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DEMOCRATIC STUDY GROUP, U. S. HOUSE OF REPRESENTATIVES

Room 523 - HOUSE OFFICE BUILDING - WASHINGTON 25, D. C.

347-9861

CA 4-3121

Ext. 6214

5858

4549

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July 26 Center for
Transportation

Lilian:

Attached is the fact sheet on the Department of Transportation bill.

Just thought that the Congressman or one of his staffers might like to go over it before we send it out to be certain that all the important items in the bill are there. Also, he might want something added -- like a section on the differences between the Administration's bill and H.R. 15963.

If you would give me a phone call after someone has had an opportunity to read it, I'd appreciate it very much.

Thanks so much.

Pat Krause

*This is OK
except for last 3 words.
H. Doback
OK*

DEPARTMENT OF TRANSPORTATION ACT

Summary of Proposed Legislation: Bill would bring together major federal agencies and activities involving transportation promotion and safety in a new executive Department of Transportation.

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Need for Bill

- Twenty years ago there were 31 million motor vehicles in the U.S. In 1965, there were 87 million. By 1975, 116-120 million will travel the nation's highways and streets.
- Over the last twenty years aircraft numbers have grown from 38,000 private and commercial aircraft to 97,000.
- Transportation accounts for one-sixth of the GNP and is one of the largest sources of employment. Including pipeline and water transportation employees, well over 2.5 million people make their living by moving people and goods.
- U.S.
- Estimated population in 1966 is 195.8 million. By 1990, the population will probably top 300 million. The estimate for the year 2000 is 362 million, an increase of 85 percent over 1966. 85 of every 100 Americans will be city dwellers.
- Although transportation employment and services are mainly the responsibilities of private enterprise, the federal government supports or regulates almost every means of transportation.
- Last year over 49,000 people were killed in motor vehicle accidents, 1,300 in aircraft accidents, 1,500 in ship and boat accidents, and some 2,300 in accidents involving railroads. Creation of the new Department would strengthen the government's safety programs for all forms of transportation.

Earlier Recommendations for a Transportation Department

- In 1874 a proposal for a Bureau of Transportation was introduced in the Congress.
- In 1936 a Select Committee of the U.S. Senate recommended a Department of Transportation.
- A task force of the 1949 Hoover Commission recommended a Department of Transportation. The Commission itself recommended combining the Government's major transportation activities within a Department of Commerce and Transportation.
- In 1961 President Eisenhower recommended such a Department in his final budget message.
- Again in 1961 a special study group of the Senate Committee on Commerce made the same recommendation.

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On March 2, 1966, President Johnson, in his Transportation Message to the Congress, urged the creation of a Transportation Department to serve the growing demands of the nation. The President said: "For the very size of our transportation requirements -- rising step-by-step with the growth of our population and industry -- demands that we respond with new institutions, new programs of research, new efforts to make our vehicles safe, as well as swift. . . We build the cars, the trains, the planes, the ships, the roads and the airports. We can, if we will, plan their safe and efficient use in the decades ahead to improve the quality of life for all Americans."

The Administration's bill, H.R. 13200, was introduced March 2 in the House by Rep. Holifield (D-Cal.). A similar bill, H.R. 13238, was introduced the same day by Rep. Rosenthal (D-N.Y.). In the Senate, Sen. Magnuson (D-Wash.) introduced the companion bill, S. 3010 -- also on March 2. All were referred to the respective Government Operations Committees.

House Committee Hearings

The House Government Operations' Subcommittee on Executive and Legislative Reorganization held 11 days of hearings on H.R. 13200 between April 6 and June 21.

Those favoring the establishment of a Department of Transportation included the Director of the Bureau of the Budget; Secretary of Commerce; Dept. of the Army; Corps of Engineers; CAB; HUD; Federal Maritime Commission; U.S. Chamber of Commerce; New England Council; American Trucking Associations, Inc.; Grocery Manufacturers of America, Inc.; Association of American Railroads; AFL-CIO; Railway Labor Executives Assn.; Committee of American Steamship Lines; National Brotherhood of Teamsters.

House Committee Action

On June 29, 1966, Rep. Holifield introduced a clean bill -- H.R. 15963. H.R. 15963 represents an extensive revision of H.R. 13200 by the subcommittee, taking into account the various concerns and objections voiced during the hearings.

The Committee on Government Operations, July 15, favorably reported an amended version of H.R. 15963 (H. Rep. 1701).

Major Provisions of H.R. 15963, Department of Transportation Act, as reported (H. Rept. 1701):

H.R. 15963 would create a major new cabinet-level Department of Transportation -- the 12th such department in the history of our country -- which would deal efficiently and economically with the many transportation problems confronting this country and develop coherent and coordinated policy in the transportation sector.

