

Eno

Center for
Transportation

An Act

Providing for the establishment of a National Defense Highway

System and for the creation of a National Defense Highway Corporation

to construct, in the interest of the military security and civil

defense of the United States, continuous transcontinental, seaboard,

border-to-border, and inter-regional routes to facilitate movement of

weapons and means of defense, to encourage dispersal of defense plants

along major lines of supply removed from high population centers with

avenues of quick transportation for workers, and to accelerate distri-

bution of the national product through additional efficient channels

of transportation thus strengthening the national economy; to con-

struct circumferential by-pass routes around densely populated areas

and ingress and egress expressways to and from congested urban centers,

and parking facilities for clearing arterial streets in order to

facilitate mass evacuation of people and goods; and to construct air

strips along defense highways for use by protecting planes; to integrate

the designated elements of the National Defense Highway System under a

single federal agency for administration and control; and in addition to empower the Corporation to finance the cost of the National Defense

Highway System in whole or in part on a self liquidating basis.

This Act may be cited as the National Defense Highway Act of 1954.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

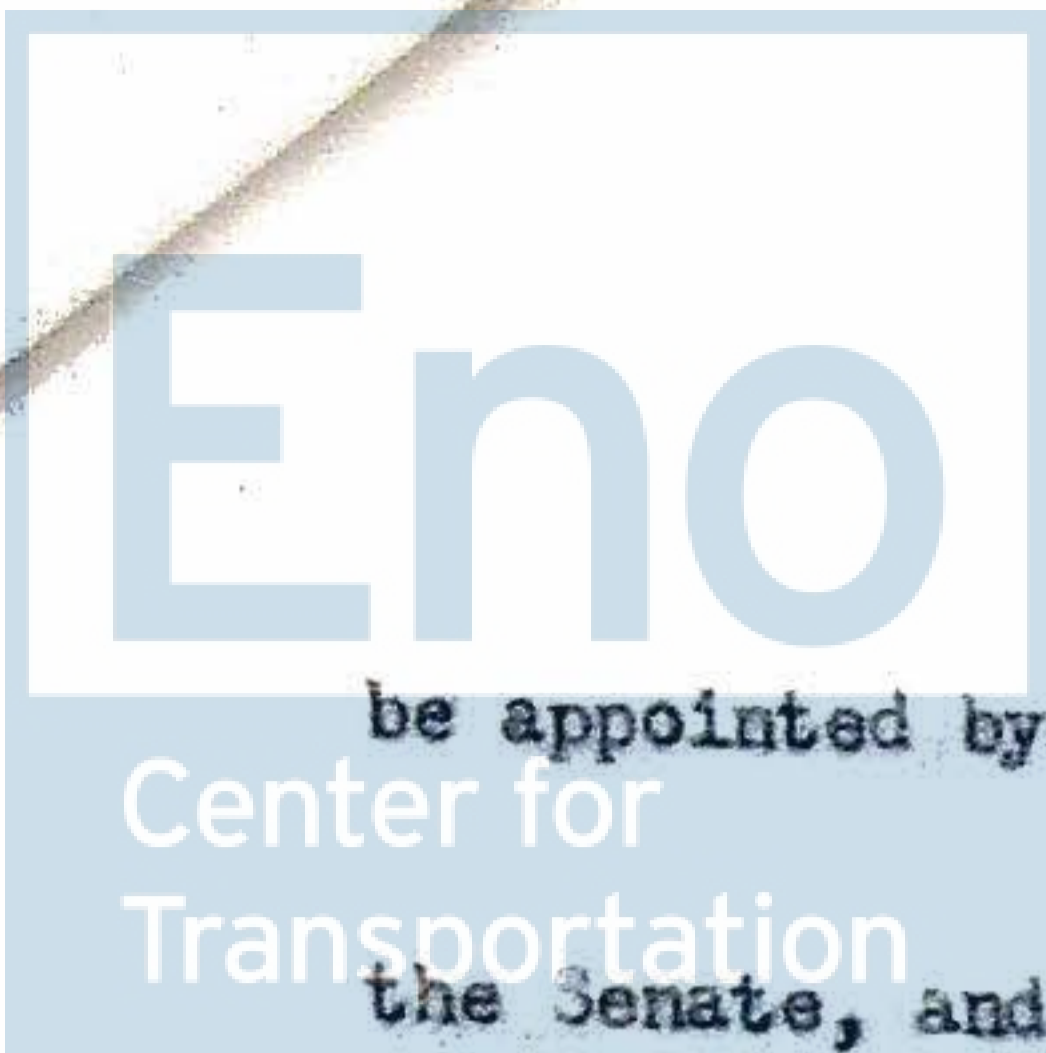
CREATION OF CORPORATION

SECTION 1. There is hereby created, subject to the direction and supervision of the President, or the head of such agency as he may designate, a body corporate to be known as the National Defense Highway Corporation.

