

REORGANIZATION PLAN NO. 2 OF 1968 (URBAN MASS TRANSPORTATION)

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HEARING BEFORE A SUBCOMMITTEE OF THE COMMITTEE ON GOVERNMENT OPERATIONS HOUSE OF REPRESENTATIVES NINETIETH CONGRESS

SECOND SESSION

APRIL 22, 1968

Printed for the use of the Committee on Government Operations



U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 1968

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REORGANIZATION PLAN NO. 2 OF 1968

(Urban Mass Transportation)

MONDAY, APRIL 22, 1968

HOUSE OF REPRESENTATIVES,
EXECUTIVE AND LEGISLATIVE
REORGANIZATION SUBCOMMITTEE
OF THE COMMITTEE ON GOVERNMENT OPERATIONS,
Washington, D.C.

The subcommittee met at 10 a.m. in room 2247, Rayburn House Office Building, Hon. John A. Blatnik (chairman of the subcommittee) presiding.

Present: Representatives John A. Blatnik, Henry S. Reuss, Benjamin S. Rosenthal, John N. Erlenborn, and Jack Edwards.

Also present: Elmer W. Henderson, subcommittee counsel; James A. Lanigan, general counsel, Committee on Government Operations; and William H. Copenhaver, minority professional staff.

Mr. BLATNIK. The Subcommittee on Executive and Legislative Reorganization will please come to order.

We have hearings this morning to inform the subcommittee on the purposes and effects of President Johnson's Reorganization Plan No. 2 submitted to the Congress on February 26 and now pending for our consideration. Under the terms of the Reorganization Act of 1949, the plan will go into effect after 60 days unless a resolution of disapproval has been passed by either the House or the Senate. Thus far, no such resolution has been introduced. Allowing for the 10-day recess just concluded, plan No. 2 will become law on May 7. However, the plan itself contains a provision that it will not become operative until the close of June 30—apparently to allow time to make the necessary adjustments.

In essence, the plan will transfer the urban mass transit program from the Department of Housing and Urban Development to the Department of Transportation. The Secretary of Housing and Urban Development will, however, continue to make grants and undertake projects in areas where urban mass transportation is related to comprehensively planned urban development. The plan establishes an Urban Mass Transportation Administration to be headed by an administrator at Level III of the Executive Pay Schedule who will report directly to the Secretary of Transportation.

Members of the subcommittee will recall that during the process of legislatively creating the Department of Transportation, the President asked at that time that a decision on the location of the urban mass transportation program be deferred for a year, during which period the two Secretaries of the Departments of Transportation and

Housing and Urban Development would study the matter and make a recommendation on the subject. This was a matter of keen interest to our colleague, Mrs. Dwyer. Such a study has been made, agreement reached and a recommendation presented to the President. This reorganization plan is a result of the recommendations.

We are holding these hearings in accordance with subcommittee policy to carefully study and prepare a record on all reorganization plans, whether or not they are controversial.

(Reorganization Plan No. 2 of 1968 follows:)

[H. Doc. No. 262, 90th Cong., first sess.]

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES, TRANSMITTING REORGANIZATION PLAN NO. 2 OF 1968—TRANSFERRING CERTAIN FUNCTIONS OF THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT TO THE DEPARTMENT OF TRANSPORTATION

To the Congress of the United States:

As long as he has lived in cities, man has struggled with the problem of urban transportation. But:

- Never before have these problems affected so many of our citizens.
- Never before has transportation been so important to the development of our urban centers.
- Never before have residents of urban areas faced a clearer choice concerning urban transportation—shall it dominate and restrict enjoyment of all the values of urban living, or shall it be shaped to bring convenience and efficiency to our citizens in urban areas.

How America and its cities solve the transportation problem depends largely on our two newest Federal Departments—the Department of Transportation and the Department of Housing and Urban Development:

- The Department of Housing and Urban Development is responsible for the character of all urban development.
- The Department of Transportation is concerned specifically with all the modes of transportation and their efficient interrelationship.

At present, responsibility for program assistance for urban highways and urban airports, and urban mass transportation is divided between the Department of Transportation and the Department of Housing and Urban Development. As a result:

- Federal coordination of transportation systems assistance is more difficult than it need be.
- Communities which have measured their own needs and developed comprehensive transportation proposals must deal with at least two federal agencies to carry out their programs.

To combine efficiently the facilities and services necessary for our urban centers and to improve transportation within our cities, State and local government agencies should be able to look to a single federal agency for program assistance and support. The large future cost of transportation facilities and services to the Federal Government, to State and local governments, and to the transportation industry makes side investments and efficient transportation systems essential.

An urban transportation system must:

- combine a basic system of efficient, responsive mass transit with all other forms of systems of urban, regional, and inter-city transportation;
- conform to and support balanced urban development.

In this, my second reorganization plan of 1968, I ask the Congress to transfer urban mass transportation programs to the Secretary of Transportation and to establish an Urban Mass Transportation Administration within the Department of Transportation to strengthen the organizational capacity of the Federal Government to achieve these objectives.

The plan transfers to and unifies in a new Urban Mass Transportation Administration in the Department of Transportation those functions which involve urban mass transportation project assistance and related research and development activities. Because urban research and planning and transportation research and planning are closely related, however, the plan provides that the

Department of Housing and Urban Development perform an important role in connection with transportation research and planning insofar as they have significant impact on urban development.

We expect the Department of Transportation to provide leadership in transportation policy and assistance. The Department of Housing and Urban Development will provide leadership in comprehensive planning at the local level that includes transportation planning and relates it to broader urban development objectives.

The transfer of urban mass transportation programs will not diminish the overall responsibilities of the Department of Housing and Urban Development with respect to our cities. Rather, adequate authority is reserved to that Department to enable it to join with the Department of Transportation to assure that urban transportation develops as an integral component of the broader development of growing urban areas.

The new Urban Mass Transportation Administration in the Department of Transportation, working with other elements of the Department, will consolidate and focus our efforts to develop and employ the most modern transportation technology in the solution of the transportation problems of our cities.

The reorganization plan provides for an Administrator at the head of the Administration who would be appointed by the President, by and with the advice and consent of the Senate. The Administrator would report directly to the Secretary of Transportation and take his place in the Department with the heads of the Federal Aviation Administration, Federal Highway Administration, Federal Railroad Administration and the Coast Guard.

I have found, after investigation, that each reorganization included in the reorganization plan transmitted herewith is necessary to accomplish one or more of the purposes set forth in section 901(a) of title 5 of the United States Code.

I have also found that it is necessary to include in the accompanying plan, by reason of these reorganizations, provisions for the appointment and compensation of the new officer specified in section 3(b) of the plan. The rate of compensation fixed for this officer is comparable to those fixed for officers in the Executive Branch of the Government having similar responsibilities.

The reorganizations included in this plan will provide more effective management of transportation programs. It is not feasible to itemize the reduction in expenditures which the plan will achieve, but I have no doubt that this reorganization will preserve and strengthen overall comprehensive planning for developing urban areas while simultaneously insuring more efficient transportation systems for our cities than would otherwise have occurred.

I strongly urge that the Congress allow the reorganization plan to become effective.

LYNDON B. JOHNSON.

THE WHITE HOUSE, February 26, 1968.

REORGANIZATION PLAN No. 2 OF 1968

(Prepared by the President and transmitted to the Senate and the House of Representatives in Congress assembled, February 26, 1968, pursuant to the provisions of chapter 9 of title 5 of the United States Code)

URBAN MASS TRANSPORTATION

SECTION 1. TRANSFER OF FUNCTIONS.—(a) There are hereby transferred to the Secretary of Transportation:

(1) The functions of the Secretary of Housing and Urban Development and the Department of Housing and Urban Development under the Urban Mass Transportation Act of 1964 (78 Stat. 302; 49 U.S.C. 1601-1611), except that there is reserved to the Secretary of Housing and Urban Development (i) the authority to make grants for or undertake such projects or activities under sections 6(a), 9, and 11 of that Act (49 U.S.C. 1605(a); 1607a; 1607c) as primarily concern the relationship of urban transportation systems to the comprehensively planned development of urban areas, or the role of transportation planning in overall urban planning, and (ii) so much of the functions under sections 3, 4, and 5 of the Act (49 U.S.C. 1602-1604) as will enable the Secretary of Housing and Urban Development (A) to advise and assist the Secretary of Transportation in making findings and determinations under clause (1) of section 3(c), the first sentence of section 4(a), and clause (1) of section 5 of the Act, and (B) to establish

jointly with the Secretary of Transportation the criteria referred to in the first sentence of section 4(a) of the Act.

(2) Other functions of the Secretary of Housing and Urban Development, and functions of the Department of Housing and Urban Development or of any agency or officer thereof, all to the extent that they are incidental to or necessary for the performance of the functions transferred by section 1(a)(1) of this reorganization plan, including, to such extent, the functions of the Secretary of Housing and Urban Development and the Department of Housing and Urban Development under (i) title II of the Housing Amendments of 1955 (69 Stat. 642; 42 U.S.C. 1491-1497), insofar as functions thereunder involve assistance specifically authorized for mass transportation facilities or equipment, and (ii) title IV of the Housing and Urban Development Act of 1965 (79 Stat. 485; 42 U.S.C. 3071-3074).

(3) The functions of the Department of Housing and Urban Development under section 3(b) of the Act of November 6, 1966 (P.L. 89-774; 80 Stat. 1352; 40 U.S.C. 672(b)).

(b) Any reference in this reorganization plan to any provision of law shall be deemed to include, as may be appropriate, reference thereto as amended.

SEC. 2. DELEGATION.—The Secretary of Transportation may delegate any of the functions transferred to him by this reorganization plan to such officers and employees of the Department of Transportation as he designates, and may authorize successive redelegations of such functions.

SEC. 3. URBAN MASS TRANSPORTATION ADMINISTRATION.—(a) There is hereby established within the Department of Transportation an Urban Mass Transportation Administration.

(b) The Urban Mass Transportation Administration shall be headed by an Urban Mass Transportation Administrator, who shall be appointed by the President, by and with the advice and consent of the Senate, and shall be compensated at the rate now or hereafter provided for Level III of the Executive Schedule Pay Rates (5 U.S.C. 5314). The Administrator shall perform such duties as the Secretary of Transportation shall prescribe and shall report directly to the Secretary.

SEC. 4. INTERIM ADMINISTRATOR.—The President may authorize any person who immediately prior to the effective date of this reorganization plan holds a position in the Executive Branch of the Government to act as Urban Mass Transportation Administrator until the office of Administrator is for the first time filled pursuant to the provisions of section 3(b) of this reorganization plan or by recess appointment, as the case may be. The person so designated shall be entitled to the compensation attached to the position he regularly holds.

SEC. 5. INCIDENTAL TRANSFERS.—(a) So much of the personnel, property, records, and unexpended balances of appropriations, allocations, and other funds employed, used, held, available, or to be made available in connection with the functions transferred to the Secretary of Transportation by this reorganization plan as the Director of the Bureau of the Budget shall determine shall be transferred from the Department of Housing and Urban Development to the Department of Transportation at such time or times as the Director shall direct.

(b) Such further measures and dispositions as the Director of the Bureau of the Budget shall deem to be necessary in order to effectuate the transfers provided for in subsection (a) of this section shall be carried out in such manner as he shall direct and by such agencies as he shall designate.

SEC. 6. EFFECTIVE DATE.—The provisions of this reorganization plan shall take effect at the close of June 30, 1968, or at the time determined under the provisions of section 906(a) of title 5 of the United States Code, whichever is later.

Mr. BLATNIK. We are very pleased and privileged to have with us these three distinguished witnesses, all of whom have prepared statements which will be made a part of the record.

At the outset, I would like to inform the subcommittee and the witnesses that we will hear from the Bureau of the Budget first, Mr. Phillip S. Hughes, who will summarize the proposition, which is then gone into in more detail in the statements by Secretary of Transportation Boyd and Under Secretary of Housing and Urban Development Wood.

May I suggest at this time that we hear Mr. Hughes; then the statements by the two Secretaries will follow; and when we proceed

with the interrogation that we direct our attention to those areas which are particularly of interest to the members of the committee.

Without objection, we will proceed in that way.

I welcome you gentlemen, and appreciate your being here this morning. Mr. Hughes, will you proceed with your statement? It is a short statement but well prepared. It circumscribes the matter before us.

**STATEMENT OF HON. PHILLIP S. HUGHES, DEPUTY DIRECTOR,
BUREAU OF THE BUDGET**

Mr. HUGHES. We are pleased to be here jointly and to testify in support of Reorganization Plan No. 2.

As you have indicated, Mr. Chairman, the President transmitted the plan to Congress on February 26 of this year. The plan transfers to the Secretary of Transportation certain responsibilities of the Department and the Secretary of Housing and Urban Development for urban mass transportation programs and would establish an Urban Mass Transportation Administration within the Department of Transportation.

The major purpose of the reorganization plan is to unify in the Department of Transportation those basic Federal programs which involve urban transportation project assistance and related research and development activities. At the present time, State and local agencies must look to two Federal departments for support in this field—the Department of Transportation for programs affecting urban highways and urban airports and the Department of Housing and Urban Development for programs affecting urban mass transportation. This division of responsibility and authority also unnecessarily complicates Federal coordination.

There are certain to be increasing demands by urban residents for substantial improvements in their transportation facilities and services, and our response to those demands will have a great influence on the future quality of urban life. As the President stated in his message of transmittal:

Never before have residents of urban areas faced a clearer choice concerning urban transportation—shall it dominate and restrict enjoyment of all the values of urban living, or shall it be shaped to bring convenience and efficiency to our citizens in urban areas.

We must be sure that urban transportation systems are efficient and responsive to the needs of the traveler and at the same time contribute to the sound overall development of urban areas.

We know that many of the residents of our larger cities are already spending too much of their time traveling to and from their jobs. Reductions in the workweek gained by increased productivity can be lost if workdays are lengthened by inefficient and expensive urban travel. We have, or can develop, the transportation systems necessary to free the individual from countless hours of frustrating and wasteful intracity travel. We must also insure that those systems enhance our communities so they will become even better places to live.

The major program activities carried out under the Urban Mass Transportation Act of 1964 are: (1) transportation facility grants and loans to assist State and local agencies to acquire, construct, and improve capital facilities and equipment for mass transportation serv-

ice in urban areas; (2) research, development, and demonstration projects in all phases of urban mass transportation including tests of new ideas and methods for improving mass transportation systems and service; (3) grants to State and local public agencies for planning, engineering, and designing urban mass transportation projects and for other technical studies; (4) grants to State and local governments for fellowships for training of personnel in the urban mass transportation field; and (5) grants to nonprofit institutions of higher learning to establish or carry on comprehensive research in problems of urban transportation.

In addition to those activities, the reorganization plan refers to a number of other functions which are, in part, applicable to urban mass transportation programs: (1) a portion of the authority to make loans for public works and facilities as authorized by the Housing Amendments of 1955; (2) a portion of the authority to make relocation payments to individuals, business concerns, and nonprofit organizations displaced by a federally assisted development program as specified in the Housing and Urban Development Act of 1965; and (3) the authority to receive appropriations for the purpose of making payments to the Washington Metropolitan Area Transit Authority as authorized by the 1966 act granting consent to the interstate compact which created the authority.

The reorganization plan creates a new and distinct unit in the Department of Transportation to be known as the Urban Mass Transportation Administration. The Administrator of this organization will be appointed by the President, by and with the advice and consent of the Senate, and he will report directly to the Secretary of Transportation. Thus the views of the new administration will be heard at the top levels of the Department along with the views of the Federal Aviation Administration, the Federal Highway Administration, the Federal Railroad Administration and the Coast Guard. The Administrator would be compensated at Level III of the Executive Schedule Pay Rates.

The new organization created by the plan for the development of urban mass transportation will function in the broader context of other national transportation needs. Some of the new systems and technology which will be developed by the Urban Mass Transportation Administration will draw upon the research and development work now being conducted by other components of the Department of Transportation. No single mode of transportation can fulfill all of the needs of our cities for adequate transportation systems. Trains, buses, automobiles, and aircraft will all have a vital role to play in the solution of our urban transportation problems.