Essentially, H.R. 15963:

1. Brings together in one department major transportation agencies and functions ~~of the Department of Commerce, the Civil Aeronautics Board, and the Interstate Commerce Commission~~, but avoids rigid consolidation.
 - The FAA, Bureau of Public Roads, Coast Guard, Maritime Administration, Office of the Under Secretary of Commerce for Transportation, the safety functions of the Civil Aeronautics Board and ICC will all be transferred to the new department.
 - The St. Lawrence Seaway Development Corporation and the Alaska Railroad could be transferred by executive order.
2. Assures organizational identity of the major transportation modes.
 - Creates 4 administrations: Federal Aviation Administration, Federal Highway Administration, Federal Maritime Administration, and Federal Railroad Administration.
 - Each of the four would be headed by a federal administrator, appointed by the President and confirmed by the Senate, who will report directly to the Secretary.
 - ~~The~~ The Coast Guard, while a major component of the Department, would continue separate and intact, with its Commandant responsible to the Secretary of Transportation.
3. Emphasizes continuity of operations:
 - Stresses the importance of continuity in operating agencies and urges that, by and large, agencies and functions to be transferred ~~to~~ go over with their existing personnel and resources. It is estimated that the new Department would bring together almost 100,000 employees and \$6 billion of federal funds now devoted annually to transportation.
 - Envisions opportunities for greater economy and efficiency emerging after the new department is established and working.
4. Provides that transportation regulatory agencies remain independent.
 - Economic regulatory functions of the ICC, CAB, FMC and the FPC will remain in these agencies. The only functions detached from them are safety and accident investigation functions.
5. Keeps car service functions in the ICC.
 - All will remain in the ICC at present.
6. Excludes from the new department the Department of Defense's transportation resources.

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- Urges close consultation and cooperation on transportation between Secretaries of Defense and Transportation.
 - Only actual transfer from the defense sector involves minor functions of the Army Corps of Engineers, which are more related to civil transportation.
 - Authorizes Secretary of Transportation to draw upon the military services for personnel assistance in carrying out his technical duties.
7. Gives special attention to safety functions and the development of techniques and measures for accident prevention.
- Creates a National Transportation Safety Board as an independent entity within the department.
 - The Safety Board will be made up of five members appointed by the President with Senate confirmation, who will serve five-year terms.
 - Authorizes Safety Board to determine the cause of accidents; hear appeals of certain kinds; conduct special studies; require specific investigations; have participants in accident investigations; require reports; make recommendations to the Secretary; and report annually to the Congress.
 - While the bulk of the routine accident investigation, as well as research in safety techniques and measures, will continue to be handled by the 4 administrations provided for in the bill, the Safety Board will be a key agency for energizing the departmental offices and agencies involved in this area.
8. Makes organizational arrangements to preserve the pattern of air accident investigations.
- Provides for a separate Office of Accident Investigation, independent of the new Federal Aviation Administration. This was done in order to keep apart from the Federal Aviation Agency the traditionally separate investigation of fatal aviation accidents.
 - The Office of Accident Investigation will absorb the CAB's Bureau of Safety, leaving investigation of non-fatal accidents involving smaller planes to the Federal Aviation Administration.
 - The National Transportation Safety Board ^{will} determine the probable cause of accidents.
9. Provides for a staff secretariat to insure full attention to matters which cut across all modes of transportation.
- The Secretary will head the Department. There will also be an Under Secretary, four Assistant Secretaries, a General Counsel, and an Assistant Secretary for Administration. Except for the latter, all would require Presidential appointment and Senate confirmation.

will be charged with staff areas of responsibility of crucial importance to transportation, such as the area of research and development.

10. Stipulates that federal investment standards must be developed for balanced progress in transportation.

-- Requires Secretary of Transportation to develop standards and criteria, subject to Presidential approval. These would be used in formulating and evaluating proposals for the use of federal funds in transportation facilities or equipment. Excludes such matters as water resource projects, grants-in-aid programs, and foreign assistance.

-- Obliges Secretary, in developing these standards and criteria, to observe any standards prescribed by the Congress in existing or future acts. He cannot promulgate investment standards or criteria contrary to or inconsistent with acts of Congress relating to this subject.

-- Prohibits Secretary from adopting or revising a national transportation policy without appropriate action by the Congress.

11. Safeguards existing procedural rights and privileges.

-- Any orders or actions of the Secretary or of the National Transportation Safety Board are subject to judicial review to same extent and in same manner as they would have been in the departments or agencies from which functions are transferred.

-- Statutory requirements relating to notice, hearings, actions upon the record, or administrative review, apply to the new department.

-- All orders, contracts, rules and regulations lawfully issued before the reorganization, and all proceedings, continue in effect after the reorganization, until changed or terminated by appropriate procedures.

12. Leaves open certain important transportation matters for future organizational decision.

-- Example: In 1965, Congress gave HUD specific responsibilities in urban mass transportation area. To shift these functions now from the new HUD to ~~the~~ ^{another} new department would only delay the program.

Before determining where urban mass transit rightfully belongs, the President has said he will, once the new Department is created, ask the heads of the two departments to study and report within one year on a logical and efficient organization of urban mass transit functions.

The Committee, therefore, decided that the final organizational decision on this matter be deferred for a year.

7/26/66