MANAGEMENT OF CORPORATION

SECTION 2 (a) The management of the Corporation will be vested in a Managing Director (herein referred to as the Director) who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall receive compensation at the rate of \$25,000 per annum.

(b) To assist the Director in the execution of the functions vested in the Corporation there shall be a Deputy Director who shall



be appointed by the President, by and with the advice and consent of the Senate, and who shall receive compensation at the rate of \$20,000

per annum. The Deputy Director shall perform such duties as the Director may from time to time designate, and shall be Acting Director and perform the functions of the Director during the absence or disability of the Director or in the event of a vacancy in the Office of the Director.

(c) There is hereby established the Advisory Board of the National Defense Highway Corporation, which shall be composed of five members each of whom shall be an Undersecretary or Assistant Secretary or equivalent rank from the following Departments or agencies as indicated:

Department of the Army, Department of Defense

Department of the Air Force, Department of Defense

Department of Commerce, Bureau of Public Roads

Treasury Department

Office of Defense Mobilization

The Advisory Board shall meet at the call of the Director, who shall require it to meet not less often than once each ninety days; shall review the general policies of the Corporation, including its policies as to determination of routes, of tollway sections, fixing

of toll charges, financing for both freeway and tollway sections; and shall advise the Director with respect thereto. Members of the Advisory

Board shall receive for their services as members compensation of not to exceed \$50 per diem when actually engaged in the performance of their duties, together with their necessary traveling expenses while going to and coming from meetings.

FUNCTIONS OF CORPORATION

SECTION 3 (a) The Corporation is authorized and directed to devise and locate a system of National Defense Highways consisting in general of 3 transcontinental highways, 4 seaboard or border-to-border highways, 3 diagonal regional highways, circumferential throughway by passing dense population centers, urban expressways to and from centers of high density population; terminal parking facilities where urban ingress and egress expressways may be established by abolition of parking facilities on existing arterial streets; air landing strips where needed for defense.

(b) To provide systematic and distinguishing designation of highways and facilities of the National Defense Highway System. To select and designate a Basic System of the National Defense Highway System within 2 years.

Center for (c) To construct or supervise the construction of the National
Transportation
Defense Highway System.

(d) To integrate into the system sections of the primary or interstate federal aid freeway or other roads and tollways, constructed or under construction, and to make agreements with the States or State agencies, or interstate agencies in effecting such integration; and to reconstruct such roads to standards established by it.

CORPORATE POWERS

SECTION 4 (a) For the purpose of carrying out its functions under this joint resolution the Corporation:

- (1) shall have succession in its corporate name;
- (2) may adopt and use a corporate seal, which shall be judicially noticed;
- (3) may sue and be sued in its corporate name;
- (4) may adopt, amend, and repeal bylaws, rules and regulations governing the manner in which its business may be conducted and the powers vested in it may be exercised;
- (5) may make and carry out such contracts or agreements as are necessary or advisable in the conduct of its business;

(6) may appoint and fix the compensation, in accordance with the provisions of the Classification Act of 1949, of such officers, attorneys, and employees as may be necessary for the conduct of its business, define their authority and duties, delegate to them such of the powers vested in the Corporation as the Director may determine, require bonds of such of them as the Director may designate, and fix the penalties and pay the premiums on such bonds;

(7) may acquire, by purchase, lease, condemnation with right of immediate possession, or donation such real and personal property and any interest therein, and may sell, lease, or otherwise dispose of such real and personal property, as the Director deems necessary for the conduct of its business; and

(8) shall determine the character of and the necessity for its obligations and expenditures, and the manner in which they shall be incurred, allowed and paid, subject to provisions of law specifically applicable to Government corporations.

(b) Shall establish standards of design, rules of safety, and regulations for use for the National Defense Highway System.

(c) Shall establish tolls in accordance with Section 5.

