

The Decision to Move Mass Transit from HUD to DOT: The Documentary Record

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1. October 15, 1966 text of section 4(g) of the Department of Transportation Act requiring a joint DOT-HUD study of urban mass transportation issues.
2. June 8, 1967 memo from Gordon Murray (assistant to the Secretary for special programs) to Transportation Secretary Alan Boyd with suggested guidelines for the section 4(g) study.
3. June 20, 1967 memo from Secretary Boyd to senior USDOT staff asking for their ideas on urban mass transportation policy and location.
4. June 24, 1967 memo from Assistant General Counsel Robert Shapiro to General Counsel John Robson with suggestions for how he should respond to Secretary Boyd's memo.
5. June 29, 1967 collection of responses by senior USDOT staff to Secretary Boyd's request.
6. July 6, 1967 update from Gordon Murray on the status of the DOT-HUD talks.
7. July 25, 1967 memo from Gordon Murray to DOT senior staff suggesting possible negotiating tactics to use when dealing with HUD.
8. July 26, 1967 memo from Alan Dean with thoughts on how mass transit should be organized within DOT if DOT ultimately proved successful in taking over the programs.
9. Report from DOT consultant Richard Warner on federal organization for urban transportation, in two parts dated August 1 and August 10, 1967.
10. August 21, 1967 draft task force memo on reorganization of urban transportation functions by Gordon Murray.
11. August 29, 1967 memo from Gordon Murray to Secretary Boyd transmitting the revised task force memo on urban transportation functions.
12. August 31, 1967 memo from Gordon Murray to Secretary Boyd discussing possible reorganization of DOT to accommodate mass transportation functions, approved by Boyd.
13. September 19, 1967 file memo from Cecil Mackey describing how a DOT-HUD meeting earlier that day had gone.
14. Undated memo from Secretary Boyd to White House senior aide Joe Califano produced in late September 1967 declaring the DOT-HUD talks on transit jurisdiction at an impasse and suggesting the White House step in to mediate.
15. October 6, 1967 statement of DOT views on transit organization, for the White House.
16. October 7, 1967 statement of HUD views on transit organization, for the White House.
17. November 6, 1967 memo from the Bureau of the Budget staff reporting the results of their three-week study of whether mass transit activities should be moved from HUD to DOT. Cover letter includes recommendations of BoB Deputy Director Charles Zwick and White House aide Fred Bohen.
18. November 7, 1967 comments of White House aide Matt Nimetz on the BoB study.
19. December 1, 1967 memo from Joe Califano to President Johnson and recommending that transit be moved from HUD to DOT (BoB Director Charles Schultze concurred in the recommendation).
20. December 6, 1967 memo from Secretary Boyd to Alan Dean asking for a paper on alternatives for organizing mass transit activities at DOT.
21. December 8, 1967 invitation to DOT senior staff from Under Secretary Hutchinson to a December 11 meeting to discuss DOT reorganization with Dean.
22. Opinion memos from DOT senior staff to Alan Dean dated December 11, 12 and 13, 1967 on how to organize mass transit activities within DOT.

23. December 13, 1967 memo from FHWA Administrator Lowell Bridwell to Secretary Boyd suggesting that mass transit be given to FHWA.
24. December 16, 1967 DOT transit organization alternatives memo from Alan Dean.
25. Responses to the December 16 Dean memo from DOT senior staff dated December 19 and 20, 1967.
26. December 21, 1967 prospectus from Gordon Murray for a proposed primer on comprehensive urban planning.
27. December 26, 1967 decision memo from Alan Dean for Secretary Boyd on possible ways to place mass transit functions within DOT.
28. Undated memo probably in December 1967 from HUD Under Secretary Robert Wood to Califano entitled "Basic Points for a Proposed New HUD/DOT Relationship."
29. Undated "Eyes Only" memo from HUD Under Secretary Wood to White House policy aide Joe Califano on a possible HUD-DOT division of transit authority. Memo must have been dated late December or January 1 because it was the subject of a meeting on January 2, 1968.
30. January 2, 1968 file memo from Secretary Boyd describing his meeting with Under Secretary Wood.
31. January 3, 1968 memo from Transportation Secretary Alan Boyd commenting on Wood's earlier memo and their meeting.
32. January 5, 1968 memo from Cecil Mackey summarizing that day's DOT staff council meeting on mass transit organization.
33. January 6, 1968 memo from BoB Deputy Director Schultze to Boyd memorializing their joint intention to transfer \$25 million from the FAA to mass transit, if transit is moved to DOT, to fund transit demonstration projects.
34. January 10, 1968 Bureau of the Budget memo on the pros and cons of moving transit from HUD to DOT via a Reorganization Plan or via legislation.
35. January 10, 1968 Bureau of the Budget status memo on the transfer of transit to DOT.
36. January 12, 1968 memo from Secretary Boyd memorializing the outcome of a January 8 meeting with HUD Secretary Weaver.
37. January 20, 1968 letter from Transportation Secretary Boyd to HUD Secretary Weaver discussing areas of coordination relating to the move.
38. January 23, 1968 letter to President Johnson from House Banking Chairman Wright Patman and other Banking Committee members opposing the move of transit out of HUD.
39. January 25, 1968 file memo memorializing a meeting that day between Secretaries Boyd and Weaver, and other persons.
40. February 1, 1968 memo from Bohen to Califano preparing Califano for a big DOT-HUD-BoB meeting later that day to discuss the move. Together with someone's handwritten notes on how the meeting went.
41. February 1, 1969 memo from Secretary Boyd to Joe Califano describing preliminary outreach to transit stakeholders.
42. February 1, 1969 memo from Secretary Boyd to Joe Califano describing preliminary outreach to transit stakeholders.
43. February 1, 1968 letter from HUD Assistant Secretary Charles Haar to HUD Secretary Weaver opposing the move.
44. February 2, 1968 joint DOT-HUD statement summarizing the position of both agencies on the move (negotiated between DOT's Alan Dean and HUD's Dwight Ink).
45. February 3, 1968 memo from Alan Dean to Secretary Boyd updating him on the status of the urban mass transportation issue.

46. February 5, 1968 memo from FRA Administrator Shef Lang to Secretary Boyd on how to deal with Chairman Wright Patman.
47. February 13, 1968 draft of a Reorganization Plan moving transit from HUD to DOT.
48. February 14, 1968 HUD comments on the draft Reorganization Plan.
49. February 16, 1968 HUD memo to Bohen at the White House protesting the weakening of HUD's leverage over urban planning issues.
50. February 19, 1968 final draft of the Reorganization Plan.
51. February 20, 1968 memo from John Robson to Joe Califano updating him on the status of outreach to transit stakeholders.
52. Text of President Johnson's message to Congress on February 26, 1968 transmitting Reorganization Plan No. 2.
53. Text of Reorganization Plan No. 2 of 1968 as transmitted and as it became effective.
54. Joint HUD-DOT study of the transit move submitted to the White House on February 28, 1968 (but backdated to February 19) and transmitted to Congress on March 19, 1968.
55. March 21, 1968 memo to Secretary Boyd from Gordon Murray discussing future actions needed for the urban mass transportation move.
56. July 12, 1968 "Determination Order" signed by the Director of the Bureau of the Budget transferring certain HUD appropriations, personnel and office equipment to DOT.

Who's Who:

Department of Transportation

Alan Boyd – Secretary
 Everett Hutchinson – Under Secretary (today called Deputy Secretary)
 John Robson – General Counsel
 Cecil Mackey – Assistant Secretary for Policy Development
 Alan Dean – Assistant Secretary for Administration
 John Sweeney – Assistant Secretary for Public Affairs
 Donald Agger – Assistant Secretary for International Affairs
 Paul Sitton – Deputy Under Secretary
 Gordon Murray – Special Assistant (to the Secretary) for Special Projects
 George Chandler – Special Assistant to the Under Secretary
 Robert B. Shapiro – attorney in the General Counsel's office
 "Bozo" McKee – Federal Aviation Administrator
 Lowell Bridwell – Federal Highway Administrator
 Scheffer Lang – Federal Railroad Administrator

Department of Housing and Urban Development

Robert Weaver – Secretary
 Robert Wood – Under Secretary
 Dwight Ink – Assistant Secretary for Administration
 Charles Haar – Assistant Secretary for Metropolitan Development
 Peter Lewis – Deputy Assistant Secretary for Metropolitan Development

The White House

Joseph Califano, Jr. – Special Assistant to the President and domestic policy "czar"
 Charles Schultze – Director, Bureau of the Budget
 Charles Zwick – Assistant Director, Bureau of the Budget

Section 4(g) of the Department of Transportation Act

PUBLIC LAW 89-670—OCT. 15, 1966

(g) The Secretary and the Secretary of Housing and Urban Development shall consult and exchange information regarding their respective transportation policies and activities; carry on joint planning, research and other activities; and coordinate assistance for local transportation projects. They shall jointly study how Federal policies and programs can assure that urban transportation systems most effectively serve both national transportation needs and the comprehensively planned development of urban areas. They shall, within one year after the effective date of this Act, and annually thereafter, report to the President, for submission to the Congress, on their studies and other activities under this subsection, including any legislative recommendations which they determine to be desirable. The Secretary and the Secretary of Housing and Urban Development shall study and report within one year after the effective date of this Act to the President and the Congress on the logical and efficient organization and location of urban mass transportation functions in the Executive Branch.

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UNITED STATES GOVERNMENT
Memorandum

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

DATE: June 8, 1967

SUBJECT: Policy Guidelines For The DOT/HUD Study

In reply
refer to:

FROM : Gordon M. Murray

TO : The Secretary

Attached is a statement of objectives and principles to guide the DOT/HUD Study of urban transportation problems. It is a revision of an illustrative statement sent to the Bureau of the Budget with our letter of April 14. It reflects, to the extent practicable, an alternative draft prepared by Peter Lewis of Housing and Urban Development. I am sending copies of the paper and this memorandum to Messrs. Sitton, Mackey, Robson, Sweeney and the constituent agency liaison officers (R.A. Nelson, E.H. Holmes and H.J. Guth).

I suggest that you schedule a meeting at the earliest possible time with me and the recipients to agree on a position for the Department which can then be negotiated with Secretary Weaver. The objective is for you and him to sign off on this statement as a framework for the joint study. This should be accomplished without further delay. Prompt action may help to terminate some of the unproductive and indecisive discussion that has occurred thus far.

As papers sent you and other interested people in the Department last week indicate, work is moving forward notwithstanding the difficulties.

If you approve I will ask Commander Irwin to set a meeting for Tuesday, June 20.

Approved: _____

Disapproved: _____

Discuss: _____

cc: Mr. Sitton
Mr. Mackey
Mr. Robson
Mr. Sweeney
Mr. R.A. Nelson(FRA)
Mr. E.H. Holmes(FHA)
Mr. H.J. Guth(FAA)

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POLICY GUIDES FOR THE DOT/HUD STUDY OF URBAN
TRANSPORTATION PROBLEMS

Section 4(g) of the Department of Transportation Act of 1966 requires the Secretary of Housing and Urban Development and the Secretary of Transportation to study and make recommendations within one year on (a) how Federal policies and programs can assure that urban transportation systems most effectively serve both national transportation needs and the comprehensively planned development of urban areas, and (b) the logical and efficient organization and location of urban mass transportation functions in the Executive Branch.

The Secretaries have agreed upon the following statement of objectives and principles to guide the study:

1. National transportation needs include the movement of people and goods both within and between urban areas. Thus, the evaluation of Federal policies and programs concerned with urban transportation must include consideration of their impacts on intercity, regional and national transportation activities as well as the effects of ~~national transportation activities and~~ related Federal policies and programs on urban transportation. ~~The compatibility of urban and national transportation systems is, therefore, recognized as a primary national objective but it is not intended that either system be~~ distorted to serve the other.

2. National transportation objectives include, fast, safe, efficient and convenient transportation service for all people, conservation of public and private resources employed in transportation and the preservation and efficient use of other national resources including natural, aesthetic,

and historic values.

3. Urban transportation, and to the maximum extent practicable, national transportation systems shall contribute to and be consistent with the fulfillment of the development and redevelopment of urban communities in accordance with the desires of their citizens as expressed in officially approved comprehensive development plans.

The general analytical approach of the study shall be to identify as precisely as possible the urban transportation and related urban development functions now being performed by the Federal Government and to relate them organically. Recommendations for changes in the structure of Federal organization and procedural arrangements shall follow from functional analysis, provided however that consideration shall also be given the budgetary and administrative efficiency of the Federal Government and of the States and local governments concerned.

UNITED STATES GOVERNMENT

DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

Memorandum

DATE: June 20, 1967

SUBJECT: DOT/HUD Urban Transportation Study

In reply
refer to:

FROM : Alan S. Boyd

TO : See distribution below

Pursuant to my request at our meeting this morning, I should appreciate your providing me by COB Monday, June 26 with a statement of your personal views concerning:

1. The organizational adjustments, with alternatives if you have them, that should be recommended to the President and the Congress as required by Section 4(g) of the Department of Transportation Act.

2. The relationship, if any, between the policy and program recommendations (also required by Section 4(g) of the Act) and the organizational recommendations referred to above.

The staff of the General Counsel have tentatively found that the separation of these two requirements in the text of the Act does not require that they be met by separate reports. This means that it is to be determined on the basis of tactical and policy objectives whether they are handled together or separately.

Your memorandum to me will be exchanged with those of other participants at our meeting today as preparation for an intensive discussion between 2:30 and 4:30 p.m. on Friday, June 30. All involved today will be expected to attend.

Distribution

The Under Secretary
Deputy Under Secretary
Assistant Secretary for Policy Development
Assistant Secretary for Public Affairs
Assistant Secretary for International Affairs
Assistant Secretary for Administration
Special Assistant for Special Projects
Mr. R. A. Nelson - Federal Railroad Administration
Mr. E. H. Holmes - Federal Highway Administration
Mr. H. J. Guth - Federal Aviation Administration
The General Counsel

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UNITED STATES GOVERNMENT

DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

Memorandum

DATE: June 24, 1967

SUBJECT: Urban Transportation

In reply
refer to:

FROM : Robert B. Shapiro

TO : General Counsel

As I understand it, the question we've been asked is basically this:

If HUD is supposed to handle urban programs generally and DOT is supposed to handle transportation programs generally, how should urban transportation programs be handled?

I don't think there are any useful intuitive responses. To try to demonstrate that urban transportation is "essentially" more urban than it is transportation (or vice versa) is like proving that Times Square is more Broadway than it is 42d Street. Urban transportation is an overlap concept by definition.

In the absence of a priori answers, I think the inquiry should move from the programs to the organization rather than the other way around. Thus:

1. What are the programs involved? What is the Federal Government supposed to be doing in this area?
2. Should any of the programs be administered as a group? Should lines be drawn to sever some programs from others, and, if so, where?
3. Who ought to administer these programs?
4. What should the machinery of administration be?

1. The first question probably ought to lead to a detailed exploration of Federal activities affecting urban transportation, and might include areas like job re-training, anti-poverty, welfare and everything else in the urban stew. But without making any claims to completeness or even much accuracy, I think the Federal role in most of the urban works programs (housing, transportation, sewers, etc.) is primarily that of

- a source of funds
- a catalyst to planning and action
- an advisor on technology and law
- a monitor
 - to see that projects conform to locally-generated plans
 - to see that projects conform to minimal Federal standards

To reduce it to its simplest terms, this is not an area in which the Federal role is one of control (e.g., FCC, SEC, Social Security), but rather one (to quote an authority in the field), of positive coordination with non-Federal participants. This is generally true, I believe, of all the urban programs, from highways to housing.

What is involved, then, in our problem is the administration of Federal authority to persuade, to coordinate, occasionally to veto, but not generally to command.

That authority is exercised at two levels.

- Washington reviews and can veto (and, by using its veto power, can probably amend) locally-generated plans;
- Field people can and do participate in drawing up local plans.*

Of these two levels, I suspect that the latter is ultimately of far greater flexibility, significance and use.

2. Responsibility for the administration of urban transportation programs should not be divided. It will not help HUD's general city planning functions, for example, to provide that HUD will administer a city's transportation program only if its future growth takes form A (in which

* As things stand now, I understand that HUD, BPR and FAA people frequently sit in on and advise local planning boards. It might be interesting to find out the extent of participation by Federal officials in local planning.

mass transit is the dominant mode but will lose control over transportation functions if the city's growth takes form B (which logically requires a predominant highway system).

There is very little to be said in favor of dividing administrative responsibility along modal lines. Any argument that planning and transportation are inextricably related can't stop short of the conclusion that the planning agency should administer all transportation (urban) including highways. Whoever has responsibilities for highways logically ought to be given responsibilities for other urban transportation (or vice versa). A line can administratively be drawn between urban transportation and other urban programs, but not between modes of urban transportation.

If I am right, an urban transportation program either wholly under DOT on the one hand, or wholly under HUD on the other would be preferable to a division of administration along modal lines. From a purely organizational standpoint, the advantages of such an approach are obvious: comparatively clear lines of demarcation. While there would doubtless still be border warfare, at least the ultimate locus of responsibility would in most cases be clear.

Nor can it safely be assumed that DOT run program would ignore those urban planning factors in which HUD is most interested, or that a HUD-run program would fail to mesh urban transportation with suburban and rural transportation. There is, after all, no reason to believe that DOT is hostile to urban planning or HUD to efficient transportation.

And if there is to be border warfare, should it not be at the interface between "urban" and "transportation", and not within the transportation system itself? It seems to me tolerable for cabinet-level departments to have policy disagreements on the fundamental issues which underlie their very existence (e.g., Defense versus Justice on civil liberties in time of war; Interior versus Commerce on exploitation of natural resources); but it seems less than appropriate to permit that struggle to be essentially intermodal and technical. Indeed, DOT was created precisely to avoid intermodal power struggles, not merely to elevate those struggles to cabinet level.

3. If it is concluded that one department or the other ought to have responsibility for all urban transportation programs, it almost inevitably follows that it be DOT. HUD simply cannot run the urban

part of the highway system. About 40% of our Interstate highway dollars are spent within cities (to build about 10% of the mileage). That portion of the program can't be severed without risking unsafe and uneconomical inconsistencies.

Wholly apart from considerations of logic, it is inconceivable that Congress would break up the highway system or apportion the trust fund, while it is by no means unlikely that urban transportation could be centralized at DOT. If centralization is desirable, DOT is both logically and politically the place for it.

4. But the real struggle is probably not over administrative responsibility (check-signing) but over policy control. I think policy control generally should not be in either agency but in the localities. As noted in (1) above, Federal urban programs are administered at two levels, Washington and local. To the extent that DOT and HUD pursue different policies, the localities are the appropriate place for policy-making.

Local Planning. DOT and HUD ought both to offer to participate intensively in the local planning process, providing advice, expertise, encouragement, etc. (I think it would be helpful if DOT -- and not simply the modes -- were represented at this local level. This raises many other considerations, of course, and is only an aspect of a larger problem. But it is another reason, it seems to me, for the gradual evolution of DOT field representatives who are responsible to OST, not to the modal administrations.)

In any event, the local planning level ought to be the place where the real coordination between DOT and HUD takes place, under the auspices of the local authorities who are going to have to live with the results. If DOT wants to sell freeways while HUD likes subways that problem should be resolved by local people and their conclusion accepted by both agencies; it should not get escalated to Washington, nor should either agency try to use its Washington powers to try to reverse such a decision. Such an approach requires that local people do a great deal of thinking about their future but that seems to me one of the goals of the whole urban program anyway.

Washington. When local planning is complete, requests for funds ought to be made to the appropriate offices. There obviously ought to be the closest coordination between DOT and HUD in taking action on applications

(and hopefully good sense and good faith would prevail)*, but neither department should have a veto over the activities of the other: that would only provide another opportunity to fight at the Federal level battles that should be fought locally. I think local (and Congressional) pressures will serve as a sufficient check on irresponsible action. Simply put, if a locality asks for highway money and HUD doesn't want a highway built, it should seek to convince local authorities to veto the highway -- it should not be allowed to balk the project itself.

I don't think the scheme you said was under consideration (HUD a planning agency, DOT a hardware agency; HUD to have a veto over DOT urban activities) is essentially sound. Both DOT and HUD are planning agencies -- to the extent the Federal Government as a whole plans for localities -- but the localities themselves are the real planning agencies, drawing on DOT and HUD for resources. If this view is accepted, a veto is unnecessary and dangerous, since it is at bottom a veto over local determinations. In short, I propose that "coordination" at the Washington level generally concentrate on broader issues; and that real DOT-HUD coordination be effected locally with the localities acting as arbitrators. That seems to me to be the spirit of the programs.

I don't mean to suggest that this approach will itself usher in a new day. There will doubtless be fighting between DOT and HUD on some questions, but at least that fighting

- will take place over policy, and not at the level of contradictory administration of different modes of transportation;
- will be susceptible of resolution by the people most concerned;
- will not result in the vetoing by one department of projects the other department and the local people think are desirable.

Robert B. Shapiro

* If it were thought desirable to emphasize the DOT-HUD relationship, an Inter-Departmental Council on Urban Transportation could be set up to provide some kind of formal structure for coordination.

UNITED STATES GOVERNMENT

DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

Memorandum

DATE: June 29, 1967


SUBJECT: Secretary's Meeting on DOT/HUD Study Tactics

In reply
refer to:

FROM : Special Assistant for Special Projects

TO : See Distribution Below

Attached are copies of the memoranda prepared by participants at the meeting held on June 20. They are for your personal use in preparing for the meeting which the Secretary has scheduled for Friday afternoon, June 30, from 2:30 to 4:30 p.m., Room 1010, FAA Building. Obviously, they are for internal use only and circulation should be held to a minimum.


Gordon M. MurrayDistribution

Deputy Under Secretary
Assistant Secretary for Policy Development
Assistant Secretary for Public Affairs
Assistant Secretary for International Affairs
Assistant Secretary for Administration
The General Counsel
Mr. A. Scheffer Lang (Federal Railroad Administrator)
Mr. R. A. Nelson (FRA)
Mr. Lowell K. Bridwell (Federal Highway Administrator)
Mr. E. H. Holmes (FHA)
General William F. McKee (Federal Aviation Administrator)
Mr. H. J. Guth (FAA)

Executive Secretariat (3)



June 26, 1967

DOT/HUD Urban Transportation Study

Assistant Secretary for Administration

The Secretary

This memorandum is in response to your request of June 20 that I provide you with personal views concerning the organizational and the policy and program studies relating to urban transportation required by Section 4(g) of the Department of Transportation Act. As you suggest, I will first discuss issues relating to the organization of mass transportation functions and then comment on the relationship between organization and matters of policy and program.

Organization of Urban Mass Transportation Functions

Section 4(g) required a report by April 1, 1968, to the President and the Congress on the logical and efficient organization and location of urban mass transportation functions in the Executive Branch. This provision was not casually included. It was recognized both by the Administration and the Congress that complex and fundamental questions of jurisdiction and responsibility were raised by the establishment of a Department of Housing and Urban Development and a Department of Transportation within a period of less than two years. It is urgent and necessary that we proceed on schedule with this study for the following reasons:

1. Hearings before the House Appropriations Committee on the DOT revealed that the members have an intense interest in this matter and will expect a reasonably clear and understandable definition of DOT and HUD responsibilities to be worked out before hearings are completed on the 1969 fiscal year appropriations of the departments concerned.
2. Department of Transportation has the momentum of a new department of which great things are expected. The environment is, therefore, favorable to further adjustments of DOT responsibility including an augmented role in the urban transportation area. If we are not ready to act during the next session of Congress, much of this momentum will be lost.

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3. The Department of Transportation appears to have the edge in any struggle for jurisdiction involving Congressional participation. In spite of the efforts of HUD, that department is known to be over its head in new programs, and there is much Congressional skepticism concerning HUD's ability to develop adequate technical expertise in urban transportation. Furthermore, the Department of Transportation is fundamentally less controversial and suspect among conservatives than HUD, which is necessarily involved in programs which do not yet have the degree of consensus enjoyed by the DOT and most of its functions.
4. The organizational study is required by the DOT Act, and it is only natural that the Secretary will be held accountable for taking strong initiative to achieve the solutions expected by the Congress. DOT will face sharp criticism if we fail to push as hard as we can in this area.
5. It is in the public interest (as opposed to our bureaucratic advantage) that the DOT be in a position in which it can render direct assistance to the degree that federal intervention is warranted in support of all transportation modes in all localities. It does not make sense to have a transportation department for inter-city travel and another department for urban transportation.

Proposed Organizational Solution

1. A basis exists for a compromise solution in the mass transportation area which will recognize an appropriate role for both HUD and DOT. This compromise entails acceptance that the various national housing and community development acts, as well as executive orders of the President, have lodged in HUD the overall leadership within the Executive Branch in matters relating to the comprehensive development of cities. While these laws and orders all place emphasis upon local planning and program execution it is HUD which is expected to assure that the various projects assisted by federal programs make sense in terms of their inter-relationships and their contribution to the harmonious and efficient development of total urban communities. This means that the Department of Transportation must be willing to agree that the concurrence of HUD will be an essential ingredient in the approval of mass transportation projects. We must also be prepared to

respond to HUD's appeal for technical and program assistance in the execution of the Demonstration Cities Program and in other efforts to foster balanced, high quality urban development.

2. HUD, on the other hand, must recognize that by definition the Department of Transportation is what its name implies -- the focal point of technical expertness and leadership within the Executive Branch in transportation matters. HUD must also concede that we need a national transportation system and that it is not practicable or tolerable to split responsibility for this system between two departments. This point is further strengthened by the clear need to integrate transit planning with highway planning in urban areas, something which can only be accomplished by placing full responsibility in DOT.
3. Although it may appear at first glance that to state the major purposes of the two departments in this way is to set the stage for irreconcilable conflict, this is not the case. The organizational issue is susceptible to solutions within a framework which recognizes and safeguards the central missions of both departments. This solution is to apply to urban transportation the approaches which have been developed over the years in the provision of water pollution control facilities, airports, assistance to education and many other programs with a direct impact upon the cities. The formula which has emerged is one which envisages HUD as the direct administrator of assistance to community planning, metropolitan development, the design of workable programs and the promotion of associated residential development. Within this overall framework, literally scores of more specialized federal grant and technical assistance programs make funds and expertise available to communities but are expected to do so in a manner consistent with overall development objectives as certified both by general levels of local governments and HUD. It thus follows that we should do in the area of mass

transportation what now exists in the fields of airports and highways development, i. e. the Department of Transportation should administer grants and exercise technical oversight of those aspects of transportation development which impinge on metropolitan areas.

The most telling argument in support of the concept set forth in the preceding paragraph is the action taken by Congress in enacting sections 202, 204 and 205 of the Model Cities and Metropolitan Development Act of 1966. Here we have an explicit statement of a pattern of (1) local area-wide agency review, (2) participation by numerous federal agencies in the areas of their substantive expertise, and (3) overall determinations by the Secretary of HUD that adequate metropolitan planning and programming has taken place. If this made sense for a critical piece of urban development legislation approved on November 3, 1966, it should be applicable to urban transportation solutions in 1968.

To implement the above approach the following specific organizational adjustments would be required:

- a. The authority to approve and pay grants for mass transit would be shifted by reorganization plan from HUD to DOT.
- b. HUD would administer its advance planning program and its community facilities grant programs in a manner which would assure full participation of the Department of Transportation whenever the purpose of an advance or grant was the improvement of a transportation facility or service.

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- c. HUD would provide for appropriate DOT participation in the development and review of Demonstration City proposals and comprehensive metropolitan region plans involving transportation.
- d. The Department of Transportation, in the exercise of its airport and highway functions and in the administration of mass transit grants (assuming the function is transferred) would assure adherence to the letter and spirit of cooperation with HUD and would recognize its primacy in general urban development. By law or executive order or both, the concurrence of HUD would be required prior to DOT funding of urban transportation projects of all kinds.

Next Steps in Completing the Study of Mass Transportation Functions

On the basis of the above discussion, it is suggested that the Department place its primary emphasis at this time on the resolution of the organizational issues relating to urban mass transportation. It is suggested that we seek to assure the timely completion of this effort by the following:

1. That you direct the preparation of a proposal consistent with the philosophy and considerations discussed above. This work should be done in-house and should not be dependent upon contract studies. There is enough capability within the Office of the Secretary and the operating administrations to prepare both a statement of philosophy and a plan for the specific organizational adjustments required for its implementation.
2. That you transmit the statement of philosophy and the specific proposals for the organization of mass transportation to the Secretary of Housing and Urban Development and suggest that these proposals serve as a basis of further inter-departmental

discussions. A copy of the statements would, of course, be furnished the Director of the Bureau of the Budget.

3. That at such time as the Secretary of Housing and Urban Development has commented on the DOT plan or has suggested alternatives, the officials of the two Departments proceed as far as possible in resolving issues and reaching workable compromises.
4. At such time as negotiations on a bilateral basis has reached the point of diminishing returns, the Director of the Bureau of the Budget be asked to convene the Secretaries and hammer out a plan which the Administration and both Departments would support. The Secretaries would, of course, have to abide by decisions not wholly to their liking should this be necessary to bring about a resolution and to clear the way for a report by April 1, 1968.

Relationships to Policy and Program Recommendation

The first portion of Section 4(g) relating to policies and programs represents a praiseworthy statement of Congressional desire and intention, but, as indicated above, I believe that the fundamental issues of organization must be resolved before much that is productive will flow from a study of urban transportation policies and programs. It is often said that organization should follow policy. This is simply not true in the more complex areas of Executive Branch administration. This was clearly demonstrated by the inability of the Administration over a period of several years to develop a national transportation policy in the absence of a Department of Transportation. The history of the water resources development field is one long documentary of the penalties and the futility of trying to develop policy when the underlying question of jurisdiction and missions remain unresolved. We now have on the statute books laws stating the general objectives to be sought in both the fields of urban development and the design of a national transportation system. If we can reach agreement on the respective roles and functions of DOT and HUD it will become much easier for the Departments to work together in proposing effective policies and programs involving their cooperation.

Memorandum

DATE: June 26, 1967

DOT/HUD Urban Transportation Study

FROM : Herbert J. Guth
Federal Aviation Administration

TO : Secretary of Transportation

Pursuant to your request of June 20, 1967, the following are my personal views concerning organizational adjustments and the relationship of policies and programs to organization for urban transportation.

Organizational Adjustments

Any recommendations for organizational structures or adjustments to assure an effective Federal role in urban transportation must proceed from certain assumptions underlying the appropriate division of responsibility between DOT and HUD. Briefly, my feelings here can be summarized as follows:

1. Comprehensive urban planning is clearly the responsibility of HUD and this function should probably be extended.
2. Urban transportation is not an end in itself but represents one element in overall urban planning and development. Transportation planning then must be consistent with and responsive to overall urban planning but probably can be performed more effectively by transportation specialists than by urban planners.
3. Any distinction between national and urban transportation systems will become increasingly blurred as metropolitan areas continue to expand their boundaries. Urban and national transportation must therefore be regarded as components of a single system which are compatible and which complement and supplement each other.
4. Effective urban transportation programs require concentration in one organization of responsibility for urban transportation systems planning, technical research and transportation grant programs. This would permit evaluation of alternative modes and mixed modes.

The above suggests the following organizational adjustments:

1. Establishment in DOT of an urban transportation unit with responsibility for defining urban transportation problems, urban transportation systems planning, evaluation of alternative modal system performance and costs, traffic analyses and forecasting and coordination of urban transportation programs with HUD overall urban planning programs.
2. DOT responsibility for conducting all technological urban transportation research and related planning, including cost/benefit analysis of alternatives. This would involve transfer of mass transit research function from HUD.
3. DOT administration and operation of all Federal mass transit programs, including planning, development, and demonstration grants.
4. Allocation of some part of the 1 1/2 percent Highway Trust Fund planning money to the DOT urban transportation unit for use in overall urban transport systems planning.
5. HUD approval of DOT developed transportation plans or projects to assure their consistency with overall urban metropolitan area planning and other Federal or local programs.

Relationship of Policies and Programs to Organization

The issue here appears to be whether the requirements of Section 4 (g) can most effectively be met by one study or two separate studies. My own view is that appropriate organizations and structures flow from policies, programs, and logical functional breakdowns. One purpose of the DOT/HUD study would therefore be to provide the analytical basis and support for organizational decisions. Presumably, the mass transportation functions remained in HUD because a sufficient case was not made for their transfer. Obviously, HUD has a position on this and related questions which it considers sound and DOT

has or can develop a position quickly. I think we would be in a much stronger position to make and support sound organizational recommendations if the policy and program issues are first identified, documented, and clarified. This does not mean that some meaningful work on organizational problems cannot be performed concurrently with the policy study.

Herbert J. Gutt

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Transportation

DOT-HHS Relationship

JUN 26 1967

Deputy Under Secretary

Secretary

Following are my views on the questions set forth in your memo of June 20, 1967, on the DOT-HHS Transportation Study:

1. Organizational Arrangements

The "Murray Concept" of the organizational arrangements outlined in the so-called "Twick paper" continues to represent, in my view, the most logical division of effort between DOT and HHS. I do not believe that additional study of the organizational division of responsibility would be useful. However, it is not certain that HHS would be willing to accept this approach which splits Federal urban transportation activities into general planning for HHS and specific project planning, R&D, demonstration, and implementation for DOT. A more palatable compromise could be to allow HHS participation in R&D or demonstration projects.

2. Policy and Program Recommendations

In the absence of a decision on organizational arrangements, I think it doubtful that DOT and HHS could agree on basic assumptions necessary to jointly produce a report on program and policy recommendations; to agree on assumptions for the study is to make the organizational decisions. Without such an organizational decision, the joint study would of necessity be nebulous and inconclusive.

3. Recommendation

I would recommend that a detailed bargaining position on organizational arrangements along the lines of the Twick proposal be developed now for presentation to HHS and DOT. Once an organizational arrangement could be agreed upon, both DOT and HHS could then make meaningful contributions to the program and policy study, which would rationalize the organizational decision. The development of this study would be simplified as a result of the organizational decisions. Instead of joint effort in every phase of the study, each agency could take the lead in those areas for which it has

been given responsibility (i.e., HUD - general planning considerations, DOT - R&D, project planning, etc.)

Concurrently with the development of the policy study, DOT and HUD could, together with BOS, begin to prepare a short discussion of the organizational recommendations and legislation implementing them. The development of this legislation would, of course, amount to a continuation of the organizational bargaining process.

