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EIGHTY-NINTH CONGRESS

**Congress of the United States**  
**House of Representatives**

EXECUTIVE AND LEGISLATIVE REORGANIZATION SUBCOMMITTEE  
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Eno

Center for  
Transportation  
June 28, 1966

MEMORANDUM

on

H. R. 15963 (A Clean Bill to Replace H. R. 13200)

Establishing a Department of Transportation

H. R. 15963 resulted from a recommendation to the Congress by President Lyndon B. Johnson and was introduced in the House by Congressman Chet Holifield. The bill would establish a new executive Department of Transportation which would consolidate most Federal activities involving transportation promotion and safety but not economic regulation which would remain with the regulatory agencies.

In his Message to Congress on Transportation of March 2, 1966, the President urged the creation of such a Department to serve the growing demands of this great Nation, to satisfy the needs of our expanding industry and to fulfill the rights of our taxpayers to maximum efficiency and frugality in Government operations. The new Department would bring together almost 100,000 employees and almost \$6 billion of Federal funds presently devoted to transportation.

The Department will be headed by a Secretary with four assistant secretaries, an assistant secretary for administration and a general counsel. The principal operating divisions will be a Federal Highway Administration, a Federal Railroad Administration, a Federal Maritime Administration, a Federal Aviation Administration, each headed by an administrator appointed by the President and confirmed by the Senate, and the Coast Guard. There will also be an Office of Accident Investigation, whose major responsibility will be to investigate major aircraft accidents but will be independent of the Federal Aviation Administration.

The bill will create, within the Department, a National Safety Transportation Board to review investigations of accidents and to seek their causes. It will make reports to the Secretary and to Congress, including recommendations for safety legislation. Specifically, the Board will carry out the Secretary's functions to determine probable cause of accidents and to review on appeal certificates or licenses issued by the Secretary. It will make special studies of safety and accident prevention and may arrange for the personal participation of its members or employees in accidents being investigated by the Department.

The following agencies and functions are being transferred to the new Department:

1. The Office of the Under Secretary of Commerce for Transportation, and its Policy, Program, Emergency Transportation and Research staffs.

2. The Bureau of Public Roads and the Federal-Aid-Highway Program it administers - to become the Federal Highway Administration.

3. The Federal Aviation Agency with its functions in aviation safety, promotion and investment - to become the Federal Aviation Administration.

4. The Coast Guard whose principal peacetime activities relate to transportation and marine safety, to be transferred as a unit from the Treasury Department. As in the past, the Coast Guard will operate as part of the Navy in time of war.

5. The Maritime Administration, with its construction and operating subsidy programs - to become the Federal Maritime Administration.

6. The safety functions of the Civil Aeronautics Board, the responsibility for investigating and determining the probable cause of aircraft accidents and its appellate functions related to safety - to go to the Secretary and then delegated to the National Safety Transportation Board or the Office of Accident Investigation, as appropriate.

7. The safety functions and car service functions of the Interstate Commerce Commission, principally the inspection and enforcement of safety regulations for railroads, motor carriers, and pipelines, and the distribution of rail car supply in times of shortage - to the Secretary and delegated to the Federal Railroad Administration.

8. The Great Lakes Pilotage Administration, the St. Lawrence Seaway Development Corporation, the Alaska Railroad, and certain minor transportation-related activities of other agencies.

The bill will also require the Secretary of Transportation to develop standards and criteria, consistent with national transportation policies, for the formulation and economic evaluation of all proposals for the investment of Federal funds in transportation facilities or equipment with certain exceptions listed in the bill. Standards and criteria involving water resource projects must be concurred in by the Water Resources Council and the Secretary, for these purposes, is made a member of the Council. No standards shall be inconsistent with acts of Congress.

Nothing in the bill authorizes the Secretary, without appropriate action by Congress, to adopt or revise a national transportation policy.

Attached hereto is a summary of the changes made by the Subcommittee to the original bill.

Summary of Substantive Changes Made by H.R. 15963 in  
the Transportation Department Bill as Originally  
Introduced (H.R. 13200)

(References are to H.R. 15963)

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I. Authority of the Secretary of Transportation:

- A. Neither the Secretary nor the President can adopt or change National Transportation Policy without action by Congress. (Sec. 4(e), p. 6, l. 7).
- B. Secretary's recommendations for implementation of National Transportation Policies must be made to President for permissible administrative action within Congressionally approved policies or to Congress for necessary legislative action. (Sec. 4(a) p. 4, l. 22).
- C. Through consultation, is to coordinate transportation activities of other Federal Departments and agencies (Sec. 4(a), p. 5, l. 4).

II. Continuity of Functions and Responsibilities

- A. Establishes four Administrations (in addition to Coast Guard) in new department for aviation, highways, railroads and maritime. (Sec. 3(e), p. 3, l. 25).
- B. Heads of these Administrations to be appointed by President with approval of Senate; they report directly to Secretary. (Sec. 3(e), p. 4, l. 3).

III. Investment Standards (Section 7)

- A. Standards cannot be inconsistent with or contrary to law. (Sec. 4(e), p. 6, l. 9). Must be consistent with Congressionally approved National Transportation Policies. (Sec. 7(a), p. 23, l. 19).
- B. All Congressionally authorized grant-in-aid programs (like highway and airport construction) exempt from standards; cannot touch highway trust fund. (Sec. 7(a), p. 24, l. 1).
- C. Secretary has to get approval of Water Resources Council after he prepares his recommendations (not before) and he is made a member of the Council. (Sec. 7(a), p. 24, l. 6).
- D. Waiting period before the President acts on Secretary's recommendations during which time interested parties can present views on standards published in Federal Register and Congressional Committees can hold hearings. (Sec. 7(a), p. 24, l. 14).
- E. Corps of Engineers' present procedures of sending reports directly to Congress preserved. (Sec. 7(b), p. 25, l. 12).

IV. Safety

- A. Transfers CAB Bureau of Safety to newly established Office of Accident Investigation; preserves present independence from FAA. (Sec. 3(f), p. 4, l. 9).
- B. Strengthens National Transportation Safety Board in its role of determining cause of accidents by giving Board authority to:
1. Receive notification and reports of accidents as it may require. (Sec. 5(c), p. 7, l. 3).
  2. Order investigations and supplementary investigations. (Sec. 5(c), p. 7, l. 3).
  3. Send members and other personnel to participate in investigations. (Sec. 5(c), p. 7, l. 3).
  4. Employ its own hearing examiners. (Sec. 5(m), p. 11, l. 4).
  5. Utilize available services and facilities of all Federal agencies and, on cooperative basis, of State and local agencies. (Sec. 5(n), p. 11, l. 6).
- C. Raises grade level of chairman and members to those of comparable Boards (Sec. 5(i), p. 10, l. 6).
- D. Board also empowered to make special studies and recommendations to Secretary on safety rules and investigation procedures (Sec. 5(c), p. 7, l. 3); required to report to Congress on effectiveness of accident investigations, including recommendations for new legislation. (Sec. 5(e), p. 8, l. 13).

V. Rights of Parties

Any existing statutory requirement for notice, hearing or other action upon record and for administrative appeal preserved in transfer of functions to new department. (Sec. 4(c), p. 5, l. 20).

VI. Noise Abatement

Research and development shall include noise abatement, particularly aircraft noise. (Sec. 4(a), p. 5, l. 2).

VII. Super Grade Positions

Forty-five proposed super grade positions (GS 16, 17 and 18) eliminated. (Formerly in Sec. 9).