, and

10 (2) which are in effect at the time this Act takes
11 effect,

12 shall continue in effect according to their terms until modified,
13 terminated, superseded, set aside, or repealed by the Secre-
14 tary, Board, or General Counsel (in the exercise of any
15 authority respectively vested in them by this Act), by any
16 court of competent jurisdiction, or by operation of law.

17 (b) The provisions of this Act shall not affect any
18 proceedings pending at the time this section takes effect be-
19 fore any department or agency (or component thereof),
20 functions of which are transferred by this Act; but such
21 proceedings, to the extent that they relate to functions so
22 transferred, shall be continued before the Department. Such
23 proceedings, to the extent they do not relate to functions so
24 transferred, shall be continued before the department or

1 agency before which they were pending at the time of such
2 transfer. In either case orders shall be issued in such pro-
3 ceedings, appeals shall be taken therefrom, and payments
4 shall be made pursuant to such orders, as if this Act had not
5 been enacted; and orders issued in any such proceedings shall
6 continue in effect until modified, terminated, superseded, or
7 repealed by the Secretary, Board, or General Counsel (in
8 the exercise of any authority respectively vested in them by
9 this Act), by a court of competent jurisdiction, or by opera-
10 tion of law.

11 (c) (1) Except as provided in paragraph (2)—

12 (A) the provisions of this Act shall not affect suits
13 commenced prior to the date this section takes effect, and

14 (B) in all such suits proceedings shall be had, ap-
15 peals taken, and judgments rendered, in the same man-
16 ner and effect as if this Act had not been enacted.

17 No suit, action, or other proceeding commenced by or against
18 any officer in his official capacity of any department or
19 agency, functions of which are transferred by this Act, shall
20 abate by reason of the enactment of this Act. No cause of
21 action by or against any department or agency, functions of
22 which are transferred by this Act, or by or against any
23 officer thereof in his official capacity shall abate by reason of
24 the enactment of this Act. Causes of actions, suits, actions
25 or other proceedings may be asserted by or against the

1 United States or such official of the Department as may be
2 appropriate and, in any litigation pending when this section
3 takes effect, the court may at any time, on its own motion or
4 that of any party, enter an order which will give effect to the
5 provisions of this subsection.

6 (2) If before the date on which this Act takes effect,
7 any department or agency, or officer thereof in his official
8 capacity, is a party to a suit, and under this Act—

9 (A) such department or agency is transferred to the
10 Secretary, or

11 (B) any function of such department, agency, or
12 officer is transferred to the Secretary,

13 then such suit shall be continued by the Secretary (except in
14 the case of a suit not involving functions transferred to the
15 Secretary, in which case the suit shall be continued by the
16 department, agency, or officer which was a party to the suit
17 prior to the effective date of this Act).

18 (d) With respect to any function, power, or duty trans-
19 ferred by this Act and exercised after the effective date of this
20 Act, reference in any other Federal law to any department
21 or agency, officer or office so transferred or functions of which
22 are so transferred shall be deemed to mean the officer or
23 agency in which this Act vests such function after such
24 transfer.

SEPARABILITY

SEC. 13. If any provision of this Act or the application thereof to any person or circumstances is held invalid, the remainder of this Act, and the application of such provision to other persons or circumstances shall not be affected thereby.

CODIFICATION

SEC. 14. The Secretary shall propose to the Congress within two years from the effective date of this Act, a codification of all laws that contain the powers, duties, and functions transferred to or vested in the Secretary or the Department by this Act.

EFFECTIVE DATE; INITIAL APPOINTMENT OF

OFFICERS

SEC. 15. (a) This Act shall take effect ninety days after the Secretary first takes office, or on such prior date after enactment of this Act as the President shall prescribe and publish in the Federal Register.

(b) Any of the officers provided for in sections 3 or 5 of this Act may (notwithstanding subsection (a)) be appointed in the manner provided for in such sections, at any time after the date of enactment of this Act. Such officers shall be compensated from the date they first take office, at

1 the rates provided for in sections 5 and 10 of this Act.
2 Such compensation and related expenses of their offices shall
3 be paid from funds available for the functions to be trans-
4 ferred to the Department pursuant to this Act.