Paul L. Sitten
Paul L. Sitten

CARROLL:jcs:5/26/67

cc: Executive Secretariat (3)
Mr. Sitten
Mr. Carroll

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Transportation

GOVERNMENT

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DEPARTMENT OF TRANSPORTATION

FEDERAL RAILROAD ADMINISTRATION

DATE: June 26, 1967

In reply
refer to:

Secretary Boyd

Robert A. Nelson

SUBJECT: DOT/HUD Urban Transportation Study

The problem of establishing a distribution of responsibilities for urban transportation at the Federal level between DOT and HUD has the following characteristics:

1. The Federal Government should contribute to the effective handling of the problem by those responsible at the state and local level. This means that Federal resources should be brought to bear in a way that is sensitive to the developing needs and patterns of local communities. This has frequently not been the case.

2. The organizational structure at the Federal level should minimize the difficulty for state and local agencies in dealing with the Federal level. This means that Federal programs should be so coordinated that they do not work at cross-purposes with each other, and, also, that they contribute in a timely and unified manner to the solution of local problems.

3. There is a continuum of transportation systems from the strictly local to the national and international. These systems are interlaced, one depending upon another, with the functional relationships among them constantly changing. Thus, for example, while commuter systems were initially largely local in nature, as transportation has improved commutation has reached out further and further on intercity systems.

4. There is also a continuum of functional relationships related to transportation. Transportation has a very major impact on the community--economically, socially and politically. Its impact is particularly heavy on land-use patterns which brings transportation into a close relationship with land-use planning--the very essence of broad scale, comprehensive planning at the community level. Transportation comprises one of the more effective means of bringing about the implementation of comprehensive planning. To permit transportation facility decisions to be made independently of the terms and framework of comprehensive planning will without question dissipate the effectiveness of the entire planning process.

5. Systems studies carried on in our office have shown very clearly the necessity for a close tie between comprehensive transportation planning based on need and determining capabilities for meeting facility needs. The major shortcoming of comprehensive urban planning has been the lack of recognition of the dynamic nature of transportation technology. This has led to Congressional strictures

and to the legislation in Congress directing HUD to carry on studies of transportation technology. Planning involves a careful determination of the relationship between what needs to be done and what can be done. Ignoring or understating the capability of technology to improve the effectiveness of the transportation system can seriously distort the prospective efficiency of the system.

6. In recent years the Federal Government has strongly encouraged the reorganization of local governments to respond to changing economic and residential patterns, many of which were brought on by changes in transportation. Generally, the effect of Federal influence has been to enlarge and centralize responsibility. The establishment of metro governmental elements around the country has been, at least in part, a reflection of this influence. The Federal Government, on the other hand, has changed in basic structure very little over the years and has continued to rely -- with some conspicuous exceptions -- on a departmental form of organization. In many cases this has led to a fragmentation of responsibility at the Federal level. It was one of the reasons for the establishment of HUD with purview over urban affairs.

The above considerations suggest that the emphasis in the handling of urban transportation at the Federal level should not be on establishing lines of functional demarcation, but rather of establishing a means to deal organizationally with urban transportation problems on the terms and in the setting in which they arise. Somehow a bridge must be built between DOT and HUD which will permit continued coordination and understanding of the problem. The need for coordination between the two departments emanates from many of the same considerations which led to the establishment of DOT.

Unfortunately, it is not clear how organizationally DOT and HUD can be brought together to deal with metropolitan region transportation problems and to assure the compatibility of transportation sub-systems having a metropolitan orientation with sub-systems having greater spatial reach. An agency made up of personnel from both DOT and HUD and reporting to both Secretaries jointly is a possibility which should be explored carefully to consider its potential and its ramifications.

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Transportation

*memorandum*Mr. Alan S. Boyd
Secretary*E.H.H.*

DATE: June 22, 1967

In reply refer to:

M : E. H. Holmes
Director of Policy Planning
Federal Highway Administration

SUBJECT: DOT-HUD Transportation Study

In response to your request at the meeting on June 20, as restated in your memorandum of that date, the only organizational change I should suggest is that the responsibility for the mass transportation grant program be transferred to the Department of Transportation. I would not trade off any present responsibility of DOT, even transportation planning, as was suggested as a possibility at the June 20 meeting.

While it would not be in the nature of a trade-off of authority, we could offer such increased aids to urban transportation as:

1. Federal aid, from highway funds, for fringe parking associated with transit, preferably rapid transit.
2. Federal aid, from highway funds, for off-street parking in or adjoining the central business district, if coordinated with accepted redevelopment plans.
3. Integration of terminal, transfer, and parking facilities associated with freeway development.
4. Construction or designation of freeway lanes for exclusive or preferred use of buses.
5. Assistance in improving traffic operation on existing streets.
6. Encouraging joint use of land for highway and other public or private purposes, with highway funds aiding in financing land acquisition.

Wherever public transportation is associated with the highway program, as in some of the above items, the end product of the combined efforts will be aided by having the grant program in DOT.



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In developing a case for such a recommendation, or whatever proposal may be forthcoming, there are a number of points that I believe to be basic to implementing any program of urban transportation.

1. Mass transportation, except in the major cities (and of course they are the most influential ones), is but a drop in the bucket of urban transportation. DOT is providing, through the Federal-aid highway program, many times the aid to urban transportation that is represented by the mass transportation grant program. Adding the latter program to the DOT program, from the point of view of size and impact, is only logical.
2. The urban transportation system cannot be separated from the remainder of the national transportation system, even in the area of mass transportation. In New York the Port Authority Bus Terminal accommodated 388,400 long haul departures along with 878,100 short haul departures in 1966. And all urban goods movement is by highway.
3. As noted at the June 20 meeting, developing a comprehensive plan is a local responsibility. Financial aid is available from HUD through the 701 program, and such aid in comprehensive planning should be HUD's responsibility.
4. Functional planning, under the comprehensive plan, should be the responsibility of the implementing agencies. Yet functional planning and comprehensive planning must be carried on jointly or at least in harmony. Of all functional planning, transportation planning is the most closely related to comprehensive planning. One can hardly survive without the other.
5. Experience under the 1962 Federal-Aid Highway Act demonstrates that functional planning under the one and one-half percent highway planning program can be effectively coordinated with comprehensive planning under the 701 program, and that the resulting highway plans are implemented through highway programs. Including the mass transportation grant program within DOT would insure coordination of the modes in the functional planning and encourage the implementation of transit plans through programs in that area.
6. A rapidly increasing number of States are establishing departments of transportation, through which State aid in various modes of transportation will presumably be channeled to local jurisdictions. Through the highway program DOT is already organized to channel Federal highway aid through the States to projects in local jurisdiction. Adding the mass transportation grant program to

the responsibility of DOT would be in keeping with this trend, and would impose little added administrative burden at either Federal or State level. And as the nation urbanizes, the necessity for State government to accept responsibility for many functions now or heretofore carried out locally, will likewise increase. Transportation is especially sensitive in this respect.

With respect to question 2 in your memorandum, it is my feeling that policy and program recommendations cannot be separated, and that if a sound case is made, on the basis of the real nature and scope of transportation needs in the future urban areas, the location of the mass transportation function, small in relation to the total responsibility already lodged in DOT, can be shown logically to fall in DOT also. While logic may not prevail, I feel strongly that our case can be greatly bolstered by more attention to analysis and statement of the substance of the problem than seems indicated by discussion thus far.

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

GOVERNMENT
Memorandum

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

DATE: June 26, 1967

DOT/HUD Urban Transportation Study

In reply
refer to:

Assistant Secretary for International Affairs and Special Programs

Secretary

Following are my views as requested in your memorandum of 20 June:

1. If we don't get busy demonstrating our capability in urban transportation, we will lose our entitlement to any jurisdiction at all in this field.
2. It would be unfortunate in the extreme, in my opinion, for us to defer setting up organizational rules governing the "urban mass transportation functions in the Executive Branch" until we have worked out the "policies and programs" aspect of the legislative assignment. You can be sure HUD isn't moving with such logical and sequential perfection.
3. We are treating this question as if it were the first time the city has ever encountered a jurisdictional conflict. That is silly. And the solution is very simple. We know about transportation and HUD knows about cities, slums and redevelopment. Why don't we just work out a deal between you and Mr. Weaver under which you accept his primacy on overall urban policy matters and he accepts yours on transportation planning and transportation capability? Such an arrangement is logical and must be accepted by Mr. Weaver unless he is going to take on every other Secretary in the city whose interests involve urban affairs.

Donald G. Agger
Donald G. Agger

OFFICE OF THE SECRETARY
DEPARTMENT OF TRANSPORTATION
JUN 25 1967



GOVERNMENT

Memorandum

DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

DATE: June 22, 1967

In reply
refer to:

DOT/HUD Urban Transportation Study

FROM : Gordon M. Murray

TO : The Secretary

This is in response to your request for my personal views concerning changes in Federal organization that should be recommended to the President and the Congress pursuant to the requirements of Section 4(g) of the Department of Transportation Act. You also asked for an expression of opinion as to the relationship between policy and program recommendations, also required by Section 4(g) of the Act, and the recommendations for changes in Federal organization.

Organizational Changes

The organizational changes that I recommend are basically only two:

- (1) transfer overall urban highway planning responsibilities and funding thereof from the Federal Highway Administration to the 701 Program in the Department of Housing and Urban Development, and
- (2) transfer all urban mass transportation activities except overall planning thereof from the Department of Housing and Urban Development to the Department of Transportation.

The following discussion assumes that at the Federal level we are always discussing the provision of Federal assistance -- technical, financial and other -- to State and local agencies to carry out specific functions rather than carrying out urban transportation functions directly by the Federal Government. The only possible exception, as I see it, to this qualification is research where the Federal Government does and probably should continue to perform transportation research directly as well as through grants-in-aid.

My recommendations for changes in organization derive from the policy principle that overall planning -- deciding what, where and when people want things of their Government -- must be separated from specific project planning -- how people are to get the things they want. HHFA acknowledged the validity of this principle when, after stubborn resistance, it finally transferred the 701 planning activity from the Urban Renewal Administration to the Office of the Administrator.

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is why I would transfer overall planning of urban highway transportation from the Federal Highway Administration to the 701 Program in HUD.* In other words, since transportation is a service function and not an end in itself, basic decisions on whether additions are to be made to the transportation and where they are to be made and when they are to be made should not be in the hands of those who directly (local agencies) or indirectly (Federal agencies) provide the service but rather in the hands of those who want and will use the facilities and services.

Consistent also with this basic policy principle is my recommendation that all other activities relating to urban mass transportation now in HUD should be transferred to the Department of Transportation. They are the "how" activities which can only be carried out effectively by technicians and only after general planners, backed up by the electorate and local decision-makers, have said whether they want a particular facility, where they want it and when they want it.

Relationship of Organizational to Policy and Program Changes

The previous discussion should have made clear my conviction that recommendations for changes in organization are inseparable from policy and program recommendations. Indeed, I think that meaningful changes in organization should derive from revisions in policies and programs. I believe further that organizational changes which do not arise from consciously chosen changes in policies and programs are at best meaningless and at worst can be disastrous. Without the guidance and discipline of policy and program decisions, organizational changes are likely to be arbitrary and to be thrashed out in an intellectual vacuum which can only be filled by political warfare with no benefit to the general public which is, after all, the only solid reason for making any changes.

Longer Term Changes

I agree completely with Robert Nelson that the general transportation planning responsibility for urban areas cannot, in the long run, be separated from the general transportation planning responsibility for regions and probably for the Nation as a whole. This means, as Nelson implied, that overall transportation planning for the Northeast region (megalopolis) should be transferred from the Federal Railroad Administration to Agency X. At the present time, unfortunately, we have no such agency. While HUD may evolve into Agency X (over the dead bodies of Interior and Agriculture), it clearly is not such an agency now. In the United States we are continuing to struggle to achieve a national planning instrumentality independent of the ex parte interests of program

*This means that some portion of the 1 $\frac{1}{2}$ % Federal highway research and planning funds should go directly to urban planning agencies rather than to the State Highway Departments. Distribution could be made by the Governor along the lines provided by Federal law for distribution of Federal grants for community safety programs.

bureaucracies at both Federal and local levels, and eventually we will get it. The British, after fifty years, have not achieved it fully, but they will make another large step forward with the reorganization of local government next year. We are much farther away. The small steps that we can take, however, should surely not be inconsistent with this direction which is implicit in the Demonstration Cities and Metropolitan Act of 1966 and probably explains the current efforts of the Congress to emasculate that legislation.

Framework for DOT/HUD Recommendations

There is a different way of looking at the activities of HUD and DOT from that implied in most current discussions. This conception is being developed by our consultant, Richard Warner, formerly an organization and management expert in the Bureau of the Budget. I cannot describe it more fully now than to say that it looks upon HUD's role as one of coordination, with some basic effectiveness added by the assignment of operating responsibility in one program area: housing and urban redevelopment. From this viewpoint, DOT's role is largely implementation of transportation activities, either directly or indirectly.

The real problem in any event is whether HUD will have the vision to see the critical importance of the coordination function, in terms of bureaucratic political power as well as in the national interest, or will continue to maintain that grants-in-aid can alone buy the Federal bureaucracy's way into the kingdom of heaven.

Summary

1. Immediate changes in executive branch organization of urban transportation activities should be two: (a) transfer of overall urban transportation planning responsibilities from the Federal Highway Administration to HUD, and (b) transfer all urban mass transportation activities, except overall transportation planning, from HUD to DOT.
2. Policy and program decisions are inextricably involved in meaningful organizational changes.
3. Consistent policy will require transfer of overall intercity transportation planning to Agency X (possibly HUD if it develops properly) when regional economic and social planning are institutionalized in the Federal Government.
4. A conception of appropriate roles can be structured which will make it possible to avoid a head-on clash, but not without strong public-interest orientation on both sides.

Memorandum

DATE: June 23, 1967

In reply
refer to:

SUBJECT: Section 4(g) of DOT Act

FROM: Assistant Secretary for Policy Development

TO: Secretary

As an initial proposition I feel that the Department should view the two requirements set out in Section 4(g) separately and should proceed as rapidly as possible to achieve a resolution of the organizational issues while proceeding at a more deliberate pace with the work leading to submission of a joint study to the President and Congress dealing with policies and programs.

I feel that the principles set out in the issue paper on urban transportation which was prepared in connection with the work of the DOT Task Force provide very satisfactory guidelines for resolving the organizational issue between DOT and HUD. This indicates that DOT would be responsible for the following activities related to urban transportation:

1. Overall criteria for Government investments in transportation facilities.
2. R&D on transportation systems, including urban transportation systems.
3. Detailed planning and engineering of specific systems.
4. Transportation demonstration activities.

Following this philosophy, HUD would be responsible for the following activities relating to urban transportation:

1. Overall criteria for Government investment in urban facilities.
2. R&D on urban systems, including broad system studies of the interrelationship between urban form and Government policy. Government policy on investment in urban transportation facilities is one important aspect of this function.

3. Urban planning, including the transportation system which necessarily must be part of an overall urban plan.
4. Demonstration activities, including urban transportation system changes designed to affect the overall performance of an urban area.

This type of arrangement is consistent with the underlying philosophies which led to the establishment of each of the two new Departments and is a reasonable compromise in a difficult area where there is inevitable conflict and overlap between the conceptual bases of DOT and HUD.

This proposal had the support of the DOT Task Force and had been signed off on by HUD. In addition, Charlie Schultze had also given his support to it. I am convinced that Congress was fully prepared to go at least this far in transferring functions and assigning responsibilities to DOT had the Administration not exerted very strenuous efforts to avoid a final resolution last year.

While analogies can not be pushed too far, this kind of relationship is not different in kind from that which will have to exist between HUD and a number of other agencies and departments who will have specialized knowledge and functional responsibilities with regard to urban areas.

I have, to date, seen little or no evidence that work related to the annual report for submission to the President and Congress would bring to light additional information which would be of significant value in making decisions regarding the organizational issue. It is my recollection that there was general agreement at the time the original decision was postponed, that there was no need for additional study at that time and that the decision was being delayed for other reasons entirely.

HUD is moving ahead very aggressively to establish its position in the field of urban transportation. At the same time, they have displayed virtually no interest at all in any kind of cooperative effort to do the kind of studies or analysis which we have been considering as a part of the responsibilities under Section 4(g). It makes very little sense to me for DOT to be proceeding unilaterally to develop extensive study proposals, including the possibility of letting outside contracts when we are not even able to mount a bona fide joint effort with the Department that, by statute, shares the responsibility with us. Since the reporting requirement to the Congress contemplates an on-going operation, it is clear that some kind of long-term relationship with

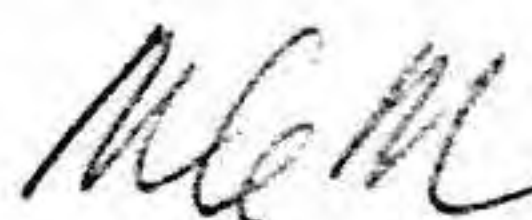
HUD must be developed to meet this requirement. This can and should be worked out primarily at the staff level. In my personal opinion, this type of work and the reports which will flow from it will probably not be very important in terms of developing programs or reaching major policy decisions. I would guess that it will more likely develop into an operation which is characteristic of many other annual reporting responsibilities of this and other departments. Nonetheless, there is a statutory requirement and if the job is done well the first year, possibly better results will ensue.

On the question of the organizational decision, the problems involved appear to me to be ones which should be dealt with immediately on a personal basis between the two Secretaries and that this should be done without staff participation until a fundamental agreement between the two Secretaries has been reached or it becomes clear that such agreement is not a realistic possibility. In either event, the DOT approach to Secretary Weaver should be based on the assumption that the issues involved are well known to both parties and that it is in everyone's interest to get a resolution as quickly as possible. I am hopeful that agreement could be reached at the Departmental level and feel that DOT should exert every pressure to work it out on this basis so that the President can have a proposal which both Secretaries support. Such a result should be possible. Timing appears to be a very important factor in the entire operation. If the organizational question is left unresolved until the longer-term study is completed, we will not have a recommendation for the President until April of 1968. Review by the Bureau of the Budget will mean that it will not get to the White House for at least some time after that. This would mean that a decision would have to be made in either late spring or early summer of election year on the question vitally affecting all major metropolitan areas of the country. This would certainly be undesirable. I am convinced that if we follow this type of timetable, the recommendations of the Bureau of the Budget will be that no decision be made and that the status quo be preserved at least through the end of 1968. This would certainly appear to me to be a reasonable approach if I were on the Bureau or White House staff. As a matter of fact, it may be too late to make the organizational decision even now, though I would not think necessarily so. In any case, the longer the delay, the more difficult any decision other than a continuation of the existing arrangement will be.

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Given these considerations, I strongly urge that the two items in Section 4(g) be separated, that we move ahead as rapidly as possible to get a decision on the organizational question, that the DOT proposal be based on the earlier BOB position paper, and that the study for the report to Congress move ahead approximately as it is doing now. A decision along these lines would result in an organizational framework best suited to the responsibility of both DOT and HUD and is feasible in the present political climate and in the time frame involved.



M. Cecil Mackey

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DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

DATE: June 26, 1967

In reply
refer to:

Organization and Policy for Urban
Transportation

John L. Sweeney

to : The Secretary

Subject to the findings of the proposed joint study of DOT and HUD, I would make the following recommendations:

All of the programs which provide grants for either the construction, maintenance or operation of transportation facilities should be located in DOT. This includes the mass transit program as well as all of the programs currently under DOT.

I would think it impossible to realize legislatively the transfer of mass transit from HUD to DOT unless HUD is given the power of approval of DOT grants in all urban transportation grants, including highway and airport construction programs.

Hopefully HUD approval would be delegated to the community or communities touched by the grant. HUD would only exercise its control on the basis of its approval of the master plan for the community or communities -- but if HUD does not accept such delegation arrangements, then I think it must still have the power of approval or disapproval.

I also believe that the planning capability, in the transportation field, possessed by DOT and its counterpart units at the state and local level must be intimately involved in the formulation of the master plan which ultimately will be approved by HUD.

While this approach will seem cumbersome to the theorists of public administration, I do not believe it will be politically possible to realize a concentration of transportation grants in DOT unless HUD possesses the concurrent power of approval. I do not think the mayors will buy an approach which vests complete control in DOT.

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SUMMARY OF REPLIES TO SECRETARY'S QUESTIONS ON FEDERAL ORGANIZATION FOR URBAN TRANSPORTATION
AND
DOT/HUD STUDY TACTICS

1. What changes should be made in the organization of Federal urban transportation activities?

General Counsel

Move Mass Transit Program from HUD to DOT.

Resolve organization issues immediately.

Deputy Under Secretary

General planning to HUD.

All else to DOT with "HUD participation in R&D or demonstration projects."

Assistant Secretary
for Policy Development

Place in DOT responsibility for:

1. Transportation investment criteria.
2. R&D transport systems.
3. Detailed planning and engineering of systems.
4. Transportation demonstrations.

Place in HUD responsibility for:

1. Urban facilities investment criteria.
2. R&D on urban systems -- including relationship between urban form and Government policy.
3. Urban planning -- overall, including transportation.
4. Demonstrations, including urban transportation system changes.

Assistant Secretary
for Administration

Transfer mass transit grants from HUD to DOT.

Assure DOT participation in HUD advance planning and community facilities grant programs.

Assure DOT participation in review of Demonstration Cities and Metropolitan Development plans involving transportation

Require HUD concurrence in DOT funding of all urban transportation projects.

Assistant Secretary
for Public Affairs

Place all transportation grant programs in DOT (construction, maintenance, operation).

Give HUD approval of all DOT grants--by delegation to communities with ultimate veto.

Involve DOT in formulation of community master plans.

Assistant Secretary
for International Affairs

Work out deal with Weaver immediately.

1. Give HUD "primacy on overall urban policy matters."
2. Give DOT primacy "on transportation planning and transportation capability."

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Federal Aviation Administration
(Guth)

Extend comprehensive planning responsibility in HUD including approval of transportation plans for consistency in the overall plans.

Establish an urban transportation unit in DOT for systems planning, economic analysis, technical research, demonstrations, development, coordination of transportation programs with HUD planning programs.

Federal Highway Administration
(Holmes)

Transfer mass transportation grant program from HUD to DOT.

Federal Railroad Administration
(Nelson)

Establish a means to deal organizationally with urban transportation problems in setting in which they arise.

Build a coordination bridge between HUD and DOT.

Special Assistant for Special Projects

Place all general planning responsibility in HUD including general transportation planning -- choice of modes, route corridors, terminals, service constraints.

Place all mass transit programs, except general transportation planning functions in DOT. All transportation project planning would be in DOT with HUD approval for consistency with overall plans.



What is the relationship between policy and program recommendations and organizational recommendations?

General Counsel

Should be separate, later.

Deputy Under Secretary

Should be separate, later.

Assistant Secretary
for Policy Development

Separate issues; resolve organizational issues first on personal basis between two Secretaries.

Assistant Secretary
for Administration

Get agreement on organization first.
Futile to develop policy in face of jurisdictional disputes.

Assistant Secretary
for Public Affairs

No opinion.

Assistant Secretary
for International Affairs

Organization should take precedence over policy and program analysis.

Federal Aviation
Administration

Sound organization recommendations flow from identification and clarification of policy and program issues.

Federal Highway
Administration

Policy and program recommendations cannot be separated from organizational recommendations.

Federal Railroad
Administration

(The paper is largely a policy and program discussion indicating they are basic to organizational recommendations, but no explicit answer is given)

Special Assistant for Special Projects

Policy and program decisions are inseparable from organization decisions.

Eno

Center for
Transportation

Memorandum

DATE: July 6, 1967

SUBJECT: Status of DOT/HUD Study

In reply
refer to:

FROM : Gordon M. Murray

TO : Files

At the request of Mr. Lewis, Deputy Assistant Secretary for Metropolitan Affairs, HUD, Messrs. Nelson, Guth and Holmes accompanied me to HUD yesterday for a discussion of study problems.

1. It appears that the HUD staff is working on a version of Chapter 3, based on our outline, because they raised numerous specific questions of interpretation which seemed quite reasonable to us. We agreed to provide them with a copy of Mr. Straszheim's more detailed outline of Chapter 3 (which he is using to prepare a first draft of Chapter 3 for us), and to invite them to a meeting with Mr. Straszheim when he is next in Washington, about July 20.
2. Mr. Lewis asked what progress we were making on the revised policy statement but indicated that their work was not being impeded by lack of agreement on the policy statement. I replied that we were discussing it within the Department.
3. Mr. Lewis indicated that they had discouraged the immediate intervention of the Bureau of the Budget, as have we.
4. It appears that HUD will wish to carry organizational and procedural questions down to the level of "Who works on problems of terminals, warehouses, stations, and parking facilities in cities." We did not have in mind that the report would treat organizational matters in such specific detail.
5. I gave Mr. Lewis a copy of John Robson's memorandum on the legislative history of Section 4(g) and Mr. Lewis promised that he would have their legislative background paper to us within the next few days. (So far they have not given us any written material.)

6. Mr. Lewis indicated that they were at work on the descriptive material (Chapter IV) relating to the present mass transit programs, and we responded that we were at work on the descriptive material relating to the programs of FHA, FRA and FAA (Chapter V). The internal deadline for these papers is July 15. I agreed, as an interim aid, to send Mr. Lewis copies of the background papers that were prepared by each of our constituent agencies for our Intra-Departmental Conference on Urban Transportation.

7. Mr. Lewis asked for an organizational chart of DOT and promised to send organizational charts of HUD.

8. At the close of the meeting Mr. Lewis stated that Secretary Weaver is concerned about meeting the requirements of Section 4(f) of the Department of Transportation Act and is considering taking some initiative. I suggested that the initiative, with respect to this Section, belonged with the Secretary of Transportation and they did not dispute this.

9. They also expressed concern about the requirements of the first sentence of Section 4(g) of the Act which deals with consulting, exchange of information, joint planning and research, and coordination of assistance projects. My previous efforts to explore this responsibility with Assistant Secretary Haar and Assistant Secretary Taylor ended up with polite agreement that we were consulting, and exchanging information, and jointly planning and coordinating now and that further efforts would depend upon the outcome of Congressional action on the Demonstration Cities and Metropolitan Development Act, but I am not sure that the question should be allowed to rest there.

10. This meeting provided the best evidence so far of real activity on the part of HUD to advance the Section 4(g) studies and report. I think that these activities might be substantially disturbed if we now go to Secretary Weaver with a set of final recommendations on organizational changes and that this problem should be given careful consideration by the task force.

cc: Secretary
Under Secretary
Mr. Mackey
Mr. Robson ✓
Mr. Lang
Mr. Bridwell
Mr. Nelson
Mr. Guth
Mr. Holmes

MEMORANDUM

DATE: July 25, 1967

SUBJECT: Possible Recommendations to the Secretary
Concerning DOT/HUD Study Tactics

FROM : Gordon M. Murray *Gordon M. Murray*

TO : See Distribution Below

In reply
refer to:

At our meeting of July 19 we considered possible alternative responses to the Secretary's request for a memorandum that would serve him as a basis for discussion with Mr. Weaver. You will recall that this exercise was precipitated by my effort to obtain internal DOT agreement on a set of study principles which the Secretary could use in a discussion with Mr. Weaver to (a) get his agreement on such principles and, (b) to bring about a more positive working relationship between DOT and HUD staffs.

At previous meetings, various participants had questioned the usefulness of the study policy paper that I had proposed, and some suggested an immediate showdown with Mr. Weaver on organizational changes. Prior to our meeting of July 19, I distributed a paper which was intended to illustrate this latter approach. Mr. Bridwell also submitted a paper on July 19 which, in my view, is more accurately described as an alternative to my earlier study guidelines paper than a specific organizational proposal.

These and other alternatives were discussed at the meeting of July 19. An attempt is made to summarize these alternatives in the following numbered paragraphs. At my request participants agreed to defer the selection of an approach or approaches to be offered the Secretary until all had an opportunity to read the Straszheim and Warner papers. They are attached.

It appeared to the participants in the meeting of July 19 that the Secretary might:

1. Approach Mr. Weaver, at least for tactical effects, with some simple overall solution of organizational problems. For example, propose that the entire urban mass transportation program be transferred from HUD to DOT. It was agreed that Mr. Weaver would probably reject this proposal, might make a counterproposal, but that on the basis of current sensing of the situation, the result would probably be intervention by the White House.

2. Allow work now going forward in DOT to continue, regardless of whether HUD is doing any work on the study, with a view to producing a report presenting DOT's views by the early winter. This report would identify organizational issues and make recommendations for their resolution. It would be exposed to HUD before being sent to the White House but without hope that issues could be resolved. HUD is believed to be working on various portions of the study as outlined by DOT, but so far has shown no product.

3. Instruct DOT staff, with such attention as they might be able to give to policy and program issues, to develop a somewhat more sophisticated solution of organizational problems than envisaged in 1 above as a basis for early discussion between the Secretary and Mr. Weaver. To serve the primary purpose, this paper would have to be completed during the next two or three weeks. As Mr. Lang has pointed out we need to know not only what programs and organizational units we would take from (or give to) HUD but also what we would do with them after we received them, e.g., how we would adjust DOT's organization to accommodate the additions and any subtractions. Even if Mr. Weaver did not insist on having this latter information, the White House undoubtedly would.

4. Instruct DOT staff to work further on the development of policy guidelines for the DOT/HUD study, possibly attempting to combine the DOT statement submitted on April 15 to the Bureau of the Budget, described as Attachment B, and the paper submitted by Mr. Bridwell at our last meeting. This obviously would not force any decisions on organizational changes but might serve to elicit some specific information on work actually underway in HUD. Depending on the direction of any conversation between the Secretary and Mr. Weaver, such a guideline paper might produce other useful soundings on the posture of HUD and if he accepted the paper would give us greater confidence in moving ahead with our own work.

Finally, I am attaching material prepared by FAA for Chapter 4 of the DOT/HUD report. It provides background on present aviation programs, structured in accordance with an outline and instructions given to each of our modal agencies and also to HUD. Similar statements are due from FRA and FHA. We think that HUD accepted our outline and instructions as a basis for preparing their Chapter 5 which should include background information on the urban mass transportation program and on the 701 and 702 planning programs. They have only said that they are at work on a background statement, a legislative history (of Section 4(g)?), and on their version of Chapter 3 following our outline(?).

I have already given HUD our legislative history paper and intend to give them the background papers and our draft of Chapter 3 when a consensus has been achieved in DOT or by direction of the Secretary.

suggest that we meet in the MIC room at 10 a.m. on Monday, July 31.

Attachments

DISTRIBUTION:

Mr. Lowell K. Bridwell
Mr. Alan L. Dean
Mr. A. Scheffer Lang
Mr. M. Cecil Mackey
Mr. John E. Robson

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UNITED STATES GOVERNMENT

Memorandum

DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

DATE: July 26, 1967

SUBJECT: Integration of Mass Transit Functions into the
Department of TransportationIn reply
refer to:

FROM : Assistant Secretary for Administration

TO : Special Assistant for Special Projects

Since our discussion, I have given additional thought to the way in which the Department might most effectively provide for the assimilation and administration of functions authorized by the Urban Transportation Act of 1964, should they be lodged in the Department of Transportation.

Functions Involved

As you know, the Urban Mass Transportation Act is a relatively complex statute authorizing a variety of assistance programs. We, therefore, need to consider each of the functions likely to be lodged in the Department when we consider approaches to their integration and administration. Specifically, the activities authorized by the Act with which we need to be most concerned are the following:

1. Federal financial assistance to state and local agencies to finance acquisition, reconstruction and improvement of facilities and equipment for mass transportation (Section 3.)
2. The performance of research, development and demonstration projects in all phases of urban mass transportation (Section 6.)
3. The making of grants to state and local public bodies for the planning, engineering and designing of urban mass transportation projects (Section 9.)
4. The making of grants to state and local agencies to provide fellowships for the training of personnel employed in managerial, technical and professional positions in urban mass transportation (Section 10.)
5. Grants to public and private non-profit institutions of higher learning to assist in establishing or carrying on comprehensive

The logo for the Eno Center for Transportation, featuring the word "Eno" in a large, light blue serif font, with "Center for Transportation" in a smaller, light blue sans-serif font below it, all within a light blue rectangular background.

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research in the problems of transportation in urban areas
(Section 11.)

As you know, the Urban Mass Transportation Act as amended provides certain authorization limitations for various of the programs listed above.

It is my assumption that all of the functions listed above would be lodged in the Secretary of Transportation, subject to general provisions for coordination with units of general government and the Department of Housing and Urban Development, along the lines contemplated by the Demonstration Cities and Metropolitan Development Act of 1966.

Approach to Assignment of Functions Within the Department of Transportation

Under the management concept of the Department, as presented to the Congress in 1966, and as it is now being implemented, the Secretary seeks to carry out his action programs on a decentralized basis by delegations of authority to the heads of a small number of modal administrations. Consistent with this management doctrine it would be expected that the Secretary would delegate the bulk of the authority now lodged with the Secretary of Housing and Urban Development to the Federal Railroad Administrator who in turn would make appropriate provision, both in the headquarters and in the field, for the effective administration of urban mass transit activities.

The question can be raised as to why we do not give this function to the Federal Highway Administrator who already has heavy responsibilities for improving the highway aspects of urban mass transportation. The arguments against placing the responsibility in FHWA are several:

1. If the Railroad Administration is ever to achieve its full potential within the Department, it needs to be given primary responsibility for all programs which place a heavy or major reliance on track-using vehicles. Since it is expected that the bulk of mass transportation improvements under the 1964 legislation will relate to subway systems and transit vehicles utilizing tracks,

the Railroad Administration would seem to be the logical location within the Department for these functions.

2. The Federal Highway Administration, as its name suggests, is so heavily concerned with assistance in the construction of public highways and with the safety of vehicles on those highways that it could not be expected to give balanced consideration within its councils to the needs of mass transportation dependent upon rail systems. To put it another way, mass transit systems of the kind being aided under the Urban Mass Transportation Act would be overshadowed by the more generously financed and better established highway programs.
3. It might be suggested that the Department create a new administration organized to administer most or all of the Department's activities in the urban areas. Theoretically such an administration would be involved in highway, mass transit and even the airport activities of the Department in the cities. In my opinion any such approach at this time would be disruptive to the Department, would run counter to its dominant approach to organization and administration, and is unnecessary to achieve the coordinated administration of urban transportation programs.

Washington and Field Arrangements and Administration

The Federal Railroad Administrator would have to establish a bureau in Washington to provide policy and program leadership in matters relating to the administration of urban mass transportation functions. The research and development and demonstration projects authorized by Section 6 could, however, be grouped with the work now going on under Bob Nelson, and a rail and transit research and development organization might take shape as a logical unit of the FRA.