The creation of the Urban Mass Transportation Administration will strengthen and support the Secretary of Transportation in his efforts to provide other levels of government and the transportation industry with sound and comprehensive guidance and assistance. While State and local governments must choose the "right" transportation systems for the cities, the Federal Government must support this State and local effort with research, development, and project assistance.

A successful urban mass transportation system should operate efficiently and be compatible with other forms of intracity transportation. But in addition, as the President stated in his message of

transmittal, mass transportation must also "conform to and support balanced urban development." For this reason, the reorganization plan provides for the continuation of the Department of Housing and Urban Development's role in important aspects of transportation research and planning as they relate to overall urban development.

The plan reserves to the Secretary of Housing and Urban Development authority—

To make certain grants or undertake certain projects or activities which primarily involve the relationship of urban transportation systems to comprehensively planned urban development and the relationship of transportation planning to overall urban planning. These are authorities provided by the Urban Mass Transportation Act of 1964 for: (1) research, development, and demonstrations (sec. 6(a) of the act); (2) technical studies (sec. 9); and (3) grants to institutions of higher learning for comprehensive research (sec. 11).

To advise and assist the Secretary of Transportation in making findings and determinations that grant assistance is needed to carry out a proposed program, or one under active preparation, for a coordinated urban transportation system as part of the comprehensively planned development of an urban area. Such findings and determinations are a requisite, on a project-by-project basis, to the provision of assistance under the program. Thus, while the Secretary of Transportation would make the final decisions with respect to individual projects under the program, the Secretary of Housing and Urban Development would provide advice particularly with respect to the relationship of such projects to the overall development of urban areas.

To enable the Secretary of Housing and Urban Development and the Secretary of Transportation jointly to establish criteria (called for in section 4(a) of the act) for identifying programs for coordinated urban transportation systems as part of the comprehensively planned development of urban areas. These general standards are used to determine the relationship between a coordinated urban transportation system and an area's overall development.

The plan provides the basis for a sound cooperative relationship between the two Departments—the Department of Transportation responsible for transportation policy and assistance, and the Department of Housing and Urban Development responsible for leadership in comprehensive planning, including transportation planning as it relates to broader urban development needs. The two Departments are now working out the detailed coordinating procedures necessary to assure the implementation of both roles.

The reorganization plan is an important part of the President's program for improving the management of Federal programs and activities and the Bureau of the Budget strongly recommends that Congress allow the plan to become effective.

That concludes my statement, Mr. Chairman. We can proceed from here as you and the committee might wish.

Mr. BLATNIK. Thank you, Mr. Hughes. We will now have the statement by Secretary Boyd, a copy of which is before each of the members of the committee, and following that a statement by the Under Secretary of HUD, the Honorable Robert C. Wood.

STATEMENT OF HON. ALAN S. BOYD, SECRETARY OF TRANSPORTATION

Mr. Boyd. Mr. Chairman, I appreciate the opportunity to appear before this committee in support of Reorganization Plan No. 2 of 1968 which, with certain reservations, would transfer the urban mass transportation program from the Department of Housing and Urban Development to the Department of Transportation.

In the legislation creating the Department of Transportation, Congress directed the Secretaries of the two Departments to study and report to the President and the Congress on the logical and efficient organization and location of urban mass transportation functions in the executive branch. The reorganization plan which President Johnson has transmitted carries out the recommendations of the two Secretaries as set forth in their report to the Congress.

Before discussing in detail the transfer of functions involved in the reorganization, it might be useful to review briefly the substance of the Urban Mass Transportation Act of 1964 and the projects being carried out under it.

The broad purpose of the act is to provide assistance for the development of public and private mass transportation systems in metropolitan and other urban areas. In furtherance of that purpose, the act authorizes Federal grants or loans to State or local public agencies for the acquisition, construction, or improvement of mass transportation facilities and service. The grants or loans are conditioned on a finding by the Secretary that the assistance is needed for carrying out a program, meeting criteria established by him, for a unified or officially coordinated urban transportation system as a part of the comprehensively planned development of the urban area, and are necessary for the sound, economic, and desirable development of such area. Thus, the object of the Federal program is to improve mass transportation services but only where they are to be developed as part of a coordinated transportation system, conceived in the context of a comprehensive plan for the urban area being served.

In addition to the basic facilities and equipment assistance program, the act authorizes the Secretary to undertake research, development, and demonstration projects aimed at reducing urban transportation needs, improving service, or reducing the costs of service. It also authorizes grants to State and local agencies for managerial training programs; for project planning, engineering and design; and for technical studies relating to management, operation, economic feasibility, and other activities involved in the construction and operation of mass transportation systems. Finally, the act authorizes grants to public and private nonprofit institutions of higher learning to assist in the establishment of carrying on of comprehensive research in the problems of urban transportation.

By an amendment to the act in 1966, the Congress directed the Secretary to study and prepare a program of research, development, and demonstration of new systems of urban transportation. While I have not had an opportunity to study the report in detail, I have reviewed it and am impressed with the imaginative and comprehensive approach taken. I have asked my technical and policy offices to give the

report priority attention with a view to moving ahead in this very important area.

Through the fiscal year 1969, Congress has authorized \$675 million to fund programs authorized by the act, of which \$620 million has been appropriated. Grant approvals through February 29, 1968, total \$378 million for capital improvements of mass transportation systems; \$53 million for research, development, and demonstration projects; \$2 million for the new systems study; and \$7 million for managerial training, technical studies, and urban transportation research.

How will Reorganization Plan No. 2 affect the administration of these programs? First, it will transfer all of the authority to make grants and loans for the acquisition, construction, and improvement of mass transportation facilities and equipment from the Secretary of Housing and Urban Development to the Secretary of Transportation.

Second, it will transfer to the Secretary of Transportation certain technical authorities of the Secretary of Housing and Urban Development contained in other acts but necessary to the administration of urban mass transportation programs.

Third, it will reserve certain functions to the Secretary of Housing and Urban Development which relate to the role of his department in urban planning assistance and coordination. Thus, there is reserved so much of the authority under sections 3, 4, and 5 as is necessary to permit the Secretary to participate with the Secretary of Transportation in establishing joint criteria to be followed by local planning agencies in developing coordinated transportation systems as part of comprehensive urban development. There is also reserved the authority necessary to permit the Secretary to advise and assist the Secretary of Transportation in making findings and determinations as to whether the projects for which Federal assistance is sought are related to a program for the development of an urban transportation system as part of a plan for the comprehensive development of an urban area. Finally, the plan reserves to the Secretary of Housing and Urban Development part of the authority in sections 6, 9, and 11 to undertake research or make grants for technical studies and research in problems of urban transportation. Here, the Secretary's authority would be limited to grants and research primarily concerned with the relationship of urban transportation systems to the comprehensively planned development of urban areas, or the role of transportation planning in overall urban planning.

The plan does not involve any change in the authority of the Secretary of Labor with respect to the labor protective provisions of section 13(c). Those provisions will continue to be administered by the Secretary of Labor and we will work closely with his Department on the labor aspects of the grant applications which come before us.

To administer the transferred functions, the plan creates within the Department of Transportation an Urban Mass Transportation Administration, headed by an Administrator appointed by the President, by and with the advice and consent of the Senate, and compensated at Level III of the Executive Pay Schedule. The Administrator will report directly to the Secretary. This will place the urban mass transportation program on the same footing within the Department as the aviation, highway, and rail administrations. As you know, by virtue of the highway and airport grant programs and rail studies

and experimentation carried out by these administrations, the Department is already deeply involved in the development of urban transportation facilities.

With this background on the program and the plan, I would like to turn to the matter of most concern to this committee: Why does the reorganization proposed constitute the most logical and efficient organization to carry out urban mass transportation programs?

Our analysis starts with the proposition that the development of our urban areas is first and foremost the responsibility of local government. Local government is responsible for establishing a community's development objectives, identifying the means by which those objectives will be achieved, planning the size and location of community facilities, and then carrying out the programs for facility development.

The Federal Government's purpose in providing technical guidance and financial assistance to the community is to assure that urban development proceeds at a pace and in a manner consistent with overall public objectives. Our goal should be to manage these Federal assistance programs so as to achieve what science calls a synergistic effect—accomplishing a total effect from the Federal effort which is greater than the sum of the individual programs.

At the heart of the organizational problem lie two facts. One is that transportation, as much as any other single factor, shapes the development of our urban areas. Consequently, if we are to create suitable living and working environments through orderly development of our urban areas, it is essential that transportation facilities be the servant of development and not the master.

The other fact is that each of the various modes of transportation are but pieces of a local, regional, national, and international transportation system. Therefore, if we are to provide most efficiently the transportation services necessary to our national defense and commerce, and the social cohesion and personal fulfillment of our citizens, transportation must be viewed as a system, and each mode of transportation must be viewed as an integral part of that system. This is especially true in the case of urban transportation where the inherent advantages of one mode of transportation over another are not always clear. Here, there is a real need for conducting research and demonstrations, identifying and evaluating alternatives, and then following through with action programs. Such a systems approach is difficult to achieve when the responsibility for transportation programs is divided.

The basic decision turns, then, on a judgment as to how the programs supporting these sometimes conflicting objectives can best be accommodated within the organizational structure of the Federal Government, and within the framework of Federal-State-local relationships. It was our judgment that the best solution lay in establishing a clear alinement of the functional responsibilities between the two Departments, and then providing for a meshing of the programs for transportation planning and development with the programs for urban planning and development through the establishment of a tight coordinative mechanism. Three steps were indicated.

The transfer of the urban mass transportation program to the Department of Transportation is the first. It permits the function of urban mass transportation to be treated in a systems context along

with the other modes of transportation whose development is assisted by the Department—and we are convinced that the lack of a systems approach is an important factor in the transportation problems of many of our cities. It also simplifies channels for State and local agencies working with the Federal Government on transportation projects.

The second step is to clarify and strengthen the role of the Department of Housing and Urban Development as the principal Federal agency concerned with sound, comprehensively planned development of our urban areas. This is the purpose of the reservation in HUD of authority under the Urban Mass Transportation Act to undertake research and make grants on those problems involved in the relationship of transportation system planning to comprehensive urban planning. It is also the purpose of the reservations of authority under sections 3, 4, and 5 which will allow HUD to participate actively in establishing criteria for relating transportation system planning to comprehensive urban planning, and to advise the Department of Transportation as to the adequacy of local planning programs.

The third step is to establish formal procedures for a closer working relationship between the two Departments in all cases in which transportation planning and project implementation will have a significant impact on urban development. From such a working relationship at the Federal level, we can secure better coordination among agencies at the State and local level. This is essential because it is those agencies who bear the ultimate responsibility for planning and carrying out the development programs.

Thus, we believe that the reorganization plan, together with the agreements to be worked out by the two Departments, will for the first time tie the Federal transportation programs together, provide the mechanism for relating national transportation objectives to urban development objectives, and permit a unified Federal approach to help in achieving orderly urban growth through the development of effective transportation systems.

I am convinced that the plan before you represents a step we must take if we are to cope with the problems at hand.

Mr. BLATNIK. Thank you very much, Mr. Boyd.

Mr. Wood, will you proceed?

STATEMENT OF HON. ROBERT C. WOOD, UNDER SECRETARY OF THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Mr. WOOD. Mr. Chairman and members of the subcommittee, I appreciate this opportunity to appear before you in support of Reorganization Plan No. 2 of 1968.

The plan will transfer from the Department of Housing and Urban Development to the Department of Transportation various functions under the Urban Mass Transportation Act of 1964, together with certain incidental authorities under other laws. In part, the functions to be transferred are those of assisting in the provision of mass transportation facilities and equipment needed for coordinated urban transit. In addition, the plan will transfer to the Department of Transportation a function of assisting, through research and demonstration programs, in development of transportation facilities and systems for the future.

Aside from these transfers, the plan reserves certain functions under the Urban Mass Transportation Act to the Department of Housing and Urban Development.

The Department would retain authority for assisting research, demonstration, and technical study activities which primarily involve the relationship of urban transportation systems to overall urban development and the role of transportation planning as a part of comprehensive urban planning. Further, it would join with the Department of Transportation in establishing criteria for determining whether, as the law requires as a condition for facilities assistance in any urban area, there is or is being developed an adequate program for a unified or coordinated transportation system as part of the comprehensively planned development of that area. And the Department would also have the role of advising and assisting the Department of Transportation in determining whether in any area these criteria have been or are being met.

The functions I have referred to do not necessarily cover every aspect of the operating relationships which the two Departments may establish in connection with the operation of the mass transportation program. They do, however, reflect our major, basic areas of departmental responsibility. Essentially, the Department of Transportation will be responsible for assisting transportation systems responsive to both national and local needs and for developing new systems required to meet the needs of the future. The Department of Housing and Urban Development will be responsible for providing guidance in connection with the planning required to establish a sound relationship between these systems and urban needs, and for research and development activities focused upon finding ways of making this relationship more meaningful in the years to come.

From an administrative standpoint, we in the Department of Housing and Urban Development are confident that the plan represents a very workable arrangement for discharge of these departmental missions. So far as our own Department is concerned, we have been engaged for many years in assisting urban transportation planning as part of our comprehensive program under section 701 of the Housing Amendments of 1955. We are rapidly developing an urban research program that will reach into all major systems and techniques affecting the course of future urban developments. The functions reserved to us under the plan are very closely related to these program responsibilities.

From an administrative standpoint also, we believe that the two Departments are fortunate in that they have been able to develop an arrangement which not only calls for cooperation between them but which rests upon a solid framework of past cooperative activities. For example, the Departments and their predecessor agencies have collaborated closely for years in helping hundreds of communities to develop the planning structure necessary for sound transportation systems. We have established, and have in operation, machinery at the regional level for dealing with a variety of planning coordination matters. And we have consulted extensively on a wide variety of projects and issues, from improved techniques for land use forecasting and airport planning, to the recently completed study of new urban

transportation systems for the future, and the high-speed ground transportation project.

But whatever the logic of the plan in terms of the day-to-day administration, it would be a mistake to consider it only in these terms. Much of its significance must be measured against a broader framework of where we are and where we are going in dealing with what is, by all counts, one of the most vexing and complex of urban problems.

In the first place, we think the plan represents an important step in our thinking about urban transportation. In the past, there has been a common tendency either to deplore the deficiencies of urban transportation systems from the standpoint of transportation objectives, or to deplore the deficiencies of these systems from the standpoint of their effect, or lack of effect, on urban development objectives. The plan in a formal, tangible sense recognizes a hard truth which has become increasingly clear in recent years. This is that we cannot simply subordinate one set of objectives to the other. We must deal simultaneously with both, and we must organize our resources and skills for dealing more effectively with both.

A second point follows from this first. For as we concentrate our skills and resources upon different aspects of the urban transportation problem, and develop our respective capabilities, we must be aiming at something beyond doing a little more efficiently or on a larger scale what we have been doing before. We must be aiming at major improvements in our techniques and methods for doing things, and for tying the results of our work together.

For example, our objective in planning should not be simply to assure that there is planning, or that transportation planning is carried on as a part of comprehensive urban planning. The real need is to make planning more effective, better informed, and more responsive at the right times to the right—even if hard—questions. This means, among other things, that those who plan must be alert to all the technical financial and political problems that are apt to be involved in implementing plans. It means, too, that those engaged in long-range planning must be alert to the technological possibilities that research is developing and that will be available in the future.

So far as the Department of Transportation and the Department of Housing and Urban Development are concerned, success in accomplishing this kind of major improvement requires more than simple agreements on matters of administrative routine. It requires a high degree of understanding as to basic missions, goals, methods and priorities in the field of urban transportation. We feel that, during the past year particularly, we have already made unusual progress in achieving this understanding. It is reflected in the statements of departmental responsibilities contained in the President's message transmitting the plan, in the urban transportation recommendations of his message on Housing and Cities, and in the joint report of the two Departments on their studies and deliberations leading up to the plan. We expect that it will be further detailed in the operating agreements the two Departments are now developing and in other aspects of their relationships in the future.

It must be remembered, however, that success in this broader sense is not a matter simply for the Department of Transportation and the Department of Housing and Urban Development. Nor is it simply—

or even primarily—a matter of Federal responsibility. For our powers are simply those of providing assistance and guidance. It is at the State and local level that most of the really crucial decisions will be made. Without a spirit of cooperation there, without an understanding as to basic goals there, neither the plan nor any other step we may take to improve Federal organization and coordination can possibly have its intended effect.

