

EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET
WASHINGTON, D.C. 20503


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NOV 24 1965

MEMORANDUM FOR MR. CALIFANO

Subject: Transportation reorganization

Attached are two memoranda regarding the Transportation Task Force Report. Also attached are the comments of the Office of Science and Technology, as requested by that Office.


Phillip S. Hughes
Assistant Director for
Legislative Reference

Attachments

Copy sent Lee White 11/24/65

Task Force on Transportation*



EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET
WASHINGTON, D.C. 20503

November 24, 1965

MEMORANDUM FOR MR. CALIFANO

Subject: Transportation reorganization

Attached are staff papers on "Transportation Reorganization" in general, "Reorganization of Regulatory Agencies," and "Highway Safety" reorganization. These papers outline the Bureau's views on those portions of the Interagency Task Force on Transportation which deal with organizational problems.

In summary, staff endorse the report's principal recommendation favoring creation of a Department of Transportation.

With respect to the National Transportation Council, we believe it should be established in an advisory capacity to the Secretary to enhance his position as the President's principal transportation adviser. In this context it should be useful as a communications device. We doubt, however, that it will be very effective as a means of developing transportation policy. Like other interagency committees, it is likely to take a compromising and "least common denominator" approach to transportation problems.

We agree with the report's conclusion that a single regulatory agency is not feasible at the present time and agree also that the desirable first step to be taken now is the establishment of a Presidentially appointed "strong" Chairman for the ICC. Otherwise, in the regulatory area, we suggest moving with some caution.

Finally, in the area of highway safety, we concur in the unequivocal assignment of highway safety responsibilities to the Secretary of Commerce. While we agree that the existing President's Committee for Traffic Safety should be converted into a public advisory committee staffed by the Commerce Department, we believe that this advisory group should be advisory to the Secretary of Commerce rather than the President's Council on Traffic Safety.


Phillip S. Hughes

Assistant Director for
Legislative Reference


Eno
Center for
Transportation

Transportation Reorganization

We endorse the report's principal recommendation favoring creation of a Department of Transportation. As noted in the report, this reorganization was recommended previously by the task force on Government Reorganization and is currently among the reorganization proposals to be reviewed by the President. We believe that such a department is necessary to end the existing diffusion of transportation responsibilities and to provide the proper organizational basis for forming national transportation policies.

Specific comments

A question arises on the intent of the report with respect to those elements recommended for inclusion in the department. The report contains some apparent inconsistencies. For example, on page 5 it is stated that "consideration should be given to the transfer of the rail and motor safety functions of the ICC ... The car service functions now residing in ICC and the local service airline subsidy now administered by the CAB should also be considered for inclusion in the new Department of Transportation." These activities are discussed later in the report, however, under the heading "Agencies definitely recommended for inclusion."