The administration of the grants for transit projects should be decentralized to the field. This would require the further strengthening of the FRA field elements which at the present time are predominately concerned with railroad safety. The acquisition of responsibility

for carrying out functions under the Urban Mass Transportation Act might well operate to bring into being in the FRA the kind of decentralized multi-program regional structure which now characterizes the FAA, the Coast Guard and the FHWA.

Field coordination between mass transportation, highway programs and airport assistance would initially be achieved through the Department's Field Coordination Groups. Such Groups now exist in thirty cities, and most of the problems of intra-Departmental coordination are likely to emerge in these thirty cities. In any event, the Department is free to increase the number of Field Coordination Groups or to make any other arrangements in the field to assure that meaningful coordination and cooperation take place between the FRA and FHWA, particularly in the administration of Urban Mass Transportation functions.

As we look further ahead to the probable evolution of the Department's field organizations we may contemplate the day in which representatives of the Secretary are placed at various strategic points in the field to provide focal points of representation of the Department to assure the efficient administration of supporting services and to foster (without disrupting command channels) close and effective program coordination. (See my memo to the Secretary of June 26, 1967, on coordination of DOT field activities, copy attached.) Although these field representatives of the Secretary would lack comprehensive directive authority, their independent status, the prestige attached to their positions and their direct access to the Secretary and the Administrators in Washington would all tend to assure that the Department would be able to achieve effective field coordination in urban transportation matters.

Thus, the above proposals for the initial disposition of responsibility for urban mass transportation functions are consistent both with the present management system of the Department and the probable direction in which its arrangements for field administration and coordination will evolve.

Alan L. Dean

Attachment

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June 26, 1967

Field Coordination in the Department of
Transportation

Assistant Secretary for Administration

The Secretary

After our discussion of the DOT field coordination groups in this morning's staff meeting, I talked further with Paul Sitton regarding the concerns which he expressed. We reached agreement that it might be desirable at your convenience to talk about the future evolution of Departmental field management and organization so that every effort can be made to encourage the field coordination groups to evolve in a constructive fashion compatible with long-term hopes.

You understand that the order which you issued went about as far as it was possible to do without generating serious opposition from the administrations. While the field coordination groups appear to be limited in status and authority, the assignments given them are rather broad and much room is left for initiative and strong coordinative action by the individual groups. The weakness of the groups obviously lies in the fact that the Chairmen, while having the authority to present reports and recommendations directly to the Secretary, are officials of operating administrations with established loyalties and command channels. This weakness can be minimized by decentralization and the full exploitation of the channel of information between the groups and the Office of the Secretary.

Where we may be two or three years from now is difficult to predict. There is no foreseeable prospect that we can establish DOT regional directors with comprehensive command authority cutting across the Coast Guard, the FAA, the FHWA and the FRA. We might, however, at some future date consider a device employed by the Interior Department prior to 1953. This entails placing over each field coordination group (or at least certain of those judged to be most critical) a full-time Chairman reporting to the Secretary. The

Chairman would not have directive authority over the substantive operating functions of the administrations but he could be given important administrative, public relations and convener responsibilities. Such a Chairman would be influential because he would have access to the Secretary and because the Secretarial offices would keep him currently supplied with information useful in fostering a coordinated Departmental effort.

I am not saying when or if we will establish such field officials directly representing the Secretary. I am just pointing out that we have a number of options available in the years ahead. An evolutionary approach, taking into account practical needs and experience, is most likely to produce the progressive improvement of field coordination which the Department will require.

(SIGNED) ALAN L. DEAN

Alan L. Dean

cc: Mr. Sitton
Mr. Spiekerman
Executive Secretariat (3)

ALDean;mck:TAD-1:6/27/67

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DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

ROUTE SLIP

DATE

8/1/67

NAME AND ORGANIZATION

Mr. John E. Robson, TGC-1

☐ COMMENT

☒ FOR YOUR INFORMATION

☐ PER OUR CONVERSATION

☐ APPROVAL

☐ DISCUSS WITH ME

☐ TAKE APPROPRIATE ACTION

REMARKS:

This additional DOT/HUD study material may be useful for the meeting on Friday. Dick Warner's paper is a revision and extension of material sent you previously, but not yet complete.

FROM: Gordon Murray

ORGANIZATION
S-4

TELEPHONE No.
25673

PRELIMINARY DRAFT

FEDERAL ORGANIZATION FOR URBAN TRANSPORTATION PROGRAMS

Introduction

The purpose of this paper is to aid the Secretary of Transportation in complying with Section 4(g) of the Department of Transportation Act of 1966 by developing a concept of Federal organization for urban transportation programs and applying that concept to the urban transportation programs of DOT and DHUD.

Section 4(g) requires the Secretary of Transportation and the Secretary of Housing and Urban Development to:

"jointly study how Federal policies and programs can assure that urban transportation systems most effectively serve both national transportation needs and the comprehensively planned development of urban areas. They shall, within one year after the effective date of this Act, and annually thereafter, report to the President, for submission to the Congress, on their studies and other activities under this subsection, including any legislative recommendations which they determine to be desirable. The Secretary and the Secretary of Housing and Urban Development shall study and report within one year after the effective date of this Act to the President and the Congress on the logical and efficient organization and location of urban mass transportation functions in the Executive Branch."

Congressional intent as to the scope of the study (or studies) assigned to the two Secretaries is not entirely clear. Staff of the DOT General Counsel have concluded that the language of the Act authorizes, but does not require, the Secretaries to examine both of the subjects listed above ("Federal policies and programs" with respect to all urban transportation systems, and "logical and

efficient organization and location" of urban mass transportation functions) in a single study. In this paper it is assumed that the report submitted by the Secretaries will treat, at a minimum, the "logical and efficient organization" of all Federal urban transportation programs, not only urban mass transportation.

The report may, and probably will, cover substantive policy and program issues in addition to issues of Federal organization. Nevertheless, the scope of this paper is limited to Federal organizational issues. No decision has been made with respect to changes in policy and program, or in the processes through which such policies and programs are carried out at the State and local level. Such changes could have an important effect on Federal organization. Therefore, this paper must be regarded as only a preliminary draft. Final recommendations on Federal organization should await further study of possible changes in substantive policies and programs, as well as possible changes in State, local and intergovernmental administrative processes and machinery. Succeeding drafts of this paper will take account of studies of these matters, as findings become available. In this draft it is assumed that policies, programs, and State and local administrative mechanisms will remain as they are today.

An additional reason for considering this paper preliminary is its conceptual character. It is based, for the most part, on the author's academic training in political science and his experience as a management analyst in the Government Organization Branch of the Bureau of the Budget. It is not based on independent empirical

research on urban transportation programs or experience in the administration of such programs. The paper's noticeable "academic" flavor is an obvious weakness. Nevertheless, at this early stage in the process of determining the proper organizational structure for urban transportation programs, an "academic" approach seems justified. Theorizing a bit at this stage may help to pinpoint the areas in which systematic empirical investigation is required and to construct a conceptual framework -- a set of hypotheses within which such investigations can be conducted.

Moreover, the need for injecting an "academic" viewpoint into the decision-making process is underscored by the way in which that process has proceeded up to now. In advising the Secretary on the organizational problem of urban transportation, many of his staff seem to pay more attention to the political tactics and administrative details of the problem than to its main substance. Though the author has had no contact with personnel of DHUD in connection with this project, it would be a major surprise if the same were not true there.

Theory can be ignored, but not avoided. It is implicit in any decision. As Lord Keynes once wrote: "Practical men, who believe themselves to be quite exempt from any intellectual influences, are usually the slaves of some defunct economist. Madmen in authority, who hear voices in the air, are distilling their frenzy from some academic scribbler of a few years back." Among those responsible for making decisions on organization for urban transportation, there are no madmen who hear voices in the air.

But if theory is made explicit, and exposed to critical scrutiny, the "practical men" in DOT, DHUD, and the White House can make better decisions.

The need for a solid conceptual framework is particularly critical in DOT, for DOT will presumably be arguing for organizational change. One of the more inflexible rules of the reorganization game is that the burden of proof falls on the initiators of change, not on the defenders of the status quo. It is easier to justify transferring urban mass transit programs to DOT than to justify transferring them from DHUD. For that reason, although this paper is being written for DOT, it devotes much more space to an analysis of DHUD.

Part I: DEVELOPING AN ORGANIZATIONAL CONCEPT

A. THE LACK OF A GENERAL THEORY OF GOVERNMENT ORGANIZATION

The "academic scribblers of a few years back" in the field of public administration can provide only limited help in resolving the organizational issues of urban transportation, even on a conceptual level. Any "principle" from the literature of public administration that is employed to determine the proper departmental location of these -- or any other -- programs will be debatable. As Luther Gulick observed over thirty years ago in his "Notes on the Theory of Organization" -- one of the classics of public administration:

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"Students of administration have long sought a single principle of effective departmentalization just as alchemists sought the philosopher's stone. But they have sought in vain. There is apparently no one most effective system of departmentalism."

Gulick and his many disciples viewed organization as a "technical" problem of work specialization, divorced from political and personal factors. They identified four alternative bases for organization or, as Professor Schuyler Wallace called it, "departmental integration":

- major purpose
- work processes
- clientele
- territory

Though this classical school of public administration recognized none of the above bases for organization as a "philosopher's stone", their general preference was for organization by major purpose. They argued that organization by major purpose would assure unity of action and provide "a more completely rounded consideration of all aspects of a given problem or congeries of problems than is likely under any other form of organization."

This same preference for organization by major purpose has been accepted as a guiding principle by nearly all the practitioners of government organization for the last thirty years. It is found in the landmark reports on government organization produced by President Roosevelt's Committee on Administrative Management and the two Hoover Commissions. It was accepted by President Johnson's Task Force on Government Organization in 1964, and is often invoked in the testimony on organizational matters which the Bureau of the

Budget prepares and presents to the Congress. Organization by major purpose is, in short, a firmly entrenched canon of the conventional wisdom.

However, the doctrine of organization by major purpose rests on a foundation of ideas -- some explicitly stated, some merely unexamined assumptions -- which many scholars in the social sciences consider intellectually suspect. The classical theory of organization as a technical problem has been under continual attack since the immediate post-war years when political scientists such as Herbert Simon and Dwight Waldo began to question it. Critics of the classical theory say that it: lacks empirical evidence to support its generalizations; unrealistically separates political from administrative issues; and ignores the problems of human relations in administration. These criticisms are well-founded. From them have developed other schools of thought in public administration which give primacy to political and human relations factors and seek to apply the rigorous methodology of the behavioral sciences. But no consensus has been achieved among the critics.

The result, as John D. Millett observes in Organization for the Public Service (1966), is that

"a wedge of non-communication has been driven between the scholar and the practitioner concerned with organizational matters . . . The administrator must still make decisions about organization, and the administrative analyst must still make recommendations for those decisions. But they have not been able to look to the scholar for guidance in the decision-making process."

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According to Millett, "the scholars . . . , since 1936, have had little if anything to say for the guidance of . . . inquiries into organizational structure."

Therefore necessity will be the mother of invention. The approach taken in this paper will be to develop a new concept of Federal departmentalization and to apply this concept to the problem of assigning responsibility for urban transportation programs. The concept to be developed is, as most "new" things are, not really new. It is implicit in recent Executive Branch practice. Thus the paper may appear to demonstrate that necessity is the mother of rationalization rather than invention. But at any rate, making an organizational concept explicit should help to solve the organizational problems of urban transportation.

B. AN EMERGING CONCEPT OF A FEDERAL DEPARTMENTALIZATION:
THE UMBRELLA DEPARTMENT

No matter how cogent the scholarly criticisms of the classical theory of government organization, nothing better illustrates the intellectual bankruptcy of that theory than the practical problem of where to locate urban transportation programs. For that problem the dictum "organize by major purpose" (as that phrase is usually understood) is, at best, meaningless. At worst, it may lead to rancorous and time-consuming debate over a question that may be answerable but cannot be persuasively answered without a great deal more study: is an urban transportation "subsystem" more closely related to an urban "system" or to the national transportation "system"?

Both DOT and DHUD, some would argue, are organized according to major purpose, but their respective major purposes -- more effective, safer, and cheaper transportation; and sound development of communities and metropolitan areas -- overlap. As the Secretary of Transportation stated last month to a House Appropriations Subcommittee:

"In a nutshell, as I see this thing, the concepts of the two Departments are in rather basic philosophical conflict, and they work this way:

"The Department of Housing and Urban Development was set up on a concept that is geographically limited to the urban area. Within that area if one would look at a city as a sort of factory, the Department of Housing and Urban Development has the responsibility or authority to go around and manipulate all the valves and paint the back door and oil the engine and get into health, education, transportation, all aspects within this limited geographic area. However, the Transportation Department is based on a concept that all of transportation is a system with each component part related to a greater or lesser degree. When you put these two together there is bound to be conflict."

There is, as the Secretary says, "bound to be conflict" between DHUD and DOT on urban transportation matters. But the "rather basic philosophical conflict" in which he sees the "concepts of the two Departments" can be resolved, and the day-to-day operational conflicts thereby substantially reduced, if the principle of departmentalizing by major purpose is defined with greater precision.

DHUD and DOT are not just different departments with different purposes; they are different kinds of departments with different kinds of purposes. The concept of DOT is easily explained. DOT is a conventional kind of department -- an operating

or "line" department. To oversimplify in the interest of conceptual clarity, a line department has operating authority for everything it is expected to coordinate. In other words: the administrative objective^{*/} of creating a department is to improve the coordination of a cluster of related activities (thereby increasing their effectiveness in achieving common purposes); the conventional means of achieving that objective of improved coordination is to vest directive authority over the entire cluster of activities in one department head, to create a line department. Obviously, DOT is not fully a line department in fact. During DOT's gestation, the theory of the line department had to be accommodated to the facts of political life. Some of the most important transportation programs of the Federal Government, such as the activities of the Maritime Administration, were kept outside the new department. But the theory remains clear (and it is quite possible that the facts will someday conform to it): DOT is a line department.

In the case of DHUD, the administrative objective of improving the coordination of related activities is the same, but the means adopted to achieve that objective are quite different. If "major purpose" is defined as an ultimate social purpose, DHUD has a major purpose which is far too broad to serve as the basis for a line

^{*/} Creation of a department has often, in addition to an administrative objective, a political objective which may be equally, or more, important: increasing the amount of resources allocated to the activities included in the new department.

department -- short of a drastic restructuring of the Executive Branch. In Section 2 of the DHUD Act, the Congress declares:

"that the general welfare and security of the Nation and the health and living standards of our people require, as a matter of national purpose, sound development of the Nation's communities and metropolitan areas in which the vast majority of its people live and work."

A line department built around that purpose would virtually become a Department of Domestic Affairs. In order to avoid such a monster, a different kind of department, which can be called an "umbrella department" was created. As an umbrella department, DHUD's new role, as stated in the DHUD Act, is "to assist the President in achieving maximum coordination of the various Federal activities which have a major effect upon urban community, suburban, or metropolitan development."

An umbrella department is a hybrid, but nonetheless distinct, organizational form, standing midway between two forms which are familiar to students of public administration: the line department and the Presidential staff agency. The structure of the umbrella department stems from the deficiencies inherent in the two conventional forms: a Presidential staff agency necessarily lacks an operating base; a line department necessarily lacks Presidential perspective. (These characteristics of the two traditional forms of Executive Branch organization are, it should be noted, more often strengths than weaknesses. Most of the work of government must be done by technical experts whose efforts are directed toward relatively narrow, though highly important purposes; hence the

need for line departments. And to give a Presidential staff agency any operating base is to give it a power base independent of the President.)

In an umbrella department, the canopy of the umbrella is authority to coordinate all activities which make a substantial contribution to a broad national purpose; and the pole of the umbrella is enough line, or directive authority over some of the activities within the coordinating assignment to provide an operating base which will support that assignment. The crucial question with respect to the line activities of an umbrella department is: how much is enough? How strong must the pole be to support the canopy?

This is a tough question to answer, whether directed to DHUD or to its closest analogue, the Department of State. It should be noted in passing that recurrent proposals to detach the foreign aid program, or the cultural exchange program, from the State Department raise the same kinds of questions as the proposal considered in this paper to transfer urban mass transit programs from DHUD to DOT. Would the Secretary of State's position as the President's "agent of coordination"^{*/} in foreign affairs be weakened? Could new administrative machinery be constructed to ensure that foreign aid activities or cultural exchanges are responsive to the President's foreign policy objectives? In Part II of this

^{*/} A phrase originated by the Jackson Subcommittee on National Policy Machinery. The Jackson Subcommittee developed the concept of the State Department's role which Presidents Kennedy and Johnson have attempted to apply.

paper, questions such as these will be considered as they affect DHUD.

C. DHUD AS AN UMBRELLA DEPARTMENT

In order to carry out the national purpose of "sound development of the Nation's communities and metropolitan areas . . ." the Congress found, in the DHUD Act (P. L. 89-174), that "establishment of an executive department is desirable" for five reasons. Only the first reason stated -- "to achieve the best administration of the principal programs of the Federal Government which provide assistance for housing and the development of the Nation's communities" -- referred primarily to the line activities of DHUD. The other four referred primarily to DHUD's broad responsibilities for coordination and cooperation among Federal, State, local, and private agencies:

- "--to assist the President in achieving maximum coordination of the various Federal activities which have a major effect upon urban community, suburban, or metropolitan development;
- to encourage the solution of problems of housing, urban development, and mass transportation through State, county, town, village, or other local and private action, including the promotion of interstate, regional, and metropolitan cooperation;
- to encourage the maximum contributions that may be made by vigorous private homebuilding and mortgage lending industries to housing, urban development, and the national economy;
- and to provide for full and appropriate consideration, at the national level, of the needs and interests of the Nation's communities and of the people who live and work in them."

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In emphasizing the coordinating role of DHUD, the Congress went so far as to establish in the Department a "Director of Urban Program Coordination" to

"assist the Secretary in carrying out his responsibilities to the President with respect to achieving maximum coordination of the programs of the various departments and agencies of the Government which have a major impact on community development."

Had not the coordinating responsibilities of DHUD been given primary emphasis, the new department probably would not have been created. The former Housing and Home Finance Agency would have been sufficient. As Budget Director Gordon stated before the House Subcommittee on Executive and Legislative Reorganization:

"When the President seeks to coordinate related governmental functions by assigning a leadership role to one or another agency, he is more effectively served if that agency has departmental status. In order to perform such a role most effectively, the agency should have status at least equal to that of the other agencies whose activities it is charged with coordinating."

Since the creation of DHUD other events have enhanced the umbrella character of that department. The Model Cities Act, based on the concept of total community strategy, vests coordinating authority in DHUD for activities which it does not itself administer.^{*/} By the DHUD "convenor order",^{**} the President has charged the Secretary of HUD with coordinating responsibility for urban

^{*/} P. L. _____
^{**} /

problems. And the President has assigned the Secretary of HUD responsibility for the multi-agency "Neighborhood Centers" (or "Pilot Cities") program in 14 cities.

Thus it seems fair to conclude that DHUD is analogous to the Department of State as an umbrella department. Just as the Secretary of State is the President's "agent of coordination" in foreign affairs, the Secretary of HUD serves as Presidential agent of coordination in urban affairs. In both areas, a single agency cannot be entrusted with total line responsibility, but national objectives cannot be achieved if each of the line agencies involved goes its separate way.

During the fifties, in the field of foreign affairs, the idea of an integrated "country" program was adopted. National policy papers have since been drafted which seek to set forth a total national strategy -- including political, economic, military, and cultural factors -- toward each foreign country. The Ambassadors and the regional bureaus of the State Department have been given increased responsibility for program coordination.

In the sixties, the same idea has been emerging with respect to urban affairs. Through sticks and carrots alike, the Federal Government has long had an important, and sometimes decisive, influence on urban life. But separate Federal actions have been taken with only scant knowledge of their overall and long-range influence. The Federal Government has now begun to think in terms of total community strategy, and the job of developing

that strategy and coordinating the separate actions that implement it has been given to DHUD. The DHUD umbrella is different, of course, from the State umbrella. The Federal Government has no formal ambassadors to the cities. PPBS may evolve a sort of "country program" for cities, but it has not done so yet.^{*/}

DHUD's principal tool of coordination is comprehensive planning for metropolitan development. Authorized primarily by Section 701 of the Housing Act, the plans sponsored by DHUD are a form of the "comprehensive development planning" defined as follows by Bureau of the Budget Circular A-80:

"The process of (1) assessing the needs and resources of an area; (2) formulating goals, objectives, policies, and standards to guide its long-range physical, economic, and human resource development; and (3) preparing plans and programs therefor which (a) identify alternative courses of action and the spatial and functional relationships among the activities to be carried out thereunder, (b) specify the appropriate ordering in time of such activities; (c) take into account other relevant factors affecting the achievement of the desired development of the area, and (d) provide an overall framework and guide for the preparation of functional and project development plans."

If coordination is the canopy of the DHUD umbrella, the ribs of that canopy are comprehensive metropolitan plans.

^{*/} This possibility is discussed in Part II.

D. COMPREHENSIVE METROPOLITAN PLANNING AND "CREATIVE FEDERALISM"

It is important to emphasize that the comprehensive planning "ribs" of the DHUD umbrella are formed not by DHUD activity alone, but by complex intergovernmental processes. Comprehensive planning is initiated and conducted by State and local governments and by metropolitan planning organizations. DHUD's role is to stimulate, advise, assist in financing, coordinate, review, and certify. DHUD, more than any other executive department, bears the difficult responsibility of translating the President's doctrine of "creative federalism" into effective intergovernmental action.

It was no accident that the President first employed the term "creative federalism" in the same speech (at Ann Arbor, April, 1964) that he first spoke of the "Great Society". Creative federalism, as Special Assistant Joseph Califano later explained in a speech before the Thomas More Society, is a necessary means of achieving the ends of the Great Society. In order to formulate and carry out the total, multifunctional, community strategy mentioned above, a salient characteristic of the Great Society program, active participation and leadership by people who "know the territory", is essential. And these must be people who know the whole territory -- elected officials with community-wide responsibilities, not merely officials with responsibilities for separate functional specialties, e.g., health, welfare, highways.

Eliciting this kind of local leadership and participation is not easy, because of the entrenched power of what have been called "functional autocracies" (alliances between Federal, State, and local officials who share responsibility for a particular governmental function). It is the responsibility of the Secretary of DHUD to support and defend local officials with community-wide interests against those with more limited perspectives. Through his influence over the comprehensive planning process, he must assure that local elected officials, not technicians, decide what is to be done, and that the technicians concentrate on their proper role of determining how to do it. As the President's "agent of coordination" in urban development, the Secretary of DHUD must also serve as the President's "Secretary of Inter-governmental Relations."

CONCLUSION TO PART I

The argument of this paper so far can be summarized in three propositions:

- Whereas the concept of DOT is that of a conventional line department with coequal coordinating and operating responsibilities, DHUD is an "umbrella" department whose coordinating responsibilities are far broader than its operating responsibilities and are of primary importance.

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-- The reason for placing certain operating responsibilities in DHUD as an umbrella department is to strengthen its coordinating responsibilities, to provide a "pole" for the umbrella which can support its "canopy".

-- The "ribs" of the DHUD umbrella's canopy are formed by an intergovernmental process of comprehensive metropolitan planning, in which elected officials, supported by DHUD, have the lead role.

These propositions raise the following questions as to whether the present DOT-DHUD division of responsibilities is consistent with the line-versus-umbrella concept:

1. Are the present line responsibilities of DHUD strong enough to support its coordinating responsibilities, not strong enough, or too strong?
2. Does the DHUD coordinating assignment itself need to be strengthened? If so, would it be desirable to transfer to DHUD certain DOT responsibilities which are closely related to, and significantly influence, the comprehensive metropolitan planning process?
3. What would be the effect on DHUD's coordinating responsibilities if its urban mass transit programs

were transferred to DOT?

These questions are discussed in Part II.

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PART II: APPLYING THE ORGANIZATIONAL CONCEPT

A. The Pole of the DHUD Umbrella: How Much is Enough?

Stating the answer to this question first in general terms, an umbrella department has the proper amount of line responsibility when it meets five tests:

1. Subsystem importance. The department has line responsibility for one or more of the activities (or subsystems) which are essential parts of the larger activity (or system) for which it has coordinating responsibility.
2. Knowledge of collateral activities. The department's own line responsibilities are closely enough related to the other line responsibilities which it is charged with coordinating that the former cannot be carried out without considerable knowledge of the latter.
3. Power base. The resources allocated to the department's line responsibilities are sufficiently valuable to the other agencies (Federal, State, local) within the umbrella department's orbit of coordination and to their clienteles that the other agencies will "pay" for those resources by accepting the coordinating primacy of the umbrella department in areas for which they have the line responsibility.
4. Presidential perspective. The department's line responsibilities are not so large as to elicit a personal commitment from its top-level staff members which exceeds their commitment to the department's primary role of coordination, thereby making it difficult for the department to maintain a perspective which is equal in scope to its coordinating responsibilities.

5. Manageable span of control. The department's line responsibilities are not so large and varied that the task of administering them (internal coordination) prevents the department's top management from giving due attention to its coordination job.

In addition to urban mass transportation, DHUD's line responsibilities listed in the President's Budget for FY 1968 include:

- urban renewal
- neighborhood facilities
- rehabilitation
- low-rent public housing
- housing for the elderly and handicapped
- college housing
- open space
- water and sewer facilities
- land acquisition
- comprehensive city demonstrations (also a major coordinating responsibility)
- urban information and technical assistance
- community development training
- fellowships for city planning and urban studies
- urban research and technology
- low income housing demonstrations
- rent supplements
- mortgage credit

These line responsibilities easily meet the qualitative tests, 1 and 2 above. In the case of DHUD each of the first two tests is really the converse of the other. Such urban "subsystems" as housing,

urban renewal, and urban mass transportation are as essential as any to the total urban "system" but the total urban system is also essential to them. Test 3 is easily met. With a \$3 billion budget, DHUD's varied line responsibilities amount to an impressive package of "goodies" which can command a high price in the political market. Test 4, Presidential perspective, seems to be met reasonably well. The difficulty comes with respect to the fifth test -- span of control.

SPAN OF CONTROL: Although the span-of-control doctrine of classical public administration is no longer accepted as gospel by either theorists or practitioners, it may be applicable, with some modification, to the organizational problem of urban transportation. Old span-of-control rules -- such as the rule that no executive should have less than three or more than nine officials reporting to him -- were overly mechanical and rigid. The span-of-control doctrine also rested on the questionable assumption that an executive must have constant personal interaction with all his subordinates. But the psychological concept on which the span of control doctrine is based -- the concept of span of attention remains valid. There is a limit to the span of attention of any executive, and the Secretaries of HUD and Transportation and the other executive departments are not immune to this limitation.

With respect to the Secretary of DHUD, one would suspect that his coordinating responsibilities have been rapidly increasing. Coordination of urban development programs has now become -- literally -- a matter of national security. The Nation's efforts to solve urban problems are running a race with time. If that race is lost, the result could well be civil insurrection on a large scale with millions of lives lost in

racial conflict. Whether justified or not from a "rational" point of view, rising Negro militancy, combined with the "neo-redneckism" of working-class whites and the smug complacency of the white power structure, can transform today's isolated riots into tomorrow's civil war. The old urban problems -- among them urban transportation problems -- are certainly still there, but they are eclipsed by growing racial conflicts.

Faced with problems of this magnitude, it would hardly be surprising if the Secretary of HUD had progressively less time available for urban transportation matters (as well as his other line responsibilities). (In a few places, such as the Watts district in Los Angeles, urban transit problems appear to have a substantial effect on racial tensions. For the most part, however, urban transit programs will help suburbanites more than ghetto residents, and have only indirect relevance to the tasks of achieving racial justice and preventing racial violence.)

At this point, the tentative conclusion of this paper is not merely that the pole of the DHUD umbrella will remain strong enough if urban mass transit programs are transferred from DHUD. The conclusion must be stated more bluntly: urban mass transit programs (and perhaps certain other DHUD operating responsibilities) should be detached from DHUD in order to permit a manageable span of control for the Secretary of HUD. The pole of the DHUD umbrella is already too heavy for the Secretary to lift.

B. Strengthening the Canopy of the DHUD Umbrella

DHUD's effectiveness in its coordinating role can be analyzed

as an organizational problem* from at least two standpoints: direct and indirect. The discussion of the span-of-control problem in the preceding section approaches effective coordination as a problem of internal organization. It concludes that the line and coordinating functions of DHUD are out of balance with each other, and that detaching urban mass transit functions from DHUD would help -- indirectly, by giving the Secretary of HUD a more manageable span of control -- to redress the balance and strengthen the coordinating functions.

It seems self-evident to the author that the coordinating task of DHUD is so enormous that other organizational means of strengthening that department's coordinating capability need to be devised. One possibility -- still in the category of indirect measures -- would be to search out line functions in addition to urban mass transit which might be transferred to other agencies; e.g., water and sewer projects. But that possibility would not affect the organizational problem of urban transportation and is therefore beyond the scope of this paper.

With respect to direct ways of strengthening DHUD's coordinating role, the one most frequently discussed within DOT has been to transfer the responsibility for overall urban highway planning activities from DOT to DHUD. Some officials in the Office of the Secretary seem to regard such a transfer as of no intrinsic merit, but as a political quid pro quo for DHUD's urban mass transit programs. Undoubtedly, it is a "natural" as a quid pro quo.

*Sound organization is, of course, only one factor in the coordinating effectiveness of an umbrella department -- perhaps a less critical factor than competent personnel or adequate financial resources.

Others appear to believe that this transfer would have intrinsic merit. For example, Mr. Murray, who tentatively recommends transfer of overall urban highway planning responsibilities to DHUD, bases his recommendation on the valid principle that "overall planning -- deciding what, where, and when people want things of their Government -- must be separated from specific project planning -- how people are to get the things they want." He cites, as an example of this principle, the organizational history of the "701" planning program in HHFA. After "stubborn resistance" HHFA "finally transferred the 701 planning activity from the Urban Renewal Administration to the Office of the Administrator."

It is difficult for the author to evaluate this position, without more knowledge of how "701" planning and urban highway planning interact -- in practice -- at the local level. Indeed, the question whether overall urban highway planning should be transferred to DHUD is a prime justification for a position which Mr. Murray strongly favors and is stated in the introduction to this paper: that final recommendations on Federal organization should await decisions on policy and program issues and on possible changes in the intergovernmental administrative machinery for urban transportation activities.

In theory, "701" comprehensive planning should take precedence over highway planning (or any other variety of functional planning) and if practice conforms to this theory, no transfer to DHUD would appear necessary. On the other hand, if in practice, urban highway planning

takes precedence over comprehensive metropolitan planning, then the "tail is wagging the dog" and changes should be made to assure that the dog wags the tail. But it is extremely doubtful that any change in Federal organization could alone assure this.

If policies, programs, and intergovernmental financing channels were changed so as to strengthen elected officials and metropolitan planning organizations composed of such officials (at the expense of highway agencies), then transfer of overall urban highway planning to DHUD would be a desirable means of strengthening that department's coordinating role. But if such changes are not made along with the change in Federal organization, DHUD probably would not be strengthened. It might, indeed, be weakened through a frustrating and time-consuming effort to make a new coordinating tool work without effective local machinery.

As a final observation on the possible transfer of overall highway urban planning: the word "transfer" may well be misleading. If overall urban highway planning is, in fact, "what" planning rather than "how" planning, the program for it probably should, in effect, be abolished instead of transferred. The statutory language of "701" seems broad enough to cover all the "what" planning (and a good deal of the "how", besides) required for metropolitan development. (In the formal sense, the change would probably be transfer rather than abolition, in order to provide adequate funds and personnel for an expanded "701".)

Another possible means of strengthening the DHUD canopy (which might also be seen as a logical quid pro quo from a political point of view) would be to establish within DHUD a PPBS for urban affairs.

This possibility has not yet (to the author's knowledge) been proposed or considered. Unlike the transfer of overall highway planning, this action could be taken at the Federal level with a minimum of inter-governmental difficulty. (It would, of course, encounter resistance at the Federal level -- probably from OEO and the line agencies affected, and possibly from the Budget Bureau. Though additional appropriations would be required for DHUD, no specific congressional approval of the system would be required.)

Only the general outlines of a PPBS for urban affairs can be sketched in this paper. The Bureau of the Budget, with Presidential approval, would "farm out" to DHUD the review of all Federal urban programs. The DHUD review would include program memoranda, budget submissions and other program documents which come within the area (admittedly hard to define) of urban affairs. Staff in the Office of the Secretary of DHUD would be commensurately expanded. In the early stages of the system, an arrangement similar to the Budget Bureau -- Office of the Secretary of Defense "joint review" of the Defense budget might be established. Budget Bureau and DHUD analysts would work back-to-back with the understanding that the Budget Bureau could later take issue with the conclusions of the joint review.

A PPBS for urban affairs would help to fill the gap left by OEO's inadequate performance of its program coordination responsibilities, permit a more thorough review of urban programs than the Budget Bureau can accomplish, and strengthen DHUD's ability to perform an urgent coordinating task. In the case of urban transportation programs, such

a system might help to avoid cumbersome DOT-DHUD coordinating procedures on specific projects, the final subject to be discussed in this paper.

Agreement will be difficult to reach on the transfer of urban mass transit programs from DHUD to DOT unless coordinating procedures are spelled out. It would be premature to detail such procedures in this preliminary draft. General observations must suffice.

It would be unfortunate if the transfer of urban mass transit programs resulted in yet another interagency committee or mutual veto power. There are signs that such a situation might develop. For example, Mr. Dean states in a memorandum to the Secretary:

" . . . the Department of Transportation must be willing to agree that the concurrence of HUD will be an essential ingredient in the approval of mass transportation projects."

"Concurrence" is too strong a word. To require DHUD concurrence would be to blur the responsibility that should be clearly vested in DOT as a line department. It would lead to more of the delay in project approval -- much of it already unnecessary -- which frustrates and angers State and local officials. DHUD concurrence in individual projects is inconsistent with the concept developed in this paper of DHUD as an umbrella department. After mass transit programs are transferred, DHUD's posture with respect to individual projects should be that of a Presidential staff agency -- reviewing (usually after the fact), kibitzing, criticizing, persuading, occasionally escalating a dispute to the President, but not formally vetoing.

