

UNITED STATES GOVERNMENT

Memorandum

TO : The Director

FROM : William M. Capron *WC*

SUBJECT: Transportation chaos

I have attached Boarding
Summary of Transportation Task Force
 Executive Office of the President
 Bureau of the Budget
Report
He is redoing it with evaluation per

DATE: September 13, 1965

your later instructions.
WC (3)

EXECUTIVE

7G 600/T*

* Task force on Transportation

Your attention is urgently called to the attached memoranda: (1) memoranda by Okun and Murray dealing with the status of Alan Boyd's Transportation Task Force, and (2) a Boyd memorandum to the Task Force on the "goals" project. In addition to the problems raised in these memoranda, there are other serious (or potentially serious) problems coming to a head:

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TN

- The potential confusion and overlap between our BOB PPB undertaking and Alan Boyd's interpretation of Joe Califano's "goals" request. (See the attached memorandum from Boyd for the Transportation Task Force.)
- Boyd's intention to use the Transportation Council as an all-purpose vehicle. Although the regulatories are represented on the Council, he intends to have the Council review transportation budget questions, Executive Branch position by the regulatories (!), etc. He also intends to use this Council as the Transportation Review Board.
- Failure to use the Transportation Merger Committee to consider issues which presumably fall in its bailiwick (I gather Boyd is going to let the Merger Committee die and substitute the Transportation Policy Council which is impossible given the presence of the regulatory chairman). There is, for example, before the Congress legislation which would exempt the railroads from the limitations on loss carry-over in the case of mergers. Connor has indicated to Treasury the Commerce Department's strong support for this legislation, but it has never been discussed by the Merger Committee, although Connor's letter recognizes this legislation's close relation to Executive Branch railroad merger posture.

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-- Boyd's intention to release publicly very shortly the Maritime Task Force Report. I agree that we should aim to do this, but there are some problems which I need to discuss with you.

Since you have arranged with Califano for the Bureau to review all of the Task Force reports, we may be in a position to push the Transportation Task Force in the right direction. However, as Okun's memorandum indicates, it is not clear what the "right direction" is at the moment. (As you will note, Boyd has collected all of the Task Force reports from the members of the Task Force. However, I have told Gordon Murray that he should continue to work on his evaluation, using the copy we got directly from Califano.)

Because of the number of issues indicated above, I strongly recommend that you arrange for a meeting in the next day or two with the following dramatis personae: yourself, Joe Califano, Lee White, Art Okun, Gordon Murray and Bill Capron. This meeting would serve the purpose of informing Joe^{Lee} and in getting an agreed-upon set of guidelines for meeting the more significant issues. In any case, I need to talk to you about some of these as soon as possible.

Attachments

Subjects for discussion at suggested meeting:

- a- Transportation Task Force next steps.
eg. Tell Pres. Boyd doesn't want a major legislative program in 1966.
- b- Handling of Maritime Task Force Report.
- c- Transportation Council - duties etc.
- d- Is Pres. interested in Dept of Transportation for next year?

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Memorandum

TO : Mr. Capron

DATE: September 13, 1965

FROM : Commerce and Housing Division (Gordon W. Murray)

SUBJECT: Meeting of the Transportation Task Force, Friday, September 10, 1965

Mr. Boyd opened the meeting by explaining that the original Task Force had completed its assignment and delivered a report to the White House. He explained that copies of the report should not have been made available to members of the Task Force and that he had been ordered by the White House to retrieve all such copies. He made clear that while the Task Force had held two meetings on the report that the members, other than UST, had not approved the report and had not even seen it before it was forwarded to the White House.

Mr. Boyd stated that he had been directed by the President to add the Chairman of the Regulatory Commissions and the Heads of the Maritime Administration and Bureau of Public Roads to the Task Force. In a sense, he explained, this constitutes a new Task Force which is to respond to Mr. Califano's memorandum of August 27 concerning Great Society goals in the transportation area.

Mr. Boyd emphasized that the content of the Task Force report, already completed, is highly confidential and must not be discussed outside the group. He then read off, in summary fashion, the principle recommendations of the report -- including those dealing with reorganization and in particular the reorganization of the Interstate Commerce Commission.

There followed a lengthy and desultory discussion of how Mr. Califano's request might be met. The meeting ended by Mr. Boyd promising a memorandum of instructions to each of the members of the Task Force, as now constituted, by Monday morning, September 13. The nature of the discussion gives rise to an apprehension that the response to Mr. Califano's memorandum will be in the form of a philosophical discussion of goals rather than precise targets for accomplishment in the transportation area during the next 10 years or so.

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WASHINGTON, D.C.
DEPARTMENT OF COMMERCE
SECRETARY OF COMMERCE
FOR TRANSPORTATION
WASHINGTON, D.C. 20230

September 13, 1965

MEMORANDUM FOR Members of Transportation Task Force

Pursuant to the agreement we reached at the Task Force meeting on Friday, September 10, I am attaching a paper which establishes a format for your response on the issues before us. At this stage, much of the information must necessarily come from the agencies with operational and regulatory responsibilities. This in no way minimizes the contribution to be made by the other Task Force members, who should be able to direct their attention more toward broad social goals and future programs.