6 (5)
(4)

DECISIONS OF THE
FMA AND THE BD
MADE PURSUANT TO
THE EFFECTS OF THE
FID IN THIS SUBSECTION
SHALL BE ADMIN FINAL &
APPEALS AS AUTHOR BY
LAW FOR THIS ACT SHALL
BE TAKEN DIRECTLY TO
COURTS AS
APPROPR

(DISTRICT OFFICE)

Union Calendar No. 780

80TH CONGRESS
2d Session

H. R. 15963

[Report No. 1701]

A BILL

To establish a Department of Transportation,
and for other purposes.

By Mr. HOLIFIELD

JUNE 27, 1966

Referred to the Committee on Government Operations

JULY 15, 1966

Reported with amendments, committed to the Com-
mittee of the Whole House on the State of the
Union, and ordered to be printed

**This is a schematic outline, by Joe Califano,
of the contents of the Transportation Message.**

EXECUTIVE

FG 175
FG 155-11

11:45 p.m., Tuesday
August 30, 1966

FOR THE PRESIDENT

FROM Joe Califano

Except for the exclusion of the Maritime Administration, the Transportation Department bill passed today by the House is excellent. It embodies the Administration's concept of a strong Secretary with the necessary vested powers to operate the Department effectively in conjunction with the three remaining modal Administrators -- aviation, railroads and highways.

Section 7 (federal investment standards for waterways and other transportation projects) was deleted. There were several technical amendments, but none of these are significant.

The Senate bill (the McClellan-Jackson version) folds into the Department all of the major modes -- aviation, highways, railroads and maritime -- and in this respect is stronger than the House bill which excludes maritime.

It is weaker than the House bill because it dilutes the Secretary's authority by vesting in the aviation, highways and railroad Administrators functions pertaining to safety and in the Maritime Administrator functions pertaining to subsidy awards.

The real problem with the Senate bill is that safety can be so broadly defined that it can embrace virtually every function. If this were to happen, the Secretary's power would be seriously weakened.

In addition, the Senate bill contains a Section 7 which writes into law the pre-1964 criteria. Since the House bill deletes Section 7 in its entirety, it gives us the flexibility to adopt criteria without Congressional action.

The best of all possible worlds would be for the Senate to pass the House bill with the Maritime Administration included. At this late stage, this is not in the cards. The important thing, however, is to get the Senate bill to the floor this week if humanly possible and get it passed before Civil Rights comes up. We can then work to get the best possible deal in conference.

The problem will be McClellan who told Manatos he would try to move the bill out of Committee but would hold it from coming up until after Civil Rights.

Attached is a list of the members of the Senate Government Operations Committee.

Attachment

MEMBERS OF THE SENATE COMMITTEE
ON GOVERNMENT OPERATIONS

DEMOCRATS

John L. McClellan
Henry M. Jackson
Sam J. Ervin, Jr.
Ernest Gruening
Edmund S. Muskie
Abraham A. Ribicoff
Fred R. Harris
Robert F. Kennedy
Lee Metcalf
Joseph M. Montoya

REPUBLICANS

Karl E. Mundt
Carl T. Curtis
Jacob K. Javits
Milward L. Simpson

EXECUTIVE

FG 155-11

FG 999-15

Fin
THE WHITE HOUSE
WASHINGTON

4:30 p.m., Tuesday
August 30, 1966

FOR THE PRESIDENT

FROM Joe Califano *jc*

Edward Garmatz's amendment to strike the
Maritime Administration from the
Department of Transportation was just
passed by a 190 to 63 vote. //

RECEIVED
AUG 31 1966

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EXECUTIVE
FG 155-11
FG 175 (i)

August 31, 1966
Wednesday, 6:00 p.m.

FOR THE PRESIDENT

FROM Joe Califano

Larry Levinson prepared the attached chronology on the negotiations with the Maritime people in the past week. He read it to Larry O'Brien, who agrees with it as do I.

You may find this useful for your meeting with the labor leaders tonight.