Unlike a Presidential staff agency, however, DHUD will have a power base at the grass roots. If any concurrences are required, they should be obtained at the local level from DHUD-supported agencies. That should provide sufficient voice for the DHUD point of view.

Additional indirect influence could be brought to bear on individual projects by DHUD if something like a PPBS for urban affairs is established. How much additional influence would depend, of course, on the precise form that such a system would take.

Most of those who propose that DHUD have the power of concurrence see this only as a necessary political compromise. Mr. Sweeney's memorandum includes a clear and reasonable statement of this position:

"Hopefully HUD approval would be delegated to the community or communities touched by the grant . . . but if HUD does not accept such delegation arrangements, then I think it must still have the power of approval or disapproval."

He does not believe it will be "politically possible to realize a concentration of transportation grants in DOT unless HUD possesses the concurrent power of approval", or that "the mayors will buy an approach which vests complete control in DOT." Perhaps the mayors will not buy it. But will the President and the Congress buy the duplication, waste, and delay that a system of dual authority will bring?

III. CONCLUSIONS

The tentative conclusions of this paper can be summarized as follows:

1. DHUD is an "umbrella department."
2. The primary role of an umbrella department is to assure interagency coordination and intergovernmental and public-private cooperation within a given program area.
3. The line responsibilities of an umbrella department should be extensive enough to provide a strong operating base for its primary, coordinating assignment, but not so extensive as to interfere with that assignment.
4. DHUD's extensive line responsibilities are interfering with its coordinating assignment in urban affairs, which is becoming increasingly critical as urban unrest grows.
5. Transfer of DHUD's urban mass transit programs to DOT would help DHUD top management to concentrate more fully on their coordinating assignment.
6. Transfer to DHUD of DOT's responsibilities for overall urban highway planning should be considered -- as one means of strengthening DHUD's coordinating assignment -- but only if changes in policy, program and intergovernmental administrative and financing channels are considered along with it.
7. Other means of strengthening DHUD's coordinating assignments should be considered, such as a PPBS for urban affairs.
8. If urban mass transit programs are transferred to DOT, project approval authority should be vested solely in the Secretary of DOT. Though consultation with DHUD should be provided for, DHUD concurrence in individual projects should not be required.

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
ROUTE SLIP

DATE

August 21, 1967

NAME AND ORGANIZATION

Mr. Bridwell

Mr. Dean (Mr. Prestemon)

Mr. Lang

Mr. Mackey

Mr. Robson

☐ COMMENT

☐ FOR YOUR INFORMATION

☐ PER OUR CONVERSATION

☐ APPROVAL

☐ DISCUSS WITH ME

☐ TAKE APPROPRIATE ACTION

REMARKS:

Information copies to the Secretary and the Under Secretary. Next meeting of the Task Force tentatively set for 10:00 a.m. Friday, August 25, Room 8A.

My hope is to have a paper with Task Force input ready for the Secretary by Tuesday, August 29.

SPECIAL MESSENGER

TIME ISSUED

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FROM:

Gordon M. Murray

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Center of Transportation
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REORGANIZATION OF URBAN TRANSPORTATION FUNCTIONS

I. BASIC STUDY REQUIREMENTS AND PRINCIPLES

Section 4(g) of the Department of Transportation Act requires the Secretary of Housing and Urban Development and the Secretary of Transportation to study and make recommendations within one year on (a) how Federal policies and programs can assure that urban transportation systems most effectively serve both national transportation needs and the comprehensively planned development of urban areas, and (b) the logical and efficient organization and location of urban mass transportation functions in the executive branch.

In the light of the legislative history of Section 4(g), it is clear that the Congress places great importance on the resolution of issues relating to the location of urban mass transportation functions in the executive branch. The Department of Transportation concurs in this view and notes that the law speaks in terms of functions rather than in terms of existing programs or agency units.

The Department believes that the efficient and logical organization of urban mass transportation functions in the Federal Government can best be determined by reference to (a) general principles of Federal organization, (b) the relationship of transportation functions being carried on in urban areas to other urban functions, whether or not federally assisted, and (c) the efficiency and effectiveness of transactions between the Federal and other levels of government undertaken to carry out these functions.

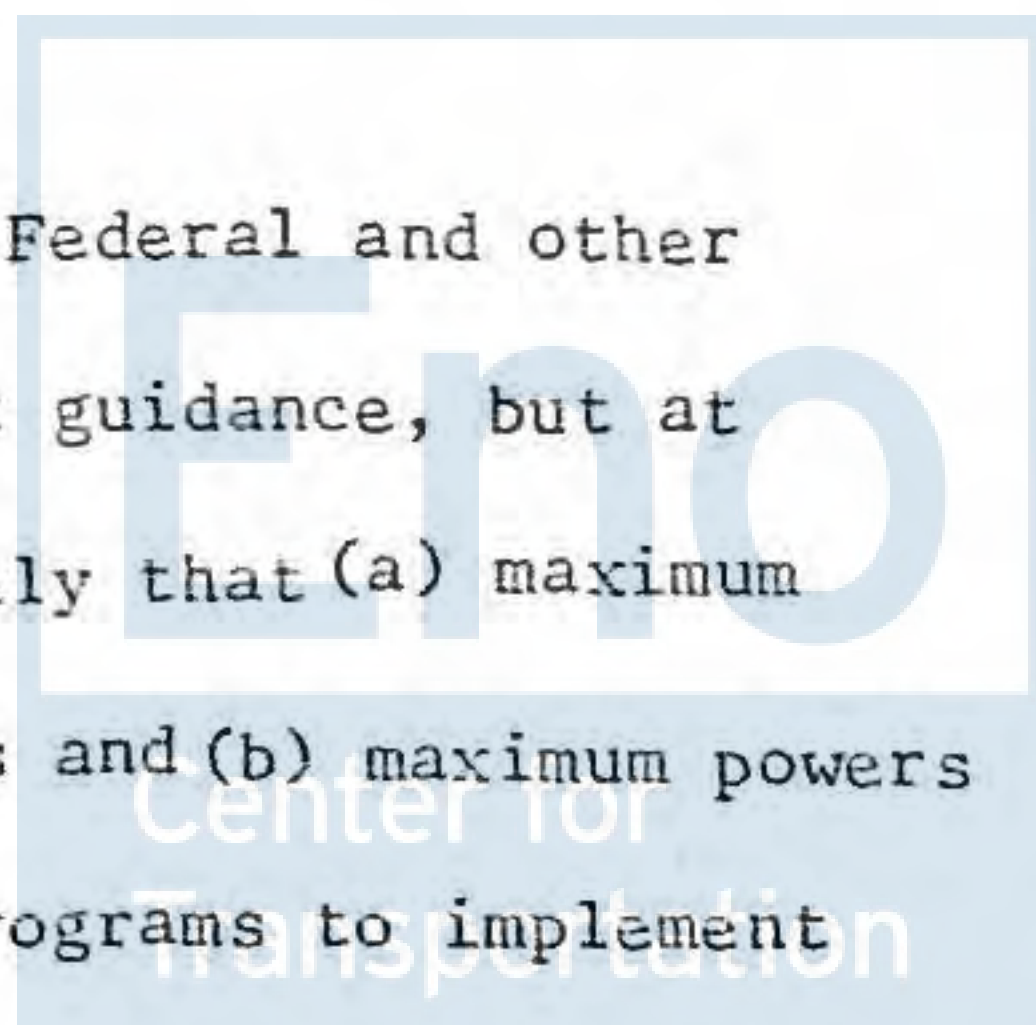
The executive branch of the Federal Government is organized on a broad activity or functional basis and the Congress clearly reaffirmed this principle in establishing the Department of Transportation last year.

With respect to related functions, Section 4(g) of the Act explicitly states that urban transportation policies and programs are to be shaped to assure an effective contribution to "national transportation needs." Obviously the relationship is reciprocal. Transportation in the Nation as a whole, in major regions and between cities cannot be carried on effectively without heavy reliance on local urban transportation facilities. Conversely, the effectiveness of urban transportation movements depends on the joint use of both inter- and intra-urban facilities.

Section 4(g) also demands that urban transportation policies and programs be shaped to contribute to comprehensively planned urban development. The successful development and redevelopment of urban areas will continue to depend in part upon the efficient, coordinated flow of people and goods within and between our cities. They depend as well on the successful performance of the functions vested in the Department of Housing and Urban Development and on other functions widely dispersed in the Federal Government. A major problem of coordination must be dealt with.

With respect to the relationships between the Federal and other levels of government, the law provides no explicit guidance, but at least one principle appears to be applicable, namely that (a) maximum initiative in choosing social goals and objectives and (b) maximum powers of decision-making in planning and carrying out programs to implement

Sec 701 Act



these goals and objectives should be reserved to the citizens of the areas affected by Federal programs.

Luther Gulick and many disciples have identified four alternative bases for organization:

- major purpose
- work process
- clientele
- territory

Though this classical school of public administration recognized none of the above bases for organization as a "philosopher's stone", their general preference was for organization by major purpose. They argued that organization by major purpose would assure unity of action and provide "a more completely rounded consideration of all aspects of a given problem or congeries of problems than is likely under any other form of organization."

This same preference is found in the landmark reports on government organization by President Roosevelt's Committee on Administrative Management and the two Hoover Commissions. It was accepted by President Johnson's Task Force on Government Organization in 1964.

Critics of the classical theory say that it lacks empirical evidence to support its generalizations, unrealistically separates political from administrative issues, and ignores the problems of human relations in administration. These criticisms are well-founded. No

matter how cogent the scholarly criticisms of the classical theory of government organization, however, nothing better illustrates its deficiencies than the practical problem of where to locate urban transportation programs. For that problem the dictum "organize by major purpose" is, at best, meaningless. At worst, it will produce only unproductive debate on a question that cannot be persuasively answered without much more study: Is urban transportation more urban or more transportation?

A. The Two Departments:
Transportation and Housing and Urban Development (DOT and DHUD)

Both DOT and DHUD are organized according to major purpose, but their respective major purposes -- more effective, safer, and economical transportation; and sound development of communities and metropolitan areas -- overlap and, therefore, potentially conflict. This potential conflict can be avoided, however, and the day-to-day operational conflicts substantially reduced, if the principle of departmentalizing by major purpose is defined with greater precision.

DHUD and DOT are not merely different departments with different purposes; they are different kinds of departments with different kinds of purposes.

1. The Department of Transportation

The concept of DOT is easily explained. DOT is a conventional "line" department with certain operating authorities and the responsibility for their coordination.

2. The Department of Housing and Urban Development

In the case of DHUD, the administrative objective of improving the coordination of related activities is the same, but the means adopted to achieve that objective are quite different. If "major purpose" is defined as an ultimate social purpose, DHUD has a major purpose

that is far too broad to encompass in a line department. In Section 2 of the DHUD Act, the Congress declares:

"that the general welfare and security of the Nation and the health and living standards of our people require, as a matter of national purpose, sound development of the Nation's communities and metropolitan areas in which the vast majority of its people live and work."

A line department built around that purpose would virtually become a Department of Domestic Affairs. In order to avoid such a monster, a different kind of department, which can be called an "umbrella department", was created.

In order to carry out the national purpose of "sound development of the Nation's communities and metropolitan areas . . ." the Congress found, in the DHUD Act (P.L. 89-174), that "establishment of an executive department is desirable" for five reasons. Only the first reason stated -- "to achieve the best administration of the principal programs of the Federal Government which provide assistance for housing and the development of the Nation's communities" -- referred primarily to the line activities of DHUD. The other four referred primarily to DHUD's broad responsibilities for coordination and cooperation among Federal, State, local, and private agencies:

--to assist the President in achieving maximum coordination of the various Federal activities which have a major effect upon urban community, suburban, or metropolitan development;

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"--to encourage the solution of problems of housing, urban development, and mass transportation through State, county, town, village, or other local and private action, including the promotion of interstate, regional, and metropolitan cooperation;

"--to encourage the maximum contributions that may be made by vigorous private homebuilding and mortgage lending industries to housing, urban development, and the national economy;

"--and to provide for full and appropriate consideration, at the national level, of the needs and interests of the Nation's communities and of the people who live and work in them."

In emphasizing the coordinating role of DHUD, the Congress went so far as to establish in the Department a "Director of Urban Program Coordination" to "assist the Secretary in carrying out his responsibilities to the President with respect to achieving maximum coordination of the programs of the various departments and agencies of the Government which have a major impact on community development."

Since the creation of DHUD, other events have enhanced the umbrella character of that Department. The Model Cities Act, based on the concept of total community strategy, vests coordinating authority in DHUD for activities which it does not itself administer.^{*/} By the DHUD "convenor order",^{**/} the President has charged the Secretary of HUD with coordinating responsibility for urban problems. Also, the President has assigned the Secretary of DHUD responsibility for the multi-agency "Neighborhood Centers" (or "Pilot Cities") program in 14 cities.

^{*/} P.L. _____.

^{**/} E.O. _____.

DHUD's principal tool of coordination, essentially the "ribs" of the DHUD umbrella, is comprehensive planning for community development. Authorized primarily by Section 701 of the Housing Act, the plans sponsored by DHUD are a form of the "comprehensive development planning" defined as follows by Bureau of the Budget Circular A-80:

"The process of (1) assessing the needs and resources of an area; (2) formulating goals, objectives, policies, and standards to guide its long-range physical, economic, and human resource development; and (3) preparing plans and programs therefor which (a) identify alternative courses of action and the spatial and functional relationships among the activities to be carried out thereunder, (b) specify the appropriate ordering in time of such activities; (c) take into account other relevant factors affecting the achievement of the desired development of the area, and (d) provide an overall framework and guide for the preparation of functional and project development plans."

It is important to emphasize that the comprehensive planning "ribs" of the DHUD umbrella are formed not by DHUD activity alone, but by complex intergovernmental processes. Comprehensive planning is initiated and conducted by State and local governments and by various official planning organizations. DHUD's role is to stimulate, advise, assist in financing, coordinate, review, and certify. DHUD, more than any other executive department, bears the difficult responsibility of translating the President's doctrine of "creative federalism" into effective intergovernmental action.

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by people who "know the territory", is essential. And these must be people who know the whole territory -- elected officials with community-wide responsibilities, not merely officials with responsibilities for separate functional specialities, e.g., health, welfare, highways.

Eliciting this kind of local leadership and participation is not easy, because of the entrenched power of what have been called "functional autocracies" i.e., alliances between Federal, State, and local officials who share responsibility for a particular governmental function. It is the responsibility of the Secretary of DHUD to support and defend local officials with community-wide interests against those with more limited perspectives. Through his influence over the comprehensive planning process, he must assure that local elected officials, not technicians, decide what is to be done, and that the technicians concentrate on their proper role of determining how to do it. As the President's "agent of coordination" in urban development, the Secretary of DHUD must also serve as the President's "Secretary of Intergovernmental Relations."

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

B. How Should the Responsibilities be Divided

If the foregoing analysis is reasonably correct, the following questions relating to the division of responsibilities between DOT and DHUD must now be answered:

1. Are the present line responsibilities of DHUD strong enough to support its coordinating responsibilities, not strong enough, or too strong?
2. Does the DHUD coordinating assignment itself need to be strengthened? If so, would it be desirable to transfer to DHUD certain DOT responsibilities which are closely related to, and significantly influence, the comprehensive community planning process?
3. What would be the effect on DHUD's coordinating responsibilities if the urban mass transit programs were transferred to DOT?
4. To what extent will the urban mass transit program as a transportation "line" responsibility be better administered in DOT than in DHUD?
5. Will national transportation needs be more effectively served by the organizational changes being proposed?
6. Will comprehensively planned urban development be fostered by these changes?

These are critical questions that must be answered if a satisfactory completion of the studies required by Section 4(g) of the DOT Act is to be achieved. The last two state the basic objectives laid down by the Congress in Section 4(g) of the Act.

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II. IDENTIFICATION AND ORGANIZATION OF URBAN TRANSPORTATION FUNCTIONS

An urban transportation program must begin with comprehensive urban planning -- the development and adoption of broad community goals and objectives toward the achievement of which all functions in the areas concerned are planned, installed, and operated and to which all project plans must conform. Urban transportation as one essential functional system in each urban area, must be consistent with these comprehensive plans. With respect to urban transportation (as with all transportation, whether privately or publicly sponsored, by whatever level or combinations of government) the Department of Transportation identifies the following basic functions:

- comprehensive planning
- system planning
- project planning
- research and development
- capital investment
- administration and operations

Each of these functions must be carried on to assure transportation facilities and services, whether in urban areas, in regions or States or as an international activity. They must be performed whether the mode is railway, airway, or highway and whether the transportation is performed by private automobile or by public mass transit. It may be that other transportation functions will be identified when a detailed catalogue of activities presently carried on by HUD and DOT has been prepared and analyzed.

The dividing lines between comprehensive urban planning, system planning and project planning are difficult to draw. The Department believes that workable distinctions are of primary importance to the achievement of the congressional purposes for which the study has been undertaken. Indeed, the failure to distinguish and separate these functions conceptually and organizationally is more responsible for present urban transportation problems and controversies than are any failures in operating programs. These distinctions involve the major divisions of responsibility and the effectiveness of interrelationships between Federal agencies, between the Federal and local governments, and between the States and local communities, especially in metropolitan areas.

The following discussion attempts not only to identify the functions that should be performed independently but also attempts to provide coordinating links between functions, especially between comprehensive planning and the subsequent planning of transportation systems and projects.

A. Comprehensive Planning

The term comprehensive planning has sometimes meant detailed system planning for all subsystems, sometimes planning for all parts of a contiguous urban area. In this discussion comprehensive planning means formulation of basic community goals and objectives in terms of which detailed system and project planning must be done. It means decisions by local residents as to the styles of life they wish to live and consequently what kind of place they want the community to become. It means deciding on the kinds, amounts and quality of

facilities and services to be provided and the standards and constraints to be imposed thereon. It means deciding whether, when and where something is to be done.

Comprehensive planning includes land use planning and the formulation and adoption of policies to implement such plans, including decisions on the location of airports, transportation corridors, public parks, schools and hospitals, sewage systems, etc. The comprehensive planning process will entail surveys of existing land use (industry type, residential density, etc.) and also forecasts of future use, reflecting effective employment of zoning, taxing and other land use policy instruments. This planning also will require the most serious consideration of transportation problems and needs, since transportation decisions influence (often decisively) other location decisions and the overall design of the community and the realization of community goals and objectives.

Comprehensive planning of this order is not generally achieved at the present time. Many important determinants of land use are not explicitly taken into account in the planning process at the local level. Despite the creation of metropolitan planning agencies through the 701 program, comprehensive plans seldom make explicit the application of general goals and objectives in terms of positive performance standards or constraints on external effects that are to be honored in subsequent system and project planning. The facts that a major source of comprehensive planning funds is the Federal-aid highway program and that subsequent highway investment expenditures are determined by State highway commissions are also not conducive

to unbiased exercise of comprehensive planning at the community level.

The Department of Transportation believes that the comprehensive planning process should be under strictly local control and that it should be carried on by a comprehensive planning agency -- areawide, whatever the area may be. It strongly believes that this agency should not have direct responsibility for any functional programs. This principle was recognized by DHUD's predecessor agency at the Federal level when it removed the 701 planning responsibility from the Urban Renewal Administration. This principle has seldom been effectively applied at the local level. Immediate effort should be made to do so.

The Department of Transportation conceives the comprehensive planning agency as a technical body and holds in consequence that its work must be subject to the review and approval of the local citizenry acting through their elected officials. The general planning agency would, of course, be able and expected to call upon Federal and other governmental agencies for information and technical assistance and should be required to consider wider interests affected by local plans.

The Department concludes that all Federal responsibility for technical and financial assistance for the comprehensive planning function should be vested in the Department of Housing and Urban Development and that the scope of its authority should include all functions to be carried on in urban areas with Federal aid. The Department of Housing and Urban Development should provide all Federal financial and major technical assistance for comprehensive

planning to local agencies through a greatly augmented 701 planning program.

As part of this responsibility, DHUD should perform or contract for research on general planning methodology; conduct or make grants for the conduct of demonstrations relating to general planning, grant scholarships for the training of general planners; sponsor conferences and other activities to improve the skills of planners and the quality of general planning functions; seek to develop mechanisms by which communication between citizens, elected officials and planning technicians can be facilitated, including devices to carry approved plans into action; and finally should review locally approved comprehensive plans for conformity with Federal technical standards and requirements as a basis for consideration of further Federal aid in whatever functional area the comprehensive plan may call for action.

The Department of Transportation recognizes that the comprehensive planning process should make choices on the location of urban highways and public mass transit corridors, airports, terminals, parking and other ancillary transportation facilities in urban areas. It recognizes further that the comprehensive planning responsibilities in urban areas having populations of 50,000 or more should generally pass from State functional agencies or special purpose development and operating authorities to an officially designated comprehensive planning agency for the area concerned.

The Department of Transportation would provide transportation and related planning data to such local planning agencies, render technical assistance upon request and would expect that facts bearing upon the wider effects of local planning decisions be taken into account in making their decisions. DHUD would be expected to include such requirements in its technical review standards; for example, that no airport should be located in such a way that local air operations would interfere with established national and international air route patterns or with established military air space reservations or with the operations of nearby airports; no local highway corridor should be located so as to impair the effectiveness of an existing interstate highway, etc. In its technical review of general plans, DHUD would be expected to consult each functional agency on such problems. Transportation system planning, as described below, would derive from and necessarily be carried on in close coordination and cooperation with comprehensive planning.

B. System Planning

Transportation system planning refers here to the travel analysis presently conducted by or for the State highway departments and to transit plans funded by DHUD. It should begin with the land use objectives projected in the comprehensive planning process. From this base it should proceed to estimates of trip generation, trip distribution, modal choices, and assignments to the transportation network. This planning should produce an investment plan, including estimates of resource requirements and an order of investment priorities. This in turn would

constitute the base for detailed project planning discussed in the next section of this paper.

A revised Federal organization to administer financial and technical assistance for urban transportation system planning is also advised. Present system planning is funded through DHUD's 702 planning grants and by the Bureau of Public Roads through the State highway departments who may allocate up to 2% of their Federal highway trust fund allocations to research and planning. These latter funds constitute the largest share of costs of current urban transportation system planning. System planning for each urban area is conducted by a complex working arrangement involving in varying degrees local people, State planning officials, State highway department officials, and officials of the BRP and DHUD.

The dominant role of the State highway departments and the pressure upon local officials to qualify for highway capital funds as allocated by the State highway departments is not conducive to planning which reflects broad community goals nor to a thorough and imaginative examination of all modes and mixed modal possibilities. Another reason why the question of modal choice is not well address is found in the separate Federal sources of moneys for highway and mass transit planning.

Accordingly, the Department of Transportation recommends that system planning for all urban transportation be coordinated by a staff officer responsible to the Secretary of Transportation. This coordinator would administer system planning grants (for all modes) to urban areas

of over 50,000 population, consonant with the approved comprehensive plans. Transportation system planning would thus become one functional component in the further development of the comprehensive plan. A major share of the 2% funds from the Highway Trust Fund, now used in urban land use planning should appropriately be allocated to urban transportation system planning agencies by this staff officer.

The uniform and integrated review of local system plans that should precede approval of project planning can best be carried out at the Federal level by this staff coordinator. For example, alternative systems (e.g., buses on highways vs. rail transportation on private right-of-way) would be compared on their merits, both as intra-urban systems and in relation to intercity transportation.

Under present arrangements, urban highway proposals are reviewed by the Bureau of Public Roads and public bus transportation proposals are reviewed as a separate system by the Urban Mass Transit Assistance Administration. The compatibility of local projects, planned as segments of State and regional systems, with other community objectives and subsystems, is not determined until stages close to final project implementation, with widespread controversy and delay a common result.

This review is not, of course, the equivalent of making investment allocations, which would continue to be made by the modal administrators. This process would also be improved by assigning appropriate parts of the mass transit program to the respective modal administrators in DOT.

The secretarial staff coordinator for system planning will be required to work closely with DHUD's counterpart administering the comprehensive planning process. In the course of reviewing technical transportation plans, it would be expected that approval of the proposed system plan by an officially designated comprehensive planning agency, which had already received endorsement of its comprehensive plan from DHUD, would suffice. He must also coordinate closely with the research and development function in DOT, at both Secretarial and Administration levels, advancing suggestions for aiding the evaluation of research results, and assuring that technological improvements are carried promptly into system planning.

The establishment of this office in DOT should also make clear to local government officials that functional planning will be more responsive to community goals and objectives, and that allocations of Federal aid will not be biased by modal choice.

As part of his responsibilities this coordinator should sponsor research on technical planning methodology and demonstrations thereof, grant scholarships for the training of technical transportation planners, and sponsor publications and conferences as well as other activities intended to improve the skills of technical planners and the quality of technical planning in the functional area of transportation.

C. Project Planning

By project planning, the Department of Transportation means the preparation of detailed plans, designs, drawings, specifications, cost estimates, and solutions of field problems involving engineering and construction techniques for specific construction projects. With

respect to highways, for example, project plans include geometric design, route alignment within approved corridors, specifications and cost estimates; with respect to airports, project plans include the number and direction of runways, tower and hangar locations, and gates and other operating appurtenances as well as engineering specifications and cost estimates.

Locally, project plans should be prepared by the agency which is to develop and operate the facilities or services in question. Project plans should be submitted to the appropriate comprehensive planning agency in the locality for determination of conformity with comprehensive community development plans approved by DHUD. These project plans are the how of problem solving in the various broad areas of publicly sponsored activities -- transportation, education, urban renewal, recreation, etc.

Eligibility for Federal aid for all transportation projects should be determined on the basis of a uniform technical review by the Federal operating agencies providing assistance. This review should consider local preferences concerning design specifications as they are developed in the comprehensive and transportation system planning process. It should also reflect research developments as they occur, for example, in highway safety, air pollution abatement, and reductions in noise and vibration levels. Finally, provision for design changes to accommodate nontransportation goals and objectives should be separately funded.

D. Research and Development

All technical research and development on transportation facilities and equipment should be conducted by the Department of Transportation or through contracts or grants-in-aid arranged by the Department. Research and development in urban transportation technology should include new operating and pricing procedures as well as new hardware. More efficient use of existing and new urban freeways and mass transit facilities is an important research objective.

The concentration in the Department of Transportation of Federal responsibilities for research and development in the field of transportation safety, for example, confirms the intent of Congress that an integrated functional approach be followed. This would be enhanced by the inclusion of mass transit safety research in the program.

Modal research and development should be conducted by the DOT modal administrators. Buses and highways comprise a system whose components are closely related, especially where obvious highway design decisions are involved, such as reserved lanes for buses. R&D in bus systems is thus an appropriate component of the Federal Highway Administration (possibly in a Bureau of Highway Mass Transit). The rail mass transit research program should be administered by the Federal Railway Administrator in connection with his on-going research on intercity rail transportation. Intercity rail safety devices and systems are largely applicable to rail mass transit. Moreover, much of the research and development on vehicle components -- brakes, propulsion systems,

suspension systems, car design, power transmission -- confronts the same problems whether the purpose is intra- or inter-city transportation. Economy and efficiency dictate that these activities be integrated.

There is considerable evidence that the future technologies with most promise, at least for the intermediate time horizon, are mixed-mode possibilities -- "bus" uses of highway capacity, for example. The most significant problems will emerge in the process of carrying out comprehensive and system planning. It is recommended, therefore, that the secretarial staff officer for mass transit planning and coordination be made responsible for identification of urban transportation research needs, the establishment of priorities based on the urgency of those needs, the evaluation of resources allocated to research as among the modal administrations, and the establishment of liaison with DHUD concerning research requirements that emerge in the comprehensive planning process.

E. Capital Investment

Consistent with reassignment of system and project planning as well as research and development activities to DOT, all Federal financial assistance for urban transportation capital investment programs would be located in the Department. Approval of capital grants would be assigned to the modal administrators who also have responsibility for project planning. A coordination responsibility would be assigned to the staff officer coordinating urban transportation programs.

The basic problems of capital investment in urban transportation at the Federal level, however, are not primarily in the realm of organization. They arise from the nature of and differences among current statutory policies and programs. Extended study will be needed to evaluate the effects of differences in allocation formulae, cost-sharing ratios, authorizations and appropriations and other terms and conditions of capital assistance on local planning and decision-making as well as on the competitive and financial viability of urban transportation systems.

F. Administration and Operations

At the present time this is largely an empty box at the Federal level. Federal policy, both congressional and executive, is explicitly against Federal intervention in the administration and operation of local transportation services.

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III. RECOMMENDATIONS AND CONCLUSIONS

A. Recommendations

The Department of Transportation believes that the following recommendations concerning reassignment of urban transportation functions should be made to the President and the Congress:

1. Establish the Department of Housing and Urban Development as the general Federal coordinating agency for all federally assisted functions operational in urban areas.
2. Retain comprehensive community planning responsibility in the Department of Housing and Urban Development.
3. Establish the Department of Transportation as the sole Federal operating agency providing technical and financial assistance for the system and project planning, research and development, and capital financing of transportation facilities and services in urban areas.
4. Create a staff coordinator for urban mass transportation planning and coordination in DOT, to administer transportation system planning in conjunction with comprehensive planning, to coordinate transportation research and development in DOT, and to assure that the individual project evaluation by the modal administrators is consistent with system planning and is based on uniform standards.
5. Create within DHUD a research and demonstration program to evaluate the transport system as an income transfer or redistribution mechanism to the economically isolated and other economically and socially handicapped groups.
6. Provide a matching grant program in DHUD to fund the additional costs of design changes, within urban areas, such as tunnels or road covers, intended to preserve or enhance public social and aesthetic values.

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B. Conclusions

The recommendations made in Part III A above must now be tested against the questions raised in Part I B (page 9).

1. DHUD's line responsibilities. Assuming the implementation of all of these recommendations, the Department of Housing and Urban Development would still retain project approval and funding responsibilities for the following action programs:

- urban renewal
- neighborhood facilities
- rehabilitation
- low-rent public housing
- housing for the elderly and handicapped
- college housing
- open space
- water and sewer facilities
- land acquisition
- comprehensive city demonstrations (also a major coordinating responsibility)
- urban information and technical assistance
- community development training
- fellowships for city planning and urban studies
- urban research and technology
- low income housing demonstrations
- rent supplements
- mortgage credit

The powers carried by these programs easily meet the test of sufficiency for purposes of supporting the major coordinating function already vested

and now being further concentrated in DHUD by changes recommended here. Whether they are more than enough for this purpose goes beyond the concerns of Section 4(g) of the DOT Act and of this study

2. and 3. Strengthening DHUD's coordinating capability. By focusing in DHUD the technical and financial assistance for comprehensive planning and the power of approval of comprehensive community development plans, the recommended changes will greatly strengthen the Department's capability for urban program coordination, including coordination of urban transportation programs.

The removal of operating responsibility for mass transit programs from DHUD, by reducing the Secretary's span of control and enabling him to concentrate on the enhanced coordinating responsibility described above, should increase rather than decrease the effectiveness of DHUD's coordinating role.

4. Better administration of mass transit programs. Without exception, the recommendations in this paper will enhance the efficiency and effectiveness of Federal programs in aid of urban transportation. They will do this by regrouping the disparate elements of the present mass transit assistance program within related modal programs already being carried by the Department of Transportation. Thus highway-using bus transportation will be integrated with the total system of street and highway operations so that DOT's expertise in systematic analysis can be employed most effectively. At the project planning level, responsibility for highway mass transportation assistance will be located in a new Bureau of Highway Mass Transit, co-equal with the

Bureau of Public Roads, within the Federal Highway Administration. Rail transit programs likewise will benefit by integration with inter-city rail transportation activities by locating the project-planning responsibility within the Railway Administration, where expertise in rail system analysis and operation and technical research and development on non-highway surface systems is already in being.

The consolidation of staff and funding for these programs at the Federal level should eliminate wasteful duplication of activities and assure a more appropriate allocation of funds in accordance with the urgency and magnitude of problems in each program area. The Secretarial staff coordinator will assure that the impact of all modal activities on urban development is guided constructively.

5. Contribution of urban transportation programs to meeting national transportation needs. The recommended organizational changes will integrate all technical and financial aids available for urban transportation with those currently available to meet national transportation needs and will locate the responsibility in a major Federal line agency and on an appropriate modal basis. The increased coordination made possible by these changes should substantially improve the effectiveness of both systems and thus meet the first objective laid down by Congress in Section 4(g) of the DOT Act which is that urban transportation policies and programs be shaped to provide a maximum contribution toward meeting national transportation needs.

6. Contribution of urban transportation programs to the achievement of a comprehensively planned urban development plan. The subordination of transportation systems and transportation project plans for urban areas to comprehensive urban plans, the coordination and approval role assigned DHUD for comprehensive urban planning, and the coordination in DOT of technical and financial assistance for urban transportation system plans and investment proposals under a secretarial officer, should greatly increase the constructive contribution of urban transportation to the achievement of community goals and objectives. These proposals constitute a consistent and thorough effort to overcome the aggravated discontent of many urban areas with what they conceive to be the arbitrary imposition of transportation subsystems by outside authorities. The fault, in most instances, appears to lie with local communities (local people and their government) which have failed to indicate in a clear and decisive manner the community goals and objectives that should set the constraints and requirements on transportation and other subsystems. These proposals will tend to fix attention on this difficulty and should improve the local planning process insofar as Federal action can do so.

