



THE SECRETARY OF COMMERCE
WASHINGTON 25, D. C.

AUG 18 1965

EXECUTIVE

TN
7G 999
7G 155
7G 115
7G 105
7G 170
7G 226
7G 257
7G 211
7G 236
7G 676

File

The President
The White House
Washington, D. C.

Dear Mr. President:

*National Transportation Council
FG 999-15*

Transportation programs within the Federal Government offer a complex array of issues and administrative problems. In spite of an historic search for a rational organization to deal with these matters, comprehensive transportation policy formulation has continuously eluded us.

The most notable effort to achieve an administrative system of overall transport policy coordination was the implementation of the recommendations of the first Hoover Commission of 1949. As a result, the three major transport promotional programs in the Federal Government dealing with highways, aviation, and merchant marine were placed in the Department of Commerce. At the same time the position of Under Secretary for Transportation was created in the Department of Commerce and was given the responsibility not only to supervise the administration of the three promotional programs but to develop overall transportation policy.

Despite the implementation of the Hoover Commission recommendations, important issues of transportation policy have not received coordinated attention at the highest levels of Government.

New program emphasis led to the creation of a Federal Aviation Agency outside the Department of Commerce. The inception of a program to assist urban mass transportation has led to an increasing transportation function in the Housing and Home Finance Agency. Corps of Engineers continues to exert an important influence on transportation through its rivers and harbors program, and the Department of Defense, as the largest Federal user of transportation, has a vast influence on aviation, the merchant marine, and domestic surface transportation. The Department of State, through its foreign policy responsibilities, influences the development

Eno

Center for
Transportation

of international aviation and maritime transportation. In addition, the regulatory bodies have important responsibilities that are not sufficiently coordinated from a policy standpoint with the policies of the Executive Branch.

The Department of Commerce is in a position to exercise leadership among transportation agencies, but it cannot exercise control, and in the absence of any control mechanism, much transportation policy is made piecemeal or, as is frequently the case, by default.

Our goal is clear. The United States must have a national transportation system which assures the availability of the fast, safe and economical transportation services necessary to sustain a growing and changing economy. The system must be an optimum combination of all modes, taking maximum advantage of the inherent characteristics of each and capable of moving people and goods without waste or discrimination at the lowest cost consistent with health, convenience, national security and other broad public objectives. Furthermore, the transportation system must connect all parts of the United States and link our country with the rest of the world.

In keeping with the underlying economic and political principles of our nation, the national transportation system should rely to the maximum extent possible, consistent with the public interest, on unsubsidized, privately-owned facilities operating under the incentives of private profit and the checks of competition rather than upon regulation. Where regulation is necessary, there should be maximum possible reliance on the establishment of broad policy guidelines rather than detailed regulation, leaving the widest possible latitude for the exercise of judgment by private management.

I am not at this time recommending any strictly organizational solution to enable us to reach our transportation goal -- either increasing the responsibilities of this Department, creation of a new Department of Transportation, or assignment of transportation agencies to several departments on the basis of program relationships with non-transportation functions. What is needed, however, and what I do recommend, is a more definitive coordinative process for transport policy formulation within the Executive Branch, comprising the leadership of the principal departments and agencies having transportation responsibilities.

To this end I propose the formation of a National Transportation Council within the Federal Government, consisting of the heads of the departments and agencies with major responsibility for transportation policy and administration. The Council would be the principal focal point for the consideration of transportation policy matters of national scope and importance and for the formulation of recommendations to you in this important area. The Council should consist of the designees of the Secretaries of State, Defense, and Housing and Urban Affairs, the Administrator of the Federal Aviation Agency, and the Chairmen of the Interstate Commerce Commission, the Civil Aeronautics Board, and the Federal Maritime Commission. The Under Secretary of Commerce for Transportation should serve as Chairman of the Council. Staff support would be furnished by the Department of Commerce.

There are, of course, a number of other departments, independent agencies, and regulatory commissions that have an interest in particular aspects of overall transportation policies and programs. The Department of Agriculture, the Post Office Department, the Treasury Department, the Labor Department, National Aeronautics and Space Administration, General Services Administration, and the Federal Power Commission, to name a few of the more obvious ones. While their participation will be essential from time to time, I believe it would be better to limit the initial membership of the Council to those organizations which have broad policy responsibilities in transportation. There is also the consideration that the Council will undoubtedly function more smoothly with the smallest membership necessary to insure that the necessary interests are represented.