Attachment

RECEIVED
OCT 27 1966
CENTRAL FILES

THE TRANSPORTATION DEPARTMENT
AND THE MARITIME ADMINISTRATION

Chronology of the Negotiations at the White House

Tuesday, August 23; 6:00 - 8:00 p.m. -- Reynolds is in Chicago at the President's direction to work out a settlement with Hall and Curran. (The decision to send Reynolds out was made by the President at a meeting Monday night, August 22, with O'Brien and Boyd present.) First word is that the unions will forego their demand for a separate, independent Maritime Administration if a Presidentially appointed 3-man Maritime Subsidy Board could be created within the Department of Transportation. Califano drafts language to accommodate this and sends copies to Hoyt Haddock (Curran's man in Washington) who says he will get a final approval of the unions and the industry.

Wednesday, August 24; 12:15 - 2:30 p.m. -- The Tuesday night solution is not acceptable to Paul Hall. A six-man negotiating group (Haddock, Al Maskin -- a union newsman, Ralph Casey, Howard Adams and Earl Clark -- shipowners representatives, and Ray Murdock -- Hall's man) meets at the White House with Califano. This group is a special subcommittee of a larger 20-man committee representing all the maritime interests. The group says the Tuesday night proposal does not go far enough in insuring a preferred position for the Maritime Administration in the new Department. After caucusing, the six members agree to language worked out jointly with Califano for a subsidy board within the Department and for a special statutory delegation of authority on maritime matters to the Maritime Administration within the Department of Transportation. Later that afternoon, the 20-man committee approves the agreement -- subject to final approval by Paul Hall and Joe Curran, who are in Chicago.

Wednesday, August 24; 8:00 - 10:30 p.m. -- Murdock and two of his associates meet with Califano at the White House and announce that the afternoon's compromise is unacceptable to Paul Hall because it does not provide for sufficient independence of the Maritime Administration in the Department of Transportation.

Additional language is drafted by Califano and Murdock to meet the objections. Murdock also asks, "What else can be offered to sweeten this?" Califano writes out a 3-point plan in which the President would (1) meet with Meany or any one Meany designates and hear the Maritime case presented, (2) call the Maritime Advisory

Commission report a "thoughtful" document and (3) charge the new Department to come up with a new maritime program as its first order of business. Murdock takes a copy of the 3 points and revised language and says he will check it out with Hall.

While these negotiations proceed at the White House, Meany sends a telegram (around 9:40 p.m.) to every Member of the House (received at 10:47 p.m.) reporting the AFL-CIO Executive Council passed a resolution urging support for an independent, separate Maritime Administration outside the Transportation Department. The President (at 11:45 p.m.) talks to Meany about the Maritime problem. Meany does not mention the telegram he has just sent to the House members.

Thursday morning, August 25; 10:00 a.m. -- At a meeting in the Speaker's office, we learn for the first time of Meany's telegram. Reynolds is advised by Hall that there can be no deal short of the Maritime Administration as a separate independent agency. Curran in the meantime calls Califano and tells him he has assented to the language worked out the day before. Upon hearing that Hall has taken a hard and uncompromising line despite all the negotiations Haddock says he will issue a public statement saying that all of Maritime industry and labor favored reaching agreement with the Administration except for Hall. Haddock never issues the statement.

EXECUTIVE

FG 155-11
FG 999-15
FG 115
FG 696
FG 160

MEMORANDUM

TO: The President
FROM: Secy Wirtz
RE: Transportation Act

Larry O'Brien and Joe Califano discovered about a half hour ago that George Meany had sent last night to the Speaker and every member of the House a strongly worded telegram flatly opposing inclusion of the Maritime Administration in the new Department of Transportation. This telegram arrived at about 10:45 pm.

The telegram is exceedingly critical of various Administration offices, including the Department of Defense, and charges broad failure to measure up to the obligations of the Maritime Act of 1936.

Telegram squarely recommends establishment of the Maritime Administration separately from the Transportation Department.

Now, within the past 45 minutes, Jim Reynolds and I have been advised by Paul Hall and Lane Kirkland that this entire position of the AFL-CIO will now be reversed if a commitment is made that there will be a statement, either public or private, by "someone in the White House" as follows:

"The Administration reaffirms its support of the Maritime Act of 1936 and will direct the new Secretary of Transportation and Maritime Administrator to develop a program to implement that Act within the framework of the Maritime Advisory Committee Report."