It must also be remembered that even the best organization can go only so far. No organizational arrangement, no division of responsibilities, will by itself make the hard problems—the dilemmas of choice—vanish. And no improvement in our techniques for dealing with problems of the future is going to eliminate existing barriers traceable to faulty techniques of the past.

But we can focus our resources more precisely on what we are doing with a view to seeing that the right questions are considered, in the depth and places where they should be considered, and in good time. To the extent that we can do this, we can do much better in the future than we have in the past. The plan is a step, and a potentially major one, in that direction. It is the product of careful deliberation. It has been jointly recommended by the two Departments. We in the Department of Housing and Urban Development believe that it should contribute to a strengthening of our capacity to cope with all the needs of our urban localities and the people who live there today, and who will be living there in the future.

Mr. BLATNIK. Thank you, Mr. Wood.

Mr. Secretary, would you have any summary you would like to present of your statement or any particular point to which you would like to call attention to which Mr. Hughes may have made a reference?

Mr. BOYD. No, sir; I am in complete agreement with the statement of Mr. Hughes. The net effect of this reorganization plan is to provide a means whereby the Department of Transportation will have primarily the internal responsibilities for urban mass transportation; that is, dealing with transportation as transportation; and HUD will retain what, for lack of a better term, we call the external responsibilities, those relating to the impact of the transportation systems and activities on the urban society.

Mr. BLATNIK. Mr. Wood, would you have any comments? It is not necessary, but you are free to make any comments or statement or call attention to any aspect that you wish to have underscored or emphasized from your Department's point of view at this point.

Mr. WOOD. I would echo the sentiments of Secretary Boyd, Mr. Chairman, as to the common position that the two Departments and the Budget Bureau have with respect to this plan and Secretary Boyd's indication of the basic principle under which this plan was developed, the so-called lead agency principle in terms of carrying on our particular duties.

As my formal testimony points out, we think that given appropriate resources we will be able to develop here a capability to work effectively with DOT in shaping a better urban environment, and we propose to go forward on that basis with every means and cooperation.

Mr. ROSENTHAL. The fact is, Mr. Chairman, if you permit me, Mr. Wood, you would in fact have no authority; as I read Mr. Hughes' statement on page 6, you have an advisory role.

Mr. Wood. I think we would have authority, Mr. Rosenthal, as the plan itself indicated, with respect to the portions of research and development that have major external impact considerations. We would have authority in terms of transportation, in terms of the encouragement and creation of the planning agency, the review of planning criteria. I think the basic question here is would we have authority over the making of the grants and the loans in the assistance program, and these clearly go to DOT.

Mr. ROSENTHAL. You don't disagree with Mr. Hughes' statement where he says on the bottom of page 4:

Thus, while the Secretary of Transportation would make the final decisions with respect to individual projects under the program, the Secretary of Housing and Urban Development would provide advice * * *

Mr. Wood. No, I would simply underscore the providing of that advice on projects which we would regard as an important function. The establishment of criteria and the certifications called for earlier in Mr. Hughes' statement we would regard as meaningful decisions.

Mr. BOYD. If I may say something, Mr. Chairman, I think one of the things we need to do in this whole business of urban development and urban transportation is to get the right perspective. I have a perspective which I hope is the right one. We tend to talk as if all of the activities are in a very small universe, specifically in Washington in the Office of Secretary of Housing and Urban Development, and in the Office of the Secretary of Transportation.

The fact of the matter is the Federal Government is not deciding how cities are going to develop or what their transportation systems are going to be. This is done by local citizenry and planning agencies. This is made clear in all of our statements. These are local decisions.

We in the Federal Government are involved in three things: one is the establishment of criteria for the carrying out of Federal portions of these programs; two is research; and three is development through loans, grants, and so forth. But the basic decisions as to what kind of transportation city X is going to have comes from city X, not from the Federal Government.

The basic decision for the Federal Government is to decide whether the requirements of the city meet the criteria and the priorities which have been established for the Federal programs.

Mr. BLATTNIK. This is the main area that puzzles me. I am not clear how it would be put into operation; that is, I just don't see where HUD's authority ends and the Department of Transportation's begins. It is pretty involved.

Mr. BOYD. This is a very complicated area, and there is no way it is going to become simple. The nature of the beast is complicated.

I would say the answer would be this. Getting back to the question of internal versus external impacts, both Departments in their research activities will come before the authorizing and appropriations committees and say this is what we propose to do in our Department and this is how it relates to what the other Department is doing.

Mr. Wood. Another way, Mr. Chairman, to maybe clarify that twilight zone that you have identified, is to think of the number of decisions that are involved in the process of providing effective transportation in ways that have constructive impacts on urban areas. This process begins with a set of decisions of how you help local govern-

ments get ready to look at their problems, the relationship of the impact of transportation on land uses and other uses, and then it flows through their capability of carrying out such projects to the question of the final assistance in these projects.

Now, the plan, as we understand it, says that in essence HUD will be the prime force in trying to encourage comprehensively effective development plans and then to see how transportation activities impinge upon them.

By HUD being able to be involved early in this activity, I think we probably will be able to place the emphasis of our responsibilities at a timely initial stage more effectively than we have been able to do sometimes in the past.

Mr. BLATNIK. You are sure it will be done more effectively, not result in either conflicts or deadlocks which is typical in the District of Columbia?

You see, you have the States involved, the municipalities, the Federal Government. You have your own sort of quasi-independent agencies, land use, sanitary districts, school boards. They have their own concept of what to do with certain land.

Mr. WOOD. I am right with you and Secretary Boyd, Mr. Chairman, in saying this is a complicated business. It is clear that DOT and HUD are going to have to sit in each other's laps in this whole series.

I think one of the characteristics of administrative and executive action in this stage of American domestic programs is that you cannot any longer draw self-contained boundary lines and put programs completely within one jurisdiction. Their working relationships are probably increasingly important. I think this underlies the whole approach of creative federalism. I think the impulsion which makes us believe that these administrative collaborative efforts will work is the fact that the substantive programs cannot work unless there is this cooperation. We cannot have orderly urban development unless we are able to deal freely and openly with transportation plans and activities. Transportation programs cannot go forward unless they have the support and understanding of the communities involved.

I think it is in this spirit that the plan was developed.

Mr. BLATNIK. What do you do when you have a metropolitan-surburban complex that involves several governmental subdivisions? Is that your comprehensive planning program, to get them all to come into agreement on an overall areawide plan?

Mr. WOOD. If there is a comprehensive plan regarding the collaborative efforts of the different jurisdictions, and these are the joint criteria which DOT and HUD sign off on, what we want to do is to put in being a mechanism that will allow the local governments to collaborate in their decisions or at least have it underway and then to see from there how we can respond.

Mr. HUGHES. Mr. Chairman, if I could take a run at this, I think, going back to some of Secretary Boyd's comments, if we could look at this transportation plan in a given community as a two-step or two-stage effort, the first stage is essentially the evolution of an adequate transportation plan for that community, consideration being given at this point to the various elements of transportation: highways versus mass transit versus perhaps air transport, railroads, and so on; the relationship of these transportation components.

This area, as we have looked at it, is essentially the Department of Transportation's area, and one of the major reasons for putting the urban and mass transportation program into the Department of Transportation is to compel, in a sense, the weighing of the merits of urban mass transportation in a given situation against other transportation programs.

Then, once the elements of the transportation plan have been evolved, the next stage is the relationship of the transportation plan to the rest of community planning, to the comprehensive plan, to the plans for residential development, to the effect of transportation planning on relocation requirements, on open space requirements, and so on.

It is in this latter area that the Department of Housing and Urban Development needs to have its say, both in terms of advice to the Secretary of Transportation and in terms of a share of responsibility for the approval of the criteria governing in this regard.

The relevant portion of the reorganization plan I think is relatively explicit and relatively brief on these points, and what it says essentially, looking at section 1(a)(1), is that all of the urban mass transit program is transferred to DOT with the exception of certain specific reservations which relate to planning, to research and the shared responsibility for the development of these criteria.

The words of the plan will need to be filled out by memorandums of understanding and exchanges of letters and so on between the two Departments, and there will need, of course, to be appropriate allocations of personnel and funds as is the case with all plans.

But the terms of the plan itself are quite precise and I think illustrative of this two-stage evolution of a plan that I have tried to describe.

Mr. ROSENTHAL. Mr. Hughes, if I might, I keep sensing that you are putting the cart before the horse. Is it your suggestion that we must first develop a major national transportation plan? Then, after we fit the pieces in or around the city, we consider what the problems within that city are and orient them to the transportation plan that has already evolved?

Mr. HUGHES. I have misled you, I think.

Mr. ROSENTHAL. I may have misunderstood you.

Mr. HUGHES. We start with the community, as Secretary Boyd described it. Community A has mass transportation needs as it sees these needs, and it applies for Federal assistance in meeting these needs, planningwise and in terms of the development and the construction of the system itself. This is a particular community. It is not a national transportation plan. But this is a particular community having needs and under the terms of the Urban Mass Transportation Act applying for assistance from this program.

The first stage is the consideration of that transportation application in relation to the highway system and other transportation systems of that community.

However, sooner or later—and perhaps in some ways the sooner the better—you get to the second stage which is the relationship of transportation planning as a whole to the comprehensive plan for the community and to other urban systems: sewer and water, residential planning, recreational planning, and so on.

This would take place community by community.

Mr. BOYD. If I may add something, Congressman, I think that you can look at transportation in the sense of a series of rings within each other. There is an urban transportation system, a regional transportation system, a national transportation system, and an international transportation system, and these more or less fit within each other; the movements flow back and forth, and there is a relation from one to the other, although they aren't all moving in the same direction.

The functioning of the system really is altogether separate from having a transportation policy, whether it be a national, regional, local or what. The system operates to a large extent based on a true market function and has nothing to do with policy from the Federal level.

Mr. ROSENTHAL. It has to do with policy, the final decision as to what grants will be made will rest with your Department.

Mr. BOYD. There is no question about that.

Mr. ROSENTHAL. Your Department has a philosophy different from HUD. Your Department is charged with developing a national transportation system. HUD's Department is to provide a better life for urban people.

Mr. BOYD. You haven't been reading my speeches.

Mr. ROSENTHAL. I remember some of your speeches; yes, I do.

In other words, it is Robert Wood versus the Robert Moses' concept. Moses' concept was quite adequate in 1930. We will build highways and we will run them in quickly and we will get good service between Philadelphia and New York.

Today we are concerned with the preservation of the integrity of the cities, and we have got to get people to their jobs and make sure that local inner-city communities are not isolated from the outside world. It is a question of philosophy and mission.

It seems to me the President charged you, Mr. Secretary, with developing a national transportation policy for air, maritime, roads, and highways. He charged HUD with certain other things.

I would suspect that their commitment to society is different from yours. This is nothing wrong. That is the way it should be.

Mr. HUGHES. Isn't this the reason for keeping the Department of Housing and Urban Development in the act as the plan specifically does?

Mr. ROSENTHAL. In my honest opinion, they are just playing with words. Their role in this act will be a third-rate supporting character. They will make recommendations, and if the Secretary of DOT doesn't like them they will reject them. They will dance the same music for 6 months to a year, and after that it will be over.

Mr. BOYD. I am really terribly concerned about your view of the Department of Transportation and its philosophical bent. I just don't think I have made myself clear on what our philosophy is. I would like to take another whack at it.

Both officially and personally I have stated, and I have tried to develop policy on the thesis, that transportation is for people, that transportation is a service function, and that it has to serve people. I have also moved over into Mr. Wood's area and said that cities are for people and we should devise programs and plans for the benefit of people.

Now, if this is a Robert Moses approach to life, I don't understand Robert Moses. If we are not acting in accord with that philosophy, I would like to see some examples of it. I have spent more time and effort in trying to bring the transportation system, so far as the Federal Government is concerned, into line with this philosophy than anything else.

Mr. ROSENTHAL. Mr. Wood, I wonder if you could tell us what you think about this. I know you are supporting this plan. I am very much aware that the Bureau of the Budget and Mr. Weaver signed a memorandum which was submitted to the President on February 24, 1968. But I am sincerely concerned about the direction of urban mass transit. I think it is an important adjunct to life in the city. I just wonder if it wouldn't fare better staying in your Department than being transferred to DOT.

Tell me why I am wrong.

Mr. WOOD. I think you are wrong.

First, let me take a step out on a point of personal privilege to indicate that my regard and relationship with Mr. Moses is not the same as my regard and relationship with Secretary Boyd. My record of a dialog with Mr. Moses has been considerably different than with Secretary Boyd.

Secondly, basically, the limitations of the present arrangements in which HUD goes forward in its mission to try to deal with the various subsystems that condition life in urban communities are that at the present time in the transportation area we have a grant program relating to just one mode of urban transportation. It does not seem to me personally, nor does it seem to me in my present capacity, realistic to assume that the operation of that grant-in-aid program of assistance in grants and loans to mass transportation will decisively condition all the transportation systems in urban areas.

It seems to me that the way HUD moves forward in trying to carry out its mission on urban development is to try to get in early into the development process of any of these activities that hinge upon land use; to have our say—not in terms of particular projects or particular expertise of a particular facility—but to have our say in general criteria and in general certifications.

There are at least, over and beyond housing, three other major sets of facilities that condition the market of urban life. One is transportation, the other is sewer and water; the third is kind of a major community institutionwide complexes such as hospitals, civic centers, or what have you.

We can't presume to exercise control over hospitals with HEW. We don't presume to have a continued impact on welfare institutions or centers for these other facilities.

We do presume to try to get directly and early into the game so that we can have impact in these decisions.

Mr. ROSENTHAL. What has been your record of success on impact of other agency decisions?

Mr. WOOD. Generally, not as fast and not as rapidly as I would expect in the detached circumstance, but I think there is continuing progress. I take a great deal of satisfaction in the fact that in the last few months the efforts of HEW and HUD in collaboration were able to carry forward the development of an acceptable program for

medical facilities in the city of Newark. I believe that was evidence of collaboration between local, State and National Government that has some prototypes.

Mr. ROSENTHAL. You shouldn't take much credit for that because you did that after the horse was out of the barn.

Mr. WOOD. No, I think we redesigned the barn or shifted the situation in considerable respect. I think we have begun to find in the so-called pilot neighborhood centers which involve the four Great Society agencies initially and more lately transportation, the pattern for collaborative structure. I think the model cities program is premised on the fact that the relevant Federal departments and agencies can carry out collaborative strategy. I think on net balance our impact on urban transportation will be increased by this reorganization plan.

Mr. ROSENTHAL. I don't see how you can say that. It will be decreased almost to a minimal point. You will have an advisory role. This has nothing to do with who the present secretary is. We are considering a plan for years to come. Once Congress acts, they can't rescind this action.

The fact is we don't have to act at all. This plan will become operative unless someone files a disapproval resolution. Once this event takes place, this responsibility for urban transit will be in the Department of Transportation.

Mr. WOOD. The responsibility for giving grants and assistance for individual projects will be in transportation, and for developing a transportation plan. But that plan can't go forward without certifications of its relevance to the general urban plan.

Mr. BOYD. I think, Mr. Rosenthal, you should bear in mind that according to the statistics I have, 94 percent of the movement in cities is on streets and highways. As things stand today, that is in the Department of Transportation. There is no question about it. We have the sole, complete power. And we are not eliminating that.

Now, the mass transit is the 6 percent. To try to give you an example of cooperation, we have gotten fairly deeply involved in the District of Columbia highway system. I have, at least in the eyes of one newspaper, been credited with being an obstructionist to the great progress in the highway system. The fact of the matter is HUD and DOT are working together trying to help the District develop a highway system which improves the total community. This is an element of collaboration. We are working together in Nashville on highway development and urban renewal jointly. I think we could come up with any number of examples of how we are working together.

In these cases I don't believe HUD or the Department of Transportation would say it is all one way. By definition, if we are cooperating we are trying to get something done. If we weren't interested in working with each other, they could go their way on urban renewal in Nashville and we could go our way on urban highways in the District.

Mr. ROSENTHAL. I just have a feeling that highways and subways and other modes of transportation are an essential, integral part of improving the quality of life in our cities, which is my personal kick. I think we all agree.