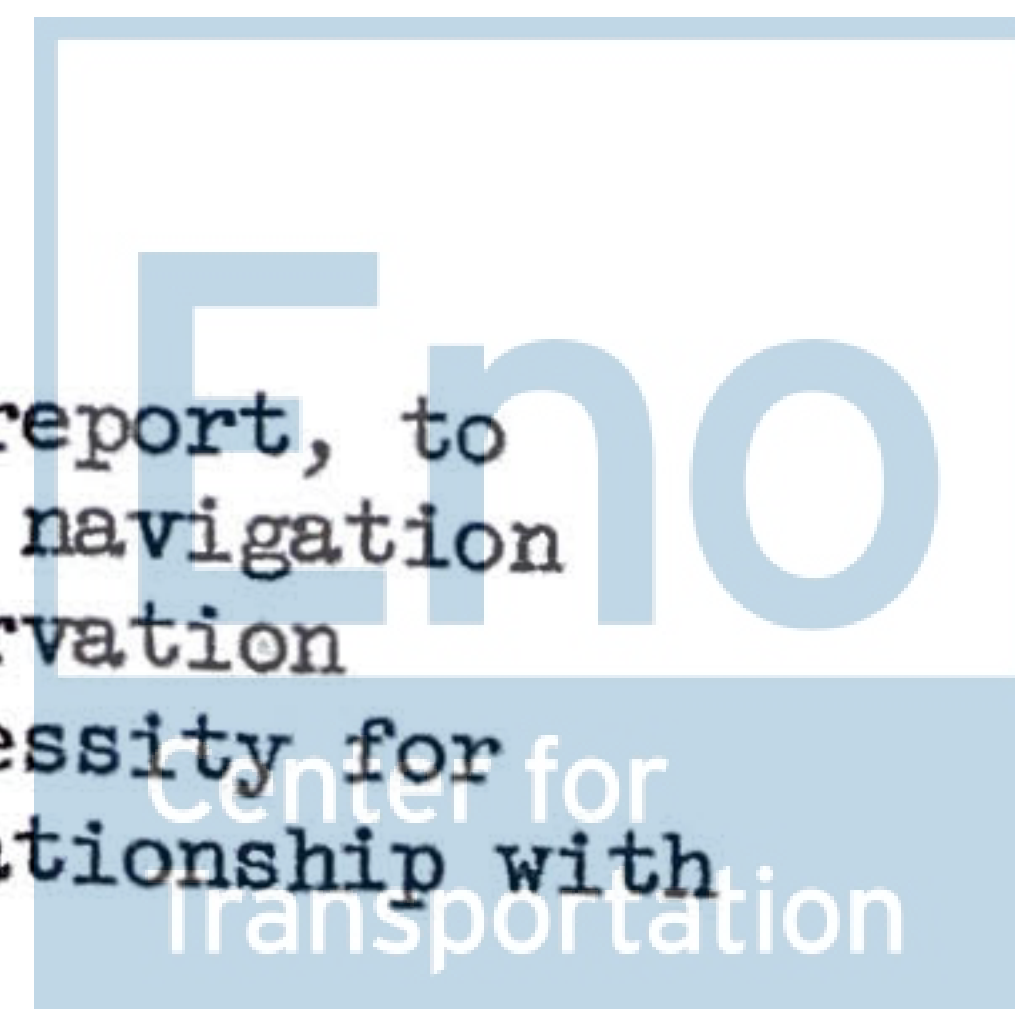
A strong case can be made for inclusion of the ICC's car service and railway and motor safety functions in a Department of Transportation. With respect to CAB subsidy functions, while we agree that the Department of Transportation should have a strong voice in their award, a review of alternative means of accomplishing this is required.

Mass Transit

There is, we believe, a serious question on the issue of transferring the mass transit functions of DHUD to the new department. While there may be substantial gains in more closely integrating mass transit and highway development, these must be compared with possible increased difficulty of coordinating mass transit and highway planning with other aspects of urban development. A careful review of the planning processes involved and the manner in which desired objectives are achieved at the local level, should be undertaken before a decision is made on the proposed transfer.

Corps of Engineers

While it does not appear practicable, as stated in the report, to separate the administration of port and inland waterway navigation functions from the basic resource development and conservation activities of the Corps, the report understates the necessity for bringing waterways' improvements into a much closer relationship with



other transportation investments. In addition to the new department's planning functions outlined in the report, some form of veto authority over individual project proposals would appear to be necessary if the department is to carry out its role effectively.

Environmental Science Services Administration

We agree that additional study should be given to the future role of ESSA in view of the fact that a substantial amount of its resources are devoted to aviation weather activities and maritime related coast surveys, charts, and weather activities.

National Transportation Council

In view of the high degree of independence of the economic regulatory agencies, it would be desirable to increase the communication channels between the commissions and executive agencies. The proposed National Transportation Council might serve as a useful communications device. In establishing the Council, we believe it is preferable that it serve in an advisory capacity to the Secretary. This would facilitate the President's reliance primarily on a single officer for policy views in the transportation area and enhance the role of the Secretary as the President's principal transportation advisor. If a National Transportation Council is to be created it should be done, as recommended in the report, by Executive order or Presidential letter.

We have some doubts as to the effectiveness of the proposed National Transportation Council as a means of developing viable transportation policies. Even with the proposed high-level membership, the Council would suffer from the well known handicaps of all interagency groups which attempt to formulate policy. We doubt that meaningful agreement on significant policies can be achieved by interagency consensus. More likely any "policy" statements from such a group will be compromises stated in language geared to an acceptable common denominator.

The logo for the Eno Center for Transportation, featuring the word "Eno" in a large, light blue, sans-serif font.The logo for the Eno Center for Transportation, featuring the text "Center for Transportation" in a smaller, light blue, sans-serif font, positioned below the "Eno" logo.

STUDY DIVISION
COMMUNICATIONS
TRANSPORTATION
RESEARCH AND TRAINING

Reorganization of Regulatory Agencies

We agree with the major conclusion of the report that a single regulatory agency would not be feasible under present regulatory laws and concepts. We also agree, as recommended in the report, that the most desirable immediate step in this area should be to establish a "strong chairman for the ICC." This reorganization would move the Commission in the direction already taken by the other regulatory agencies to strengthen their internal administration. The reorganization would also establish a single channel of communications between executive agencies and the Commission. The move can be justified on its merits and need not be based "on a justification as a prelude to consolidation of the regulatory agencies." (page 2).