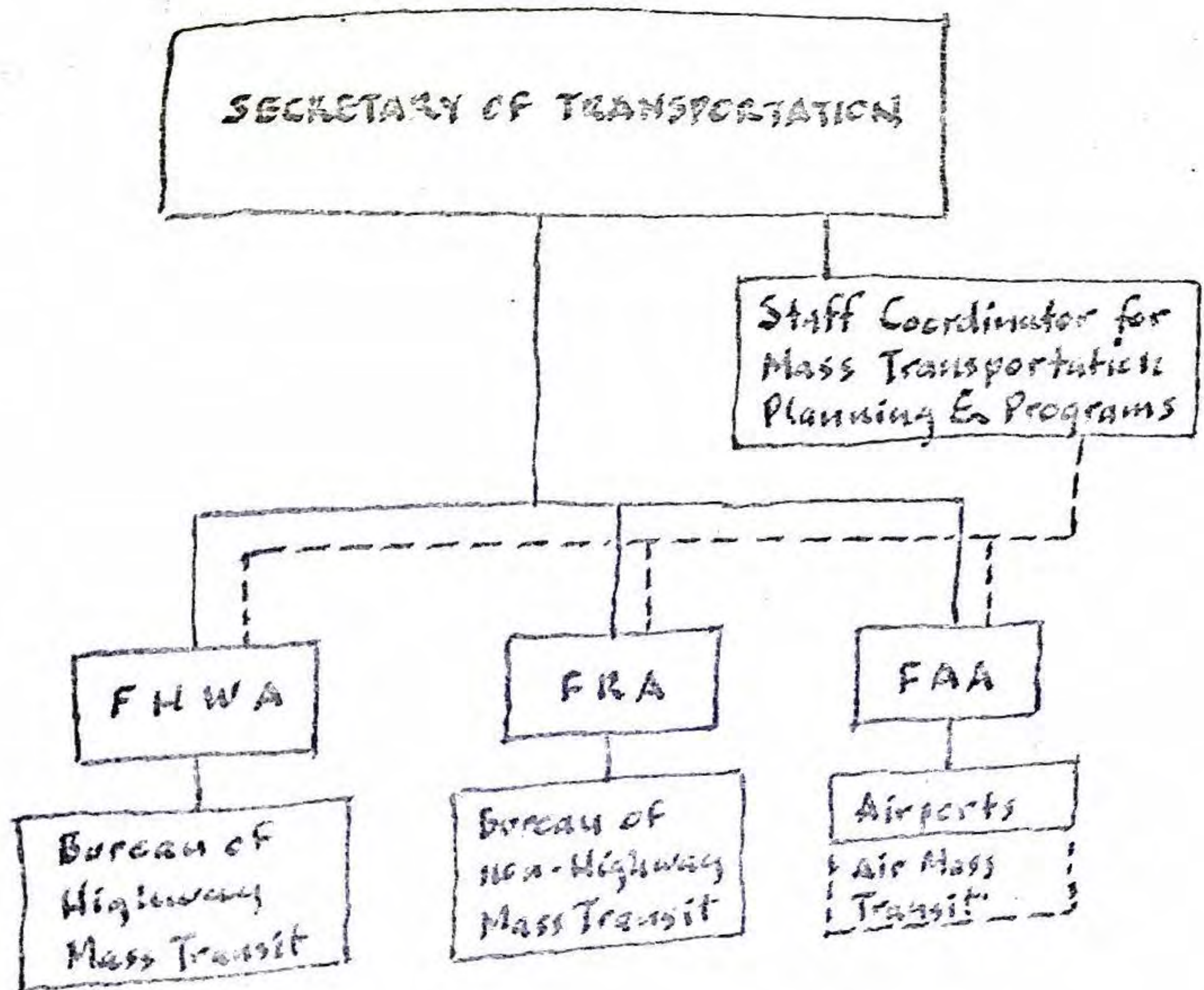
In summary, these changes, with a number of parallel changes in responsibilities and relationships at the State and local level should (a) remove vested program interests from the comprehensive planning process, (b) recognize the Department of Housing and Urban Development as the coordinating agency for all Federal programs affecting urban areas, strengthening the congressional policies expressed in the Demonstration Cities and Metropolitan Development Act of 1966, (c) consolidate

all technical and financing programs affecting transportation in the Department of Transportation with a resulting increase in efficiency and economy, and (d) further structure Federal grant-in-aid programs for transportation to foster initiative and decision-making responsibilities in local agencies directly representing the area affected by federally aided programs.

The logo for the Eno Center for Transportation. It features the word "Eno" in a large, light blue, sans-serif font. Below "Eno", the words "Center for" and "Transportation" are stacked in a smaller, white, sans-serif font, all contained within a light blue rectangular box.

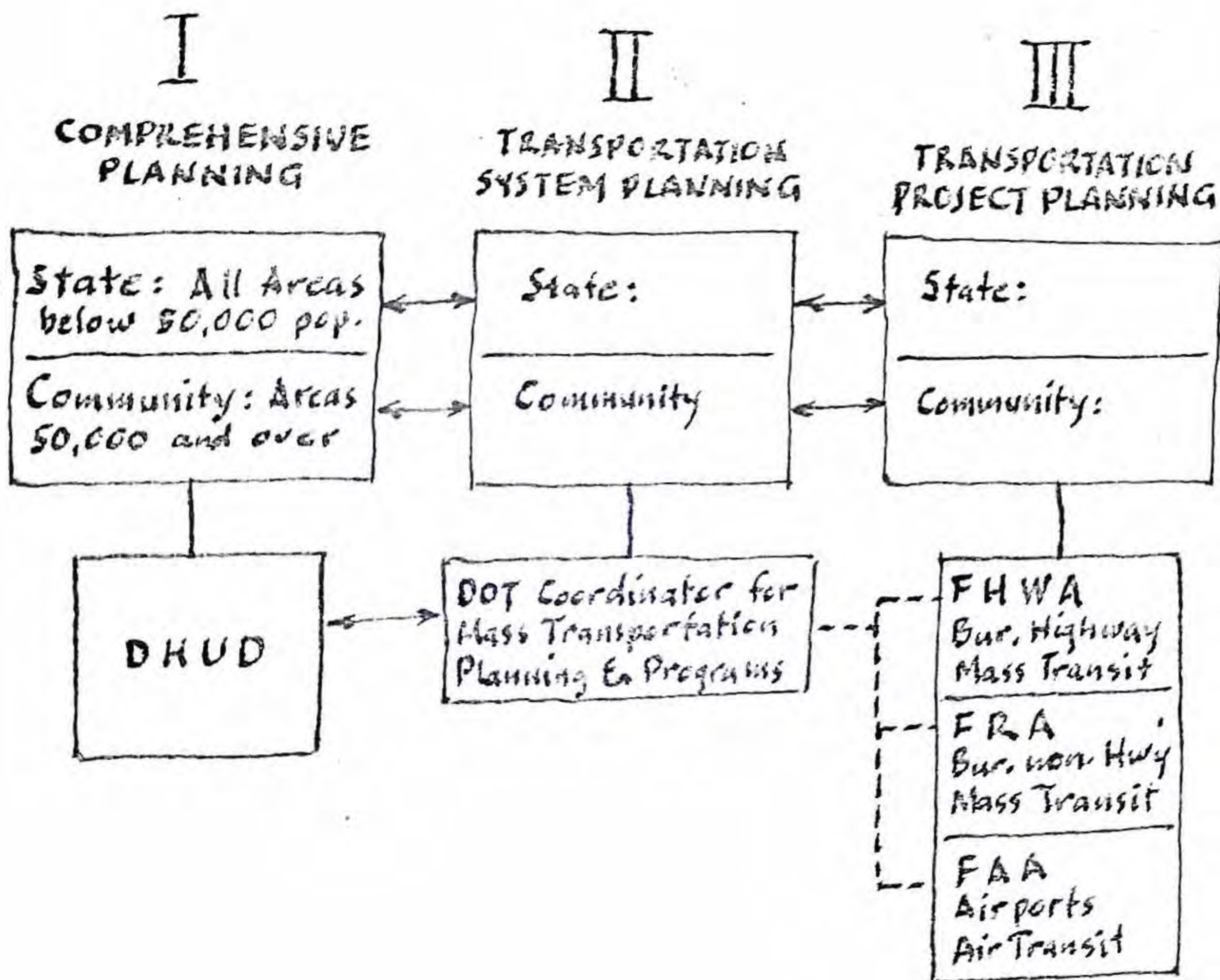
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I. Comprehensive Planning:

Formulation and adoption of goals and objectives, priorities, approximate resource requirements and sources.

- a. All subsystems
- b. Transportation - (1) Land use Planning and Policy
(Corridors, Terminals, Facility Designations)
(2) Social and economic constraints on, and standards and characteristics of service

II. System Planning:

Development of General Terms Established by I

- a. Traffic Analysis and Projections
 - 1. Trip generation as a function of land use
 - 2. Zoned interchanges
 - 3. Network inventories
 - 4. Traffic assignments
 - 5. Modal choices
- b. Investment proposals

III. Project Planning:

Development of Project Plans for Systems Established by II

- a. Engineering, Architectural, Economic and Other Detailed Plans
 - 1. Route alignment
 - 2. Station and terminal, other facility design
 - 3. Specifications
 - 4. Cost estimates

UNITED STATES GOVERNMENT

*Memorandum*DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

DATE: August 29, 1967

In reply
refer to:

SUBJECT: Position Paper, DOT/HUD Study

FROM: Special Assistant for Special Projects

TO: The Secretary

Last week I sent you and the Under Secretary information copies of a draft position paper on mass transit organization issues. The purpose was to develop a basis for discussions between you and Secretary Weaver looking to settlement by October of the mass transit organization issues confronting the two departments.

Attached is a revision of that paper which reflects the reactions and suggestions of the Task Force at its meeting on Friday, August 25th.

Principal request of the Task Force was that I remove the proposal for internal organization of the mass transit program, assuming it is transferred to DOT, in order that the paper be suitable to give to Mr. Weaver. As yet the Task Force has not discussed internal organization in any detail. Members generally indicated a desire to consider alternatives. All agreed that there are many alternative organizational solutions of which some are "stronger" than the one I proposed.

Members generally agreed that Secretary Weaver will want to be assured that the integrity of the mass transit program will not be impaired by subordination -- the fear that led to its being placed in HHFA rather than Commerce in the first place. Local interests will be even more insistent on this point.

I urge that you be prepared to give him this assurance by indicating that DOT's organization will be adjusted to give urban mass transit a prominent place.

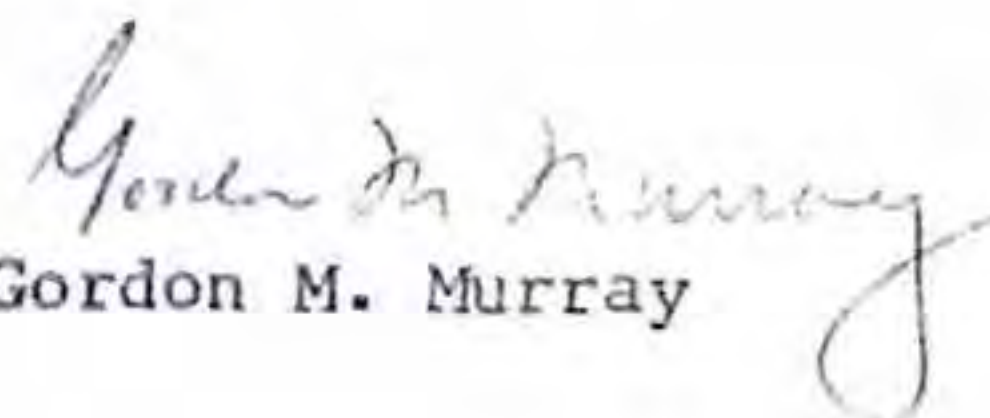
DOT is as deeply concerned with DHUD's internal organization because of the affect on transportation systems and programs. You will need assurances that a determined effort will be mounted to increase the effectiveness of comprehensive planning operations for which increased responsibility and resources would be given DHUD.

Two other suggestions were made by the Task Force: (1) that I give greater emphasis to interdepartmental coordination especially at the field level; and, (2) that the dynamic nature of the planning process be made clear. These are important questions, central to the problems that the two departments will continue to address. Admittedly, their treatment in this paper has been cryptic.

As to the first, the paper does point out this need but goes no further, since our own field coordination is in a developmental stage and, for mass transit, will depend to a considerable extent on Washington arrangements in DOT not yet agreed upon, even by staff.

As to the second, the paper notes only that the planning process should be evolving and the plans made dynamic, through continuous interchange of data and planning results as well as through input of new facts, e.g., bearing on technological innovation. This is among the policy and program issues to which I had wished to give much greater attention before recommending organization changes. In any event, I do not conceive the dynamics of planning to be of central importance for organization, either as between DOT and DHUD or within DOT.

A paper on internal organization will be forwarded within the next several days.


Gordon M. Murray

Attachments

Position paper accepted
for discussion with
Weaver _____.

Further internal
discussion _____.

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August 28, 1967

ABSTRACT -- REORGANIZATION OF URBAN TRANSPORTATION FUNCTIONS

I. Basic Requirements and Principles

This paper comments on the requirements in Section 4(g) of the Department of Transportation Act, requiring the Secretaries of DHUD and DOT to study and report on (a) how urban transportation systems can most effectively serve both national transportation needs and planned development of urban areas, and (b) organization and location of urban mass transit functions in the executive branch.

DOT and DHUD are different kinds of departments, organized according to different major purposes. DOT is a typical line department with certain operating authorities and the responsibility for their coordination; DHUD is primarily an umbrella department with broad responsibilities for coordination and cooperation among Federal, State, local and private agencies.

II. Urban Transportation Functions

An urban transportation program must begin with (1) comprehensive urban planning and proceed through (2) system and (3) project planning, (4) research and development, (5) capital investment, and (6) administration and operations.

DHUD, as the President's "agent of coordination" in urban development, is the Federal agency most concerned with comprehensive planning but elements of DOT are deeply concerned as well, particularly the Highway and Railroad Administrations, with responsibilities for transportation systems and projects which must be coordinated with comprehensive development plans.

Clear lines of distinction must be drawn between comprehensive urban planning, system planning and project planning if we are to achieve the congressional purpose for which the study was organized.

III. Recommendations

The Department of Transportation recommends, therefore, that:

1. Greater emphasis be given the role of DHUD as the general Federal coordinating agency for all federally assisted functions operational in urban areas.

2. DHUD's comprehensive community planning responsibilities be strengthened.

3. All Federal responsibilities for transportation system and project planning, research and development and capital financing of urban transportation facilities and services be located in DOT.

These recommendations would require the transfer of the urban mass transportation program from DHUD to DOT with major consequent organizational changes in DOT.

August 28, 1967

REORGANIZATION OF URBAN TRANSPORTATION FUNCTIONS

I. BASIC STUDY REQUIREMENTS AND PRINCIPLES

Section 4(g) of the Department of Transportation Act requires the Secretary of Housing and Urban Development and the Secretary of Transportation to study and make recommendations within one year on (a) how Federal policies and programs can assure that urban transportation systems most effectively serve both national transportation needs and the comprehensively planned development of urban areas, and (b) the logical and efficient organization and location of urban mass transportation functions in the executive branch.

In the light of the legislative history of Section 4(g), it is clear that the Congress places great importance on the resolution of issues relating to the location of urban mass transportation functions in the executive branch. The Department of Transportation concurs in this view and notes that the law speaks in terms of functions rather than in terms of existing programs or agency units.

The Department believes that the efficient and logical organization of urban mass transportation functions in the Federal Government can best be determined by reference to (a) general principles of Federal organization, (b) the relationship of transportation functions being carried on in urban areas to other urban functions, whether or not federally assisted, and (c) the efficiency and effectiveness of transactions between the Federal and other levels of government undertaken to carry out these functions.

The executive branch of the Federal Government is organized on a broad activity or functional basis and the Congress clearly reaffirmed this principle in establishing the Department of Transportation.

With respect to related functions, Section 4(g) of the Act explicitly states that urban transportation policies and programs are to be shaped to assure an effective contribution to "national transportation needs." The relationship is reciprocal: Transportation in the Nation as a whole, in major regions and between cities cannot be carried on effectively without heavy reliance on local urban transportation facilities; the effectiveness of urban transportation depends on the joint use of both inter- and intra-urban facilities.

Section 4(g) also requires that urban transportation policies and programs be shaped to contribute to comprehensively planned urban development. The successful development and redevelopment of urban areas will continue to depend in large part upon the efficient, coordinated flow of people and goods within and between our cities. They depend also on the successful performance of the functions vested in the Department of Housing and Urban Development and on other functions widely dispersed in the Federal Government. A major problem of coordination must be dealt with.

With respect to the relationships between the Federal and other levels of government, the law provides no explicit guidance, but at least one principle appears to be applicable, namely that (a) maximum initiative in choosing social goals and objectives, and (b) maximum powers of decision-making in planning and carrying out programs to

implement these goals and objectives should be reserved to the citizens of the areas affected.

Four alternative bases for organization have been recognized by American public administration experts:

- | | |
|------------------|--------------|
| -- major purpose | -- clientele |
| -- work process | -- territory |

None of these has been defended as a "philosopher's stone", but general preference has been for organization by major purpose. This basic criterion, it is held, will assure unity of action and provide "a more completely rounded consideration of all aspects of a given problem or congeries of problems than is likely under any other form of organization." This same preference is found in all the landmark reports on government organization -- from President Roosevelt's Committee on Administrative Management (1937) through the two Hoover Commissions and President Johnson's Task Force on Government Organization in 1964.

Academic critics of the classical theory of public administration say that it lacks empirical evidence to support its generalizations, unrealistically separates political from administrative issues, and ignores the problems of human relations in administration. Nothing better illustrates the deficiencies of the classical theory of public organization than the practical problem of where to locate urban transportation programs. For that problem the dictum "organize by major purpose" is, at best, meaningless. At worst, it will produce only unproductive debate on a question that cannot be persuasively answered without much more

study: Is urban transportation more urban or more transportation?

The Two Departments

Both the Department of Transportation and the Department of Housing and Urban Development are organized according to major purpose, but their respective major purposes -- more effective, safer, and economical transportation; and sound development of communities and metropolitan areas -- overlap and, therefore, potentially conflict. Conflict between the concepts of the two departments can be resolved, however, and day-to-day operational conflicts substantially reduced, if the principle of departmentalizing by major purpose is redefined.

DHUD and DOT are not merely different departments with different purposes; they are different kinds of departments with different kinds of purposes.

The Department of Transportation

The concept of DOT is easily explained: DOT is a conventional "line" department with certain operating authorities and the responsibility for their coordination.

The Department of Housing and Urban Development

The administrative objective of improving the coordination of related activities is the same, but the means adopted to achieve that objective are quite different. If "major purpose" is defined as an ultimate social purpose, DHUD has a major purpose that is far too broad to encompass in a line department. In Section 2 of the DHUD Act (P.L. 89-174), the Congress declares:

"that the general welfare and security of the Nation and the health and living standards of our people require, as a matter of national purpose, sound development of the Nation's communities and metropolitan areas in which the vast majority of its people live and work."

A line department built around that purpose would become virtually a Department of Domestic Affairs. In order to avoid such a monster, a different kind of department, which can be called an "umbrella department", was created. The "canopy" of an umbrella department is coordinating responsibility for a broad area of governmental activities in furtherance of some social purpose like urban redevelopment. The "pole" of the umbrella is line responsibility (technical assistance, research, project review, capital funding) for part of the area to be coordinated -- enough operating authority to provide a firm base, not so much as to interfere with coordination or other agencies line responsibilities.

The primacy of DHUD's coordinating responsibility is indicated by recent Congressional and Presidential action. In order to carry out the national purpose of "sound development of the Nation's communities and metropolitan areas . . ." the Congress found, in the DHUD act that "establishment of an executive department is desirable" for five reasons:

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"--to achieve the best administration of the principal programs of the Federal Government which provide assistance for housing and the development of the Nation's communities;

"--to assist the President in achieving maximum coordination of the various Federal activities which have a major effect upon urban community, suburban, or metropolitan development;

"--to encourage the solution of problems of housing, urban development, and mass transportation through State, county, town, village, or other local and private action, including the promotion of interstate, regional, and metropolitan cooperation;

"--to encourage the maximum contributions that may be made by vigorous private homebuilding and mortgage lending industries to housing, urban development, and the national economy;

"--and to provide for full and appropriate consideration, at the national level, of the needs and interests of the Nation's communities and of the people who live and work in them."

Only the first of these reasons refers primarily to line activities. The remainder are concerned with DHUD's broad responsibilities for coordination and cooperation among Federal, State, local and private agencies.

In emphasizing the coordinating role of DHUD, the Congress went so far as to establish in the Department a "Director of Urban Program Coordination" to "assist the Secretary in carrying out his responsibilities to the President with respect to achieving maximum coordination of the programs of the various departments and agencies of the Government which have a major impact on community development."

Since the creation of DHUD, other events have enhanced the umbrella

character of that Department. The Model Cities Act,^{1/} vested extensive coordinating authority in DHUD for activities which it does not itself administer and through the DHUD "convenor order",^{2/} the President has explicitly reasserted the Secretary's coordinating responsibility for urban programs. Also, the President has assigned the Secretary of DHUD responsibility for the multi-agency "Neighborhood Centers" (or "Pilot Cities") program in 14 cities.

DHUD's principal tool of coordination, essentially the "ribs of the DHUD umbrella, is comprehensive planning for community development. Authorized primarily by Section 701 of the Housing Act, the plans sponsored by DHUD are a form of the "comprehensive development planning" defined by Bureau of the Budget Circular A-80 as follows:

"The process of (1) assessing the needs and resources of an area; (2) formulating goals, objectives, policies, and standards to guide its long-range physical, economic, and human resource development; and (3) preparing plans and programs therefor which (a) identify alternative courses of action and the spatial and functional relationships among the activities to be carried out thereunder, (b) specify the appropriate ordering in time of such activities; (c) take into account other relevant factors affecting the achievement of the desired development of the area, and (d) provide an overall framework and guide for the preparation of functional and project development plans."

It is important to emphasize that the comprehensive planning "ribs" of the DHUD umbrella are formed not by DHUD activity alone, but by complex intergovernmental processes. Comprehensive planning is initiated and conducted by State and local governments and by various official planning organizations. DHUD's role is to stimulate, advise,

^{1/} P.L. 89-754

^{2/} E.O. 11297, August 11, 1966

assist in financing, coordinate, review, and certify.

In order to formulate and carry out a total, multifunctional, community strategy, active participation and leadership by people who "know the territory", is essential. And these must be people who know the whole territory -- elected officials with communitywide responsibilities, not merely officials with responsibilities for separate functional specialities, e.g., health, welfare, highways.

Eliciting this kind of local leadership and participation is not easy, because of the entrenched power of what have been called "functional autocracies" i.e., alliances between Federal, State, and local officials who share responsibility for particular governmental functions. It is the responsibility of the Secretary of DHUD to support and defend local officials with communitywide interests against those with more limited perspectives. Through his influence over the comprehensive planning process, he must assure that local elected officials, not technicians, decide what is to be done, and that the technicians concentrate on their proper role of determining how to do it. Thus the Secretary of DHUD, more than any other executive department head, bears the difficult responsibility of translating the President's doctrine of "creative federalism" into effective intergovernmental action. As the President's "agent of coordination" in urban development, he must also serve as the President's "Secretary of Intergovernmental Relations."

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B. How Should the Responsibilities be Divided

If the foregoing analysis is reasonably correct, the following questions relating to the division of responsibilities between DOT and DHUD must now be answered:

1. Are the present line responsibilities of DHUD strong enough to support its coordinating responsibilities, not strong enough, or too strong?
2. Does the DHUD coordinating assignment itself need to be strengthened? If so, would it be desirable to transfer to DHUD certain DOT responsibilities which significantly influence the comprehensive planning process?
3. What would be the effect on DHUD's coordinating responsibilities if the urban mass transit programs were transferred to DOT?
4. Would the urban mass transit program as a transportation "line" responsibility be better administered in DOT than in DHUD? What sort of administrative reorganization would be required?
5. Would national transportation needs be more effectively served by the organizational changes being proposed?
6. Would comprehensively planned urban development be fostered by these changes?

The last two questions state the basic objectives laid down by the Congress in Section 4(g) of the DOT Act and must be answered if a satisfactory completion of the studies required by Section 4(g) of the DOT Act is to be achieved.

II. IDENTIFICATION AND ORGANIZATION OF URBAN TRANSPORTATION FUNCTIONS

An urban transportation program must begin with comprehensive urban planning -- the development and adoption of broad community goals and objectives toward the achievement of which all functions in the areas concerned are planned, installed, and operated and to which all project plans must conform. Urban transportation as one essential functional system in each urban area, must be consistent with these comprehensive plans. With respect to urban transportation (as with all transportation, whether privately or publicly sponsored, by whatever level or combinations of government) the Department of Transportation identifies the following basic functions:

- comprehensive planning
- system planning
- project planning
- research and development
- capital investment
- administration and operations

Each of these functions must be carried on to assure satisfactory transportation facilities and services, whether in urban areas, in regions or States or as an international activity. They must be performed whether the mode is railway, airway, or highway and whether the transportation is performed by private automobile or by public mass transit. It may be that other transportation functions will be identified when a detailed catalogue of activities presently carried on by DHUD and DOT has been prepared and analyzed.

As with any process whose functions are interdependent, the dividing lines between functions such as comprehensive urban planning, system planning and project planning are difficult to draw. The Department believes, nevertheless, that workable distinctions are of primary importance to the achievement of the congressional purposes for which the study has been undertaken. Indeed, the chronic failure to distinguish and separate these functions conceptually and organizationally is responsible for many present urban transportation problems and controversies. Upon these crucial distinctions must depend: (a) the major divisions of responsibility and the interrelationships between Federal agencies, between the Federal and local governments, and between the States and local communities, especially in metropolitan areas, and (b) the effectiveness with which each responsibility is carried out.

No matter how Federal programs of assistance to urban mass transit are reorganized they must be (a) clearly identified and treated at a very high level in the executive branch, (b) coordinated on an extensive and continuing basis internally and with other programs to assist urban development, and (c) administered consistently at both Washington and field levels of the Federal organization.

The following discussion attempts not only to identify the functions that should be performed independently but also attempts to explain the vital links between functions, especially between comprehensive planning and the subsequent planning of transportation systems and projects. It must be understood that extensive and continuing interchange of information and cooperation are essential.

A. Comprehensive Planning

The term comprehensive planning has sometimes meant detailed system planning for all subsystems, sometimes planning for all parts of a contiguous urban area. In this discussion comprehensive planning means formulation of basic community goals, objectives and policies in terms of which detailed system and project planning must be done. This is consistent with the definition of comprehensive development planning in Bureau of the Budget Circular A-80. It means decisions by local residents as to the styles of life they wish to live and consequently what kind of place they want their community to become. It means deciding on the kinds, amounts and quality of facilities and services to be provided and the standards, scheduling, and constraints to be imposed thereon. It means deciding whether, when, where and how much of something is to be done but not how.

Comprehensive planning includes land use planning and the formulation and adoption of policies to implement such plans, including decisions on the location of airports, transportation corridors, public parks, schools and hospitals, sewage systems, etc. The comprehensive planning process will entail surveys of existing land use (industry type, residential density, etc.) and also forecasts of future use, reflecting effective employment of zoning, taxing and other land use policy instruments. This planning also will require the most serious consideration of transportation problems and needs, since transportation decisions influence (often decisively) other location decisions, the overall design of the community, and the realization of community

goals and objectives.

Comprehensive plans must reflect evaluation of alternatives -- including alternative transportation networks and service levels. Similarly, comprehensive plans must involve consideration of available resources and priorities in their application. Continuing interaction between comprehensive planning and system planning is, therefore, essential.

Comprehensive planning of this order is not commonly achieved at the present time. Many important determinants of land use are not taken into account explicitly in the planning process at the local level. Despite the creation of metropolitan planning agencies through the 701 program, comprehensive plans seldom make explicit the application of general goals and objectives in terms of positive performance standards or constraints on external effects that are to be honored in subsequent system and project planning. The facts that a major source of comprehensive planning funds is the Federal-aid highway program and that subsequent highway investment expenditures are determined by State highway commissions are also not conducive to unbiased exercise of comprehensive planning at the community level. Until adequate funding is provided through the 701 program, however, intolerable delays and in some cases suspension of comprehensive planning would occur without the continuation of present aid from the Highway Trust Fund.

The Department believes that the comprehensive planning process should be under local control and that it should be carried on by a comprehensive planning agency -- areawide, whatever the area may be.

It believes that this planning agency should not have direct responsibility for any functional programs. This principle was recognized by DHUD's predecessor agency at the Federal level when it removed the 701 planning responsibility from the Urban Renewal Administration.

The Department conceives the comprehensive planning agency as a technical body and holds in consequence that its work must be controlled by elected officials and be subject to the review and approval of the local citizenry to whom these officials are responsible. The comprehensive planning agency would be expected to call upon Federal and other governmental agencies for information and technical assistance and should be required to consider regional and national transportation needs and objectives affected by local plans.

The Department concludes that primary Federal responsibility for technical and financial assistance for the comprehensive planning function should be vested in the Department of Housing and Urban Development. A greatly augmented 701 planning program will be essential to achieve this objective.

As part of its responsibility, DHUD should perform or contract for research on planning methodology, including efforts to identify the relationships between the urban environment and transportation activities; conduct or make grants for the conduct of demonstrations relating to comprehensive planning objectives; grant scholarships for

the training of planners; sponsor conferences and other activities to improve the skills of planners and the quality of planning functions; seek to develop mechanisms by which communication between citizens, elected officials and planning technicians can be facilitated, including devices to carry approved plans into action; and, finally, should review locally approved comprehensive plans for conformity with Federal technical standards and requirements, originating in the various Federal agencies, as a basis for consideration of further Federal aid in whatever functional area the comprehensive plan may call for action.

The Department recognizes that in the comprehensive planning process local people, acting through elected officials, should make the basic choices on location of urban highways and public mass transit corridors, airports, terminals, parking and other ancillary transportation facilities in urban areas, consistent with regional and national transportation plans and goals. It recognizes further that the comprehensive planning responsibilities in urban areas having populations of 50,000 or more should generally pass from State functional agencies or special purpose development and operating authorities to an officially designated comprehensive planning agency for the area concerned.

The Department of Transportation would provide transportation and related planning data to such local planning agencies, render technical assistance upon request and would expect that in making their decisions they would take into account facts bearing upon the

wider effects of local planning decisions. DHUD would be expected to include such requirements in its planning standards and make them part of the basis for review and approval of comprehensive development plans. For example, no airport should be located in such a way that local air operations would interfere with established national and international air route patterns or with established military air space reservations or with the operations of nearby airports. Similarly, no local highway corridor should be located so as to impair the effectiveness of an existing interstate highway. In its technical review of comprehensive plans, DHUD would be expected to consult each functional agency on such problems.

Transportation system planning would derive from and necessarily be carried on in close coordination with comprehensive planning to establish a dynamic continuing process.

B. System Planning

Transportation system planning for a given area would follow upon establishment of an approved comprehensive plan and would be related directly to statewide and interregional transportation plans and policies. It would resemble the travel analysis and planning now being generally conducted by or for State highway departments, but would be grounded on broad social goals and policies.

Beginning with basic land use data developed in the comprehensive planning process, it would estimate future trips and modal choices and

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estimate travel demand for each part of the transportation network. It would hypothecate and test alternative networks, alternative levels of service quality and prices, and alternative mode mixes. It would incorporate research and development progress and thus be closely related to research and development work being carried on by DOT. It would produce data on the costs, benefits and impact of transportation alternatives and permit choice of a specific development program, including investment plans.

The findings and conclusions of system planning would be available to the comprehensive planning agency as further input in its continuing evaluation and updating of comprehensive plans. The data on the approved transportation system plan would constitute the base for detailed project planning discussed in the next section of this paper.

A revised Federal organization to administer financial and technical assistance for urban transportation system planning is advised. Present system planning is funded through DHUD's 701 planning grants and by the Bureau of Public Roads through the State highway departments who may allocate up to $1\frac{1}{2}\%$ of their Federal highway trust fund allocations, plus $\frac{1}{2}\%$ of their primary and secondary road allocations to research and planning. System planning for each urban area is conducted by a complex working arrangement involving in varying degrees local officials, State planning officials, State highway department officials, and officials of BPR and DHUD.

The dominant role of the State highway departments and the pressure upon local officials to qualify for highway capital funds as allocated by the State highway departments is not necessarily conducive to planning which reflects broad community goals nor to a thorough and imaginative examination of all modes and mixed modal possibilities. Another reason why the question of modal choice is not well addressed is that there are separate Federal sources of moneys with different matching ratios for highway and mass transit planning.

Under present arrangements, urban highway proposals are reviewed by the Bureau of Public Roads and public bus transportation proposals are reviewed as a separate system by the Urban Mass Transit Assistance Administration. The compatibility of local projects, planned as segments of State and regional systems, with other community objectives and subsystems, is not determined until stages close to final project implementation, with controversy and delay a not uncommon result.

Accordingly, the Department of Transportation recommends that system planning for all urban transportation be coordinated under close surveillance of the Secretary. At this level system planning grants (for all modes) to urban areas of over 50,000 population would be administered. A major share of the highway planning funds from the Highway Trust Fund, now used in urban land use planning would be allocated directly to urban transportation system planning agencies.

The uniform and integrated review of transportation system plans would precede approval of project plans. For example, alternative systems (e.g., buses on highways vs. rail transportation on private right-of-way) would be compared on their merits, both as intra-urban systems and in relation to intercity transportation. Transportation system planning would thus become one functional component in the further development of the comprehensive plan.

In coordinating system planning assistance and review, the Department would work closely with DHUD's counterpart administering the comprehensive planning process. Transportation system plans found to be in accord with comprehensive plans by an officially designated comprehensive planning agency would be reviewed by DOT. Other interested Federal agencies would be consulted. The research and development function in DOT, at both Secretarial and Administration levels, would be administered to assure that technological improvements are carried promptly into system planning.

C. Project Planning

By project planning, the Department of Transportation means the preparation of detailed plans, designs, drawings, specifications, cost estimates, and solutions of field problems involving engineering and construction techniques for specific construction projects. With respect to highways, for example, project plans include geometric design, route alignment within approved corridors, specifications and cost estimates; with respect to airports, project plans include

the number and direction of runways, tower and hangar locations, and gates and other operating appurtenances as well as engineering specifications and cost estimates.

Locally, project plans should be prepared by the agency which is to develop and operate the facilities or services in question. Before transmittal to the Federal program agency, they should be submitted to appropriate local planning agencies for determination of conformity with community development plans. Plans involving projects that extend beyond the local jurisdiction would also be submitted to regional or State planning agencies for review. These project plans are the how of problem solving in the various broad areas of publicly sponsored activities -- transportation, education, urban renewal, recreation, etc.

Eligibility for Federal aid for all transportation projects should be determined on the basis of a uniform technical review by the Federal operating agencies providing assistance. This review should consider local preferences concerning design specifications as they are developed in the comprehensive and transportation system planning process. It should also reflect research developments as they occur, for example, in highway safety, air pollution abatement, and reductions in noise and vibration levels.

D. Research and Development

All technical research and development on civilian transportation facilities and equipment should be conducted by the Department of Transportation or through contracts or grants-in-aid arranged by the Department.

Research and development in urban transportation should include the social and economic aspects of transportation as well as transportation technology. More efficient use of existing and new urban freeways and mass transit facilities is an important research objective.

The concentration in the Department of Transportation of Federal responsibilities for research and development in the field of transportation safety, for example, confirms the intent of Congress that an integrated functional approach be followed. This would be enhanced by the inclusion of mass transit safety research in the program.