What is the most efficient way to coordinate the improvement of life in the cities, the building of the cities? People in transportation who

allege that 94 percent of our people travel on highways somehow seems to me can less relate to subway transportation than the fellows who are building model cities.

Mr. BOYD. That is one of those "When did you quit beating your wife" sort of things, Mr. Rosenthal. That is not an allegation. That is a statement of fact. The fact that I know this is the share of movement on the highways doesn't have anything whatsoever to do with the philosophy of the Department of Transportation.

Mr. ROSENTHAL. In the city of New York 94 percent of goods and services don't move on highways.

Mr. BOYD. That is very true.

Mr. ROSENTHAL. What percentage does in the city of New York?

Mr. BOYD. I can't give you that figure.

Mr. ROSENTHAL. I won't burden the committee. I am just worried about the situation. Don't consider it anything personal, Mr. Boyd. It isn't that at all.

Mr. BOYD. Let me point out something else to you, Mr. Rosenthal. The quality of life in the cities is related to a good many things, not the least of which is the ability of people to earn a living, and that is related to a transportation system which goes far beyond the city. You have to have some way to dovetail your urban transportation with your interurban and international transportation.

Mr. ROSENTHAL. I think that is absolutely true.

Mr. BOYD. This is what we are talking about. We are talking about doing it in the context of comprehensive urban planning.

Mr. HUGHES. Mr. Rosenthal, I think your comments indicate that you are concerned about the leverage here, whether HUD will have adequate leverage. This was the source of considerable discussion, believe me, within the executive branch, and it was anticipated as the source of major congressional concern, and quite legitimately so.

I think the fundamental point here is the one we started out from, that transportation and cities are both extremely complicated and very closely related.

In a city of today, everything is related to everything, practically. Transportation, welfare, health, ghettos and so it goes.

The solution to that question is not to make the Department of Housing and Urban Development, at least as I see it, the Department of everything for cities. I can't see that is a reasonable solution. Rather, the answer, it seems to me, in this inevitable complex world is to establish definite program areas and to provide for the best interrelationships that we can between these areas, both in terms of the good will of the individuals and in terms of the institutional and the statutory relationships.

Now, the plan here—I just have to dissent from your view—doesn't give the Secretary of Housing and Urban Development a third-rate status with respect to the effect of mass transportation or any other transportation systems on urban development and on the quality of urban life.

It seems to me, as Mr. Secretary Wood has suggested, the shared responsibility for the development and the establishment of criteria here puts the Secretary of Housing and Urban Development very much up front.

I say this, but not in the context of anticipating bad judgment on the part of either Secretary Boyd or his successors. We need protection, surely, from bad judgment, but we need also the checks and balances and the cross-collaboration that is reflected in the complexity of life.

But the plan does give the Secretary of Housing and Urban Development substantial leverage on the aspects of urban mass transportation and other transportation planning that relate to the development of cities. He will have better leverage, I venture to say, in the transportation area, mass transportation in particular, than he probably has in the hospital area that you mentioned, and in some of the other areas we could talk about.

Much of the discussion and the planning of the plan centered around the means of best assuring this. We think the plan does and that it can be adequately supplemented by memoranda of understanding and, if necessary, Presidential directives to assure that these features of the plan are carried out.

Mr. BOYD. May I say, sir, if I may refer to one of your earlier questions, the problem of urban mass transportation is not whether it has moved into the Department of Transportation. The problem of urban mass transportation is a lack of funds. It is not an organizational philosophy problem. The subway system in New York, which is less than an ideal system of transportation according to some people, is in that condition because of the lack of money being invested in the system. That is the basic problem.

Mr. ROSENTHAL. I think the word is commitment. Different people have different feelings about things. In your Department, urban transportation will compete with five other modes for money. Some people in the higher levels of your Department may think it more important to build a highway system, a first-rate highway system throughout the Nation. Some other people that may presently be in HUD may think it is more important to develop a really good subway system in New York and the District and Chicago and Mobile, Ala., and places like that. It depends on commitments.

When President Theodore Roosevelt came into office he wanted to change the policy from a land-grant policy to conservation, and he couldn't do it because the Departments weren't established to accept a new philosophy.

I was here when your Department was established, and we were told that the major impact of your Department would improve transportation in the United States: maritime transportation, highway transportation, aviation transportation, and all these other things. We never heard anything said about inner-city transportation, within cities transportation, urban transportation. We were told at the time we would hold in abeyance for 1 year what we should do about mass transportation.

I am worried that the type of urbanologists that reside in HUD do not at the moment reside in your Department.

Mr. BOYD. Mr. Rosenthal, first and foremost, let me back up and refresh your memory. What we talked about in testifying on the Department of Transportation was not that we were going to improve the highway system, the maritime system, the aviation system. What we said was that the purpose of the Department was to do primarily

two things: One was to improve the total transportation system in the country, and we made it very clear that this definitely included urban transportation. The second was to create a focal point for relating transportation to the environment in which it operates.

Now, 70 percent of our people live in cities in this country today, in metropolitan areas. They are the ones who constitute the major part of that environment.

As to the question of allocation of resources within the Department, this is something that Sam Hughes ought to be discussing instead of me; but the fact of the matter is, if you will recall how the Department was established, the Office of Secretary contains functional elements. It does not have any champions for airways, highways, waterways, or anything else. We are set up to try to deal with the total transportation system.

I can tell you that I have spent more time on urban transportation than on any single thing since I have become the head of the Department.

Mr. HUGHES. Two points, Mr. Rosenthal. First of all, the improvement of transportation, as I see it, is improvement in terms of its capacity to serve people. It should be a servant and not a master. It seems to me that goal was both implicit and explicit in the establishment of the Department.

Secondly, with respect to the question of choice here, mass transit versus highways versus other options, the Secretary, as he has pointed out, has structured the Department in a fashion which enables him to make these choices on as objective a basis as we people can make them.

It seems to me the choices are almost inevitably going to be better within the transportation field if mass transit is one of the competitors in the picture within the Department of Transportation.

Certainly the choice-making process is not improved by having mass transit off in left field. Rather, the fact that it is a component part of the Department and thereby impresses itself on the Secretary's consideration and to an extent certainly on congressional consideration as one of the alternative means of moving people from here to there within the city—that objective is much more assured by the plan than under present arrangements.

Mr. BOYD. If you will not hold it against me, I will point out that urban mass transportation is not altogether rail transportation. There is a lot of mass transportation moving on the highway system. It seems to me that there is some intelligence in trying to get the concept of dealing with urban mass transportation in the same place you have the concept of designing and building the highway.

Mr. ROSENTHAL. In some areas, for example, Long Island, N.Y., you could build highways forever and in vain—you know the Long Island Expressway was outmoded the day the concrete dried. We can't build any more highways. We have to develop a new type of transportation. More highways in and around that type of a city won't do any good.

Mr. BOYD. That is quite right, and that is why the city or the urban complex must be the one to decide what its requirements are. New York City doesn't go very far west of the Hudson River. There are an awful lot of cities in this country who do need highways and who do want highways. New York doesn't want them, can't use them. That is fine.

What we are trying to do is to deal with the proper set of require-

ments, and that has to come from what the cities want themselves, not from the Department of Transportation or the Department of Housing and Urban Development.

Housing and Urban Development, under any set of circumstances, is not going to say to Mayor Lindsay, "You can't have any streets in New York." Nor is the Department of Transportation. It is a welling up rather than a trickling down as to what kind of a transportation system you have, whether it be New York or Dallas or Des Moines, Iowa.

MR. ROSENTHAL. Sometimes the city finds it easier to get money for one mode of transportation than another. You have an impact on their decision because you are going to put up the money, and the fellow who puts up the money is the one who counts.

MR. BOYD. Here you get to an altogether different proposition because you gentlemen in the Congress established the highway trust fund and you have established the method of allocation of those funds.

The Secretary of Transportation signs a statement every quarter releasing funds based on a statutory allocation. This gets back to what I said earlier. The problem is money.

MR. EDWARDS. Will the gentleman yield?

MR. ROSENTHAL. Just 1 second.

Again I think it is money plus commitment. That is the big distinction between us.

MR. EDWARDS. Does the statute authorize you to withhold those highway funds?

MR. BOYD. We have legal authority to do that, Congressman. I am not sure it is in the statute, but I have an opinion from the Attorney General I would be glad to submit to you.

MR. EDWARDS. Is that Mr. Clark you are talking about?

MR. BOYD. Well, the Attorney General is really an official. I don't recall whether it is Mr. Clark or his predecessor.

MR. EDWARDS. I would like to see it.

MR. BOYD. All right, sir, we will get you a copy.

MR. ROSENTHAL. Thank you, Mr. Chairman.

MR. BLATNIK. Mr. Erlenborn.

MR. ERLBORN. I think we have pretty well exhausted that area, but just to recap, if the city of Chicago decides that they want to extend the Chicago Transit Authority's rail system out to O'Hare Field, for instance, they make an application. Would they make that application to HUD or to DOT?

MR. WOOD. Under the operation of the plan, as I understand it, Mr. Congressmen, they would make it to DOT. The review and evaluation process as to whether or not that extension could be presently assisted would turn on, first, the existence within the Chicago area of an adequate transportation plan that had been certified by HUD to have an effective relationship with the general area plan, and, secondly, in a project of that size and of that impact, a review of that particular project by HUD with advice to the Secretary of Transportation as to our recommendations as to its effect.

MR. ERLBORN. Let us suppose the city of Chicago has not done the job of overall urban planning that HUD thinks they should have, would HUD then have veto power over this application for assistance for the extension of a rail line?

Mr. WOOD. In effect I think it would.

Mr. ERLBORN. I wonder if Secretary Boyd could answer that?

Mr. BOYD. Yes, sir; I will be glad to.

We are working out an agreement between our two Departments which would provide that in matters of this particular nature, the certification by HUD is a part of the approval process.

Mr. ERLBORN. It is a requisite, then?

Mr. BOYD. Yes, sir.

Mr. ERLBORN. If HUD should want to veto because of the lack of planning, it would have the authority to do so under the plan or under your agreement?

Mr. BOYD. Under our agreement.

Mr. ERLBORN. It is not clear under the plan.

Mr. BOYD. That is right. It will be under the agreement. I think the question really would be whether or not there was a comprehensive plan. This is up to HUD to say. I am sure if the city of Chicago came in with an application and HUD said, "You don't have a general plan," that the city would probably want to appeal. I think the thing would work out in practice this way. We would sit down with HUD and they would indicate what was lacking. We would say, "All right, Chicago, these are the conditions. You go out and do this, that, and the other. Then you will have a plan, and then you can come back."

Mr. WOOD. Hopefully, before that specific situation would have occurred, we would have provided assistance to Chicago and the Chicago metropolitan area as to the development of a planning process and planning mechanism, and we would have, in concert with DOT, identified the institutional arrangements we wanted to work with. So, it would not be in this sense simply establishing criteria or a requirement; it would also be in a capacity in which HUD would be able to assist.

Mr. BOYD. I think actually there would be little question of Chicago or any other city submitting an application unless they did have a plan because we expect to be able to advise all the cities what the requirements are going to be. Both Departments are dedicated to the same proposition. We are not going to play games with the cities. We are going to try to lay out for them in terms of standards and criteria what they have to do in order to qualify, not only for transportation but for other programs.

Mr. ERLBORN. As a matter of fact, they already have to do this whether the authority is in HUD or DOT. So, the cities are familiar with this process.

Mr. BOYD. Yes, sir.

Mr. ERLBORN. There would be no drastic change here in the process. They would have to do their overall planning and have that approved before specific projects could be approved, just as they do today, right?

Mr. BOYD. That is right.

Mr. HUGHES. Mr. Erlborn. I think for the record, you will notice that the plan itself refers to the joint establishment of these criteria referred to in the first sentence of section 4(a) of the Urban Mass Transportation Act. I refer to this because it does provide a statutory handle, if that is what you are looking for, for the Secretary of HUD to be in the act.

The section 4(a) says no Federal financial assistance shall be provided, and so on, unless there is a determination by the Administrator that :

The facilities and equipment for which the assistance is sought are needed for carrying out a program, meeting criteria established by him, for a unified or officially coordinated urban transportation system as a part of the comprehensively planned development of the urban area, and are necessary for the sound, economic and desirable development * * *

I think there is a sound statutory base as well as an administrative basis for the involvement of the Secretary of HUD in this process.

Mr. ERLENBORN. I probably should have started my questioning by saying that I favor the plan, and as you may recall, one of the questions we had on this side of the aisle when we were considering the creation of the Department of Transportation was this particular authority over urban mass transportation.

As I recall, I think it was Mrs. Dwyer who offered the amendment which required the year's study and a decision to be made. I am happy the decision has been made in this way because I think transportation in the city has to be a coordinated thing. It must be coordinated with all modes of transportation leading into the city. Highway planning and mass transportation planning by rail have to be coordinated and can very well be done in Chicago by using the same facilities—the median strip of the highway for rail transportation which I think was an excellent idea, one that can be and probably will be followed throughout the country.

Mr. BOYD. I would like to say, Mr. Erlenborn, the Federal Highway Administration, which has the Bureau of Public Roads in it, is doing everything in its power to encourage the States when they purchase lands for urban freeways to purchase enough land for rail transit in the median strips.

We have considerable success with this. It has to operate together.

Mr. ERLENBORN. I think it makes good sense.

Under this plan apparently the authority under section 1606 of the Mass Transportation Act will be transferred to DOT. This has relationship to relocation requirements and payments. Wouldn't this particular authority be more closely related to the work of HUD than DOT? What working relationship will there be in this instance, and why wasn't the authority retained in HUD?

Mr. HUGHES. I think as a generalization, Mr. Erlenborn, the relocation payment authority traditionally, and in statutory terms, has been associated with the affected program. It is in that context that it has been moved with the program from HUD to DOT. We are striving for broader treatment and more even-handed treatment within the Government of relocation expenses and standardizing the requirements among the various programs. But I think relocations occurring because of, for instance, highway construction or mass transit construction must in some way be associated administratively with the actions that cause the relocation.

Mr. ERLENBORN. They must practically be associated with urban planning as well.

Mr. HUGHES. That is correct. Of course, the city's plan for transportation, again getting into the complexities of life here, must envisage the relocation of these people and part of it must be a plan for handling that action.

Mr. WOOD. But on the operational side, it would be difficult for HUD to be in the position of taking on relocation responsibilities for projects in which it could not determine the schedule or set the magnitude thereof.

Mr. ERLNBORN. What cooperation can you see being developed between the two Departments?

Mr. WOOD. I think we will be able to relate the impact of these kinds of projects on dislocations of people as well as changes in land uses in the earlier planning stage, and, therefore, blow the whistle on clear and evident problems in terms of housing markets and vacancies.

I think the scheduling of the operation of individual adjustments will be better handled in operational terms.

Mr. BOYD. What we are trying to do is to establish relocation as a condition precedent in all of our transportation projects instead of having it dragged along as something you have to do. We are trying to assure that the problems of relocation are fully considered in the public hearing required on current transportation programs and projects under the Department's current jurisdiction.

Mr. ERLNBORN. As is always true in these reorganization plans, the plan itself does not go into all the details of the cooperative arrangements between the two agencies involved, and you have already referred to some agreements that you are working out. What will be the nature of these, a memorandum of understanding between the two Secretaries?

Mr. BOYD. Yes, sir.

Mr. ERLNBORN. Do you have a draft of that now?

Mr. BOYD. No, we do not. We have a lot of work going on in different committees. I am convinced that one of the first things we have to do is to develop a glossary of terms. This area is so complicated that it is very difficult to be sure exactly what we are talking about when we get down into the details of things. I think both Secretary Weaver and Secretary Wood and I are pretty well satisfied that our staffs are working along in a cooperative and affirmative fashion and that we will have a memorandum of understanding by the time the transfer becomes effective.

Mr. ERLNBORN. I might request at this point that when that is prepared that a copy of it be furnished to the committee, because I think it is an integral part of the plan. It will answer, I am sure, some of the questions that we have that may not have been fully answered in the hearings.

Mr. HUGHES. I think the chances are it will be published in the Federal Register.

Mr. ERLNBORN. I have three questions here that I would like to propound at the request of Senator Javits. Apparently there will not be any hearings on the Senate side on this plan, and he has asked that these questions be asked and answered so we will have them in the record. Any one of you are free to answer these, or all of you.