The report recommends that the ICC's safety functions be transferred to the Department of Commerce "pending the creation of a Department of Transportation." It is not clear if this recommendation applies if a decision is made not to create a new department. In any case, if a Department of Transportation is to be created in the near future, there would be no advantage to transferring these functions before the new department is brought into being. If there is a decision not to create the Department of Transportation, the ICC's railroad and motor carrier safety activities should be considered as part of an examination of all transportation safety functions.

As discussed in the report, further study is also required on the question of the relationship of the CAB's subsidy functions to its regulatory responsibility. While it may be possible to transfer these subsidy functions even without a decision to create a new department, further review of this issue is required. It may well be that the Maritime Administration example is not the most appropriate method of handling transportation subsidies. A procedure which allows the President's key transportation official to determine the level of subsidy but leaves to the regulatory agency the determination of the eligible claimants may be preferable to the Maritime arrangement.

The report outlines a number of significant and difficult problems with respect to regulatory concepts which must be carefully thought through before action can be taken toward moving to a single commission. If a decision is made to undertake this review it will be a lengthy and costly one. The complexity of such an undertaking should not be underestimated. However, we believe the feasibility of establishing a single regulatory commission can be made only after such a thoroughgoing review has been undertaken. It may be desirable initially to expend some effort in trying to gauge the possible benefits resulting from a single commission against the costs of the necessary preliminary work.

Highway Safety

We are in general agreement with the organizational recommendations contained in the report on Highway Safety. In most cases these recommendations are essentially parallel to and in harmony with recommendations contained in a recent Bureau of the Budget study of organization for Highway Safety.

The unequivocal assignment of major highway safety responsibilities to the Secretary of Commerce is highly desirable as a means of ensuring that adequate supervision and direction is given to the new Traffic Safety Program. Such an assignment, combined with a new staff directly responsible to the Under Secretary for Transportation should help to remove many of the organizational deficiencies which have caused existing traffic safety efforts to lag. The program outlined appears to make adequate use of specialized agency skills and take account of responsibilities of agencies other than Commerce, while giving adequate authority to the Commerce Department to ensure strong central planning, direction and review.

We agree, in general, with the major points made in the organizational analysis beginning on page 24, particularly with respect to the deficiencies caused by the lack of a focal point of responsibility and the inability of existing committees adequately to carry out required actions. It is important that, as recommended, the new unit charged with overall program responsibility report directly to the Under Secretary and not be an element in the Bureau of Public Roads. The new program involves a broader concept of the traffic safety problem than has been the case in the past and those charged with conduct of the program should not be within one of the functional elements involved.

Specific Comments

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We concur in the recommendation to change the charter of the Interdepartmental Highway Safety Board. Under existing arrangements the Board is advisory to its members, not to the Secretary of Commerce. The report recommends that a new Executive order clearly assign overall responsibility for the Federal effort to the Secretary of Commerce. The relationship of the committee and the Secretary is not made clear in the report. In conformance with the concept of the overall responsibility of the Secretary, the new interagency committee should clearly be advisory to him. With this arrangement there would be no reason to title the new group the President's Council on Traffic Safety. The group will not report to the President; rather, the President will hold the Secretary of Commerce responsible for the success of traffic safety programs.

Page 30

We agree that the existing President's Committee for Traffic Safety should be converted into an effective public advisory committee, with staff provided solely by the Commerce Department. A radical change in the status of the President's Committee is long overdue.

We disagree, however, with that part of the recommendation which would make the new National Public Advisory Committee advisory to the new interagency group - the President's Council on Traffic Safety. The report notes that the advisory committee would give advice on emphasis and priorities for Federal effort and suggest new policy approaches. This is clearly advice bearing directly on the Secretary of Commerce's role as the key responsible official. Since the Secretary of Commerce will be responsible for the overall traffic safety effort, it is desirable that advice be given directly to him. He, in turn, could call on the advisory group to give advice to his interagency committee when appropriate.

Page 24

The report makes the point that "traffic safety activities may be identified either as employee oriented (Federally operated vehicles) or public oriented (vehicle operations by the general public) ... this emphasis does not imply that internal safety programs of the Federal establishment are unimportant but assumes that the Government's internal safety effort should be superior to the practices and actions recommended for publicly oriented programs." There is no discussion in the report, however, of means of achieving the desired superiority of Government programs. It is certainly doubtful if they have such a status at the present time.