Modal research and development must also be coordinated within DOT. Bus and highway systems are closely related, especially where obvious highway design decisions are involved, such as reserved lanes for buses. Similarly, rail mass transit research should be coordinated with the on-going research on intercity rail transportation. Intercity rail safety devices and systems are largely applicable to intra-urban rail mass transit. Moreover, much of the research and development on vehicle components -- brakes, propulsion systems, suspension systems, car design, power transmission -- confronts the same problems whether the purpose is intra- or inter-city transportation. Economy and efficiency dictate that these activities be integrated.

There is considerable evidence that the future technologies with most promise, at least for the intermediate time horizon, are mixed-mode possibilities -- "bus" uses of highway capacity, for example. The most significant problems will emerge in the process of carrying out comprehensive and system planning.

E. Capital Investment

Consistent with inclusion of all system and project planning, as well as research and development activities in DOT, all Federal financial assistance for urban transportation capital investment programs would be located in the Department.

The basic problems of capital investment in urban transportation at the Federal level, however, are not primarily in the realm of organization. They arise from the nature of and differences among current statutory policies and programs. Extended study will be needed to evaluate the effects of differences in allocation formulae, cost-sharing ratios, authorizations and appropriations and other terms and conditions of capital assistance on local planning and decision-making as well as on the competitive and financial viability of urban transportation systems.

F. Administration and Operations

At the present time this is largely an empty box at the Federal level. Federal policy, both congressional and executive, is explicitly against Federal intervention in the administration and operation of local transportation services. As highway traffic management becomes more complex and to meet the existing operational complexities of public mass transit, the Federal Government may find it necessary to engage in operations research and management training activities. The statutory authority for transportation research is broad enough to do this and to permit federally sponsored evaluation of the administrative and service practices of local systems.

III. RECOMMENDATIONS

The Department of Transportation believes that the following recommendations concerning reassignment of urban transportation functions should be made to the President and the Congress:

1. Give further emphasis to the role of the Department of Housing and Urban Development as the general Federal coordinating agency for all federally assisted functions operational in urban areas.
2. Strengthen the responsibility of the Department of Housing and Urban Development for Federal assistance for comprehensive community planning.
3. Recognize the Department of Transportation as the sole Federal agency providing technical and financial assistance for the system and project planning, research and development, and capital financing of transportation facilities and services in urban areas.

These recommendations must now be tested against the questions raised in Part I.

1. DHUD's line responsibilities. Assuming the implementation of all of these recommendations, the Department of Housing and Urban development would still retain project approval and funding responsibilities for the following action programs:

- urban renewal
- neighborhood facilities
- rehabilitation
- low-rent public housing
- housing for the elderly and handicapped
- college housing
- open space
- water and sewer facilities

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- land acquisition
- comprehensive city demonstrations
- urban information and technical assistance
- community development training
- fellowships for city planning and urban studies
- urban research and technology
- low income housing demonstrations
- rent supplements
- mortgage credit

The powers carried by these programs easily meet the test of sufficiency for purposes of supporting the major coordinating function already vested and now being further concentrated in DHUD by changes recommended here. Whether they are more than enough for this purpose goes beyond the concerns of Section 4(g) of the DOT Act and of this study.

2 and 3. Strengthening DHUD's coordinating capability. By concentrating in DHUD technical and financial assistance for comprehensive planning, the recommended changes will strengthen the Department's capability for urban program coordination, including coordination of urban transportation programs.

The removal of operating responsibility for mass transit programs from DHUD, by reducing the Secretary's span of control and enabling him to concentrate on the enhanced coordinating responsibility described above, should increase rather than decrease the effectiveness of DHUD's coordinating role.

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4. Better administration of mass transit programs. Assuming constructive local response, the recommendations in this paper will enhance the efficiency and effectiveness of Federal programs in aid of urban transportation. They will do this by regrouping the disparate elements of the present mass transit assistance program on a system basis. In this way DOT's expertise in systematic analysis of transportation problems can be employed most effectively. Rail transit programs likewise will benefit by integration with intercity rail transportation activities.

The consolidation of staff and funding for these programs at the Federal level should prevent wasteful duplication of activities and assure a more appropriate allocation of funds in accordance with the urgency and magnitude of problems in each program area.

The establishment of a coordinating function at a high administrative level in DOT should also make clear to local government officials that functional planning will be responsive to community goals and objectives, and that allocations of Federal aid will not be biased by modal programs since Federal aid in all modes will be controlled by one Federal department.

5. Contribution of urban transportation programs to meeting national transportation needs. The recommended organizational changes will integrate all technical and financial aids available for urban transportation with those currently available to meet national transportation needs and will locate the responsibility in a major Federal line agency and on an appropriate modal basis. The improved coordination made possible by these changes should substantially increase the effectiveness of both systems and thus meet the first objective laid

down by Congress in Section 4(g) of the DOT Act which is that urban transportation policies and programs be shaped to provide a maximum contribution toward meeting national transportation needs.

6. Contribution of urban transportation programs to achievement of comprehensively planned urban development. Assurance of the consistency of urban transportation system and project plans with comprehensive development plans, the coordination and approval role assigned DHUD for comprehensive urban planning, and the coordination in DOT of technical and financial assistance for urban transportation system plans and investment proposals should greatly increase the constructive contribution of urban transportation to the achievement of community goals and objectives.

These proposals constitute a consistent and thorough effort to overcome the aggravated discontent of many urban areas with what they conceive to be the arbitrary imposition of transportation subsystems by outside authorities. These proposals will tend to fix attention on this difficulty and should improve the local planning process insofar as Federal action can do so.

In summary, these changes, with a number of parallel changes in responsibilities and relationships at the State and local level should

- (a) remove vested program interests from the comprehensive planning process,
- (b) recognize the Department of Housing and Urban Development as the coordinating agency for all Federal programs affecting urban areas, strengthening the congressional policies expressed in the Demonstration Cities and Metropolitan Development Act of 1966, (c) consolidate all technical and

financing programs affecting transportation in the Department of Transportation with a resulting increase in efficiency and economy, and (d) further structure Federal grant-in-aid programs for transportation to foster initiative and decision-making responsibilities in local agencies directly representing the area affected by federally aided programs.

The logo for the Eno Center for Transportation. It features the word "Eno" in a large, light blue, sans-serif font. Below "Eno", the words "Center for" and "Transportation" are stacked in a smaller, white, sans-serif font, all contained within a light blue rectangular box.

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UNITED STATES GOVERNMENT

DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

Memorandum

DATE: August 31, 1967

SUBJECT: DOT/HUD Study: Internal DOT Organization

In reply
refer to:

FROM : Special Assistant for Special Projects

TO : The Secretary

Background

The position paper sent you on August 29 attempted to develop a quid pro quo for DHUD in the form of a strengthened role in comprehensive development planning that would to some extent compensate for the transfer of urban mass transit aid programs from DHUD to DOT. For the same reason, it emphasized our intent to assure (a) continuous exchange of information, and (b) program coordination between the urban development and urban transportation activities of the Federal Government.

Mr. Weaver will probably maintain, at least for tactical reasons, that our disposition of the mass transit program in DOT is as important to him as whatever DHUD gets out of the deal. The cities and counties, their Washington organizations, and their friends in Congress will certainly take this position, and they will resist any proposals that are not accompanied by assurance of at least the same independence and prominence for mass transit in DOT as it has now in DHUD. This attitude springs not simply from what some cities conceive to be their neglect, and even abuse, at the hands of the Federal-State highway program, but perhaps even more from the contest between the cities and the States over direct access to Federal funds. The distinctions made in the August 29 paper between comprehensive planning, system planning and project planning imply this contest, but avoid making explicit reference to it.

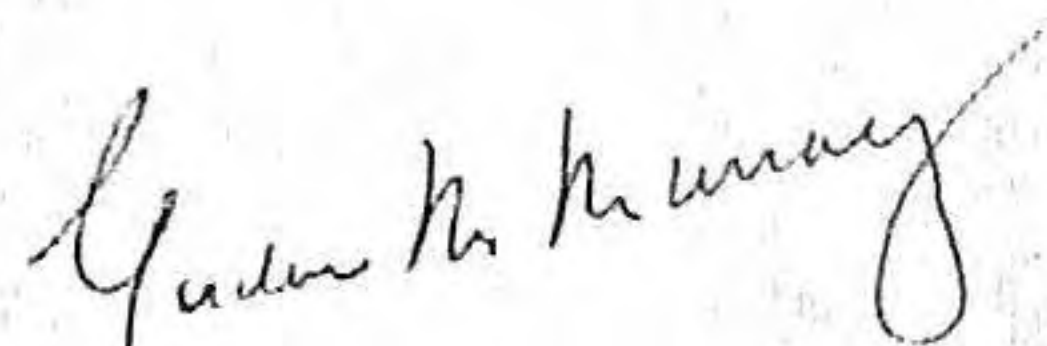
This points to what, in my view, are the most fundamental organizational issues -- those at the State and local level. They constitute a Pandora's box of problems which will not be affected greatly by Federal reorganization, but might be substantially affected by Federal policy and program changes (i.e., substantive changes in Federal law) which set the terms and conditions of Federal aid. These are apparently not to be covered by the decisions and proposals to be agreed upon in October.

In summary, organizational issues are to be found at all three levels of government -- Federal, State and local. The August 29 paper deals with Federal interdepartmental issues; the attached notes deal with intra-departmental issues in DOT. Intradepartmental issues in DHUD and State/local issues must presumably be dealt with by others.

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Recommendation

Included in the attached notes are some possible alternative forms of internal organization. I recommend that you assign the responsibility for exploring these and other alternatives to Alan Dean with instructions to prepare two or more alternatives in detail for your decision. I should like to collaborate with Mr. Dean in this effort. If you approve this course, I shall discuss it with Mr. Dean immediately upon his return on September 4th.



Gordon M. Murray

Approved

ASB - but not limited to
September 5, 1967

Discuss

you & Alan Dean

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NOTES ON DOT REORGANIZATION TO ASSIMILATE URBAN MASS TRANSIT PROGRAMS

A. Some objectives of internal DOT organization

Among the things to be considered in DOT internal organization are:

1. Efficient use of Federal financial and technical assistance.
2. Policy dominance for the Secretary in Federal urban transportation activities.
3. Respect for the DOT principle of organization by modes.
4. Effective program coordination in Washington and in the field.
5. Local initiative and decision-making.
6. Effective Federal-State-local relationships, and effective State-local relationships insofar as Federal organization, standards and procedures can foster them.
7. Clear identification of urban mass transit programs in the Federal structure.

B. Coordination between various functions and levels of government

Whatever internal organizational arrangements are adopted, they must be able to cope with problems of transportation and urban development in their various phases and at all levels of government. Exchange of information and coordination of activities must be effectively and continuously carried on as between:

1. comprehensive and system planning;
2. system and project planning;
3. research in DHUD and DOT;
4. research and planning in all phases;
5. transportation and other community development programs;
6. planning in all phases and review and approval of development projects;
7. transportation development projects in different modes.

C. Examples of possible internal organization

The following examples of internal DOT organization are suggestive only. They would realize in varying degrees the tests stated in A above, but they would need to be developed in much greater detail to permit sound evaluation, and others not discussed at all may be better. They are:

1. To establish (a) an Assistant Secretary for Urban Transportation, and (b) an Urban Transportation Administration.
2. To establish (a) an Assistant Secretary as in 1 above, and (b) divide the DHUD mass transit program by modes among the existing modal administrators.
3. To establish (a) an Assistant Secretary as in 1 above, and (b) assign the mass transit program to the Federal Railroad Administration, smallest of the modal agencies.
4. To establish (a) a Special Assistant to the Secretary for Urban Transportation with (b) as in any of the above.
5. To assign (a) in any of the above to the Assistant Secretary for Policy Development with (b) as in any of the above.

UNITED STATES GOVERNMENT

*Memorandum*DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

DATE: September 19, 1967

SUBJECT: DOT-HUD Meeting September 19, 1967

In reply
refer to:

FROM : Assistant Secretary for Policy Development

TO : Memorandum for the Record

Today Secretary Boyd, John Robson, and I met with Secretary Weaver, Under Secretary Wood, and Assistant Secretary Haar of HUD. This was the second meeting on the subject of the requirement in the DOT Act for recommendations on the location of the urban mass transportation functions.

The meeting on Monday had been an extended discussion of broad principles by both groups. The specific question of the location of the capital grant program now in HUD was mentioned only briefly at the close of the meeting.

Mr. Boyd indicated his view that the program should be located in the Department of Transportation. He went on to say that he realized that there was no quid pro quo which could be offered by DOT to HUD and this was unfortunate. He did say, however, that he was quite prepared to do what was necessary to insure closer cooperation between the two Departments and give HUD a say in the program decisions and provide them with visibility in regard to the grants. He also suggested that it might be most appropriate for HUD to make decisions on Corridor location.

All three of the HUD officials made it clear they were opposed to the transfer of the grant program to DOT. In general it was their position that the urban mass transit program was directly related to HUD's responsibilities in the city and, even though they recognized its close relationship to transportation systems, they felt that the program should stay where it is.

Secretary Weaver made the argument that the grant program was a necessary ingredient in HUD's ability to get communities to do the kind of planning which was needed. Charlie Haar referred to the program in a different way stating that frequently HUD got planning

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functions going by means of the grease for the machinery which was provided by the mass transit grants. It was clear that HUD thought of itself as being the principal focus for social responsibility within the Government vis-a-vis the cities. Haar's remarks seemed to indicate a consideration of the mass transit operation as one tied almost exclusively to ghettos and the poor, though when asked specifically about this he said this was not his attitude. There was also a thread running through the comments by the HUD officials which indicated that they thought of DOT as being hardware oriented and primarily concerned with inter-city transportation while HUD was concerned with intra-city transportation.

Through the course of the conversation the three of us from DOT specifically challenged each of these assumptions which had formed the basis of HUD's position. There was no evidence that our positions changed their minds significantly, if at all. Another idea that seemed to pervade the statements by all three HUD officials was an equating of DOT with the historic characterization of BPR and the highway engineer.

Secretary Weaver said that he started from the proposition that even though it might be logical if we wrote on a clean slate, from a practical standpoint there was no prospect for moving any of the highway functions to HUD. He therefore ruled this out of his consideration. He specifically rejected Secretary Boyd's proposition that HUD might take the responsibility for Corridor designation.

In summary, HUD's position appeared to turn on two points. One, the fear was expressed by all three that DOT would not be able to control the influences which they regarded as hostile to the objectives of the program and as a result they feel program continuity would be lost and the attitudes reflected by BPR would subdue the usefulness of the mass transit program as an instrument of metropolitan development. Two, in HUD's view they need the program to use as political muscle to insure planning results which they want in metropolitan areas.

There was some discussion of the relationship of mass transit to other forms of transportation within a metropolitan area and some consideration of the relationship of a total urban transportation system to comprehensive urban planning and to intercity transportation. The discussion led essentially nowhere.

The meeting ended with no specific understanding of where the two Departments would go from here, though it seemed apparent that the meeting had produced a stand-off and I would consider it reasonable for each Department to expect the other to be prepared to file its own position paper on or before the October 1st deadline set by the Bureau of the Budget.



M. Cecil Mackey

cc:
Secretary
Under Secretary
Deputy Under Secretary
Mr. Murray
Mr. Robson
Mr. Dean

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ADMINISTRATIVELY CONFIDENTIAL

EYES ONLY

MEMORANDUM FOR Honorable Joseph A. Califano, Jr.
Special Assistant to the President

SUBJECT: Recommendation on Federal organization of urban
mass transportation functions

In accordance with your memorandum of August 28, Secretary Weaver and I have carried on detailed discussions concerning possible changes in the location of urban mass transportation functions in the Executive Branch. We have sought unsuccessfully for recommendations upon which we might agree in a report to the President by October 1, 1967. It appears, therefore, that the mediation of the President or his executive staff will be required if significant early decisions are to be made on questions of mass transportation organization in the Federal Government.

The following statement summarizes (a) the basis upon which the Department of Transportation developed the proposals that have been made to Secretary Weaver, (b) the nature of those proposals, (c) Mr. Weaver's views on our proposals, and (d) the reactions of the Department of Transportation to Mr. Weaver's views.

PUBLIC INTEREST OBJECTIVES OF REORGANIZATION

The Department of Transportation assumes that the primary objectives of reorganization of Federal mass transit programs are improvement of

subordinate
must meet a deadline
and then
r. A. L. ... of ...

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the economic and social circumstances in which Americans live.

Section 4(g) of the Transportation Act of 1966 states two such public interest objectives explicitly.

The first of these statutory objectives is that urban transportation systems effectively serve national transportation needs. In fact no real distinction can be made between national transportation and urban transportation because transport operations are inextricably related. Motor freight services, for example, recognize no distinction between urban arterials and interstate freeways; highways continue through and between cities and intervening rural areas. Cities are in fact economically and socially interdependent with the regions in which they are located.

The second of the statutory public interest objectives is that Federal policies and programs affecting urban transportation effectively serve the comprehensively planned development of urban areas. Repeatedly stated Administration policy holds that comprehensively planned development of urban areas should be a local responsibility, resting on local initiative and local decision-making. Equally important is the emphasis given the comprehensiveness of local planning and development. Accordingly, Federal programs should be shaped to encourage local initiative and decision making, to induce comprehensive planning and to foster plans consistent with the needs of organic areas regardless of jurisdictional fragmentation.

The organizational changes proposed by the Department of Transportation derive directly from these considerations.

PROPOSED ORGANIZATIONAL CHANGES

The Department of Transportation suggested that:

1. All Federal assistance programs for mass transportation be transferred from the Department of Housing and Urban Development to the Department of Transportation. Provision of technical and financial assistance for system and project planning, research and development, and capital financing would be involved.

This proposal recognizes the organic structure of transportation and would thus advance the first public interest objective. With respect to both research and development and investment evaluation, the unification of Federal transportation programs in DOT would assure a total systems approach (1) to urban and regional transportation problems (2) to highway-bus, ground-air, line-haul/short-haul rail, freight-passenger and intermodal problems. System and project planning would be recognized as technical problems and assigned to DOT, but they would be made subordinate to comprehensive planning (see 2 and 3 below) by which the broad social and economic goals and objectives would be established by each community for transportation and all other subsystems, independent of subsystem program agencies. Thus, the second public interest objective would also be served.

2. The role of the Department of Housing and Urban Development, as the general Federal coordinating agency for all federally assisted functions operating in urban areas, be substantially strengthened.

This would be consistent with evolving policy as most recently expressed in the Demonstration Cities and Metropolitan Development Act of 1966 and it would support the second public interest objective of local initiative in comprehensive planning and decision-making.

3. The Department of Housing and Urban Development be given additional funds and powers to meet its responsibility to provide Federal technical and financial assistance for comprehensive community planning, including the transportation aspects of comprehensive community development plans.

This would also further the second public interest objective cited above, should simplify local Federal relationships and should relieve Federal transportation program agencies of responsibilities heretofore assumed in many instances through default of local initiative and decision-making in the planning process. A frequent consequence has been Federal involvement in aggravated local controversy when planning decisions made in this way have been unsatisfactory to local people.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT VIEWS

Mr. Weaver indicated that he could not concur in these suggestions because:

1. The mass transportation assistance program would lose its identity in the Department of Transportation, becoming engulfed in the much larger Federal-aid highway program. This would destroy the countervailing power afforded by present location of the Federal mass transit program in HUD. The recognized need for this power was originally decisive in placing the mass transit program in HHFA rather than in the Department of Commerce.

2. The social and economic impact of mass transportation on urban communities would no longer be adequately reflected in investment decisions.

ADMINISTRATIVELY CONFIDENTIAL

3. The loss of the program of grants-in-aid for mass transit would seriously impair the ability of the Department of Housing and Urban Development to induce local compliance with a wide variety of Federal objectives for urban redevelopment, particularly the comprehensive planning of metropolitan areas.7

DEPARTMENT OF TRANSPORTATION REACTIONS TO MR. WEAVER'S VIEWS

The Department of Transportation has the following observations concerning the problems raised by Mr. Weaver:

1. The Department of Transportation would establish a Mass Transportation Assistance Administration as an independent operating agency in the Department of Transportation. Its organizational status would be the same as that of the Federal Aviation Administration, the Federal Railroad Administration, the Federal Highway Administration and the Coast Guard. The Administrator would report directly to the Secretary as do the heads of those agencies. The program would have greater visibility and status than it now has in HUD.

It should be noted that since the mass transportation program was established in the HHFA, the President and Congress have focused specifically on transportation programs and have determined that they should be gathered together in a single department. The Bureau of Public Roads has been subordinated to the Federal Highway Administration, terminating its quasi-independent status in the Department of Commerce, and has been placed under the surveillance of a Cabinet officer whose sole responsibility is supervision and coordination of transportation programs.

ADMINISTRATIVELY CONFIDENTIAL

2. Broad economic, social and cultural values will be given major recognition in all transportation decisions made by the Secretary of Transportation. The role of transportation as a service function has been stated repeatedly. It is a means not an end and must further the social and economic goals of the Nation and its cities.

Section 2(a) of the Department of Transportation act requires that transportation policies and programs be consistent with other national objectives. These objectives must include as ends of primary importance the social and economic well being of people in cities and the protection of their cultural values. With these objectives in view, the Department, through its secretariat, would maintain the same constant surveillance over the mass transit program that it has already brought to bear on other transportation programs. For example, the Department has instituted new hearing procedures on Federal-aid highway route locations to assure all interested Federal, State and local agencies opportunity to indicate the probable impact of new highway construction on their programs.

The Department has also engaged experts to develop criteria by which provision of Section 4(f) of the Act can be met. These criteria are being designed to facilitate measurement and evaluation of the external social, economic, aesthetic and cultural effects of proposed transportation projects before project approval. This work is well advanced.

Finally, the Department recognizes that no conceivable reorganization will obviate the need for close coordination between DOT and HUD on mass transit and other problems. The Department is eager to collaborate in the development of new and more effective mechanisms to assure this necessary cooperation.

ADMINISTRATIVELY CONFIDENTIAL

3. The Department of Transportation, in the spirit of the Demonstration Cities and Metropolitan Development Act and in terms of the requirements of its own law and its interest in shaping Federal-aid urban transportation programs to serve the social, economic and cultural interests of the community, would cooperate with the Department of Housing and Urban Development to achieve maximum consistency and effectiveness of Federal-aid programs in each urban area. As to inducing compliance, however, the Department notes that seventeen programs carrying Federal aids of substantial magnitude would remain under the immediate control of the Department of Housing and Urban Development. These programs include urban renewal, low-rent public housing, housing for the elderly and handicapped, college housing, open space acquisition, water and sewer facilities, rent supplements, and mortgage insurance -- to name only the largest. The massive Federal grants-in-aid offered by these programs should, in our view, provide adequate leverage to achieve general urban development objectives.7

A staff position paper which develops in much greater detail the rationale for the recommendations made by the Department of Transportation is attached.7

REORGANIZATION OF URBAN MASS TRANSPORTATION FUNCTIONS IN THE FEDERAL GOVERNMENT

This report sets forth the views and recommendations of the Department of Transportation "on the logical and efficient organization and location of urban mass transportation functions in the Executive Branch," in accordance with section 4(g) of the Department Act.

DOT's Basic Position and Recommendation

The Department of Transportation presently has a major role in urban transportation through such existing activities as the Federal-aid Highway program, the Federal-aid Airport program, and the High Speed Ground Transportation program. Yet while these programs in fact give it a far greater role in urban transportation planning and development than HUD, the divorcement of responsibility for carrying out the Urban Mass Transportation Act of 1964 prevents the Department of Transportation from becoming the "single coherent instrument of government" contemplated by the President in his Message to the Congress of March 2, 1966, calling for a cabinet-level transportation agency. The blunt fact is that unless DOT can both plan and implement all programs that directly relate to urban transportation it cannot fully perform its assigned statutory mission of assuring "the coordinated, effective administration of the transportation programs of the Federal Government."

As a sheer practical matter, "mass transportation" cannot be distinguished, in theory or in practice, from other forms of urban transportation. For instance, travelers going to air terminals for movement between cities or continents typically use the same kinds of buses operating along the same highways as suburbanites or ghetto dwellers going to and from work. This is merely one example, but it illustrates the close inter-relationship between the various types and purposes of travel of individuals using transportation in our metropolitan communities. To try to separate "mass transportation" from highway, air, and high speed ground transportation is simply impossible, and to attempt to do so is to frustrate Presidential and Congressional efforts to achieve a coordinated transportation system in our metropolitan areas -- at the very time when the urban population is growing rapidly, presenting increasingly complex transportation problems.

While the Department of Transportation is already deeply engaged in transportation planning in urban areas, spending more than \$5 million a year to assist metropolitan transportation planning agencies to conduct research and prepare developmental plans that take into account their area's long-range needs and land use objectives, it is apparent that there can be no truly effective comprehensive planning unless all of the pertinent transportation factors can be viewed together. Today about 140 million Americans live in the nation's cities. Within a decade there will be 170 million urban dwellers. To serve their urgent demands calls for careful,

balanced transportation planning--something which can only take place if a single agency can assume planning and functional responsibility for all modes of transportation in metropolitan regions. Responsibility for implementation of the Urban Mass Transportation Act of 1964 should, therefore, be transferred to DOT, thus permitting a rational, unified approach to the enormous transportation problems of the American cities.

The Objectives of the Department of Transportation Act

Congress found the establishment of a Department of Transportation necessary to assure "... the coordinated, effective administration of the transportation programs of the Federal Government." In this finding it was following the basic recommendation of the President in his Message on a Proposed Department of Transportation.

The President detailed the numerous deficiencies in the transportation system of the Nation, tracing many of the more significant ones to the absence of coherent management of policies and programs. He recommended the creation of the new Department as an essential step in dealing with the Nation's major transportation problems. In his Message he detailed functional activities which the new Department should perform, including coordination of policy, utilization of new technology, encouragement of private enterprise, improvement of service and economies of transportation to the public, the conduct of systems analysis, safety, and the development of investment criteria and standards.

To perform these functions he proposed revision of the management structure of the existing transportation agencies and specified that certain of the leading Federal transportation agencies be placed under the common direction and management of the Department of Transportation. Congress accepted the thesis that a centralized Departmental control of major transportation programs was an essential step of national policy.

From this principle of Congressional and Presidential policy, it must be concluded that all Federal transportation programs, to the extent practicable, must be administered through the Department of Transportation. Exceptions must be based on clear evidence that a program's close relationship to a non-transportation group of programs would frustrate sound policy making and practical management if separated.

Placement of the urban mass transportation programs must, therefore, consider whether practical administrative difficulties would accompany any transfer of program responsibility from DHUD to DOT, and whether program coordination of DOT activities with mass transportation is more significant operationally and conceptually than coordination of mass transportation with other DHUD programs.

Program Characteristics and Management of Mass Transportation Assistance

Federal aid to mass transportation is a discrete program authorized in the Urban Mass Transportation Act of 1964. It is thus a

new program which has not developed any definitive relationships with the older programs of DHUD, most of which deal with housing matters. Since the program is funded by a separate authorization and by separate appropriation accounts, mass transportation is financially quite separable from other DHUD programs. It is managed by an entirely new organization in DHUD. Most of its people were recruited from outside existing DHUD agencies, principally from the transit industry and from other Federal, State, and local public works agencies. Its complement is rather small, probably no more than 100 persons, and from the standpoint of administrative practicality could be as well handled in DOT as in HUD. Both Departments are new and neither has constituent agencies with long experience in the transit field, so that the issue should be decided on practical program relationships.

Interrelationships of Urban Transportation Programs

Decisions affecting the supply or cost of any one mode of urban transportation usually have a direct effect on other modes. The personal automobile, taxi cab, airport limousine, rental car, bus, and rail transit compete for overlapping potential passenger markets. Both the Federal highway and mass transit programs are based on Federal capital support. Investment in any one mode of urban transport usually directly changes the effectiveness or economic viability of others. To minimize wasteful redundancy and otherwise internally inconsistent

transport planning and insure effective transportation, allocation of Federal urban transportation resources should thus be made by one Department. Ambiguous interagency coordination rather than clear decisions can result from dual involvement.

International, intercity, and rural-city transportation effectiveness is inextricably tied to urban transportation development. The smooth flow of through or arriving traffic does not end as one approaches the urbanized area limits. Today, more than half of all U.S. passenger and ton miles of vehicle movement are outside urban areas though the trips may either originate or terminate in an urbanized area. Most intercity/common carrier trips involve use of urban facilities and transportation at either end. Thus the effectiveness of intercity and regional transportation depends on how well it is tied into ~~the~~ urban transportation system. The location and design of terminals, the means of access to these terminals, and the ease and economy with which passengers and goods can transfer from the urban to intercity modes should be major considerations in the design and operation of urban transportation systems. Federal resource allocation from a single transport-oriented Department is more likely to achieve such functional effectiveness.

Intercity transportation facilities in urban areas serve a larger market than the city complex. They also satisfy regional and national needs. This explains why highways have not been administered as

separate intercity and local portions. Airport and rail and bus station access have suffered because the past Federal administration of the intercity link was separate from that of the urban link.

The growth of strip cities and other vast metropolitan areas-- crossing local city and in some cases state boundaries, coupled with advances in technology, will make future distinctions between intercity and intra-urban transportation more difficult. Techniques for planning and evaluating strip city transportation solutions have been developed by the Department of Transportation as part of the Northeast Corridor Project.

Planning and Technology

Technical development of highways, mass transit, and high speed ground transportation calls on the same bodies of knowledge and the same cadres of experts. The great majority of present mass transit services utilize highway vehicles and have a stake in highway research and development. Rail technology is also a common fund, whether applied to intercity or local transportation. Two separate R&D programs for intercity and local transportation are unthinkable in terms of research concepts, practical administration, and economy in funding.

Close planning, programming, and systems coordination characterize these three features of urban transportation policy. These areas of coordination call for continuous action and decision, from the

initial planning stage all the way to installation and operation of facilities. They meet all of the criteria of the DOT Act for improved coordination in a management framework. Similarly the utilization of technology meets the requirements for greater effort toward common objectives through the Department of Transportation. Safety administration of the three transport modes requires comparable coordination, and in fact comes within the present purview of DOT. Systems analysis, economy and service improvements, and investment criteria impose inseparable policy making and administration requirements. There is an intimate relationship between the three principal urban transport modes in the DOT Act, related in detail to each phase of the program process. Inclusion of mass transit in the control and management of DOT is necessary to best realize the objectives of the Act.

The planning process itself consists of a hierarchy of studies beginning with detailed population and economic projections, proceeding to general land use maps and projections, and concluding with a series of related but specialized plans for such purposes as transportation, water and sewage, recreation, industrial land, public buildings, and other specific services. Transportation as a specific group of plans within a hierarchy of comprehensive plans has the same status as other specific planning areas. Modes of transportation--highways, airports, high-speed ground, and mass transit--have equal status within the scope of general comprehensive planning.

Activities of DOT in Urban Transportation

The various Federal aid highway acts provide for extensive highway planning and development in urban areas. In accordance with the Federal-Aid Highway Act of 1962, no Federal highway funds may be expended in any urban area of 50,000 population or more unless there is in existence an approved continuous transportation planning process for the area (23 U.S.C., section 134). To assist in the implementation of this provision, the basic highway statutes provide planning assistance to cities through their State highway departments drawing on the highway planning apportionment of 1-1/2 percent of all highway apportionments to the States. In addition, the Department has begun to work with areawide metropolitan agencies in accordance with the planning and programming objectives of Title II of the Demonstration Cities and Metropolitan Development Act, which took effect July 1, 1967.

Highway programs in urban areas consist of urban portions of the Interstate program, urban expenditures from Federal aid primary and secondary authorizations, and the special urban authorization initiated in 1944. Funding for these programs is expected to reach \$2 billion by fiscal year 1971 from the present \$1.4 billion level. This is approximately 40 percent of the entire highway program.

Programs authorized in recent years augment the effectiveness of urban highway work. Highway beautification legislation enacted in 1965

enable highway authorities to cooperate with local governments in the improvement of the amenities of urban areas. The TOPICS program, inaugurated in 1967, provides developmental support for making better use of existing urban highways through better traffic control, signaling and channelization. The effectiveness of this program will be enhanced by an improved program of research in traffic operations.

Federal aid to airports dates from 1946. Present funding is about \$60 million annually. More recently the growth in commercial aviation has raised public concern over ground access to airports due to present congestion of facilities. Airport location as part of a comprehensive planning process has grown in stature, as values generated by airport location increase and as environmental aspects such as noise cause concern among neighboring landowners.

The high speed ground transportation program was originated in 1965 to develop and demonstrate the capacity of railroad and analogous transportation concepts for fast service in urbanized regions such as the Northeast Corridor from Boston to Washington. This program has been based on regional planning for transportation, utilizing new designs for transportation market research, for systems development, and for demonstration of concepts through actual operation of trains for the public. The impact on urban transportation planning will be substantial

if this work is successful, particularly in the field of interrelationships between intercity and local transportation planning.

Policy Aspects of Urban Transportation

Generally speaking, the creation of the Department of Housing and Urban Development was in response to the growing political demands of urban officials for more recognition in Federal programs. Much of this demand was based on a realization that the overall goals and objectives of urban development were not clear and Federal leadership was needed. The collection of activities in DHUD was oriented toward general development objectives in housing, planning, and urban renewal. It was the consensus that other Federal programs would be made consistent with Federal urban development policy.

Transportation is an activity which affects profoundly the course of urban development, as does income level, educational attainment, recreational opportunity, and the general health of the population. The difficulty with Federal transportation policies was their lack of operational and planning coordination, so that one Federal program either competed with another, or represented an overemphasis at the expense of transportation activities not benefiting from Federal expenditures. The Department of Transportation was created to offset this basic Federal policy problem in the field of transportation.

Politically, DHUD is in response to the needs of the urban leaders for more emphasis on urban programs. In the field of transportation, on

the other hand, DOT was formed not to increase the emphasis on transportation, but to develop more consistent policies and to exploit tradeoffs among substantive activities in this field.

In the policy area, transportation is one claimant among many others for a place in the urban development hierarchy. Consistent transportation policy effected through DOT is essential for the effective exercise of this claimancy.

To argue for inclusion of mass transit in DHUD on the general urban objective basis is to argue for all transportation, and to argue for all transportation is to argue for any Federal program affecting the cities in an age when more than 70 percent of all population resides in urban areas.