What role will be reserved to the Department of Housing and Urban Development so that it will be enabled "to assure that urban transportation develops as an integral component of the broader development of growing urban areas"?

I think that quote is taken from the Department of Transportation Act, or it is close to the wording of the act.

Mr. HUGHES. We can furnish something for the record. Much of the discussion thus far this morning is directed toward this point.

Mr. WOOD. I would only indicate on that, just to summarize what I think the questions have been, that the comprehensive planning responsibility and the development and certification as to the adequacy of transportation plan in general is one aspect of the role; second is the review and commentary in terms of important individual projects; third is the development of the criteria to assure us that the planning is not simply blue sky but it has effect in the decisionmaking process. It is clear that in one way or the other we will have to improve our planning capability over its present strength and orientation, but that I think is the major resource we look to at the present time.

Mr. ERLBORN. Secondly, when and how will the Secretary of Housing and Urban Development determine that given transportation projects "concern the relationship of urban transportation systems to the comprehensively planned development of urban areas"?

I think that quote is taken from the plan itself.

Mr. HUGHES. I guess I have a little trouble in my own mind separating that from the prior question, Mr. Erlborn.

Mr. ERLBORN. I think they are certainly related. I think it probably has been answered in response to my first question, as to whether there is veto power over an individual application for transportation grant. An application would have to be reviewed and would have to be based upon a comprehensive plan that would have to be approved.

Mr. HUGHES. It would have to conform to criteria for which the Secretary of Housing and Urban Development and the Department of Transportation share responsibility.

Mr. ERLBORN. The suggestion has been made that you expand upon the answers to these questions in written form, and it might be helpful if you send it directly to Senator Javits and also for the record.

(The answers to questions posed by Senator Javits follow:)

ANSWERS TO QUESTIONS POSED BY SENATOR JAVITS

Question 1. "What role will be reserved to the Department of Housing and Urban Development, so that it will be enabled * * * to assure that urban transportation develops as an integral component of the broader development of growing urban areas?"

Answer: The two Departments have agreed on several principles and procedures which will assure an effective role for HUD:

(a) The Federal responsibility for assisting and guiding areawide comprehensive planning (including comprehensive transportation planning) by local communities resides in HUD. Criteria for urban transportation system planning is to be developed jointly by HUD and DOT.

(b) HUD will advise DOT whether there is a program for a unified urban transportation system as part of the comprehensively planned development of the area. This would include the adequacy of the planning process. The HUD advice would be a prerequisite for DOT making the findings required under sections 3(c), 4(a), and 5 of the Urban Mass Transportation Act and the findings required under section 134, title 23, of the Highway Act of 1962.

(c) DOT has the responsibility for determining whether individual projects are needed for carrying out a unified urban transportation system as part of the comprehensively planned development of the urban area. However, the memorandum of understanding now being developed by the two

Departments will include arrangements under which DOT will first secure recommendations from HUD in the case of those projects having a significant impact on the planned development of the urban area.

(d) DOT will utilize HUD in the review of annual work programs developed by State highway agencies under section 307(c) of title 23, insofar as these programs have an impact on comprehensive planning in metropolitan areas. HUD will also have an opportunity to review planning proposals and reports prepared by planning bodies in metropolitan areas. DOT and HUD will develop jointly the standards and guidelines for these reviews.

(e) DOT and HUD will develop jointly the criteria for federally assisted urban transportation system planning.

(f) The memorandum of understanding will provide that DOT secure HUD concurrence in the criteria for relocation planning made necessary by urban mass transportation projects. DOT plans to provide HUD at an early date relocation information and will not approve any relocation plan without first reviewing the HUD recommendations.

Question 2. "When and how will the Secretary of Housing and Urban Development determine that given transportation projects * * * concern the relationship of urban transportation systems to the comprehensively planned development of urban areas?"

Answer: This question relates to the authority reserved to HUD in sections 6, 9, and 11 to carry out research, development, and demonstration activities and the coordinative procedures to be followed by the two departments. The departments have agreed to develop, jointly, a program of projects and priorities for urban-related transportation research, development, and demonstrations. HUD will be concerned especially with (1) those portions of the program designed to reveal or evaluate the impact of transportation on urban areas and to delineate those general characteristics of transportation systems expected to have an important impact on the urban environment; and DOT, with (2) those portions which deal with component, subsystem, and system development, engineering and testing. This will normally mean that DOT will have primary responsibility in the area of "internal systems and program effects and requirements," HUD having primary responsibility in the area of "external personal and community effects and requirements."

Question 3. "What steps will the Secretary of Transportation take to insure that the transfer of the urban mass transit program will bring about a coordination of all transportation programs so as to permit the establishment of a balanced Federal transportation program and, within each of our metropolitan areas, integrated transportation systems?"

Answer: The first step, the establishment of a systems analysis program involving all elements of transportation, has already been taken by DOT. Its Office of Systems Analysis, under the direction of the Assistant Secretary for Policy Development, is responsible for analyzing the characteristics, capabilities, and limitations of alternative transportation systems, and comparing and recommending transportation systems to meet national transportation requirements.

Coordination of the Department's transportation programs is accomplished within the Office of the Secretary. The Office of the Secretary is organized along functional lines, each major function being headed by an Assistant Secretary. These Assistant Secretaries are charged with coordinating across the modal lines represented by the various administrations of the Department. Thus, a particular transportation policy or program issue is reviewed within the Office of the Secretary from a total transportation viewpoint, not from the viewpoint of a single mode such as highways, aviation, or rail.

In connection with the transfer of the urban mass transportation program, the existing coordinative mechanisms are being reexamined to assure their continued adequacy. While there may be a need to make some adjustments, no major reorganization is anticipated.

Mr. ERLNBORN. What steps will the Secretary of Transportation take to insure that the transfer of the urban mass transportation program will bring about a coordination of all transportation programs so as to permit the establishment of a balanced Federal transportation program and, within each of our metropolitan areas, integrated transportation systems?

Mr. BOYD. I will be glad to elaborate on this with a written answer; but I would say we are presently involved in the first step which is a systems analysis program involving all of the Federal transportation programs. Our basic structure, as I mentioned earlier, in the Office of Secretary is along functional lines. For that reason, we think we have already the basic mechanism for coordination among the different modes which is necessary to a balanced and integrated transportation system.

We are continuing to examine the relationship of urban mass transit within the Office of Secretary structure; and, while it may be that we need to make some shift of responsibility, I don't see, you see, anything major.

Mr. BLATNIK. Mr. Edwards.

Mr. EDWARDS. Thank you, Mr. Chairman. I have got on my white hat today, too. It is good to have you gentlemen here. I have just a few questions that perhaps will clear up the record a little better.

As I understand it, the applications for funds or grants for mass transportation will be made to the Department of Transportation.

Mr. BOYD. Yes, sir.

Mr. EDWARDS. And the Department of Transportation will not act until it has a certification from HUD that the plan is appropriate.

Mr. BOYD. That it is related to a comprehensive urban plan.

Mr. EDWARDS. If it is, then DOT will proceed further?

Mr. BOYD. Yes, sir. I should say that in our memorandum of understanding we have already made it clear on both sides that we will keep HUD advised, even on the project applications, of just what is involved.

Mr. EDWARDS. You will have counterparts in both Departments in continuing communications on all applications and activities as a matter of fact, won't you?

Mr. BOYD. Yes, sir.

Mr. EDWARDS. This, then, will meet the requirements set out by Mr. Hughes that we not require these cities to look to two agencies or two departments or more than two in this particular field?

Mr. BOYD. That is correct.

Mr. EDWARDS. The problem I experience is that all these kinds of things look good on paper but when the local community starts making its application—in my case they go up through Atlanta—delay seems to be the name of the game. I am wondering if this is going to materially change that situation?

Mr. BOYD. Without knowing of the specific situation to which you advert, I can't give you an answer.

We are doing our best in both Departments to act on applications in an expedited manner. It is very, very hard to discuss this in the abstract. It is easy to go back on a specific application.

Mr. EDWARDS. I understand that, and I am not trying to get you too specific. The problem, as I see it, is we hold out to the cities our arms wide open, we are going to help you, and HUD is a primary agency that deals with the cities in our areas across the country, and in many cases it is hard to sell some of these Federal programs in any part of the country, so the city administrations get up their nerve and they proceed with one of these things only to get to Atlanta and run into brick walls of varying degrees of thickness. I am just wondering if there is any way to speed up that end of it.

Mr. HUGHES. I have two comments, Mr. Edwards.

First, as Secretary Boyd indicated, we are, at Presidential direction, making a kind of an across-the-board effort to reduce application processing time wherever we can and particularly in some of these agencies that are dealing with the complex problems that we are talking about. That effort has been successful.

I can furnish some evidence of that success for the record, if you would like. Whether it meets your specific problem or not is speculative. But we are certainly aware of the general problem, and something is being done and progress is being made with or without the transfer. But there is an ultimate fact here that is rather important, and that is the fact that these are very complex matters.

Urban planning is a complex process, and time is part of that process. Notwithstanding these complexities, we are managing to spend a fair amount of money; that is, grants are being made with relatively reasonable time limits and disbursements are taking place.

I think it would be unfair to look to the Department of Transportation as really working toward a 10-day schedule on some of these things or for that matter, perhaps, a 10-month schedule.

Mr. EDWARDS. I think the problem is, as one of you gentlemen said earlier, the cities' plan, and yet the cities learn to their great dismay early in the game that generally whatever they plan is not acceptable.

So in the final analysis, it turns out to be the Federal Government's plan.

Mr. BOYD. If I may say, sir, one of the problems gets back to what Sam is talking about on urban planning. It is a very complex business and, unfortunately, there appears to be a shortage of people in this country who have the training to do urban planning. There is a lot of it being done, but we are desperately short-handed in this area. Part of the problem from some of the things I have seen in my own Department is that we get applications from people who haven't even read the regulations to find the criteria they have to comply with. These come directly from the statutes. It is not really a matter of saying this is going to be the Federal Government's plan, except in the sense that Congress has enacted laws which set forth various criteria and we implement them through regulations.

Mr. EDWARDS. It is the implementation with which I am concerned.

Mr. WOOP. I would have two observations to make to put into perspective the relationships between the cities and the States and the Federal Government right now.

One of the things that astonished me when I came on board a little over 2 years ago was—it was only 29 months ago—that HUD's predecessor agency had a short time before found itself in the position in which the demand from the cities for urban renewal funds was less than the available appropriation at that time. Yet, at this time, we sit with well over \$1.5 billion backlog in urban renewal, with the sum even larger than that in our community facilities programs and with a general situation in which even though we have requested an increase in our budget of about 50 percent against clear community demand we are behind.

So the load has come up, and I think we all have to recognize that the last 2 years has been the coming of age in public and political recognition of the needs of our communities. We are in that transition period.

Hopefully, you could make a case that over and beyond the increased counterpart capability that Secretary Boyd talked about, communities getting familiar with minimal statutory requirements, the next few years are going to see us proceed as these programs and processes get more familiar in a better way.

One of the problems I have observed in the transportation area has been, of course, that frequently these projects are approved by the local government which tentatively arrives at agreements and then disinterest and opposition and disagreement occur at the local level.

Perhaps by now developing a process of collaboration where the planning is fitted together earlier and the process of review and deliberation begins earlier we will be able to have a smoother course. That is at least one of the underlying premises of our arrangements.

Mr. ERLNBORN. Will the gentleman yield for just a moment?

Mr. EDWARDS. Yes.

Mr. ERLNBORN. Right in line with your questioning, it reminded me of one of the experiences we had in one of the cities in my district which had an opportunity to purchase an existing golf course which was on the market to be sold for development as a housing area, a new subdivision, and the city felt that it was more desirable to keep the open space.

Apparently at the time they made the application it was the policy of HUD to grant funds for this purpose. After they entered into the contract to purchase the golf course and made their application, the policy of HUD apparently changed and the funds could be used only to acquire space to develop as golf courses but not to purchase already existing golf courses.

So, they found themselves with a commitment. They lost a good deal of money. I think the golf course has since been sold and will now be developed for a new subdivision. It is this sort of thing that is rather disconcerting to the cities.

Mr. WOOD. They have spoken to me on several occasions.

Mr. ERLNBORN. I think so.

Mr. BOYD. May I say this, Mr. Edwards, one of the things that we have done in the Department of Transportation, and it is probably being done in others, too, is to establish in our Office of Public Affairs an Office of State and Community Liaison.

Mr. WOOD. We have that.

Mr. BOYD. We have about a third of the people we thought we needed going around personally making contact with Governors, mayors, county commissioners, and so forth to advise them on what the Department's programs are, and to try to sort of "mother hen" the applications they have coming to the Department of Transportation.

So we have a direct line of communication. When something gets snagged, they are suppose to be able to pick it up.

Mr. EDWARDS. Let me go back to a few more specifics on the plan itself.

The plan reserves to the Secretary of HUD the authority to make grants and undertake projects under section 1605(a) having to do with research, development, and demonstration projects, and 1607(a), technical study, and 1607(c), research and training in institutions of higher learning, where these grants or projects concern transportation planning.

I wonder if the Secretary of the Department of Transportation ought not to be consulted on these types of grants as a better means of coordinating the transportation with urban development.

Mr. BOYD. We are in complete accord with this reservation, and we expect to be consulted.

One of the things we will work out in our memorandum of understanding is exactly how we keep this flow of information going back and forth between the two Departments. We haven't got that organizational aspect tied down yet, but we fully expect, and we understand, that we will be fully informed of all the activities of HUD in this area, just as we expect to keep them informed of all of the activities of transportation which impinge in any way on the urban society.

Mr. EDWARDS. So, you are aware of this and you are looking to this problem in your memorandum of understanding?

Mr. BOYD. Yes, sir.

Mr. EDWARDS. Would the same be true of that part of section 1605 (b) where the Secretary of Transportation is given the authority to undertake research and development, demonstration projects relating to urban transportation that will carry people and goods within metropolitan areas without polluting the air and in a manner that will contribute to sound city planning?

I presume that you will also work together on that, then?

Mr. BOYD. I think, if I may say in one fairly short sentence, we have a complete agreement and meeting of the minds that our functions are complementary and not competitive, and we expect to proceed on that basis.

Mr. EDWARDS. I think that is a reasonable way to do it. I think we ought to agree you can't write everything into the original plan.

Under the Demonstration Cities Act HUD can grant funds to cities to plan and develop and carry out comprehensive demonstration and development programs including transportation facilities.

How will this be administered after the reorganization?

Mr. WOOD. Essentially, the progress we established that was for the model cities program has been one of the collaboration among the agencies involved, the Federal agencies involved from the beginning. Plans developed by the cities or their model neighborhoods that have components, grant programs or that have activities that fall under the missions of other departments are immediately referred to those departments for review.

Interagency coordinating arrangements have been, I think for over a year, in effect here. We expect that any aspect or component of a model city plan that bears on the responsibilities of DOT, if it is part of the supplemental funds, it doesn't require financing by them for information and reaction; if it is part of an agency's funds, that will require assistance on their part, for their funding.

Mr. EDWARDS. Pursuant to the summary of HUD and DOT positions on major reorganization plan issues, that was dated February 19, I believe, the Department of Transportation apparently intends to grant to the Housing and Urban Development Department the authority to pass on the adequacy of highway planning.

It also appears that HUD's recommendations will be considered by DOT as a formal step in determining whether highway projects are needed or essential to carry out a unified and coordinated transporta-

tion system as a comprehensively planned urban and development program.

What legal authority exists for conferring this authority on Housing and Urban Development?

Mr. HUGHES. You are talking of the report, the February 19 report?

Mr. EDWARDS. Yes, sir.

Mr. HUGHES. There are a variety of potential sources of authority, Mr. Edwards.

First of all, the Department of Housing and Urban Development does have comprehensive planning and plan approval authority, and the authority to make grants for these purposes.

There also is the possibility within the framework of that statute and the existing Department of Transportation authorities to do business with other agencies and for that matter with private entities, the possibility of contractual arrangements or delegations, reimbursible or otherwise, between the two agencies.

It seems to me the basic authority involved here is that statutory authority which HUD has under broader statutes, not under urban mass transit, and, therefore, it is not related to this plan per se. Rather, it is basic authority for the development of comprehensive urban plans and for rendering assistance to communities to achieve those results.