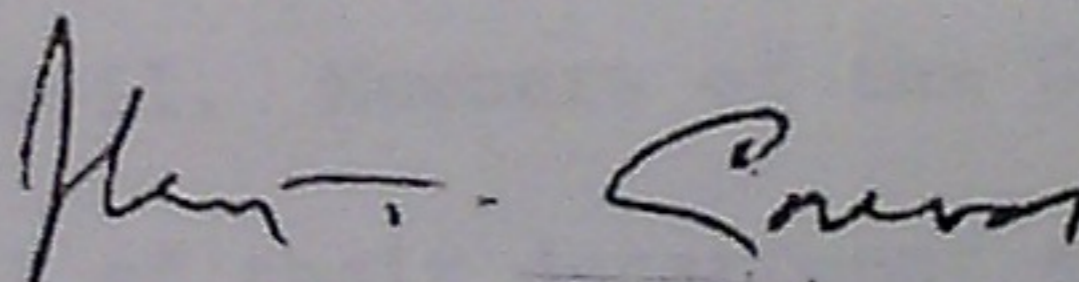
A Transportation Council to accomplish policy coordination is desirable because there is a lack of direct control in the office having the responsibility for coordination and specific statutes set out diverse and sometimes conflicting mandates for the individual organizations involved. To this must be added a consideration of the 15-year history during which the existing structure has not produced satisfactory results. For these reasons I feel that the establishment of a Transportation Council by Executive Order will demonstrate your interest and concern with the problems of Transportation in the Great Society and emphasize your determination that our transportation system must keep pace with the rapidly advancing state of technology. At the same time it will help formalize both the mechanism for dealing with these problems within the Government and the relationships among the agencies of Government having transportation responsibilities.

The formation of a transportation council at this time has the further advantage of providing us with a valuable element of flexibility. Hopefully it will prove to be the appropriate vehicle for resolving our difficulties in the transportation policy area. If, on the other hand, it is not a completely adequate mechanism in itself, it will be an extremely useful transitional mechanism which will enable us to move smoothly to a more desirable organizational structure.

I also propose that the Transportation Council assume the responsibilities of the Interagency Committee on International Aviation Policy and that committee be dissolved. This will avoid any net increase in the present number of interagency committees.

A draft Executive Order implementing this suggestion is enclosed.

Respectfully yours,



John T. Connor

Enclosure

Eno

Center for
Transportation

DRAFT

EXECUTIVE ORDER

CREATION OF A NATIONAL TRANSPORTATION COUNCIL

By the authority vested in me as President of the United States, I hereby authorize and direct the formation of a National Transportation Council. The Council shall consist of the following members: the Secretary of Defense, the Secretary of State, the Secretary of Housing and Urban Affairs, the Administrator of the Federal Aviation Agency, and the Chairmen of the Interstate Commerce Commission, the Civil Aeronautics Board, and the Federal Maritime Commission. The Under Secretary of Commerce for Transportation shall be the Chairman of the Council. Members of the Council may delegate their participation to an official of their department or agency not lower in rank than Assistant Secretary, Assistant Administrator, or appointed member of a regulatory agency.

The Council will develop and propose to the President policies and programs to assure the development of a healthy, balanced national transportation system, identify major international transportation problems and develop solutions to them, and serve to coordinate Federal programs involving major interagency relationships. In carrying out these objectives, the Council may sponsor studies of major problems which it may identify, review overall budgetary and expenditure policies affecting transportation, develop common approaches to assessing programs and projects among the different transport modes, and provide for consultation with Congressional leadership, representatives of international bodies, State and local governments, and

Eno
Center for
Transportation

transportation-related industries.

The Council may consider matters that may be pending before a regulatory agency, but in such cases the hearing agency will be disassociated from the Council proceeding, and a notation to that effect shall be included in any written report or recommendation of the Council.

Staff support, including the services of an Executive Secretary, shall be provided by the Department of Commerce. Other departments and agencies represented on the Council are authorized to supply personnel and services to supplement those provided by the Department of Commerce, and to assist in funding joint projects authorized by the Council or approved by the President within the authority of their respective appropriations, and in keeping with section 214 of the Act of May 3, 1945, 59 Stat. 134 (31 U. S. C. 691).

Upon the invitation of the Chairman or at the direction of the President, other Federal departments and agencies may participate in the activities of the Council when matters within the purview of such departments and agencies are involved. The Bureau of the Budget, the Council of Economic Advisers, and the Office of Emergency Planning are authorized to observe meetings of the Council and participate in its discussions and projects.

Written reports shall be made to the President by the Chairman on all major policy recommendations of the Council. The Chairman shall submit an annual report to the President summarizing the Council's activities

during the year. This report shall also include a proposed program or agenda of activities anticipated for the subsequent year. Such report shall be submitted not later than November 15 of each year, covering the prior fiscal year.

The Interagency Committee on International Aviation Policy is hereby abolished and its functions shall be assumed by the National Transportation Council. Other Executive orders providing for interagency transportation coordination shall be referred to the Council by the departments or agencies concerned for review and recommendation to the President.

Eno

Center for
Transportation