If you have any questions, please do not hesitate to call me or Cecil Mackey. I will appreciate having your response by the close of business Monday, September 20.

Let me remind you once again of the confidential nature of the work of the Task Force.

Attachment

Alan S. Boyd
Alan S. Boyd

Copies to: Lee C. White
Special Counsel to the President
Colin M. MacLeod
Deputy Director, Office of Science and Technology
Arthur M. Okun
Member, Council of Economic Advisers
William M. Capron
Assistant Director, Bureau of the Budget
Stanley S. Surrey
Assistant Secretary, Department of the Treasury
John C. Kohl
Assistant Administrator (Transportation), Housing and Home
Finance Agency
William F. McKee
Administrator, Federal Aviation Agency
Charles S. Murphy
Chairman, Civil Aeronautics Board
John Harllee
Chairman, Federal Maritime Commission
Charles A. Webb
Chairman, Interstate Commerce Commission
Nicholas Johnson
Administrator, Maritime Administration
Rex M. Whitton
Federal Highway Administrator

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Procedure and Format for Papers to Be Submitted
to the Transportation Task Force

- I. Review the work that has been done in your organization's area of responsibility in the past. This should include a reexamination of the work of earlier task forces, prior efforts to establish national goals or transportation goals and work aimed at the development of transportation policy. It should include projects which were limited in scope to a single mode of transportation or a single agency (e.g., in the aviation field, Project Horizon, 1961, and Civil Air Policy, 1954), as well as more comprehensive works (e.g., the Doyle Report, 1961 and the Transportation Message of 1962).

In this connection:

1. Identify the goals which were established in your area of responsibility;
2. Determine the extent to which they have been accomplished;
3. Examine the goals which have not been achieved and evaluate them to see if they are still valid;
4. For those goals which are considered to be no longer valid, indicate the reason;
5. For those goals which are still valid but have not been achieved, set out what you consider to be the reasons they have not been achieved to date and identify any obstacles you believe to exist to their future achievement.

II. With regard to the present activity of your organization:

1. Identify the programs which are currently being carried out in your organization. For each program, set out the best possible description of what the program is intended to accomplish. This will normally be in the form of a transportation goal. Where it is possible to relate the transportation goal to one or more broader national goals to which it contributes, identify the national goal or goals. To the extent that it is possible, identify the groups within the society who are the beneficiaries of each program, describe the benefits received and the extent, if any, to which there is reimbursement of Federal expenditures, e.g., through user charges. Also, for each program, state

the current level of funding, and where appropriate and possible, give the level of funding for the past three years and the projected level for the next five years. State your best estimate of the time that will be required to complete each program. If it is in the nature of an on-going program with no clear-cut termination date, so state.

There cannot be any hard and fast rule as to what should constitute a "program" for our purposes here. This should be a matter for your judgment in the light of your knowledge of your own organization and the nature of the work assigned to the Task Force. Examples of probable classifications are the Federal-aid Airport Program for FAA, the local service subsidy for CAB, the demonstration program of HHFA, and separately, the interstate, primary and secondary road programs for BPR.

2. Identify the major functional responsibilities of your organization which are not covered by the programs set out above. For each major functional responsibility, state as clearly as possible the goal which it is directed toward accomplishing. If no specific funding, other than possibly administrative costs, can be properly allocated to carrying out a function listed, so state, but do not set out such costs. Otherwise, give costs as above for programs. An example of the type of function that might be listed here is the ICC responsibility for rate regulation, either by type of carrier or on an inclusive basis.

III. In any situation where there are numerous goals and programs for their achievement, it is inevitable that there be conflict. This is true within the context of transportation itself and also as transportation is viewed in the broader context of our society. To illustrate, it may be that programs designed to increase the level of safety for a certain segment of transportation will conflict with efforts to reduce the costs of transportation or impinge upon efforts to achieve greater freedom of choice for individual users of the transportation system. Further, programs intended to improve the transportation system may conflict with programs in such fields as noise abatement, the reduction of pollution, or certain aspects of urban renewal. Wherever possible, you should point out the conflicts you see between the goals and programs you identify and other transportation and/or non-transportation goals. If it seems appropriate for you to make assumptions regarding transportation goals outside the area of your responsibility or relating to broader non-transportation goals, do so, but identify your assumptions as that.

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IV. Set out, within the framework outlined above, as many ideas as you can for additional transportation goals and action programs. To the extent that you can identify gaps within the area of responsibility of your organization, state the goals and programs necessary to fill in those gaps. For our purposes here, however, do not confine your thinking to any given area of transportation problems. Give the best estimate possible on both time and costs required for the accomplishment of goals and identify alternative courses of action for accomplishment.

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