Mr. BOYD. There are provisions in section 204 of the Model Cities Act and also section 134 of the Model Highway Act which require coordination in these areas.

Mr. BLATNIK. There is still going to be a problem, isn't it, Mr. Secretary or Mr. Hughes? It is not clear how you would coordinate mass transit with your urban and highway department which is tied in with the State highway plans.

You have a continuing planning program on the State highway program; don't you, Mr. Secretary?

Mr. BOYD. Yes, sir.

Mr. BLATNIK. But you don't have a continuing program of planning on your mass transit or urban highways; do you?

Mr. HUGHES. The Urban Mass Transportation Act itself does provide and require the development of plans which properly integrate urban mass transportation with other urban transportation. That authority would go under the terms of the plan, to the Secretary of Transportation.

Mr. BLATNIK. Who makes the final determination at what point these urban plans will be initiated or readied? Can they take their own sweet time about it even though the State highway department is waiting?

Mr. HUGHES. The Secretary of Transportation would make the final determination after consultation with the Secretary of HUD and in accordance with general criteria that were jointly developed. But the Secretary of Transportation would be the decider.

Mr. WOOD. The coordination between the general planning and the transportation planning is a role that would be precedent to individual projects and in the ones Mr. Hughes has indicated we have generalized authority as well as those that Secretary Boyd specified.

Mr. BOYD. Under section 134 of the Federal Highway Act, all cities of 50,000 or over are required, after July 1, 1965, to have a continuing comprehensive transportation planning process in order to qualify for

Federal aid to highway projects. I believe there are 230-odd cities in the country who come under that category. All of them have, or are in the process of establishing, that comprehensive transportation planning structure which HUD will look at in terms of how it relates to comprehensive community planning.

Mr. BLATNIK. My fear is sort of different. I am a little different from the gentleman from New York.

There are some decisions that have to be made in the urban planning area which could impede and hold up mass transit and highway programs together. You would still be the final determining agency which should definitely have a voice.

In other words, my question is not at all doubting the intent or the good will but the mechanism which you are going to run up vertically through channels, horizontally at the top, and then several ranges of horizontal and vertical lines of communications on the State and the municipal level.

You can have a plug, you know, and you have to have some kind of Roto-Rooter system, some guarantee that you can unplug one of these channels at some point so you can have this free flow back and forth.

Mr. HUGHES. I think some combination of the Secretary of Transportation with the local community, perhaps with some special interest by some friendly Member of Congress would be the Roto-Rooter that you have described.

Mr. BLATNIK. It has been happening here all the time. I was thinking back 8 years ago when mass transit should have been operative here; how mass transit should have been integrated and coordinated with the whole highway system, the beltline, inner and outer loop, plus land use development programs. But there was the nature of the municipal government.

Mr. HUGHES. I think that problem remains. I think the plan should help the problem in that it does centralize the transportation part of the planning in the Secretary.

It is easier to focus on one department than two. But there will remain the local problem which is the one you are talking about in the District of Columbia, the local problem of deciding where the highways ought to go and the relationship between highways, mass transit, and other forms of transit and other urban systems.

Mr. BOYD. Mr. Wood just commented a few minutes ago that it is only very recently that there is a general appreciation of what the problems of the cities are. I think that we are reaching the stage where, due to the Federal programs to a considerable extent, and due to circumstances to a considerable extent, more and more people, and more and more officials are beginning to appreciate that you cannot deal with one of these systems in isolation.

Mr. BLATNIK. Right.

Mr. BOYD. This I think is going to help speed up the whole process because we are getting closer to being on the same frequency. The Federal Government has really been ahead of city planning generally, although this is not true in some particular cities. But by and large there has been an appreciation at the Federal level before it came to the local level.

Now I think the local people are beginning to appreciate that these are all tied together and they have got to come forward together for Federal assistance.

Mr. EDWARDS. You gentlemen, then, are clear in your own minds that this transfer will clear up a lot of the problems. While some things seem to be hazy to us as to how it is going to work, you and your staffs are working to iron out these areas right now, and you are convinced that by the time the plan goes into effect that everything will be clearly drawn and the community will know who to go to and this information will be transmitted to the communities?

Mr. BOYD. Yes, sir. I don't think any of us mean to imply that everybody is going to live happily ever after, because this is a very complicated business.

Mr. EDWARDS. I never saw a Federal program yet where everybody lived happily ever after.

Mr. BOYD. We will have a clear-cut idea of how we are going to handle the thing. As we go into it, we will obviously have to keep it under review, so that when we find that there are things which neither of us have considered, or where circumstances develop differently than we thought they would, we will have to change. But we will be prepared to do that.

Mr. EDWARDS. What I am looking for is a program that will work without the need for, as Mr. Hughes said, your friendly Congressmen to get into the act. Many times we are brought into the act because of the great frustration of our local communities in trying to unravel some of these things. I hope you fellows are headed in that direction.

Mr. BOYD. One of the basic problems is that, for the foreseeable future, we are going to be in exactly the same position with mass transportation as we are with so many other programs. The need will far exceed the supply of money, and part of the frustration will undoubtedly come about because when you get into this area any department has got difficulty trying to figure out how to establish a level of priorities. It might be that first come, first serve is the way to do it, although that is a very arbitrary approach and it may not have anything to do with the requirements.

Mr. WOOD. Quite frankly, with respect to Mr. Erlenborn's comment about the golf course, a community caught in midstream we could have either acted on a first-come-first-served basis which would have backed up the pipeline, or we had to make judgments on priorities.

We made the judgments on priorities. We hope to be both responsive in communicating this, Mr. Edwards, and being able to perform better on our part by a systematic effort of decentralization. We in HUD have been engaged in this for 2 years to make sure that Atlanta can sign off faster on more projects and that review will be minimized here in Washington. That carries some built-in concerns with it.

We have to be able to oversee on a general policy basis our regional offices. But I think this may be another part of the answer.

Mr. EDWARDS. Thank you, Mr. Chairman.

Mr. BLATNIK. Mr. Reuss.

Mr. REUSS. Thank you, Mr. Chairman.

Gentlemen, I am concerned particularly in the Reorganization Plan No. 2 with section 3 of the act, to amend the Urban Mass Transporta-

tion Act of 1964 known as Public Law 89-562, which became law on September 8, 1966. That section which I shall read, reads as follows:

The Secretary—

And this meant the Secretary of HUD—

shall, in consultation with the Secretary of Commerce, undertake a project to study and prepare a program of research, development, and demonstration of new systems of urban transportation that will carry people and goods within metropolitan areas speedily, safely, without polluting the air, and in a manner that will contribute to sound city planning. The program shall (1) concern itself with all aspects of new systems of urban transportation for metropolitan areas of various sizes, including technological, financial, economic, governmental, and social aspects; (2) take into account the most advanced available technologies and materials; and (3) provide national leadership to efforts of states, localities, private industry, universities, and foundations. The Secretary shall report his findings and recommendations to the President, for submission to the Congress, as rapidly as possible and in any event not later than eighteen months after the effective date of this subsection.

Mr. REUSS. Under Reorganization Plan No. 2, would all of the sections I have just read be transferred from HUD, where it is now, to DOT? Perhaps Secretary Boyd can answer that.

Mr. BOYD. We have a split in section 6, Mr. Reuss.

Mr. REUSS. The section which I have just read is section 6(a) of the Urban Transportation Act of 1964, as amended. I beg your pardon, it is subsection 6(b).

Mr. BOYD. The study itself I believe has approached completion. It should be submitted fairly soon to the Congress as required.

Mr. REUSS. In fact, it should have been submitted on April 8, 1968, should it not? Isn't that 18 months after September? Or is it March 8, 1968? What about that, Mr. Wood?

Mr. WOOD. I'm not sure of exactly the time. I do know, Mr. Reuss, that it is in effect completed. The submission, of course, to the Congress, involves a process of Presidential and Executive Office review. I believe it is at that stage of completion.

Mr. REUSS. The language of the statute says, "The Secretary shall report his findings and recommendations to the President." Has he done that?

Mr. WOOD. He has.

Mr. REUSS. When?

Mr. WOOD. Within the last month is my recollection. I can get the specific date for you.

Mr. REUSS. May I have a copy of those findings and recommendations?

Mr. WOOD. I'm sure you can within the process, Mr. Reuss. I think the statute requires our submission to the President for subsequent submission to the Congress. That is not within my department.

Mr. REUSS. However, it was not intended by the Congress that the findings and recommendations of the Secretary of HUD should be secret.

Mr. WOOD. Of course not, and there is no intention for that.

Mr. REUSS. Therefore, may I have a copy?

Mr. WOOD. I'm sure you can.

Mr. BOYD. My impression is it is just a matter of clearance in the executive branch.

Mr. REUSS. I recognize there are two phases. The Secretary has to report to the President, and what the President does depends on the

Bureau of the Budget and a lot of other things. Certainly, the whole world might know what the Secretary told the President. Is there any reason why I can't have that right away?

Mr. WOOD. I simply would say there is no reason of substance. There is the process of established Executive Office review.

Mr. HUGHES. I don't know where it is, Mr. Reuss. We will see what the status of the plan is, and I'll do my best to deliver you a copy of the plan soon, very soon.

Mr. REUSS. Congress didn't say the Secretary shall report his findings and recommendations and they shall be kept secret until such time as the Bureau of the Budget or the CIA or somebody else tells it to make it public. It said, "The Secretary shall report his findings and recommendations to the President."

The whole statute was written so that the public might find out what the findings and recommendations were.

Mr. WOOD. I would say, if I could speak—I will separate the responsibilities of the executive branch, I will assign to that Mr. Hughes—but if I could speak for the Secretary on this, our firm desire within established executive branch practice, is to have a timely and widespread announcement and an appropriate submission of this report. We happen to be quite proud of the report. We believe it will have major consequences for future development and for the mutual concerns of both agencies.

So, the question is really the Presidential Office's clerk, not the Presidential Office's policymaking, which we are involved in here.

Mr. REUSS. When you said, Mr. Hughes, "I might have it soon," did you mean that in the George and Ira Gershwin sense, "Maybe not tomorrow, but soon?" How soon is soon?

Mr. HUGHES. I cannot tell you definitely. I don't know the status of the plan. I have not seen it myself. I will try to find out what the review status is. The statute says Secretary to the President and the President to the Congress, as I would read it, and I simply don't know what the status of presidential review of the document is. We are late in terms of the deadline set in the law, and I will ascertain the status and I will be in touch with you before the afternoon is over and tell you what the status is and what the schedule would be on which you could expect to receive the report.

Mr. REUSS. Let me say right now, though, that I know a little bit about this statute since I wrote it, and neither I nor I'm sure the Congress—it was fully debated—intended that this report should be secret until such future time as the President may wish to formulate a program based upon it. That may, unfortunately, be many months. Meanwhile, we wanted to see the work product of the Secretary of HUD. Isn't that so, Mr. Wood?

Mr. WOOD. I think so.

Mr. HUGHES. I think the statute is quite clear, and there is no intention that I know of to deal otherwise with the report.

Mr. REUSS. Back to the question of who would implement section 6(b), is that set forth in the document "Summary of HUD and DOT positions on Major Reorganization Plan Issues" which is before the subcommittee?

Mr. BORN. Yes, sir. That is the February 19 document?

Mr. REUSS. Yes.

Mr. BOYN. Yes, sir; page 7, section H generally covers it. The most relevant part I think is that HUD will be concerned especially with (1) those portions of the program designed to reveal or evaluate the impact of transportation on urban areas and to delineate those general characteristics of transportation systems expected to have an important impact on the urban environment; and DOT, with (2) those portions which deal with component, subsystem and system development, engineering, and testing. This will normally mean that DOT will have primary responsibility in the area of "internal systems and program effects and requirements," HUD having primary responsibility in the area of "external personal and community effects and requirements."

Mr. REUSS. I'm sure you can reassure me on one doubt I have about the plan which relates to what you just discussed. When Congress enacted on September 8, 1966, the section 6(b) which we are talking about, it wanted to centralize responsibility in one man in the administration below the President for coming forward with a program for whole new systems of transportation to get out of the ruts that we have been in for so long, and the idea was to take off from the experiences with the Manhattan district project on atomic energy during World War II and the space program.

Can you give me some reassurance that this reorganization plan won't depart from that intention of Congress and that the goal of section 6(b) will be vigorously pursued and by whom?

Mr. BOYN. Mr. Reuss, to use a phrase used by one of your colleagues this morning, the Department of Transportation has a commitment to carrying this research program through with all the resources that are made available to it; and, in that connection, I can assure you that the Department will make every effort to obtain all the resources which the report will recommend be made available.

Mr. REUSS. I am delighted to hear that, and it reassures me.

Let's look, as we always must in these reorganization plans, to Departments of DOT and HUD headed by different people than those who now head them, and let's suppose in the future a situation where HUD didn't do its part of the total research and development job under the guidelines that you have just read. What would prevent the program from languishing?

Mr. BOYN. The program to which I referred is a program for new systems for the future. That program will be carried on by the Department of Transportation regardless of whether or not HUD involves itself in studies. The research activities of HUD have to do primarily with the impact of these systems.

Mr. REUSS. Yes, but that is an essential part of the new approach.

Mr. BOYN. I agree with you.

Mr. REUSS. You have to combine hardware and sociology, and in essence you are given the hardware, HUD is kept in possession of the sociology.

I have had your assurance that you will vigorously pursue your part, which is very gratifying to me.

Without any reflection whatsoever on HUD—and I believe HUD has done a magnificent job in its 18 months on the program—without any criticism at all of HUD, but based on a hypothetical future situation in which HUD doesn't do its sociology, I foresee some difficulties.

You just can't have a hardware approach. You are the first, I am sure, to recognize that you need both hardware and sociology.

Mr. BOYD. That is quite true. But I think we should look at it in this context, Mr. Ruess. We are talking about new systems, say, new hardware systems. It is going to be extremely difficult for HUD to do a job on impact until it knows what the system characteristics are. We have to develop first of all the technical feasibility of a new system as well as the economic feasibility before HUD can say this is what it really means to the city.

Mr. REUSS. I would hope you can do them in tandem and simultaneously.

Mr. WOOD. If I can interject on the tandem point, I put a small footnote on your distinction between hardware and sociology. As a former political scientist, I would hate to be restricted just to sociology.

Mr. REUSS. Let's say the social sciences.

Mr. WOOD. Also, very possibly in the impact area you are going to have some hardware connotations. There are other hardware systems that you can see meshing. There are some software considerations that I am sure DOT would want to examine.

I think the important point is with our general mission of urban development and our general charge, as Mr. Rosenthal indicated earlier, of better community environment and better urban life, it is inconceivable that we don't be eager to work in tandem on a new system of transportation that have so much impact.

Again, our only limitations will be the limitations of our resources which, as I stated earlier, I think we have to expand.

Mr. REUSS. I think this matter can be cleared up to my satisfaction with a couple more questions and answers.

I am sure you see, Mr. Secretary, what I am driving at. I wouldn't want a situation where some years from now, and with new personnel in both Departments, Congress feels that it hasn't gotten the kind of dynamic program that it looked for and it needs then to fix responsibility, and I wouldn't want a situation where the then Secretary of Defense could say we did our best but because HUD dragged its feet in the social science aspects that we are left with it, we haven't been able to get to the moon or to split the atom. Obviously Congress set up this statute because it did want to centralize responsibilities.

I will come to my question. If a situation should develop whereby HUD is in any way lagging either in timing or in quality on its part of the total program envisaged by section 6(b), would you undertake to inform the President and the Congress, assuming that you are still in the position at that time, so that we can consider other arrangements?

Mr. BOYD. I agree with Mr. Wood that this is inconceivable, but I can certainly assure you that where I have been unhappy with my colleagues in the past I have not been unwilling to discuss the matter with the responsible people in the executive branch of the Government.

Mr. REUSS. That is at least partially reassuring. Would you in this particular situation also be willing to discuss the matter with the relevant committees of Congress which I think would be the Government Operations Committee and whatever legislative committee is assigned to this? At present it is Banking and Currency.

Mr. BOYD. As to whether I would call up the committee and say I want to come up and complain, that is one thing.

Mr. REUSS. The chairman and the ranking majority member.