Inclusion of mass transit in DHUD meets only a smaller part of the necessary coordination of transportation to general urban objectives and could hardly affect the realization of DHUD's general goals. For DOT, however, inability to plan, program and administer mass transit distorts its other programs, hampers effective transport coordination and results in partial defeat of the objectives of the DOT Act. By its inability to program highways, HSGT, and airports in relation to the resources of mass transit, DOT will be less effective in meeting its obligations in contributing to general urban improvements, and in this sense will also defeat the program objectives of DHUD. Inclusion of mass transit is a convenience for DHUD, but only a partial solution to

its transport relationships, inclusion is a necessity for DOT, and will make it a more effective contributor to sound urban planning.

Transportation and Metropolitan Development

Metropolitan development consists of a great number of problem areas, ranging from housing and transportation to education and public health facilities. Recognizing this, Congress charged DHUD in the Demonstration Cities and Metropolitan Development Act of 1966 with the vital task of coordinating the many Federal programs that relate to the cities, but at the same time, Congress also contemplated that, with the exception of housing, DHUD would not have substantial operational responsibilities. Thus, grants for educational and public health undertakings in metropolitan areas are made by the Department of Health, Education, and Welfare, subject to DHUD coordination. Logically, transportation should bear the same kind of relationship. Consistent with this approach, DHUD would be closely involved with comprehensive areawide urban planning and DOT would formulate overall transportation programs, the two being coordinated by DHUD working in cooperation with the appropriate areawide planning agency. Such a division of functions is operationally sound, conducive to the creation of the best possible urban transportation system, and fully consistent with DHUD's mission in facilitating and promoting comprehensive metropolitan planning. Transfer of the mass transportation

program to DOT would help increase the efficiency of Federal involvement in urban affairs without interfering with HUD's appropriate role in planning and development. It would achieve a substantial net increase in the effectiveness of Federal urban undertakings and would help us to better cope with the problems of the cities, where more than 70 percent of our people presently reside.

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

Center for
Transportation



THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

October 6, 1967

MEMORANDUM FOR MR. JOSEPH A. CALIFANO:

SUBJECT: Recommendation on Organization of Urban Mass
Transportation Functions in the Executive Branch

This sets out the Department of Transportation views concerning the "logical and efficient organization and location of urban mass transportation functions in the Executive Branch", an analysis required under section 4(g) of the Department of Transportation Act. While we discussed the matter extensively with HUD, we have not reached mutually satisfactory recommendations and believe it is appropriate to present our thinking at this time:

-- Urban mass transit is one, inseparable, element of the urban transportation system in which DOT is already and will continue to be the most heavily involved Federal agency from a financial investment, program and mission standpoint.

-- We regard all transportation as a function which should serve, not govern, the social, economic and other environmental goals identified in Government programs and the urban comprehensive planning process. DOT's commitment to this objective, the constraints of its program legislation and its willingness to coordinate its activities with other agencies for that purpose, should insure that administration of the urban mass transit program by DOT will be entirely consistent with the accomplishment of these goals.

-- Logical, efficient and economical administration of Federal urban transportation programs, especially in the research and system analysis areas, requires that these programs be administered by the agency principally concerned with the problems of our national transportation system, a system of which urban transportation is an inextricable part.

We believe these views are supported both from a conceptual and practical standpoint.

1. DOT is already the Federal agency most heavily involved in urban transportation matters. Urban highway programs of DOT constitute approximately 40% of the entire Federal highway-aid program and expenditures are expected to reach \$2 billion annually by FY 1971 from the present \$1.4 billion level. The \$60 - 70 million annual Federal-aid airport program is inextricably tied in with urban transport planning problems. The High-Speed Ground Transportation Program, and in particular its Northeast Corridor project, spring from the recognition of problems which have arisen or which are anticipated from the Northeast Corridor becoming essentially one continuous urbanized strip. In addition, a great deal of the energies at the Secretarial level in DOT have been devoted to analysis and coordination of urban transport problems. This experience has generated significant staff capability in DOT for dealing with urban transportation problems and has resulted in the establishment of regular contacts with both the state and local political apparati and national and local planning organizations.

2. Transfer of the urban mass transit program to DOT is wholly consistent with insuring that basic social, economic and environmental goals are served by urban mass transit. We believe that transportation is but one of several functional services which can be called upon to accomplish the goals identified in comprehensive urban planning efforts. We recognize the significance of transportation as an important element in upgrading the quality of urban life and reaching the disadvantaged. Congress has already imposed, by specific provisions in our highway and airport legislation, in the Demonstration Cities Act, and in the DOT Act, an obligation on DOT to approve only those projects which conform to regional and local comprehensive urban plans. We wholeheartedly subscribe to the concept that informed local decisions should determine the destinies of those affected by the decisions. We recognize the primacy of HUD as the Federal catalyst and coordinator of all comprehensive urban planning efforts. And we are prepared to adopt any reasonable plan or procedures for insuring that transportation programs serve and are consistent with specific comprehensive urban plans and general urban planning goals.

I strongly believe that the Department has demonstrated, since its inception on April 1 of this year, a sensitivity to social and environmental

factors. (For example, the development of new hearing procedures for highway projects designed to insure effective consideration and consistency with social, environmental and aesthetic values.) To argue for the continuation of urban mass transit in HUD because it affects urban life seems to argue for the inclusion of all transportation programs and logically leads to the conclusion that all Federal programs affecting urban life should be administered by HUD. We do not believe this is a result which best enables HUD or the other Federal agencies with specific functional responsibilities to accomplish their most important missions.

3. There is no basis for distinguishing "urban" transportation from the national transportation system and its needs. In creating the Department of Transportation, both the President and Congress recognized transportation as a nationally integrated system.

Effective system planning for urban transportation problems requires that all phases of transportation should be administered by a single agency so that the full range of investment options and trade-offs can be most effectively perceived by those responsible for local urban planning and those responsible for decisions regarding Federal investment in transportation.

No viable distinction can be made as between intercity transport and so-called "urban" transportation. For example, motor freight services normally originate and end in an urban area. Airport location and access are functions of the related urban transport complex. And effective urban mass transit must deal with the needs of both ghetto and suburban residents. The growth of "strip" cities and the megalopolis underscore the illusory nature of the proposition that a "water's edge" approach can be applied in separating urban transport systems from regional, national and global transport systems. Much less is there a logical basis for separating a program concerned with one form of urban transportation from the remaining urban transportation programs.

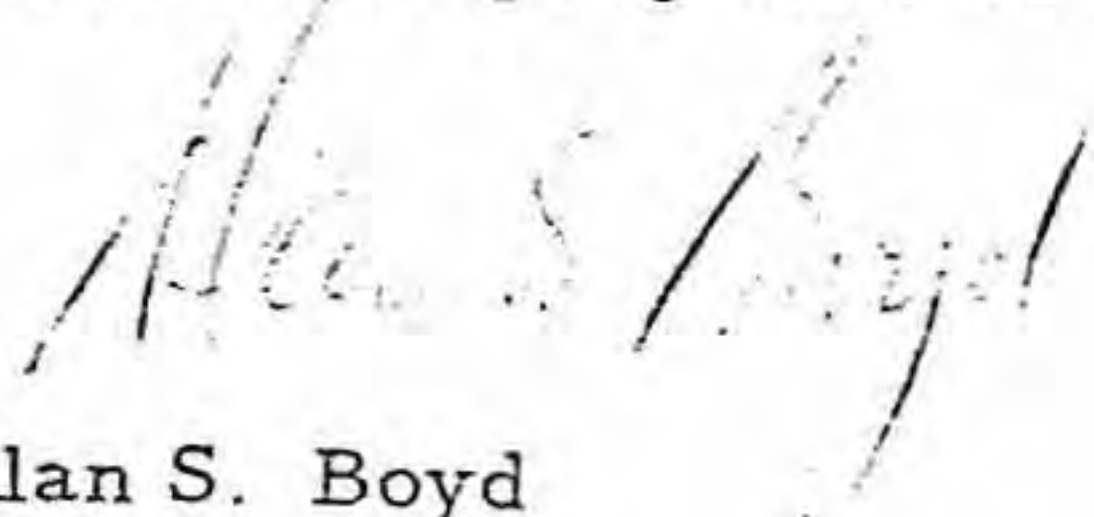
4. Urban mass transit research and development is inseparable from other research and development capability and efforts in DOT. Many of the areas of research and development already well underway in the High-Speed Ground Transportation and highway programs relate

directly to the urban mass transit program. Examples of these are research in braking, propulsion, roadbed, and elevation and tunneling techniques. Efficiency and economy demand that these research efforts be fully integrated and administered by a single agency to avoid wasteful duplication. Essentially the same engineering and technical personnel and outside resources utilized in research and development efforts for present DOT activities can be devoted to the urban mass transit program.

Whether or not the urban mass transit program is transferred to DOT, the accomplishment of this Department's mission will require research, development, system analysis and related activities which embrace the same issues. This is on e area of overlap specifically focused on by both the DOT and HUD appropriations committees.

5. If transferred to DOT, the urban mass transit program would be organizationally independent of other Administrations in the Department. We would plan to establish the mass transit program as an independent element reporting directly to the Secretary. In this posture we would be able to insure both the continuity of the program and coordination with all other transportation programs in the Department and with the efforts in the Office of the Secretary designed to accomplish the maximum consideration of social, economic, aesthetic and other environmental values in all of the Department's programs.

In summary, we believe the transfer of the urban mass transit program to DOT will serve the public interest objectives of insuring that urban transportation systems effectively serve national transportation needs, are responsive to the social, economic and cultural goals of comprehensively planned urban areas, and that Federal programs are efficiently and economically administered.


Alan S. Boyd

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Center for
Transportation

INFO: General Counsel, Assistant
Secretaries, Administration
Heads, Under Secretary, Deputy
Under Secretary, Secretary



DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

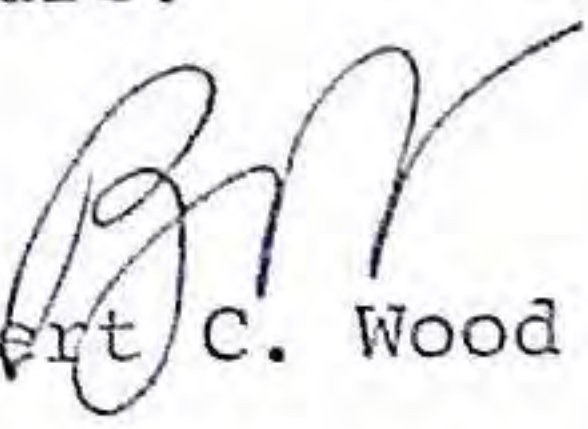
WASHINGTON, D. C. 20410

THE UNDER SECRETARY

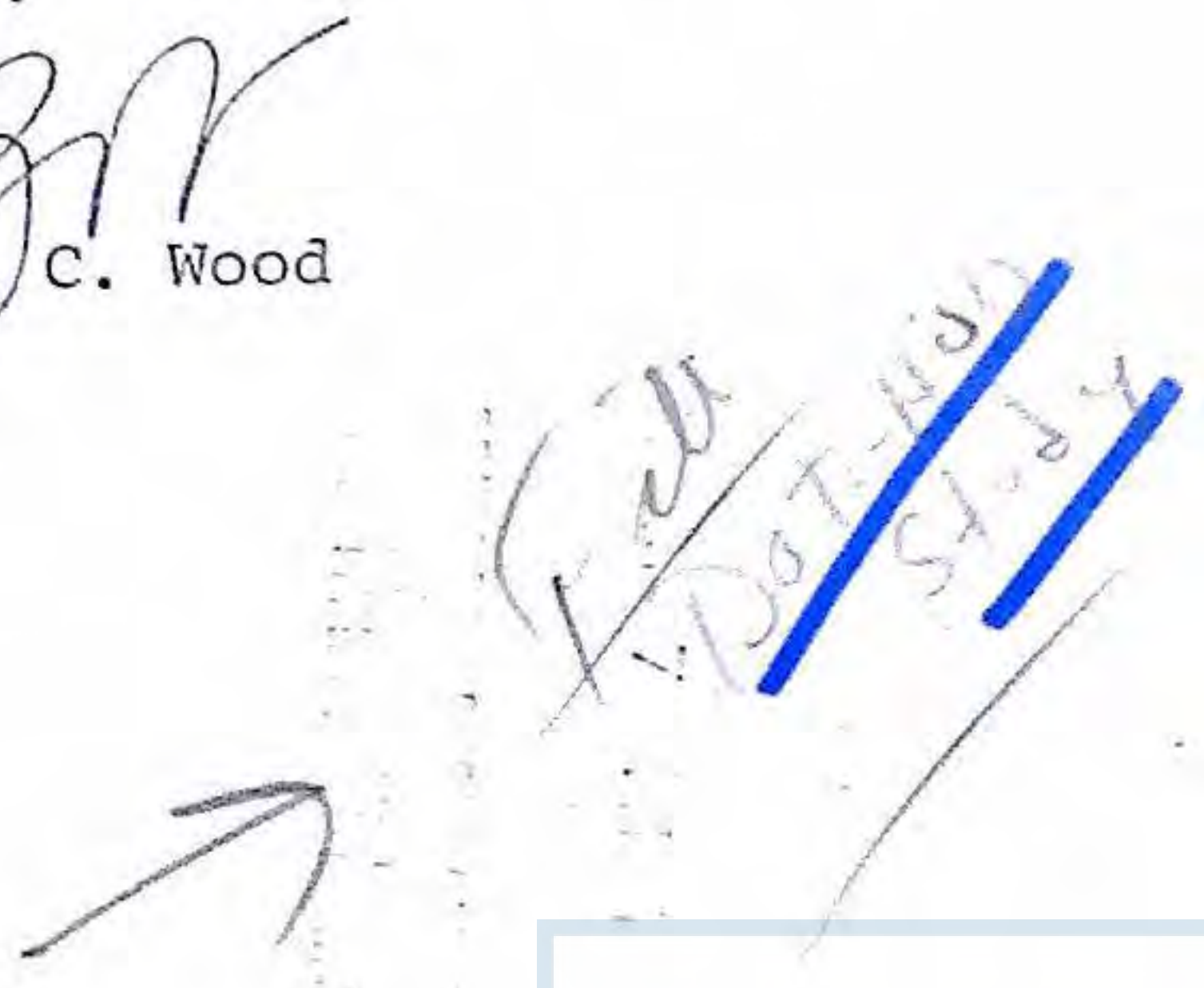
October 7, 1967

MEMORANDUM FOR: Honorable Alan S. Boyd
Secretary
Department of Transportation

Secretary Weaver asked me to transmit
our memorandum for your information and we
are pleased to have yours.


Robert C. Wood

Attachment


The stamp contains the text "DOT-100" and "ST-100" in blue ink, with a large blue checkmark over it.

Eno

Center for
Transportation



THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D. C., 20410

MEMORANDUM FOR: Honorable Joseph A. Califano, Jr.
Special Assistant to the President
The White House

I. As you know DOT and HUD are under a statutory mandate to report to the President and the Congress by April 1, 1968 on matters of joint interest to our Departments relating to both national and urban transportation needs.

For the past several months, representatives of this Department and the Department of Transportation, as well as Secretary Boyd and I, have met on these matters. At immediate issue is which Department shall administer the Urban Mass Transportation Program -- which since its inception in 1961 has been located in HUD. At the present time, the Departments are unable to come to any agreement in principle.

DOT's position is that the primary organizational aim is to link all transportation. Thus, urban mass transportation would be linked with national transportation. For reasons, delineated subsequently, we question the notion that there are technical or systems reasons for such linkage. We are persuaded that the overriding consideration is to link urban transportation with urban development. This, in a nutshell, is the difference between us; and the basic question is to determine which linkage is the more important one.

II. Without a full-dress review of the arguments, let me emphasize that HUD's clear mission is to focus on problems within the geographic boundaries of the city and its urbanizing areas and to insure the capability in the Executive Branch of giving full weight to all the major factors involved in solving these explosive problems of central city decay and of rapid suburban growth. In the 20 months since the Department was established, the urgency of urban problems and consequently the priority of the urban mission has clearly escalated.

The Urban Mass Transportation Program is vital to this "urban development mission." Together with housing and community facilities

- Mass transportation is a leading factor shaping the orderly and sound growth and development of cities and suburbs. While it is difficult to conceive of urban expressways as separated from an interstate system, this is not true of urban mass transportation. The latter rarely has significant impact beyond the metropolitan area and is inextricably involved in the urban development process. It is capable of being developed as a local entity. It can and should be consistent with interstate transportation, but interstate requirements need not dominate its design nor are they important factors in its development. Thus, while HUD can be effective on a planning basis in cooperating with DOT in routing urban expressways, it must have the muscle of a grant program to integrate local urban mass transportation into local urban systems.
- Mass transportation is inextricably woven with other on-going HUD grant programs (Model cities, urban renewal, public housing, water and sewer facilities, open space, and urban planning assistance) which have a long lasting influence on both urban land use and the direction of local urban growth. Separating it from its companion programs at this time would greatly complicate HUD's already difficult job of coordinating urban programs.
- Mass transportation gives strength to the whole urban comprehensive planning process. Planning without program authority implies an advisory and consultative role - a role that is ineffectual for a Department which has urban coordinating functions. In any circumstances if planning

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involves only a veto power, it can become a negative and delaying function. On the other hand, with a grant program for urban mass transit, HUD has not only been able to secure compliance with planning requirements; it has also been able to develop workable and meaningful plans. Using the bait of mass transit (and open space) grants it has created a mechanism for greatly elevating the level of effective metropolitan planning and metropolitan wide cooperation.

- Mass transportation is a most significant lever in encouraging the formation of general metropolitan planning agencies, Councils of Government and intergovernmental cooperation. These offer the best hope of institution-building to improve local capabilities in meeting growing urban problems.
- Mass transportation is part and parcel of any attempt to solve the problems of lower income groups, particularly in ghettos, and more specifically the problem of getting slum residents from where they live to where they can be employed. The short-run potential of timely mass transportation action here is particularly great in reducing community tensions. And the efforts should be closely related to, and coordinate with, programs which broaden the housing choices of low-and moderate-income and minority groups families.

III. HUD has not simply acknowledged the Mass Transportation function in urban development, it has given high priority to its effective and vigorous administration. Beginning with the pilot program established by the Housing Act of 1961, annual program activity has grown from 3 projects involving \$3.2 million in Federal funds to 69 projects involving \$133.2 million in Federal funds.

- In 1966, largely in recognition of attainments, three new programs were passed and funded by the Congress: Grants for Managerial Training, Grants for University Research and Training, and Grants for System Feasibility Studies (including financial, marketing and engineering analysis).
- In Watts, the Hemstead-Hicksville area of New York, in St. Louis, and elsewhere, we have used urban transportation grants to bring jobs within reach of isolated ghetto dwellers.
- The Research and Demonstration Programs are wide ranging; provide a valuable body of information and innovative experience for the transit industry (both producers and operators) and public officials.
- We have launched a "break-through" program of research in urban transportation.

The record is plain that in mass transportation, all the consequences of the movement of goods and people in urban areas are carefully weighed and evaluated.

IV. Regardless of any other consideration, there is an immediate and practical problem -- the urgent need in the United States for an effective, growing, and dynamic mass transit program. The major identification of DOT is, of course, with the national problems of rail, water, air transportation, and safety. Inescapably, these responsibilities involve the Bureau of Public Roads (the largest program element of the Department) with the powerful and organized State highway departments and the potent American Society of State Highway Officials. Accordingly many urban interests take the view that it is extremely risky to try to tame the highway program by associating the administration of mass transit with that of roads. These groups are also highly dubious of the possibility of diverting highway trust funds to mass transportation. These and others (some of whom are supporters of mass transit in Congress), would regard the transfer of mass transit out of HUD as a diminution of Administration emphasis on city transportation needs in particular, and of city social development and ghetto programs in general.

V. In my judgment, there are ways to link the efforts of both Departments without jeopardizing either national or local transportation values. They are relatively sophisticated arrangements, however, and as long as we continue to concentrate on over simplified statements of the ideal role of each Department these alternatives are unlikely to be resolved.

These can proceed once there is recognition of the basic administrative principle that one agency or Department must have the responsibility for final decisions and operations of a given program. Such responsibility implies the authority to make grants.

The areas where both Departments have mutual interests, and where coordination can render problem solving more effective include:

- terminal facilities (including airports)
- parking facilities
- research and demonstration
- planning, and
- urban streets

There are also stages in the administrative process from planning through priority determination to grant allocation where special arrangements can be made if the functioning of urban roads and other urban transportation programs are examined systematically.

This work, however, can only proceed on the understanding that simple transfers either of urban highways grants program to HUD or mass transportation grant program to DOT are not effective solutions. Given that understanding, I am confident that satisfactory arrangements can be made.

/s/ Robert C. Weaver

Robert C. Weaver

Eno

Center for
Transportation

UNITED STATES GOVERNMENT

*Memorandum*DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

DATE: September 19, 1967

In reply
refer to:SUBJECT: DOT-HUD Meeting September 19, 1967

FROM : Assistant Secretary for Policy Development

TO : Memorandum for the Record

Today Secretary Boyd, John Robson, and I met with Secretary Weaver, Under Secretary Wood, and Assistant Secretary Haar of HUD. This was the second meeting on the subject of the requirement in the DOT Act for recommendations on the location of the urban mass transportation functions.

The meeting on Monday had been an extended discussion of broad principles by both groups. The specific question of the location of the capital grant program now in HUD was mentioned only briefly at the close of the meeting.

Mr. Boyd indicated his view that the program should be located in the Department of Transportation. He went on to say that he realized that there was no quid pro quo which could be offered by DOT to HUD and this was unfortunate. He did say, however, that he was quite prepared to do what was necessary to insure closer cooperation between the two Departments and give HUD a say in the program decisions and provide them with visibility in regard to the grants. He also suggested that it might be most appropriate for HUD to make decisions on Corridor location.

All three of the HUD officials made it clear they were opposed to the transfer of the grant program to DOT. In general it was their position that the urban mass transit program was directly related to HUD's responsibilities in the city and, even though they recognized its close relationship to transportation systems, they felt that the program should stay where it is.

Secretary Weaver made the argument that the grant program was a necessary ingredient in HUD's ability to get communities to do the kind of planning which was needed. Charlie Haar referred to the program in a different way stating that frequently HUD got planning

UNITED STATES GOVERNMENT

*Memorandum**File Transit*
~~Executive Office of the President~~
Bureau of the Budget

TO : Messrs. Schultze and Califano

DATE: November 6, 1967

FROM : Charles J. Zwick and Fred Bohen

SUBJECT: Urban mass transportation program

From

Attached is a memorandum/Budget Bureau staff reporting the results of their three-week investigation. It recommends moving the mass transit program to DOT. You should be aware that requiring all DOT-assisted projects to be part of a comprehensive plan (the first item on top of page 4) would require new legislation.

From the narrow point of view of a technically well-executed mass transportation program, we both believe that it should be transferred to DOT. This advantage has to be weighed against two losses in the effectiveness of HUD.

- The program provides HUD with some leverage at the local level to induce comprehensive multi-jurisdictional planning.
- Removing the program will weaken an already weak Department. This could affect HUD's capability to execute its remaining programs.

We have not tried to assess the political problems associated with removing (or leaving) the program from HUD this year. These may be formidable.

With regard to a specific recommendation we reach different conclusions. Bohen would leave the program in HUD; Zwick would transfer it to DOT unless the political difficulties associated with a move at this time are large.

Attachment

NOV 6 1967

The Director

Howard Schnoor Howard Schnoor

Urban mass transportation program

This memorandum, and the attached staff paper, respond to your request that we look into the question of the organizational location of the urban mass transportation program.

Our review results from the inability of the Secretaries of Transportation and Housing and Urban Development to reach agreement on the organization study required by section 4(g) of the Department of Transportation Act.

We have proceeded on the following assumptions:

- Only two alternatives were to be explored: (1) leaving the existing program in HUD; and (2) transferring it to DOT.
- Coordinating mechanisms were to be proposed to suit both alternatives.
- No consideration was to be given to the transfer of any DOT programs to HUD.
- If the HUD program were transferred, it would be carried out through a separate administration in DOT rather than an existing modal administration.

The present program consists primarily of grants to States and local agencies for transportation facilities (\$123.5 million in 1968) and grants for research, demonstrations, studies and training in the urban mass transportation field (\$15.5 million in 1968). Within HUD, the program is carried out by the Urban Transportation Administration (about 36 professional and 19 clerical personnel), one of three units reporting to the Assistant Secretary for Metropolitan Development (Hear).

Everyone is in agreement that an urban area's transportation system -- including its pattern of highways and roads and its airports and railroad facilities -- is a key factor, perhaps the key factor, in

shaping the area and determining its pattern and rate of growth. Probably only its water and sewer system is of comparable significance. Mass transportation facilities are, of course, an important element in the overall urban transportation system. However, the present Federal mass transportation program is only a part, indeed a small part of the total Federal, State and local urban transportation program. At the Federal level, it is dwarfed by programs for urban highway development (\$2,176 million in 1968).

Because of the impact of the transportation system on overall community development, the mass transportation program as well as other Federal transportation programs affecting urban areas have an important bearing on other HUD programs such as the 701 program for comprehensive planning, urban renewal, water and sewer facilities, open space and model cities. At the same time, the mass transportation must be closely related to other Federal urban transportation programs which are administered by DOT.

These close ties to both the urban development programs of HUD and the transportation programs of DOT make the choice between placing the mass transportation program in HUD or in DOT an extremely close one.

The strongest arguments for leaving the program in HUD, we believe, are:

- The program gives HUD some leverage at the local level to induce appropriate comprehensive multijurisdictional planning. Its water and sewer facilities program and open space program provide some broader bargaining power, but the mass transportation program probably is HUD's most significant means of compelling area jurisdictions to get together on comprehensive planning.
- The program may give HUD some leverage at the Federal level against the program personnel in DOT who still view urban transportation largely in terms of more highways. Similarly, with the program in HUD, urban governments have a separate organization to look to and defend their interests against highway proponents.
- Without the program, HUD, at best, could exercise only a negative role -- e.g., barring grants in the absence of appropriate planning on grants that conflict with existing plans. This could be an untenable position in the face of another agency's willingness to make grants.

- If the program were transferred to DOT, it might be subordinated to alternative programs for urban transportation, particularly the highway program.

On the other hand, we believe the significance of some of these arguments is somewhat questionable:

- HUD has been able to use the program as an inducement for multijurisdictional planning in only a few cases.
- DOT's programs, not HUD's continue to be the primary determinants of the nature and shape of urban transportation systems.

Further, we believe there are persuasive arguments for moving the program to DOT:

- Significant advantages can be gained from unifying all Federal urban transportation programs in one agency. At present, no one agency has complete authority and responsibility and the programs are fragmented. State and local agencies must look to two agencies to put a program together.
- DOT is the only agency in a position to bring all the modes of urban transportation together and insure the necessary trade-offs and mixes.
- DOT has a greater research base on which to draw and develop a competence in the urban mass transportation field. It would be costly and wasteful to duplicate in HUD.

These factors together with the existing proper climate in the Secretary's office in DOT -- that is, a perspective of the service nature of transportation and its role in community development -- lead us to conclude the mass transportation program should be transferred and separately administered in DOT.

The key question then is how to insure that coordination occurs and DOT programs are responsive to overall urban needs.

We believe that necessary coordination must occur primarily at the State and local level and that DOT and HUD should take steps to insure such coordination:

- By requiring proposals for mass transportation projects to be based on a cooperative State-local transportation planning process as is now the case for highway projects.

- By requiring that all DOT-assisted projects in urban areas carry out programs that are part of the comprehensively planned development of those areas.
- That HUD and DOT jointly review areawide planning agency comments on transportation projects received under Section 204 of the Demonstration Cities Act.
- By requiring cooperation and encouraging merger of organizations responsible for transportation and comprehensive planning in urban areas.

In addition, if the program is transferred to DOT, the Secretary should be required to develop a plan for internal coordination of related DOT programs. (If the program remains in HUD, DOT should be authorized to review and comment on all HUD projects under the program.)

Attachment

cc: GOS File (Rm 9013)

Mr. Hughes

/ Mr. Zwick

Mr. Kummerfeld

Mr. Boehner

Mr. Bohen

Mr. Schnoor

OEM chron

GOS chron

OEM-GOS HSchnoor:hrs mhw 11-6-67

Eno

Center for
Transportation

NOV 4 1967

STAFF MEMORANDUM

ORGANIZATION OF URBAN MASS TRANSPORTATION PROGRAM

Issue

This paper deals with the issue of whether the urban mass transportation program should remain in the Department of Housing and Urban Development or whether the program should be transferred to the Department of Transportation.

Background

Need for Study

The need for close coordination between the urban mass transportation program and other transportation programs, particularly those of the Bureau of Public Roads, has been recognized since the program began on a temporary basis in 1961 in the former Housing and Home Finance Agency. The Urban Mass Transportation Act of 1964, which put the program on a permanent basis, contained provisions for coordination on policies, programs, and projects with the Secretary of Commerce who then supervised BPR. However, serious consideration was not given to relocating the urban mass transportation program in the same organization with related transportation programs until after the Department of Housing and Urban Development was created and the proposal for the Department of Transportation was developed in 1966.

The President recognized the coordination problem in his message on the new Department, stating: "The Departments of Transportation and Housing and Urban Development must cooperate in decisions affecting urban transportation. * * * I shall ask the two Secretaries to recommend to me, within a year after the creation of the new Department, the means and procedures by which this cooperation can best be achieved -- not only in principle, but in practical effect."

In the hearings and debate on the Department of Transportation legislation, while the question of its location came up a number of times, it was generally stressed that the legislation should not be delayed pending decisions on the urban mass transportation program. However, a number of members of Congress indicated a desire promptly to transfer the program to the new Department. Their pressure finally resulted in the inclusion in the legislation of a provision requiring a series of

studies. Section 4(g) of the Act (P.L. 89-670), in addition to requiring consultation, coordination, and joint planning by the Secretaries of Transportation and Housing and Urban Development, requires that:

"They shall jointly study how Federal policies and programs can assure that urban transportation systems most effectively serve both national transportation needs and the comprehensively planned development of urban areas. They shall, within one year after the effective date of this Act, and annually thereafter, report to the President, for submission to the Congress, on their studies and other activities under this subsection, including any legislative recommendations which they determine to be desirable. The Secretary and the Secretary of Housing and Urban Development shall study and report within one year after the effective date of this Act to the President and the Congress on the logical and efficient organization and location of urban mass transportation functions in the Executive Branch."

The two Departments attempted to reach some agreement on the latter study in the first six months since the effective date of the Act. Early in October, in separate memoranda to the White House, the Secretaries indicated their inability to reach any agreement or to develop mutually satisfactory recommendations on the organization issue. While there has been discussion of organizational principles, as we understand, neither Department has done much concrete work on development of coordinating mechanisms. About five months now remain to carry out the provision of the Act.

Study Assumptions

Because of the inability of the Departments to reach agreement, the Bureau of the Budget has been asked to prepare this paper evaluating the organization of the urban mass transportation program. Our assumptions in preparing the paper are:

- Only two organizational alternatives are to be explored: (1) the retention of the existing program in the Department of Housing and Urban Development; and (2) transfer of the entire program to the Department of Transportation.
- Coordinating mechanisms need to be explored and developed to assure cooperation between the Departments regardless of which alternative is adopted.
- No consideration is to be given to the transfer of any related programs from the Department of Transportation to the Department of Housing and Urban Development.

- If the program is transferred to the Department of Transportation, it will be established as a separate administration within the Department rather than as part of an existing administration (e.g., the Federal Highway Administration).

Nature and Organization of Urban Mass Transportation Program

The current program, authorized by the Urban Mass Transportation Act of 1964, as amended, consists of the following:

- A basic program of Federal financial assistance in the form of transportation facility grants and loans for which States and local public bodies and agencies are eligible (net grant approvals are estimated at \$123.5 million for 1968; no loans are anticipated). Grants are available for up to two-thirds of net project costs for the acquisition, construction, reconstruction and improvement of facilities and equipment for use in mass transportation service in urban areas and in coordinating such service with highway and other transportation in such areas. As of January 1, 1967, 53 projects were being assisted. About 72 percent of these involved aid to cities for the purchase of buses. On the other hand, aid to rapid transit systems (e.g., subways) accounted for almost 60 percent of the total funds granted.
- A program of research, development, and demonstration projects involving all phases of urban mass transportation (net grant approvals are estimated at \$8.5 million for 1968). A special 18-month study of new systems of urban transportation was also authorized by the 1966 amendments. All these projects are being performed by public agencies or contractors. No in-house research effort is involved.
- Grants to States and local agencies for planning, engineering, and designing urban mass transportation projects and for technical studies (e.g., economic feasibility) for development of coordinated urban transportation systems as part of the comprehensively planned development of the urban area (net grant approvals estimated at \$5.5 million for 1968).
- Grants to States and local agencies to provide fellowships for training of personnel in the mass transportation field and to institutions of higher learning for research and training in urban transportation problems (net grant approvals estimated at \$1.5 million in 1968).

Within the Department of Housing and Urban Development these programs are administered by the Urban Transportation Administration which is one of three units reporting to the Assistant Secretary for Metropolitan Development. Its major components are divisions for project development, transportation training programs and demonstration program and studies. The New Systems Study Project is handled by a separate component. Project approval is centralized at headquarters. The Administration has about 36 professional and 19 clerical personnel.

Related Programs

An urban area's transportation system is a key factor in shaping the area and determining its pattern of growth. The urban mass transportation program, as an important element in the development of an overall transportation system, therefore, has a significant bearing on the responsibilities of the Department of Housing and Urban Development for comprehensive urban development. Certain actions taken under the urban mass transportation program must be closely related to other programs of the Department which are concerned with the development of urban areas. Among these is the so-called "701 program" which authorizes grants for the establishment and development of comprehensive planning units and provides for technical assistance and funds for studies. Such planning includes long-range fiscal plans, programming of capital improvements and coordination of related plans. Action under other HUD programs such as the urban renewal program, water and sewer facilities, open space, public facilities loans, and model cities, must, of course, also be closely linked to the transportation program through the planning process.

On the other hand, major programs of the Department of Transportation require close ties to the urban mass transportation program and also have an important bearing on comprehensive urban development. Chief among these are (1) the urban highway program of the Bureau of Public Roads through which funds (\$242 million in 1968) are granted to State highway departments to build freeways, expressways, and highway loops in urban areas; (2) those parts of BPR's interstate system which are constructed in urban areas; (3) the Federal-aid airport program of the Federal Aviation Administration through which grants (\$86.5 million in 1968) are made in large part to construct airports near or in urban areas; and (4) the high-speed ground transportation research and demonstration program (\$11 million in 1968) and the Northeast Corridor Project (\$3.1 million in 1968) which are concerned with intercity transportation systems and needs.