Currently, the Secretary of Labor has an overall responsibility for Federal employee safety programs. This responsibility, however, is not specific with respect to traffic safety. We believe that the Secretary of Labor should be given a clearer responsibility for Federal employee oriented traffic safety programs. We recommend that the role of the Secretary of Labor with respect to Federal employee programs be detailed in the Executive order giving the Secretary of Commerce overall responsibility for traffic safety programs.

Under these arrangements the Secretary of Commerce would rely on the Secretary of Labor for enlisting the support of Federal agencies in traffic safety activities. One of the important tasks of the proposed traffic safety staff of the Under Secretary would be to establish close liaison with the Labor Department and Federal Safety Council staff.

EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET
WASHINGTON, D.C. 20503

NOV 24 1965

MEMORANDUM FOR MR. CALIFANO

Subject: Commerce Highway Safety Program

This is in response to your request for the views of the Bureau of the Budget on the Highway Safety Program proposed by the Under Secretary of Commerce for Transportation.

SUMMARY EVALUATION

The report states the highway safety problem clearly and briefly, indicates the principal deficiencies in present Federal efforts and indicates the major components of a comprehensive program needed to get the problem under control.

Very large expenditures are contemplated and may be justified, but, in our view, expenditure estimates must be more solidly supported. Before large resource allocations are made, substantially more research and analysis are needed to establish the probable impact of many of the recommended actions and, therefore, the priorities for implementation.

The report suggests first-year appropriations of \$35 million for direct Federal programs and grants-in-aid (presumably added to a base of \$11 million, estimated as the present level of all Federal expenditures on highway safety other than road building). It foresees possible full funding of \$75 - \$420 million annually -- some of which might be borne by the Highway Trust Fund. In addition, the report contemplates a Federal capital expenditure of \$50 million for laboratory and testing facilities and annual expenditures of \$350 million from the Trust Fund for safety construction in lieu of current expenditures of like amount on system expansion.

NEXT STEPS

We suggest that:

1. The Department be instructed to draft a special message on highway safety for transmittal during the next session of the Congress.

2. The first year program (other than road building) be limited to \$25 million, including the estimated \$11 million of direct expenditures now being made for highway safety by the Federal Government.

3. New safety construction features to be financed from the Highway Trust Fund and to be limited in the first year to \$50 million above existing expenditures (mostly spot improvements), in the second year to \$75 million and in the third year to \$100 million, all to be deducted from secondary road funds. At the end of the third year the program should be reviewed on the basis of research, demonstration and tests proposed in the program.

4. During the first year most of the research on technical improvements in the safety of the highway and the vehicle be undertaken through contracts.

5. The proposed Research Facility, estimated to cost \$50 million, be deferred until better information has been developed on the need for such a Facility and the nature of the principal activities to be carried on in it.

6. Further consideration be given the funding of State and local efforts through locally imposed user charges (possibly with Federal matching grants) or through Federal statutory restrictions on interstate movements of vehicles and drivers licensed in States not meeting minimum Federal standards.

7. Implementing legislation, to the extent necessary and consistent with the above recommendations, be prepared by the Department for transmittal to Congress after delivery of the special message.

SCOPE AND CONTENT OF REPORT

The perspective of the report is established by the following premises:

1. The economic and social loss resulting from highway accidents (50 thousand lives, \$10 billion in property damages in 1965) need not and should not be tolerated by a rich Nation.

2. Highway safety programs lack coordination and strong Federal leadership which must now be supplied.

3. Gross ignorance of the kinds and causes of highway accidents must be cured.

4. Present expenditures are inadequate and probably misapplied because of limited understanding which must also be remedied.

a. Immediate Actions. As background for a Presidential message on highway safety early in the next session, the Department proposes:

- (1) An immediate systematic inventory and analysis of available highway safety data;
- (2) An evaluation by Public Roads of the "spot improvement program" with a progress report by December 1, 1965;
- (3) Increased efforts by Public Health and Defense during 1966 on demonstration of techniques for the prompt removal of the injured from the scene of accidents;
- (4) Establishment by Public Health and Public Roads of a pilot program for in-depth field investigation and reporting of accidents;
- (5) Convening of a research conference of medical, engineering and other scientists by OST, Commerce and HEW to make recommendations for highway safety research;
- (6) Refinement of performance safety standards for Government vehicles through cooperative efforts of General Services, Bureau of Standards, Post Office and the Interstate Commerce Commission.

b. Intermediate actions. Commerce recommends for proposal in the President's special message:

- (1) A permanent comprehensive accident data collection and analysis program. First year cost of \$1 million; ultimate cost up to \$13 million.
- (2) Construction and equipment of a Federal Accident Research Facility. Approximate capital cost \$50 million. First year operations, \$9 million; ultimate cost up to \$10 million annually.
- (3) A broad gauge program of field investigation of accidents. First year cost, \$650 thousand; ultimate cost up to \$10 million annually.
- (4) Expansion of emergency medical service program. First year cost \$5.5 million; ultimate cost up to \$23 million annually.