Mr. BOYD. I can assure you that if I testify before a congressional committee I will try to do it honestly and express my views in the most forthright fashion I know how.

Mr. REUSS. I know you would, but my question was would you undertake to inform the chairman and the ranking majority member of the two relevant committees of Congress if Congress' intent in the event is not being realized by reason of this splitting of the functions of the two?

Mr. BOYD. If that situation should occur, I would talk to the Secretary of HUD and tell him of my unhappiness. If that did not lead to any results I would go to see the President and tell him of my unhappiness. If I felt sufficiently strong about it, I would submit my letter of resignation to the President and then come and talk to the chairmen of the committees.

Mr. EDWARDS. I am sure the gentleman understands that that particular section gives the Secretary of the Department of Transportation the sole authority in this field. We talked about this I believe before the gentleman came in, and HUD is involved in it to the extent they will cooperate with the Department of Transportation.

As I understand it, the Secretary of the Department of Transportation has the sole authority, and it is not a matter of him looking to the Secretary of Housing and Urban Development to do anything.

Mr. BOYD. This really gets off on to the question of what is the effect on the community of a particular system. For example, it is obvious that there will be a different kind of effect on a community if we are able to develop a vacuum tube system which operates under the ground rather than a monorail system which operates above ground. This is an area where Housing and Urban Development would have a responsibility to try to calculate that effect.

Mr. EDWARDS. But operating directly under you, as I understand the transfer of the authority?

Mr. BOYD. No, they would not be operating under us. This would be sort of a Plessy versus Ferguson, separate but equal operation.

Mr. EDWARDS. That doesn't work any more?

Mr. BOYD. It works in some cases. Just some don't seem to be satisfactory.

Mr. REUSS. I thank the gentleman from Alabama. I gathered that there was a degree of jointness here by reason of the reading of the February 19, 1968, document.

Mr. BOYD. I think that is set forth on page 7.

Mr. REUSS. I am satisfied, gentlemen, with the answer that Secretary Boyd has just given me to alleviate my fear that what's everybody's business would be nobody's business. It is quite clear from the colloquy—and I'm going to ask Mr. Hughes and Mr. Wood whether they agree—that the Department of Transportation understands itself as being primarily responsible for the implementation of section 6(b) to the extent that a joint responsibility is left in HUD. Secretary Boyd has indicated that he would take it as a DOT concern that HUD exercise satisfactorily its discharge of that joint responsibility. So, in essence, Congress can look to the Department of Transportation just

as, prior to this reorganization plan, it looked to HUD as the unified single source of responsibility. Is that a fair statement?

Mr. BOYD. Yes, sir; I think so. I think it is also a two-way street. I would expect HUD to manifest a concern.

Mr. REUSS. May I ask Mr. Hughes and Mr. Wood whether they agree or if there is anything that they disagree with in this colloquy?

Mr. HUGHES. I certainly have no difficulty with your formulation of the proposition, Mr. Reuss, and I would only add to it that we in the Bureau of the Budget have a responsibility here to keep the two portions of the executive branch in step with one another.

Mr. WOOD. I would simply add, Mr. Reuss, not only my concurrence with these general agreements, my belief that any future Secretary or Under Secretary of HUD who found DOT not performing in its judgment effectively in terms of its part of these responsibilities would have the same obligation as Secretary Boyd outlined to assure that a genesis team developed, and then on the basis of the February 19 document—we understand we do have the responsibility of the impact studies—we will take them seriously.

Mr. REUSS. Thank you, Mr. Chairman.

Mr. ROSENTHAL. Secretary Boyd, there was one response that you gave to Mr. Reuss that perplexes me somewhat. You said that your Department would be responsible for developing the hardware and the scientific and technological advances for urban mass transit or transportation, and you would rely on HUD for developing the social need criteria, et cetera. Why is it that HUD or some agencies within the Federal Government can't deliver to you the requirements of urban transportation needs? They tell us these are the things that need to be developed; then, you go out and develop the hardware rather than developing the hardware and impressing those on the needs of the city.

Mr. BOYD. I don't look at this as pressing anything on the cities.

Mr. ROSENTHAL. Impressing was the word.

Mr. BOYD. Impressing. First of all, I want to get back to what I think is basic, Mr. Rosenthal, and that is the cities are different. Manhattan can't use the same kind of transportation system that Kansas City is using. I believe that, I may be wrong, but just by way of example. Certainly, if any city can come up and say these are our requirements, then, we can try to tailor something to their requirements. I doubt seriously that any city today is in a position to say "these are our requirements," because they don't know what is within the realm of technical feasibility. It is more than a matter of technical feasibility. I take it that our society can build anything. As Mr. Reuss said, we developed the atomic bomb and we have been able to put a man in space. I think, given the resources, we can build anything.

The question really is going to get down to how much money is going to be made available to build a system and will that comport with what the city says it wants.

Mr. ROSENTHAL. Which comes first, developing a system to meet those needs or independently developing a system and then finding out which cities can use it?

Mr. BOYD. I don't think there is anything independent about it, Mr. Rosenthal, nothing. I was purely and simply using a manner of speech when I said we would have to find out what the technical possibilities

are. We will have to do this in a complimentary fashion. It may well be that in time we will be able to develop a vacuum system. It may well be that the vertical lift aircraft development will be such that it can be a portion of the mass transportation requirements of the city.

It may well be that we can develop dual mode vehicles that will operate from a person's garage to a track and a guideway, and things of that nature.

These things have got to be worked out together. Certainly, if the city decides that over here it wants to have a single-family dwelling area on one acre plots of ground, you're not going to put a subway system in there, because you don't have the population density to support a subway system. It all has to work together, but somebody has to be able to tell the city these are the kinds of systems that can be developed, at what cost, with what noise impact, with what air pollution impact, with what vibration, and so forth.

Mr. ROSENTHAL. Under the proposed plan, the St. Lawrence Seaway development is going to have the same status as urban transportation and development.

Mr. BOYD. Not under the proposed plan. This was under the legislation enacted last year. There was an insistence that it have the same status as the other administration. That is part of the law.

Mr. ROSENTHAL. Do you have any personal feelings as to whether there should be any changes in the legislation?

Mr. BOYD. We are not seeking any changes.

Mr. ROSENTHAL. Just one other question, Mr. Chairman. What is happening with the high-speed train between Washington and New York?

Mr. BOYD. Well, it is not going as fast as we thought it would.

Mr. EDWARDS. Do you mean the train or the project?

Mr. BOYD. The project. The train is. We have some technical problems. I had a meeting last week with the various people involved in this, the car manufacturer and the component manufacturer, as well as the railroad. We have a technical assessment underway at the moment. We think all of the problems have been identified, and if they have, they are capable of fairly ready solution.

Mr. ROSENTHAL. When can we expect that kind of service?

Mr. BOYD. Well, I have been burned twice on my pronouncements, but I think during the course of this year.

Mr. ROSENTHAL. Thank you, Mr. Chairman.

Mr. BLATNIK. If there are no further questions, we thank you gentlemen. The hearings on the Reorganization Plan No. 2 are concluded and the meeting is adjourned.

(Whereupon, at 12:23 p.m., the subcommittee was adjourned.)

APPENDIX

U.S. CONFERENCE OF MAYORS,
Washington, D.C. March 27, 1968.

HON. WILLIAM L. DAWSON,
Chairman, Government Operations Committee,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in reference to the President's reorganization plan transferring certain mass transportation functions from the Department of Housing and Urban Development to the Department of Transportation.

As president of the U.S. Conference of Mayors, an organization of Mayors of the Nation's cities having populations greater than 30,000, I feel it's of primary importance of the Congress to understand the local governments' viewpoint on this important Federal program.

We do not feel it appropriate to comment on the President's, departmental assignment of Federal programs, we do feel that it is imperative to discuss program direction and content. Transit systems are at the heart of community development. The planning and development of housing areas, industrial areas, business districts and public facilities depends upon accessibility one to the other as well as to all other areas of the city. Key to access is mass transit.

The consequence of this role is that mass transit facilities cannot be developed in isolation. More specifically these facilities must be integrally developed with the remainder of the community.

It is our hope, and we request your help as you approve the proposed reorganization to make certain that it is not intended to promote fragmentation of community development but be designed to serve the people of our communities and complement other city functions.

If hearings are held on this matter I respectfully request that this letter be made part of the official record.

Thank you for your consideration.

Sincerely,

JOSEPH M. BARR,
Mayor of Pittsburgh,
President, U.S. Conference of Mayors.

NATIONAL ASSOCIATION OF MOTOR BUS OWNERS,
Washington, D.C., April 11, 1968.

HON. WILLIAM L. DAWSON,
Chairman, House Committee on Government Operations,
House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: The National Association of Motor Bus Owners (NAMBO) favors the transfer of urban mass transportation programs to the Secretary of Transportation, as proposed in Reorganization Plan No. 2 of 1968.

NAMBO is the national trade association for the intercity motorbus industry. Its members include Greyhound Lines, companies affiliated with the National Trailways Bus System, and numerous carriers not affiliated with either system. Collectively, these carriers provide three-fourths of the intercity motorbus transportation in the United States. In addition to passengers and their baggage, they transport a substantial volume of package express.

The problems of urban mass transportation are becoming progressively more difficult to solve. These problems, in our opinion, are inseparably connected with the problems of regional and intercity transportation. Consequently, it is not realistic to assume that comprehensive plans for the improvements of local, sub-urban, intercity, and regional transportation can be developed when Federal

responsibility at the Cabinet level is divided on the basis of geography. As pointed out in the message of the President transmitting Reorganization Plan No. 2 of 1968, an urban transportation system must: "Combine a basic system of efficient, responsive mass transit with all other forms and systems of urban, regional, and intercity transportation."

For example, one of the most promising ways to alleviate traffic congestion and to shorten travel time is to provide unimpeded access by buses to and from the centers of cities. This could be accomplished by making highway and freeway lanes available for the exclusive or preferential use of buses. An exclusive or preferential bus lane program obviously must be developed by the Department in which the Federal Highway Administration is located and in relation to the needs of suburban and intercity bus transportation.

In particular communities and regions, it will be necessary to compare the inherent economic and service advantages of rail, bus, passenger car, and new forms of transportation prior to making any large Federal investment. The Department of Transportation's basic mission is to secure for taxpayers the greatest possible return on Federal expenditures for the promotion of transportation. The proposed transfer of urban mass transportation programs is essential if the Department of Transportation is to accomplish its prime mission in the field of passenger transportation.

For the reasons set forth above, NAMBO favors Reorganization Plan No. 2 of 1968. We respectfully urge the committee not to recommend favorable action on and resolution of disapproval that may be introduced.

Sincerely yours,

CHARLES A. WEBB, *President.*

NATIONAL ASSOCIATION OF COUNTIES,
Washington, D.C., April 17, 1968.

HON. JOHN A. BLATNIK,
Chairman, Subcommittee on Executive and Legislative Reorganization, Committee on Government Operations.

DEAR CHAIRMAN BLATNIK: A balanced national transportation policy is absolutely essential if our Nation is to continue to maintain the economic growth at anywhere near the rate we have experienced in the past. County government's contribution to the mobility of this Nation, as is evidenced by over 2.5 million miles of county built and maintained roads, hundreds of county airports, and a variety of county-supported mass transit facilities, makes counties particularly cognizant of the need for a balanced transportation program.

It is with this background that our board of directors and our Committee on Transportation meeting in Washington, D.C., January 22, 1968, unanimously endorsed the concepts embodied in Reorganization Plan No. 2 of 1968. The adopted resolution reads as follows:

"Resolved, bearing in mind the rationale of Congress in creating the single Department of Transportation, the National Association of Counties endorses the proposed transfer of Federal mass transit assistance and demonstration programs from the Department of Housing and Urban Development to the Department of Transportation. The National Association of Counties further urges that increased efforts be made so that transportation planning will be more closely related to overall comprehensive planning in the metropolitan area."

I should like to request that this letter be made a part of the official hearings on this proposal, and I should like to thank you in advance for your consideration of this request.

Sincerely yours,

BERNARD F. HILLENBRAND,
Executive Director.

NATIONAL LEAGUE OF CITIES,
Washington, D.C., April 17, 1968.

HON. JOHN A. BLATNIK,
Chairman, Subcommittee on Executive and Legislative Reorganization, Rayburn House Office Building, Washington, D.C.

DEAR CONGRESSMAN BLATNIK: The National League of Cities firmly endorses Reorganization Plan No. 2 of 1968 transferring primary responsibility for the urban mass transit program from the Department of Housing and Urban Development to the Department of Transportation.

In an article in the February 1968 issue of our official publication, *Nation's Cities*, Mayor J. D. Braman, Seattle, Wash., chairman of the National League of Cities' Committee on Transportation, set out seven criteria for determination of the logical and efficient Federal administrative jurisdiction for the urban mass transit program and a copy of Mayor Braman's article is enclosed for the record.

These criteria were developed by the National League of Cities' Committee on Transportation. We have judged the reorganization plan by these criteria. We believe we can endorse the plan because the plan itself and preliminary policies and procedures set forth by the two Departments can, we believe, achieve our goals as stated by Mayor Braman.

Sincerely,

ALLEN E. PRITCHARD, Jr.,
Assistant Executive Director.

[From the *Nation's Cities*, February 1968]

URBAN TRANSPORTATION AT THE CROSSROADS—HARD DECISIONS MUST BE MADE IN WASHINGTON THIS YEAR

(By J. D. Braman)

The most casual scrutiny of our national goals raises the question of just why we, as a nation, choose to place our emphasis in one area as against another. A comparison which comes to mind is the confidence with which we are moving forward in our plans to land on another planet contrasted to our inability to agree on just how we should improve the quality of our urban environment. Reconciling this difference in attitude poses one of the more difficult tasks for any mayor or urbanologist.

A decision that we will land a man on the moon is backed up by a target date and a programmed budget. The fact that present technology is not capable of performing the task is a matter of limited concern. The dollars, the manpower, the creative genius is set in motion, and the obstacles are brushed aside one by one.

Compare this methodology with the attempts to solve social problems. Rather than a planned long-range program with adequate resources backed by a will to move mountains, we must be satisfied with government by crisis. When a problem in the metropolitan areas reaches dramatic proportions, only then do we act.

If crisis be the yardstick of action, the time has come for us to get moving again. The metropolitan areas of the United States are approaching chaos in the area of public transportation. A transportation system permitting expeditious movement of people and goods is an absolute necessity for our urban centers.

In seeking solutions to our urban transportation problems, a balance must be struck in use of the various modes of transportation that will allow each mode to make its maximum contribution to the improvement of our urban environment.

Programs in the past gave only incidental support to the important role which public mass transportation can play in a coordinated transportation program. The Urban Mass Transit Act of 1964 gave form and direction to the Federal Government's concern with the problem of how we develop a balanced transportation system for metropolitan areas. The Housing and Home Finance Administration was given responsibility for this program, properly recognizing the role of public transportation in shaping urban developments.

When the Department of Housing and Urban Development was created, the mass transit program was placed under the aegis of the Assistant Secretary for Metropolitan Development. In the years this program has been operating, lack of adequate appropriations has limited its national impact. The program has, however, acted as a stimulus to many cities and it contains the hope of better days ahead. Congress appropriated \$125 million in fiscal 1968 for the total urban mass transit program. By way of contrast, \$4.4 billion will be made available during the same period for highway construction from the highway trust fund.

The role of public mass transportation once again was reviewed by Congress when it created the Department of Transportation in 1966. President Johnson, in his 1966 message on transportation, requested that the Department of HUD and DOT recommend to him the best procedures to achieve cooperation between the respective Departments in their actions as they affect urban areas. In response, Congress again demonstrated that it recognizes the role of mass transportation as an element of urban development. When it created the Department of Transportation, Congress narrowed the Presidential request by addressing itself to the

specific problem as follows: "The Secretary [of the Department of Transportation] and the Secretary of Housing and Urban Development shall study and report within 1 year after the effective date of this act to the President and the Congress on a *logical and efficient organization and location of the urban mass transportation functions in the executive branch.*" [Emphasis added.]

This report is due by April 1968.

In the past, the focus of Federal programs has been entirely too narrow. Not only have they been uncoordinated but at times they have actually worked against each other and in the process have damaged or, in some cases, destroyed the existing social fabric.