(d) Shall establish such points of entrance and exit for feeder routes as will best serve the region traversed, shall establish servicing facilities, restaurants and other facilities to meet the needs of the users and shall fix charges for these facilities; shall grant concessions for operating service and auxiliary facilities. Receipts in excess of costs from auxiliary operation may be utilized to improve these operations or paid into the sinking fund for redemption of toll bonds.

Financing

SECTION 5. (1) All elements of the N.D.H.S. will be tollways initially. All elements except Parking Facilities of the entire National Defense Highway System will become freeways as soon as all the costs thereof have been paid. For the Basic System, this will be not later than 40 years from the passage of this Act but this will not preclude the declaration as freeways at an earlier period.

(2) To finance work the Corporation is authorized and empowered to issue to the Secretary of the Treasury from time to time, in an amount not exceeding \$45 billion revenue bonds which shall be payable primarily from corporate revenues: Provided that not to exceed \$2 billion of the revenue bonds herein authorized shall be issued during the first year after the effective date of this Act, not to exceed \$3 billion, the second year, and not to exceed \$5 billion annually thereafter for the next 8 years. Such obligations may be redeemable at the option of the Corporation before maturity in such manner as may be stipulated in such obligations, but the obligations thus redeemed shall not be refinanced by the Corporation. Each such obligation shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on current marketable obligations of the United States of comparable maturities as of the last day of the month preceding the issuance of the

obligation of the Corporation. The Secretary of the Treasury is authorized and directed to purchase any obligations of the Corporation to be issued hereunder and for such purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under the Second Liberty Bond Act, as amended, are extended to include any purchases of the Corporation's obligations hereunder.

(3) Rates of User Charges or Tolls. The Corporation is empowered to fix toll rates after consultation with the Advisory Committee, and will promulgate them before opening of any highway or bridge section for use. They may vary geographically and otherwise with variant conditions. They may be revised biennially if the Director and Advisory Board considers it desirable. Toll Rates will be based on consideration of potential traffic density, weight of vehicle, value of service to user, costs of construction, interest, operation and maintenance, and revenue required to be earned in view of needs of the entire tollway part of system.

(4) Toll rates will be published as soon as promulgated in the Federal Register, and the Corporation will give three months notice, by publication in the Federal Register of changes in rates.

(5) Whenever existing toll roads, or toll roads under construction are selected to be integrated into the National Defense Highway System, the existing financing will not be disturbed: Provided, however, if the design of the roadway and structures must be altered to meet the standards of the National Defense Highway System, the additional cost thereof will be borne by the Corporation after negotiation with the State or State agency owner of the highway, in which case the financing and additional toll charges, if any, will be in accordance with principles set forth herein for financing of new tollways.

SECTION 6. The Corporation is authorized to make payments to State and local governments in lieu of property taxes upon property which was subject to State and local taxation before acquisition by the Corporation. Such payments may be in the amounts, at the times, and upon the terms the Corporation deems appropriate, but the Corporation shall be guided by the policy of making payments not in excess of the taxes which would have been payable for such property in the condition in which it was acquired, except in cases where special burdens are placed upon the State or local government by the activities of the Corporation or its agents. The Corporation, its property, franchises, and income are hereby expressly exempted from taxation in any manner or form by any State, county, municipality, or any subdivision thereof, but such exemption shall not extend to contractors for the Corporation.

SERVICES AND FACILITIES OF OTHER AGENCIES

SECTION 7. (a) The Corporation may, with the consent of the agency concerned, accept and utilize, on a reimbursable basis, the officers, employees, services, facilities, and information of any agency of the Federal Government, except that any such agency having custody of any data relating to any of the matters within the jurisdiction of the Corporation shall, upon request of the Director, make such data available to the Corporation without reimbursement.

(b) The Corporation shall contribute to the civil-service retirement and disability fund, on the basis of annual billings as determined by the Civil Service Commission, for the Government's share of the cost of the civil-service retirement system applicable to the Corporation's employees and their beneficiaries. The Corporation shall also contribute to the employee's compensation fund, on the basis of annual billings as determined by the Secretary of Labor, for the benefit payments made from such fund on account of the Corporation's employees. The annual billings

Eno

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Transportation

shall also include a statement of the fair portion of the cost of the administration of the respective funds, which shall be paid by the Corporation into the Treasury as miscellaneous receipts.

SECTION 8. The Corporation shall submit to the President for transmission to the Congress at the beginning of each regular session an annual report of its operations under this Act.

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