(5) Emphasis on construction of safety features in new and existing highways. Annual expenditure of \$350 million from the Highway Trust Fund (perhaps by diversion, e.g., from secondary roads).

(6) Improvement of curricula and teacher training for driver education. First year cost \$2.5 million; ultimate cost up to \$53 million annually.

(7) Intensification of research on communication and traffic control systems. First year cost \$6 million; ultimate cost up to \$70 million annually.

(8) Improvement of State vehicle inspection. First year cost \$3 million; ultimate cost up to \$83 million annually.

(9) Improvement of police enforcement activities. First year cost \$6 million; ultimate cost up to \$22 million annually.

(10) Improve State licensing. First year cost \$1 million; ultimate cost up to \$30 million annually.

(11) Establishment of a continuous program for systematic evaluation of all safety activities to improve their effectiveness by adjusting allocation resources among programs. Funded under other items.

(12) Establishment of a research program to develop vehicle safety performance standards. First year cost \$500 thousand; ultimate cost up to \$3 million annually.

c. Long range actions. The Department suggests:

(1) A long range program of education to change the attitudes of the public toward highway safety. A greater sense of personal responsibility for highway safety and property damage would be inculcated. First year cost \$300 thousand; ultimate cost up to \$2 million annually.

(2) The continuing modernization of the highway system will, of itself, reduce highway accidents and property damage.

DISCUSSION

The program recommended by this report appears to be sound on the basis of present knowledge. Our questions go to (a) the rate of implementation, (b) the priority of projects, and (c) the division of effort and responsibility between the Federal Government and



State and local authorities. The recommendations made above are directed largely to these points.

Comments and recommendations dealing with Federal organization and procedures are being provided in a separate memorandum.

San Hughes

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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF SCIENCE AND TECHNOLOGY
WASHINGTON, D.C. 20506

November 19, 1965

MEMORANDUM FOR

Mr. Joseph Califano

SUBJECT: Report to the President on Highway and Traffic Safety
by Under Secretary of Commerce for Transportation

In spite of the high economic and social costs of highway accidents, the efforts to understand the problem and to explore means for coping with it have been relatively meager. The lack of an imaginative and articulate community of safety experts has made the task of the Department of Commerce exceptionally difficult. Nevertheless, the approach taken by the Under Secretary is sound and his report deserves consideration by the President.

The findings reported on page 2 of the report accurately reflect our own conclusions and we would recommend that they be endorsed by the President in the near future.

The program areas delineated on page 3 provide a good framework for a national effort. Particular emphasis should be given to the immediate need for focusing responsibility within the Federal Government. May I suggest that the second program area listed, namely, information and research programs, be broadened to include development, demonstration and evaluation activities as well.

As indicated in the report, action on three time-scales is warranted. First, immediate steps can be taken by reprogramming available funds within existing authority. Second, FY 66 legislative proposals must be more clearly defined, and FY 67 program and budget changes made. Finally, an effort must be made to begin the formulation of longer term objectives and the evaluation of long term strategic programming decisions.


The specific proposals for immediate action appear well justified. I suggest, however, that the proposed safety task forces be asked to explore program needs throughout the whole research-development-demonstration-evaluation-implementation process.

Obviously, the Surgeon General of the Public Health Service should be brought into the discussion at the earliest opportunity because he must carry out a large part of the highway safety program. Assignment of overall program planning responsibility to the Secretary of Commerce should in no way prevent the participation of the Surgeon General in the planning process or limit his responsibility for conduct of a large and important part of the program.

Intermediate and long term proposals reflect the complex nature of the safety problem. More detailed development of these and alternative proposals should be undertaken using both government experts and non-Government consultants who can bring their specialized knowledge to bear on the tasks.

Program cost estimates are not unreasonable. Annual expenditures of tens of millions of dollars in the near future are to be expected and appropriations in excess of \$100 million may be required a few years hence. On the other hand, tens of thousands of lives, millions of serious injuries, and billions of dollars in property damage are at stake in each of these years. Can we afford not to spend a few thousand dollars in order to save the life of a productive member of our society or a few hundred dollars to prevent the sustaining of a disabling injury?

If we make a determined effort now, I am confident that we will begin to see beneficial results throughout the nation within five years. The fact that the ultimate impact lies further in the future should not be considered cause for delay.


Colin M. MacLeod
Deputy Director