The National League of Cities recognizes the need to coordinate transportation and other community programs. Its transportation policy states:

"In the development of all modes of transportation systems for service to the Nation's urban areas it is imperative that due consideration be given in planning and project implementation to all urban problems interrelated with transportation development such as housing, education, welfare, and local financing. To this end, all Federal urban transportation programs must provide for consultation and agreements with local officials on objectives, plans, and specific projects."

All programs which have as their purpose the movement of people and goods into and through urban areas must be concerned at a minimum with the following three objectives:

(1) A public transportation system must have as its primary purpose the enhancement of the quality of urban environment.

(2) The particular characteristics of each urban region should determine the transportation modes most appropriate for that area.

(3) Priority consideration should be given to the funding of a balanced transportation system for urban areas.

Public transportation should be a land use planning tool to be used in improving the quality of the environment.

The NLC transportation policy also provides:

"The Federal Government has developed programs of financial assistance for highways, urban mass transportation, airlines, railroads, and waterways but no overall national policy has been developed for dealing with transportation as an integral and related system to be dealt with in coordinated and rational manner. Many of our national transportation policies are contradictory and do not allow for the impact of one form of transportation on another."

The Federal Government has not been completely remiss in recognizing this problem. The 1962 Federal Aid Highway Act requires that each metropolitan area of over 50,000 population develop a comprehensive transportation plan. This is a hopeful sign but falls far short of developing local capability for a balanced transportation system.

Should you wonder why we are floundering in our transportation morass, consider the following:

Development of a total urban system is limited because the public transportation component depends on what has been, up until this point, a relatively minor annual Federal appropriation in contrast to assured substantial Federal funds for financing the highway program.

Use of highway funds for highway-related public transportation needs is severely restricted by law, notwithstanding the fact that they are actually an adjunct of the highway system.

The Interstate System has done a magnificent job of bringing automobiles into urban areas. But only minimal attention has been paid to the congestion problem which plagues every metropolitan area.

The allocation of Federal highway funds according to the classification of the Interstate and the ABC programs has encouraged development of particular classes of roads in urban areas without proper regard to needs or priorities.

The Transportation Committee of the National League of Cities presently is developing a financing and administrative structure for coordinating urban transportation programs. Hopefully, our plan will eliminate biases inherent in the varied financing approaches and administrative structures that typify present Federal support for urban transportation.

The time will shortly be upon us when HUD and DOT will be required to make their joint report on the jurisdiction for the future administration of urban mass transit. In making this judgment, an opportunity is offered to help urban areas solve one of their most provoking problems. I submit that we will not solve the crisis of our Nation's cities until we have understood the significance of

transportation and its relationship to that crisis. Public transportation should provide every citizen with full access to his community.

The determination of the logical and efficient Federal administrative jurisdiction for the urban mass transit program should include consideration of the following:

(1) A public transportation system must have as its primary purpose the enhancement of the quality of the environment.

Adequate provision has to be made to assure that meaningful community values will be maintained or enhanced and that future development, affected by the transportation system, will be of maximum quality as well as being safe, convenient and at a cost which makes it available to the traveling public. The transportation system required to preserve or enhance community values may not at all times meet the traditional standards of financial feasibility for public transportation. Planning and approval processes must also be structured to give appropriate consideration to environmental values. Short-range economics is only one of several essential factors.

(2) Metropolitan areas should evolve their own transportation solutions.

Administration of public transportation programs must assure that metropolitan areas will be allowed to solve their own transportation problems. Grants should be made directly to the appropriate authority responsible for implementing the plan.

(3) No one transportation mode should be in a position to exercise undue influence on what the interrelationships of modes should be.

A mechanism must exist to assure that a comprehensive urban transportation network can be planned and developed without domination either through financing patterns or administrative arrangements which favor any particular system.

(4) Research and development must concern itself with broad economic and social values as well as traditional function-oriented considerations.

Research and development must be oriented toward meeting the particular requirements of urban transportation systems and solving urban needs rather than simply improving the economy and efficiency of a transportation system. A research program must allow a sufficient variety of projects to take into account differing characteristics of various metropolitan areas.

(5) An administrative arrangement must be developed to give urban public transportation a visibility in Federal policymaking and budgetary processes that is at least equal to that of other transportation modes.

The administrative structure of the agency or agencies given the responsibility for the urban mass transit program must provide that the individual responsible will have a position of prestige to guarantee that he will have a positive voice in developing policy, administering the program, and recommending budget.

(6) Urban mass transit must be funded as a system if we are to achieve balanced transportation in metropolitan areas.

Any long-range capital improvement program requires the commitment of substantial amounts of money over an extended period of time. In order that intelligent and orderly implementation can be obtained, there has to be assurance that the money committed will be there on the date promised. This is a concern of utmost importance and requires the concurrence and positive support of the agency or agencies to be charged with administering this program.

(7) Case histories of community efforts in developing urban mass transit systems, as well as technical information, should be made available.

There is a wide variance in the planning capability of different metropolitan areas. All information which is material to establishing a balanced transportation system should be collated and made available. There has been a redundancy of effort which wastes both time and money.

The seven criteria are not submitted as being all inclusive. These are reasonable goals which the Congress and the executive branch of our Government should take into account as being of primary concern to metropolitan America.

Seattle has been selected to be one of the laboratories in urban survival. We are one of the 63 model cities recently designated. A major component of our application, perhaps the most vital element, was the use of rapid transit as an adjunct to a freeway system. We are going to reduce a divisive eight-lane freeway in our ghetto into a unifying boulevard, with the aid of rail rapid transit. The station areas will become community activity centers. Rapid transit will serve as the vertebrae about which we will convert our ghetto into, hopefully, one of the most desirable places in Seattle in which to live.

Urban mass transportation is vital not only to insure the efficient movement of people but, more important, it is essential to the vitality of our urban areas. The decisions that are being made today will determine the quality of the environment in which metropolitan America will live for generations to come.

TRANSPORTATION ASSOCIATION OF AMERICA,
Washington, D.O., April 22, 1968.

Hon. JOHN A. BLATNIK,
*Chairman, Subcommittee on Executive and Legislative Reorganization of the
House Committee on Government Operations U.S. House of Representatives,
Washington, D.O.*

DEAR CHAIRMAN BLATNIK: On behalf of the board of directors of the Transportation Association of America, I should like to express TAA's support of Reorganization Plan No. 2 of 1968 which would transfer the jurisdiction of most Federal programs in the area of urban mass transportation from the Department of Housing and Urban Development to the Department of Transportation.

For the record, TAA is a national transportation policy organization made up of transport users of all types, investors, and carriers of all modes. All of these interests are represented on the 115-man TAA board, which has adopted the following policy position on the overall questions of centralizing of non-regulatory transport functions within the newly created Department of Transportation:

"The Transportation Association of America favors the establishment of a Cabinet-level Department of Transportation within which would be centralized the major nonregulatory transport functions of the Federal Government which the executive branch of the Government is empowered to administer. The association strongly opposes any transfer to such a Department of economic regulatory functions, such as control over rates, entry, and routes, from the Civil Aeronautics Board, Federal Maritime Commission, and the Interstate Commerce Commission, which should be independent agencies directly responsible to the Congress."

Our basic reason for being in favor of centralizing all of the Government's functions within the Department of Transportation is to provide for a more rational and balanced policy approach to the Nation's overall transportation problems. We believe that the transfer of the urban mass transportation programs to the Department of Transportation as stated in Reorganization Plan No. 2 of 1968 is in line with this basic reasoning. Such a transfer will permit the functions of urban mass transportation to be treated in a systems context along with other modes of transportation, will provide more effective management of these transportation programs, and will permit communities to look to a single agency for programs assistance and support in this area.

Furthermore, it is anticipated that the new Urban Mass Transportation Administration in the Department of Transportation, as called for in the reorganization plan, working with other elements of the Department, will consolidate and focus efforts to develop and employ the most modern transportation technology in the solution of the transportation problems of our cities—which are greater today than ever before.

We request that this letter be made a part of the official record of the hearings on the President's Reorganization Plan No. 2 of 1968.

Sincerely,

HAROLD F. HAMMOND, *President.*

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

URBAN TRANSPORTATION ADMINISTRATION—BRIEF SUMMARY OF PROGRAM

The Urban Mass Transportation Act of 1964 as amended authorizes grants and loans to public agencies under four primary programs which are directed toward the improvement of existing mass transportation facilities and the development of new means of transportation for our urban masses. A pilot program of demonstrations was authorized in 1961; the passage of the 1964 act signaled a commitment to substantial Federal assistance in financing capital improvements and in extending Federal participation in transit research and development. The

1966 amendments provided for technical assistance in the planning of transit improvements and provided funds for the training of personnel in transit operations and research. It also directed HUD to undertake a special study for the development of a program of research, development and demonstrations of new systems in urban transportation.

These programs in urban mass transportation seek to—

(1) encourage local planning of mass transit facilities as part of overall comprehensive planning for the urban region, in order to facilitate orderly community development;

(2) assist in making the city, particularly the central core, viable by providing adequate access to and circulation within heavily congested areas;

(3) provide for mobility for those who, because of age, health or income, have no alternative means of transportation; and

(4) develop new methods and new systems of urban transportation which will prove faster, safer, and more economical and will enable newly developing areas to grow in an orderly manner.

A total of \$675 million has been authorized under the 1964 act as amended, as follows:

AUTHORIZATION AND APPROPRIATIONS

[In millions of dollars]

	Authorization	Appropriation
Fiscal year 1965.....	75	60
Fiscal year 1966.....	150	130
Fiscal year 1967.....	150	130
Fiscal year 1968.....	150	125
Fiscal year 1969.....	150	175
Total.....	675	620

¹ Advance appropriation.

Of the authorization, \$55 million remains available for appropriation. To fund the program beyond fiscal year 1969 at the level of estimated program need, additional authorization will be needed.

The need for capital improvements in mass transit was documented in a 1961 Institute of Public Administration study, and updated by HUD in a 1966 survey of mass transit capital improvement programs in 11 major metropolitan areas containing 40 percent of the population of all SMSA's. From this analysis, a current 10-year projection indicates approximately \$10.9 billion in capital financing needs—\$8.6 billion for existing and proposed rail transit systems, \$1.3 billion for bus replacement needs, and an estimated \$1 billion for possible future rail systems.

Grant funds committed under the 1964 act through March 31, 1968, total:

GRANT FUND COMMITMENTS UNDER THE 1964 ACT

[In millions of dollars]

	Capital grants	Research, development, and demonstrations	Technical studies	Managerial training
Fiscal year 1965.....	50.7	9.1		
Fiscal year 1966.....	106.1	5.9		
Fiscal year 1967.....	120.9	9.1	3.1	0.1
Fiscal year 1968 through March.....	105.4	5.1	1.6	.01
Total.....	383.1	29.2	4.7	.11

The demand for Federal funds is increasing at an accelerated rate. An existing backlog of applications under the capital grant program exceeds \$255 million; of this total, \$340 million is requested for improvements for rail rapid transit systems and \$25 million for buses and related facilities. This ratio is consistent with program experience through the end of fiscal year 1967. While bus projects accounted for 64 percent (42 out of 66) of all grants, they constituted only 21.3 percent of the total fund reservation under the capital grant program.

ALLOCATION OF CAPITAL GRANTS BY SYSTEMS (AS OF JUNE 30, 1967)

	Amount	Percent
Rail.....	\$203,169,689	73.1.
Rolling stock.....	50,177,917	Approximately 18 percent of total.
Bus.....	59,077,089	21.3.
New buses.....	30,489,389	Approximately 11 percent of total.
Boat.....	15,488,332	5.6.
Total grant reservation.....	277,735,108	100.
Deferred pending planning (Jan. 6).....	35,026,305	
Currently payable (50 percent).....	242,708,803	
Actually disbursed.....	51,282,048	

Through the end of fiscal year 1967, the average grant under the capital grant program was \$4.2 million; grants were distributed among 50 cities and metropolitan areas in 25 States and Puerto Rico. The distribution by size of population is as follows:

Population group	Number	Aggregate grants (thousands)
Under 50,000.....	7	\$1,203
50,000 to 99,999.....	10	2,088
100,000 to 249,999.....	11	9,125
250,000 to 499,999.....	6	2,765
500,000 to 999,999.....	9	57,780
1,000,000 to 1,999,999.....	9	50,823
2,000,000 to 5,000,000.....	12	100,269
Over 5,000,000.....	2	53,683
Totals.....	66	277,735

The vast majority of transit funds committed so far in the capital grant program involve the rail commuter and rapid transit systems of some of the Nation's major metropolitan areas. Virtually all of these improvements are under construction, with their beneficial results yet to come. The New York area alone has received over \$98 million to date in Federal transit grants—for such projects as 400 new subway cars in New York City, 144 new cars and other improvements on the New Haven Railroad, extension and rehabilitation of electrification on the Long Island Railroad, 35 new cars for the North Jersey commuter service of the Pennsylvania Railroad, and completion of the Aldene plan of railroad service improvement in northern New Jersey, including 44 new cars on the Port Authority Trans-Hudson's rapid transit lines.

The first phase of the Aldene plan became effective May 1, 1967. This involved major changes in the routing of Central Railroad of New Jersey commuter trains, which now have their inner terminal in Newark, where cross-platform connections are made with PRR and PATH trains into Manhattan, rather than in Jersey City where only an obsolete ferryboat connection was formerly possible. Without this change, there is great doubt that the Jersey Central could have survived. Additional new air-conditioned rapid transit cars were added to the already existing PATH fleet to handle the Jersey Central commuters into the downtown financial district.

The recently approved \$28.4 million grant for the New Haven Railroad is one step in the program of reviving this bankrupt, but vitally needed line. Some 35,000 daily commuters, almost all of whom are Manhattan oriented, depend on the line for service, and its continuance and improvement are imperative to the economic and physical well-being of the entire New York metropolitan area.

The San Francisco Bay area rapid transit district is building the nation's newest rail rapid transit system—the first really extensive such undertaking in many years. Federal funds amounting to more than \$51 million have already been committed to this project, on which BART is now well along the road to completion.

In Chicago, Federal funds are assisting in the construction of two important new lines in the city's highly successful subway-elevated system. Fifteen miles of new route are underway in the median strips of the Dan Ryan and Kennedy

expressways, which will provide faster and more dependable transit service to well over 100,000 Chicagoans, some of whom will save as much as 28 minutes travel time for a one-way trip.

The Boston system is basically an old one, and the rapid transit stations show unmistakable signs of age and deterioration. Under a \$6 million transit grant, many of these stations are getting a complete facelifting, with a late 20th century look replacing what in many cases was a rather depressing, dismal atmosphere. Arlington Street Station, in the heart of the famous Back Bay district, was the first to be completed and has elicited unanimously favorable comment. Two additional stations have recently been completed.

In Cleveland, Federal funds have made possible a 4-mile extension of the rapid transit system to the Cleveland Hopkins Airport. This is the first example in the United States of direct airport to downtown rapid transit service, and only Brussels and Tokyo in other parts of the world have such service. Trains will make the 11-mile trip in 22 minutes when the service begins later this year. Already, a great deal of favorable publicity is appearing, much of it in magazines of general circulation, with both the Cleveland Transit System and HUD the beneficiaries of this coverage.

The technical study program, which was authorized by the 1966 amendments to the 1964 act, serves as an indicator of future demand. Atlanta, Seattle, Los Angeles and Baltimore have all received assistance in the planning of new rapid transit systems. Assuming passage of bond referendums for these projects, capital expenditures totalling nearly \$5 billion may be anticipated in the next decade.

Including grants made under the 1961 pilot program, 58 demonstration grants have been approved; the size of these grants has varied from \$10,000 to more than \$6 million, with an overall average of approximately \$765,000. The 58 demonstration grants cover a broad spectrum of problem areas which may be roughly divided among the following categories:

Category	Number	Federal grants
A. Experiments with changes in service and fares.....	28	\$24,170,000
B. Testing of new technology.....	18	15,056,000
C. Experiments with new management techniques.....	12	5,200,000
Total.....	58	44,426,000

HUD is pursuing a new systems study project preparatory to submission to the President and Congress in March 1968 of a program for research and development of new and improved means of urban transportation. A total of 12 contracts totalling \$2 million were undertaken in fiscal year 1967 under the new systems study project.