Larry asks your advise as to whether any attempt should be made at this point to give this kind of statement or an equivalent to Paul Hall. If this is done, we would then try to get George Meany to send another telegram immediately countermanding his telegram of last night.

Nothing else sent to
Central Files as of 9/9/66

LB

Larry and Joe and I all feel that it is very questionable whether such an attempt should be made. The countermanding now of the Meany telegram will require explanation, and the making of the kind of statement Hall proposes would properly be taken as complete endorsement of the Maritime Advisory Committee Report, which carries a very high price tag.

Should we

a) attempt to work out the best possible statement to be given to Hall, assuming that this will bring another telegram from Meany supporting the Transportation Department legislation,

Yes ___ No ___ .

OR

b) let the matter stand as it is, which will mean that the Maritime Administration will not be included in the Transportation Department.

August 25, 1966
12:45p

B/B
MEMORANDUM

2
THE WHITE HOUSE
WASHINGTON

September 9, 1966
Friday - 10:30 a.m.

EXECUTIVE 4
LE/FI 11-4
FI 3
FI 8
FG 999-15

MEMORANDUM FOR THE PRESIDENT

FROM: Mike Manatos M.M.

Shortly after talking with you this morning I went up to see Senator Mansfield about the distribution of statements for Senate comment today on investment credit. Mansfield told me that in view of the "delicate nature" of a matter of this kind he would handle it himself. I left with him all of the statements and he said that he would talk to individual Senators personally and ask them to make the statements.

He also assured me he would not bring the Senate in before 12 o'clock Monday or Tuesday, which will give us the time we need for the meetings on Interest Rates and the Department of Transportation.

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

EXECUTIVE

FG 999-15

FG 155-11

September 13, 1966
Tuesday,

MEMORANDUM FOR THE PRESIDENT

Subject: Department of Transportation -- maritime policy

John L.

The McClellan committee will probably finish work on the Department of Transportation a week from Thursday, September 22.

I have been working with Gerald Grinstein (Magnuson's man), Layne Kirkland (Meany's man), and a few outsiders such as Jim Rowe, and I think we've got the problem licked.

I have tentative acceptance from all parties concerned of the following:

- (1) How the Maritime Administration will fit into the Department of Transportation, and
- (2) your position on maritime policy, generally.

On both points, I have negotiated out the details strictly along the lines you gave us at the meeting in your office on Monday night of the week we lost in the House.

I shall be working with Mike Manatos and Henry Wilson, on our immediate staff, and with Jim Reynolds, of Labor, and with no one else within the Executive Branch.

It will be very helpful if all others stay out of it until we wrap it up.

MPS
Milton P. Semer

John L.

Aug 14 Jerrito

EXECUTIVE

LE/LA

September 13, 1966
Tuesday - 4:00 PM

FD175
11/11/8
F18

MEMORANDUM FOR THE PRESIDENT

FROM: Mike Manatos

I am confident you realized when I called that I was under compulsion to suggest you telephone Dodd and McGee. I have since talked to Dodd, and trooper that he is he canceled a New York appointment of long standing to be here for the vote tomorrow on Minimum Wage and Cloture.

I am sorry to say that I have not been as successful with Gale McGee. He flat out refuses to cancel his plans to leave tomorrow morning for Wyoming. He is under some vague promise from the Southerners that they will furnish him a live pair on Minimum Wage in return for his absence on Cloture. As I pointed out on the telephone McGee has some sort of "100th trip to Wyoming" celebration arranged in Casper tomorrow evening and obviously feels that is more important than either Minimum Wage or Cloture.

Senator ^xMansfield will do what he can to schedule the Interest Bill for floor action on Friday assuming the Cloture issue is out of the way.

With respect to the Department of Transportation the Committee will report the bill a week from Thursday and schedule it for floor action a week from next Monday - September 26th. During the balance of this week and next week the committee will write the report and have it ready for committee action on Thursday, September 22nd. Senator Jackson tells me that for all intents and purposes the committee has agreed on a bill and needs one more session to take formal action.

Nothing else sent to
Central Files as of 7/6/67
J.W.