State and Local Involvement

In considering the organization of the urban mass transportation program and its relationships to other Federal programs, the fact that these are not direct Federal programs must be kept in mind. Except

in very limited cases, these programs consist of grants to State or local governments and agencies. Those units are responsible for initiating, planning and carrying out the projects involved and for the ultimate delivery of services to the public.

One aspect of the organization problem is the need for coordination among the grantees. This need is perhaps greater in the transportation area than almost any area of Federal assistance because transportation systems -- highways as well as mass transportation -- tend to involve a number of jurisdictions, not only those which make up a particular urban area but the States as well. The problem is complicated by the fact that most aid for highway construction is channeled through the States, while aid for mass transportation and airports is channeled primarily through local authorities. Planning for transportation systems likewise tends to be fragmented.

Agency Positions

A review of various papers prepared by the Department of Housing and Urban Development indicates that its major arguments for retaining the urban mass transportation program are the following:

(1) The Facts of the Matter

Urban transportation lies at the very heart of urban problems and HUD's responsibility for comprehensive urban planning and development. More than any other element, the transportation/highway system shapes an urban area's development and growth. Thirty to thirty-five percent of all urban land is devoted to transportation. Twenty percent of the private citizen's budget is devoted to transport. From ninety to ninety-five percent of all those travelling within a city are travelling from one point to another within a city. They are intracity rather than intercity passengers. Intracity transportation is a major aspect of city life, and it would be virtually impossible for HUD to carry out its urban development and planning mission without authority in this area.

(2) People vs. Hardware

There is more to transportation than hardware. There is more to the development of efficient intracity mass transportation than the research and development of novel systems designed to move more people farther and faster. Urban transportation is as much a socio-economic problem as it is one of systems engineering. It should be a part of community planning, along with the placement of housing, commercial business and recreational units to effect coordinated, rationally organized communities for living. It should not be, as it is in

danger of becoming, solely an attempt to transport more people from a business core to expanding bedroom suburbs.

HUD, with its responsibilities for housing, recreation, and urban renewal is competent to encourage the kind of planning in total environment terms which this type of development requires.

(3) Poor vs. Rich

DOT is charged with the development of a coordinated national transportation system and is rightly concerned with research into new modal systems and vastly improved intermodal transfer arrangements. With the development of the SST, the stretch jet and interurban high speed ground transport, this research is of great importance. However, intercity transportation by and large is a prerequisite of the professional, employed middle class. Improved intermodal transfers are of little benefit to the underprivileged ghetto-bound citizen if he cannot find a bus that will take him across town to the place of his employment. The needs of these central city residents to whom public transportation is of vital importance must be recognized, and HUD is the Department best equipped to do so.

(4) Highways vs. People

The influence of DOT's highway constituency is very substantial. Legislators, the AAA, ASHO, petroleum companies and the automobile industry have assisted in creating a highway construction industry of major importance. Since 1956, \$45 billion have been spent on the Interstate System alone, with 45% of the funds expended in urban areas. Yet these highways, in many cases, have added to rather than diminished the problems of the cities. The Interstate System, operating through the States with an extremely favorable grant matching formula (90-10) does not encourage development of balanced and integrated transportation systems to meet overall community needs -- it simply encourages more highways.

The rationale for placing the mass transportation program at its inception in HHFA was to emphasize the need for a balanced system suitable to overall community development, and to develop, as it were, a countervailing balance to BPR in Commerce. HUD is concerned that, despite assurances to the contrary from DOT, urban mass transportation will be dwarfed, if not consumed, in DOT by the highway program.

(5) Grants Provoke Planning

DOT has proposed various schemes whereby HUD would retain a portion of its urban transportation planning responsibilities. Under these schemes, it would be the task of HUD, in its support of comprehensive planning activities, to encourage development of transportation systems compatible with overall community needs. DOT, however, would

undertake the research and development of new or modified systems and would administer the grant-in-aid and demonstration programs. HUD feels this would substantially weaken its ability to compel studies and planning by the cities. HUD would lose the lever which it now has to compel development of, and compliance with comprehensive development plans.

(6) HUD Has Local Ties

Urban mass transportation planning and development is a local responsibility which is part of total local community planning and development. HUD, with its broad mission of working with and assisting the cities to cope with their problems, has established close ties with city and county government. HUD's nationwide system of regional and local offices has the contacts with local government necessary to assure a maximum participation by those governments in the mass urban transportation program. DOT, in its highway program, has worked exclusively with and through the States and it will be difficult for DOT to develop local ties or get the States to devote any substantial share of their attention or purse to the mass transportation problems of the cities.

(7) R&D Capacity

So far as the development of urban mass transportation systems is concerned, relatively little actual work in R&D has been done, either by DOT, HUD, or their predecessors. Much of what must be done will depend upon a new effort -- wherever housed -- involving contracted R&D, in-house evaluation capacity and grants on a scale and to a degree substantially beyond whatever competence and experience now exists in either agency. There are, as of today, no overriding reasons of previous technical experience or present capability, for placing urban mass transportation in DOT rather than HUD.

In summary, HUD deeply believes that the loss of the urban mass transportation program would weaken its total mission. HUD feels that DOT's programs, with over 100,000 personnel and \$6 billion a year of appropriations, can stand without the urban mass transportation program, which in fact, might become so absorbed in ongoing DOT operations as to virtually disappear.

The Department of Transportation arguments are the following:

(1) Would Better Serve the National Transportation Needs

DOT maintains that urban transportation is an inextricable part of our national transportation system -- that no viable distinction can

be made between interurban and intra-urban transportation. Motor freight services, for example, normally originate and end in an urban area. The growth of "strip" cities and the megalopolis underscore the illusory nature of the proposition that a "water's-edge" approach can be applied in separating the urban system from regional, national, and global transportation systems.

(2) Greater Visibility and Status

DOT would establish the Urban Mass Transportation Program in a new operating agency reporting directly to the Secretary. Its status would be the same as that of the Federal Highway Administration, Federal Railway Administration, and other principal DOT programs. This arrangement would afford greater visibility and status to the urban mass transit program than it now has in HUD.

(3) Would Not Damage Social Goals of Comprehensively Planned Urban Areas

DOT believes that all transportation should serve, not govern, the social, economic and environmental goals identified in Government programs and the urban comprehensive planning process. DOT also subscribes to the concept that informed local authorities should determine the destinies of their communities. The Department recognizes the significance of transportation as an important element in upgrading the quality of urban life and reaching the disadvantaged. DOT, in fact, has already devoted a great deal of energy at the Secretarial level to analysis and coordination of urban transportation programs. This experience has generated significant staff capability in DOT for dealing with urban transportation problems in a social and economic context. In addition, the provisions of the 1962 Federal-Aid Highway Act have also resulted in establishment of regular contacts with both State and local authorities as well as national and local planning agencies. Those provisions require the Secretary to cooperate in long-range highway plans which are coordinated with other transportation plans to give due consideration to their effect on urban development and, after July 1, 1965, to approve only projects based on cooperative State-local comprehensive transportation planning processes.

(4) Recognizes HUD Primacy in Urban Planning

DOT recognizes the primacy of HUD as the Federal catalyst and coordinator of all comprehensive urban planning efforts and is prepared to adopt any reasonable plan or procedure for assuring that transportation programs are consistent with specific comprehensive urban plans.

(5) Recognizes DOT Primacy in Transportation Programs

Transfer to DOT of all urban mass transit programs except the elements involving comprehensive planning recognizes the primacy of DOT as the Federal Government's chief coordinator of programs to improve the Nation's transportation system. DOT is already the Federal agency most heavily involved in urban transportation from a financial investment, program, and mission standpoint.

(6) Greater Efficiency and Economy

It is logical, efficient, and economical for the Federal urban transportation program to be administered by the agency principally concerned with the problems of our national transportation system. Effective systems planning and research and development requires that all phases of transportation be administered by a single agency. This is essential for perceiving the full range of investment options and trade-offs -- both by those responsible for local urban planning and by those responsible for decisions regarding Federal investment in transportation.

(7) DOT Already Has Research and Development Facilities and Expertise

DOT's R&D facilities and expertise can be adapted to include urban mass transit. HUD, by contrast, has almost no facilities. As HUD "tools-up," duplication and overlap are inevitable under the present arrangement. Research efforts into such areas as braking, propulsion, roadbed, and tunnels can and should be integrated.

Discussion

Everyone agrees, we believe, that an urban area's transportation system -- including its highways, airports and mass transportation facilities -- is a key factor, perhaps the key factor, in determining the pattern, direction and rate of the area's growth. Probably only the area's basic geography and its water and sewer system have a comparable impact on the area's shape and character. Thus, the nature of the area's transportation system is of critical importance to the area's comprehensive development.

Mass transportation is an important element in the development of an overall area transportation system. However, at the Federal level the program is dwarfed by programs for urban highway development which are estimated to total about \$2,176 million in 1968. Thus, while the mass transportation program is significantly related to HUD's overall responsibilities and other programs for urban development, DOT's transportation programs have a far greater impact on overall urban transportation system development.

Against this background, in which the mass transportation program of HUD and the urban transportation programs of DOT are closely tied together and to the missions of both Departments and in which both State and local governments are involved in program development and implementation, we have attempted to assess the agency positions and the pros and cons of the two alternatives for the location of the mass transportation program.

Advantages in leaving the program in HUD

We believe the following are the major advantages in leaving the program in HUD:

- (1) The program gives HUD some leverage at the local level to induce comprehensive multijurisdictional planning. In carrying out its broad mission and responsibility for the proper development of our urban areas, HUD has only a few positive means of getting the various jurisdictions in those areas to work together. Its 701 program to encourage and aid comprehensive planning is one means. But, among its grant programs, the mass transportation is probably the most significant inducement it has to promote and require multi-jurisdictional consideration of an area's development. The water and sewer facilities program and open space program provide some bargaining power, but mass transportation is the most important tool.
- (2) At the Federal level, the program may give HUD and its local clients some leverage against the program personnel in DOT who still view urban transportation mainly in terms of bigger and better highways. The mass transportation program gives urban governments a choice in the development of an area transportation system, and the location of the program in HUD gives such governments an independent agency to look to and defend the mass transportation alternative against the highway proponents, including their State highway departments.
- (3) Unless HUD has a positive inducement in the form of mass transportation grants, it can exercise only a negative role with respect to urban transportation. As a practical matter, such a role (for example, authority to bar grants in the absence of, or in conflict with an area's plans) could be untenable. If DOT or another agency had the authority to make grants and indicated a readiness to do so, HUD would be hard put to exercise a veto.

- (4) If the program is transferred to DOT, it may be subordinated to the highway program. The powerful lobbies that support the latter could prevent the development and growth of alternative mass transportation systems.

Disadvantages of leaving the program in HUD

We believe the following are the major disadvantages in leaving the program in HUD:

- (1) With the mass transportation program in HUD, Federal programs for transportation, urban transportation in particular, remain fragmented. The general organizational concept of grouping functionally-related programs in one unit remains sound, and the problems that result from not adhering to the concept are illustrated in the urban transportation. As a result of the current split, no one agency has the overall responsibility or authority to deal with matters of urban transportation. Closely interrelated planning, research, demonstration and facilities programs are divided. The need for interagency coordination, which always presents problems, is multiplied, and State and local governments must deal with two Federal agencies to put together an overall program.
- (2) The above problems would probably be intensified, not lessened, if the program were to grow to larger dimensions in HUD. In the research field, for example, where neither Department has made major strides, there would be an increased probability of duplication and overlap.
- (3) The HUD research and development effort does not have the "in-house" technical competence necessary to push the state-of-the-art forward. It does not appear to have the in-house competence to evaluate results received from R&D contracts and grants. The principle of a reasonable amount of in-house research has long been recognized in the R&D community as essential. Without a major expenditure of funds for in-house laboratory facilities -- technical people of high quality cannot be attracted. It does not seem desirable to develop such costly capabilities in HUD in one area of transportation.
- (4) HUD, in its administration of the urban mass transportation program, has thus far placed heavy emphasis on improving transportation techniques (e.g., air-cushion vehicles, better fare collection devices) and providing funds to improve existing

or previously planned transit systems. These efforts could, we believe, be carried out as readily by DOT and certainly closely relate to its overall mission and other resources. We recognize that this approach has been partly the result of a need to aid systems that were in financial difficulty and a HUD effort to gain support and influence. However, only in a limited number of cases has HUD been able to use the program to carry out the objective of inducing multi-jurisdictional planning.

- (5) The location of the program in HUD may lessen rather than strengthen the leverage local governments have in the development of overall urban transportation systems. The dominant role in shaping those systems is still played by the highway programs and it is only by getting a voice in highway decisions that urban leaders can exercise basic influence in shaping their systems. As things stand, only DOT leadership is in a position to assure them such a voice. Yet, without responsibility for the total urban transportation program, DOT's concern and influence may be limited.

Advantages in moving the program to DOT

The disadvantages of leaving the program in HUD are, of course, major reasons for moving the program to DOT. Thus, the transfer of the program would place all responsibility and authority for urban transportation in one agency and eliminate the fragmentation of inter-related planning, research and other functions. It should eliminate duplication and overlap and permit a concentration of resources and an overview of all urban transportation systems problems in one agency. More specifically,

- (1) Urban highways, airports, high-speed ground transportation and other modes must be made to work together to provide the most effective system to fit the comprehensive development of an urban area. Only DOT is in a position to bring these programs together. Leaving mass transportation in isolation in HUD will not serve that objective. Trade-offs and mixes must be made, and DOT is in the best position to accomplish this and bring order to the urban transportation scene.
- (2) Transfer of the urban mass transit program to DOT would give the Secretary a tool for integrating his Department. An urban mass transportation administration could evolve into an urban transportation administration. Urban mass transit in DOT could begin to lay the basis for such integration by giving the Secretary a visible alternative to strictly modal administration.

- (3) DOT has a greater research capacity in the field of transportation. Granted that it does not now have a specific capacity in the area of mass transportation technology, a new administration in DOT has a much larger base upon which to draw and develop.
- (4) The climate seems right in DOT. Its leadership recognizes the service nature of transportation and the role of transportation in overall urban development. It also recognizes the responsibilities and role of HUD with respect to urban development.
- (5) Only a small minority of the mass transportation systems (although perhaps constituting the majority in dollar amounts loaned or granted) would be rail rapid transit which might be considered as "competition" by highway advocates. Rather, most urban systems are bus systems travelling over arterial highways and streets which highway interests are likely to support and can give greater support to in DOT.

Disadvantages of moving the program to DOT

- (1) The urban mass transportation program -- even as a separate administration within DOT -- might not receive enough attention to hold its own against its well financed and supported BPR program. The original reason for not setting up the urban mass transit program in the Department of Commerce was to save the program from the hands of the highway interests. Now, BPR is in DOT, but it is still a powerful, nearly autonomous force within the Department. On the other hand, given the Secretary's desire to control BPR, and given the fact that mass transit may be a means to achieve a balance or control, it may receive more attention.
- (2) The Department is newly formed, is just getting off the ground and may have trouble absorbing the mass transit program. The office of the Secretary is going to be critical in determining whether a coordinated department will emerge. That office is just now being developed and it is too early to forecast the outcome.
- (3) DOT contacts are now primarily with State agencies. Local government contacts -- at least in highway area -- are limited and will take time to develop. During that time the existing program (grant request backlog) could suffer a serious slow-down.

Conclusion

On balance, we conclude that the urban mass transportation program should be transferred to DOT. Some of the advantages of leaving the program in HUD are questionable. For example, it has been able to use its grant authority in only a few cases to induce multijurisdictional planning. It has, in fact, had to seek an extension of emergency authority to make grants in the absence of necessary planning because of delays in action to establish proper local planning processes. On the other hand, we believe that there are significant advantages to be gained by integrating the program with the major urban transportation programs in DOT and that leaving the program in HUD will create more problems than it solves.

It is impossible not to recognize that DOT already has the dominant role in shaping urban transportation systems. At the Federal level, its highway, airport and high-speed ground transportation programs, particularly the former, far outweigh the mass transportation program. What DOT's programs do, not what HUD's program does, determines primarily the nature and shape of urban transportation systems. HUD's role and leverage are limited. Put bluntly, DOT can pave HUD over.

The key question is really how to make the DOT programs responsive to considerations of overall urban development. We believe the transfer of the mass transportation program will help make DOT responsive and responsible.

Coordination Arrangements

Regardless of which Department ultimately has responsibility for the urban mass transportation program, certain types of coordination will be necessary at the Federal level and at the State and local level. And coordination must involve not just the mass transportation program but all transportation programs affecting urban areas.

In this connection, some of the existing requirements for coordination are relevant. First, as noted above, Section 9 of Federal-Aid Highway Act of 1962, requires the Secretary of Transportation to cooperate with the States in the development of long-range highway plans and programs which are formulated with due consideration of their probable effect on the future development of urban areas of more than 50,000 population. It further provides that, after July 1, 1965, the Secretary shall not approve any Federal-aid highway projects in such urban areas "unless he finds that such projects are based on a continuing comprehensive transportation planning process carried on cooperatively by States and local communities."

Second, except under certain emergency conditions, the Urban Mass Transportation Act bars grants for transportation facilities unless they carry out a program, meeting criteria established by the Secretary of HUD, 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 the area." Third, Section 204 of the Demonstration Cities and Metropolitan Development Act of 1966 requires that, after June 30, 1967, all applications for grants or loans for planning or constructing transportation and other facilities in any metropolitan area must be submitted to the designated areawide planning agency for comment.

We believe that properly used and supplemented, the above requirements provide the basic tools to insure coordination at the State and local level and provide the basis for coordination between DOT and HUD. The problem has been and is an imbalance in State and local planning resources in many areas. That is, generally State highway planning is well developed and financed. In most major cities, local planning is also well developed and financed. However, comprehensive planning for entire urban areas has lagged and in many cases there is a split between urban transportation planning and other planning.

To make use of the existing coordinating requirements, we believe that, regardless of where the mass transportation program is lodged:

- (1) DOT or HUD should extend, through their planning requirements, the concept in the 1962 Highway Act to the urban mass transportation program -- that is, no grants will be made unless they are based on a continuing comprehensive transportation planning process involving State and local cooperation. Since these processes are now required to exist for purposes of securing highway grants, this should not be difficult to implement.
- (2) DOT, through its planning requirements or through new legislation, should apply the concept in the Mass Transportation Act to all its relevant programs -- that is, no grants will be made in urban areas unless they carry out a program that is part of the comprehensively planned development of an urban area except under emergency conditions similar to those in the Act. In this connection, DOT should look to HUD for advice as to whether a comprehensive planning process exists. Possibly, HUD should even be authorized to approve or disapprove such processes, and its approval might be a requisite for DOT action.
- (3) While the procedures for considering areawide planning agency comments under Section 204 of the Demonstration Cities Act are still in the formative stage, in the case of transportation facility proposals, HUD and DOT should consider setting up a joint review board to act on adverse planning agency comments.

As a minimum, we believe consideration should be given to allow HUD the right to review and offer written comments on such cases. Such a system now is operating between HUD and Interior on open space grants -- the system was established by Executive order. While agency comments are not binding or a "veto" they do provide the vehicle for responsible interagency cooperation. Such a procedure could be spelled out in Bureau of the Budget regulations authorized under Section 204.

- (4) DOT and HUD should take further steps to insure close coordination and, where possible, merger of organizations responsible for transportation and comprehensive planning in urban areas. As a minimum, their planning requirements should spell out necessary cooperation as a condition for receipt of planning funds. The joint BPR-701 planning funding should also be broadened and encouraged as an inducement to close ties. The two Departments should set up joint machinery to monitor progress in this area and in the implementation of the planning requirements of the 1962 Highway Act.

In addition, if the mass transportation program is transferred to DOT, internal processes for coordinating the mass transit program with other modal programs is critical if the potential benefits are to be gained (i.e., joint use of research facilities). The Office of the Secretary must provide this mechanism for coordination. Other programs impacting on urban mass transit must be reviewed by the new transit administration and their views presented to the Secretary in important or precedent cases. Internal "check-off" procedures between component agencies in the areas of project planning, research and development and grants can be developed, and the initiation of such processes should be the responsibility of the Secretary and his immediate staff. A plan for internal coordination for the urban mass transit program should be required from DOT before a final report is prepared for the Congress.

If, on the other hand, the program remains in HUD, a greater effort between the agencies to assure coordination is necessary with respect to mass transportation projects. We believe, as a minimum, DOT should have the opportunity to review and comment on all HUD projects undertaken under the program. An interagency agreement or Executive order spelling out such a procedure should be developed.

November 7, 1967

FOR Joe Califano

FROM Matt Nimetz

You asked Fred Bohen and me to keep track of the urban mass transportation dispute. Fred has been in closer contact with the BOB men doing the study, but I have read all the material and talked to Zwick about it.

Fred and Zwick have sent you the BOB study and their comments.

I generally agree with Zwick that DOT should have the program. I am persuaded by the following factors:

- DOT already has most of what is effectively urban transportation -- highways (including urban freeways), airports, Northeast corridor, etc.
- The important thing is to have DOT thinking creatively about transportation problems all through their system. This can best be done by setting up the Administration within DOT, rather than hoping that a weak HUD can exert outside influence.
- DOT has the research facilities, close ties to the industries and to State officials, and its strong leadership. The program might flourish there, and perk up the Bureau of Public Roads.
- The evidence does not support HUD's claim that it has used these programs creatively, or that it has or can use them as an important lever to compel comprehensive planning.

On the other hand, the BOB analysis does not make very explicit the workings of their proposed coordinating system between the two departments. Especially at first, when there will be some sensitivity in working together, the framework of coordination should be made alot clearer.

December 1, 1967
5:00 p.m., Friday

FOR THE PRESIDENT

FROM Joe Califano

Schultze and I have been working with Boyd and Weaver on the future organizational location of urban mass transportation functions.

Responsibility for urban transportation is currently split between HUD and DOT:

- HUD has the urban mass transit grant and loan program. The total HUD budget for Mass Transit in FY '68 is \$139 million. This includes modest funds for:

- . research, experimentation and demonstration;
- . planning, designing, and engineering mass transit systems;
- . fellowships for training personnel in the mass transit field;

HUD also has water and sewer and metropolitan planning programs to provide for orderly urban development.

- DOT has several major programs which affect urban development and relate to HUD's Mass Transit Program:

- . The part of the interstate system which must be constructed in urban areas (approximately \$1.7 billion in FY '68);
- . Urban freeway, expressway and highway loop program (\$242 million in 'FY '68);
- . Airport construction program, which will increasingly be in urban areas (\$86.5 million in FY '68);

High-speed ground transportation research and demonstration program and the Northeast Corridor Projects (\$14.1 million in FY '68).

In your Transportation Message on March 2, 1966, you recognized the unresolved problem of coordination and inefficiency in this arrangement:

"I shall ask the two Secretaries to recommend to me, within a year after the creation of the new Department, the means and procedures by which this cooperation can best be achieved -- not only in principle, but in practical effect."

Congress, in Section 4(g) of the Act establishing DOT required that "The Secretary [of Transportation] and the Secretary of Housing and Urban Development shall study and report within one year after the effective date of this Act [i.e., by April 1, 1968] to the President and the Congress on the logical and efficient organization and location of urban mass transportation functions in the Executive Branch."

After numerous unproductive conferences during summer and early fall, it became clear that Weaver and Boyd would not work out a settlement of this issue between them. But both agreed that we needed a settlement of the issue before the report was done so that we could go to Congress with a unanimous view.

Weaver argues that the Mass Transit Program should remain in HUD:

- Intra-city transportation, affected now and likely to be increasingly influenced by systems of mass transit, is a major aspect of city life, and shaper of city development.
- DOT is pre-occupied with inter-city and suburban commuter transportation. In contrast, HUD is oriented to the center city and to the needs of the underprivileged ghetto-bound citizen who is so heavily dependent on mass transit.
- The possession of the mass transit grant and loan program enables HUD to use its authority as a lever to force DOT and its state highway clients to develop urban transportation systems that serve the needs of all of the people who depend on the city.

Boyd argues that the mass transit program should be transferred to DOT:

- DOT is already heavily involved in urban transportation from a financial investment, program, and mission standpoint.
- No viable distinction can be made between intra-city and inter-city transportation. There is one national transportation system and it ought to be coordinated by the Department charged with that function.
- DOT agrees with HUD that all transportation should serve, not govern, the social, economic and environmental goals identified in the comprehensive urban planning process.
- DOT's administration of the mass transit program is important if the full range of investment options and trade-offs -- at the planning, research, and investment stages of transportation systems development -- are to be perceived and achieved.

After studying this and looking at independent staff analyses, Schultze and I agree with Boyd on the merits of this issue.

Since he already has most of the action, we believe transfer of the Mass Transit Program to DOT will encourage DOT to reconcile competing technical, bureaucratic and political values. The job of DOT's Secretary will necessarily be tougher, but also more responsible.

If we transfer the grant program from HUD to DOT, however, it will be desirable and necessary to work out detailed procedures that insure a continuing consultation role on urban transportation policies and their interaction with comprehensive urban planning and development for the Secretary of HUD.

Politically, a decision to leave Mass Transit in HUD or to move it to DOT will be controversial on the Hill, in City Halls and State Capitals and among client groups. Extensive, detailed discussions will be required to determine more clearly where the balance of political support and opposition is and to work out a specific reorganization proposal.

Schultze and I met with Weaver, Wood and Boyd last week and told them of our view. Weaver said he would go along, but wanted me to talk to Charlie Haar to soften the blow to him and to give you his arguments before a decision was made.

In view of this, Schultze and I recommend:

1. Transfer of Mass Transit from HUD to DOT.
2. Weaver, Boyd and BOB prepare detailed proposals to achieve this.
3. Boyd be authorized to start trying to sell this on the Hill and elsewhere. (If he runs into immediate flak, we can delay sending legislation forward.)

Approve _____ Disapprove _____

JAC:FMB:caw



Administratively Restricted
THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

December 6, 1967

MEMORANDUM TO ASSISTANT SECRETARY FOR ADMINISTRATION

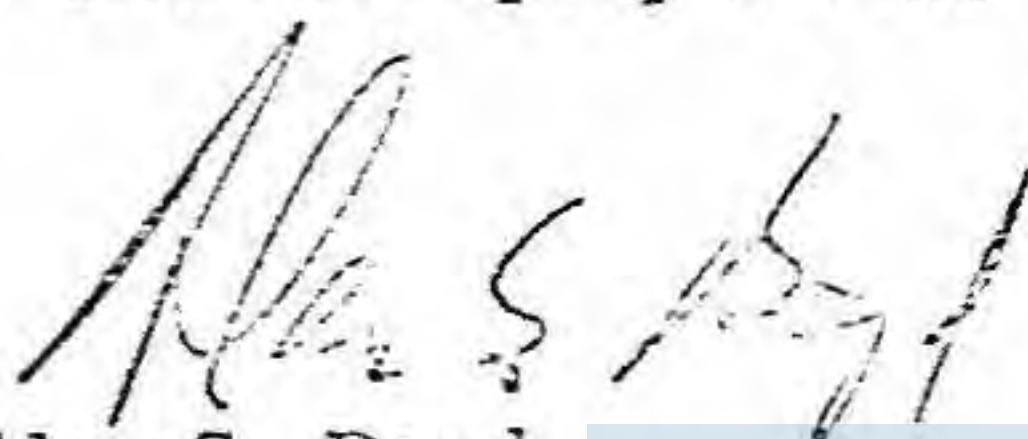
Subject: Urban Mass Transit Program

On an assumption that the President may decide to urge the transfer of the urban mass transit program to the Department of Transportation, I would appreciate your undertaking, with as limited staff as possible, preparation of a paper setting forth all of the feasible alternatives for the organizational structure to handle the urban mass transit program within the Department.

I would appreciate these alternatives being set forth serialim with the pros and cons related to each one being set forth concisely below the alternative.

Consideration should be given to the statements contained in a memorandum which I sent to Joe Califano (see attached copy). Bear in mind that the cities in this country look on this program as one of their children and will not wish to see it downgraded or apparently downgraded in any fashion. Also bear in mind there is a general animosity toward the highway fraternity in this country among known urban interests.

I hope a report can be considered by December 20. I am asking the Under Secretary, by this memo, to call a meeting of all addressees to outline approaches after which Mr. Dean will prepare the report with full and frequent coordination.


Alan S. Boyd

Attachment

cc: Under Secretary
Deputy Under Secretary
Assistant Secretary for Policy
Development

Assistant Secretary for Public Affairs
General Counsel
Special Assistant for Special Projects

Administratively Restricted

Center for
Transportation



ADMINISTRATIVELY RESTRICTED

THE UNDER SECRETARY OF TRANSPORTATION

WASHINGTON, D.C. 20590

December 8, 1967

MEMORANDUM FOR: Paul Sitton
Cecil Mackey
John Sweeney
John Robson
Gordon Murray
Alan Dean

SUBJECT: Urban Mass Transit Program

Pursuant to the Secretary's memo of December 6, 1967, on the above subject, I request that each of you meet with me at 2:30 p.m., December 11, 1967, in the Conference Room to discuss approaches in the preparation of the report to be developed by Mr. Dean.

Everett Hutchinson

cc:
The Secretary

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Eno

Center for
Transportation

UNITED STATES GOVERNMENT

DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

Memorandum

DATE: December 11, 1967

In reply
refer to:

SUBJECT: Internal organization for mass transit

FROM: Special Assistant for Special Projects

TO: Assistant Secretary for Administration

In accordance with the agreement reached at Mr. Hutchinson's meeting this afternoon, I am submitting summary views on the most appropriate internal organization for the mass transit program.

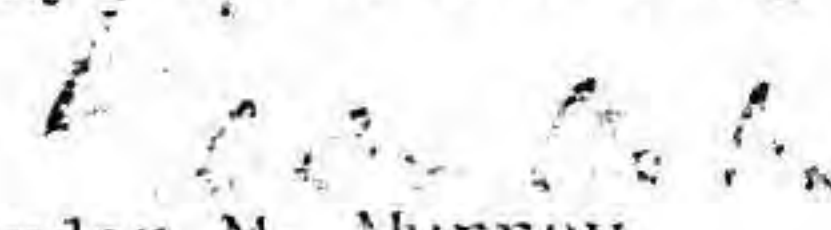
1. I would establish an Urban Transportation Administration, a line agency reporting directly to the Secretary, even though initially the mass transit program transferred from DOT would be the only constituent element. For reasons set forth many times -- the simplicity and ease of the Reorganization Plan, the accordance of a highly visible structure to the mass transit program, and the time that would be gained for thinking about more fine-grained restructuring of the Department -- this is the best organizational form.

2. I would also set up a Coordinator or Special Assistant to the Secretary to make sure that full program coordination as between the mass transit program, and each of the other programs dealing with urban transportation is achieved. This would include exchange of program information, full discussion of policy problems, and full coordination of the practical problems involved in individual action projects.

The Coordinator would also help to assure that the Urban Mass Transportation Administration, as well as other modal administrations dealing with urban transportation, sought and received policy guidance, public affairs assistance, inputs from transportation research and development, and other Secretarial staff assistance.

Neither an additional Assistant Secretary nor an additional Under Secretary can be obtained by Reorganization Plan. Both would require legislation and, undoubtedly, would involve extensive hearings involving certain risks. They would be permanent positions once established. A Special Assistant or Coordinator could be established easily by the Secretary and could be reassigned or abolished when further organizational changes made them no longer necessary. Some such officer, in my view, is necessary to achieve the kind of intermodal coordination that is part of our claim to being more capable of carrying out the mass transit program than is HUD.

Finally, I don't see that either the line or staff function can be efficiently added to the present workloads of any of the existing Secretaries.


Gordon M. Murray



UNITED STATES GOVERNMENT

DEPARTMENT OF TRANSPORTATION

*Memorandum*ADMINISTRATIVELY CONFIDENTIAL

OFFICE OF THE SECRETARY

DATE: December 12, 1967

SUBJECT: Location of the Urban Mass Transit Program

In reply
refer to:

FROM: Special Assistant to the Under Secretary

TO: Alan L. Dean
Assistant Secretary for Administration

It appears to me that the Urban Mass Transit Program is clearly important enough to be headed by one of the highest level of Departmental officers. Because it is obviously a line program, it would be more logical, in the context of our present organization, to create a new Urban Transportation Administration than it would to have an Assistant Secretary head this program.

It is my assumption that an Urban Transportation Administration could be created in the Department by an executive reorganization plan. I am assuming further that the creation of a new Assistant Secretary or of a specialized Under Secretary would require legislation. There is some question in my mind about this latter point, and my uncertainty may be shared by others. I suggest, therefore, that your memorandum include a clear answer as to whether or not legislation would be needed. If it would, this would seem to eliminate effectively two of the alternatives suggested by Cecil Mackey at yesterday's meeting.

One other thought occurs to me. It seems likely that there will from time to time be various programs that must be administered by the Department, but which will have only a temporary existence or will be of insufficient importance to justify the creation of a new operating Administration. Thus, it may be that we need to consider an organizational unit which would report to the Secretary, but which would not be dignified by being termed an Administration. It may be that the Urban Mass Transit Program would fall into this category, at least for the time being, until future accretions can make it truly an Urban Transportation Program.



George M. Chandler
Special Assistant
to the Under Secretary



Center for
Transportation

Memorandum

DATE: December 12, 1967

TO : Assistant Secretary for Administration

In reply
refer to:

FROM : Administrator

SUBJECT: Organization within DOT for Administration of Mass
Transportation Programs

The first and foremost principle which should be followed in organizing within DOT to administer the urban mass transportation programs of HUD is the establishment of a task force unit at the very highest level in the Department to give explicit recognition to the special requirements and characteristics of our urban transportation programs. Please note that I mean task force as opposed to any usual line or staff function.

Ideally, such a task force might best be established under an Assistant Secretary; but if I understand our statute correctly such a possibility may not exist. I would submit that the title "Special Assistant to the Secretary for ..." does not meet this criterion. As an alternative I would suggest the title Deputy Secretary for Metropolitan Transportation.

The first responsibility of this officer should be for all policy matters involving urban transportation, both mass transportation and highway transportation. By policy here I mean to include both administration policy in the large sense and the policies which we follow within DOT in administering any programs which have an impact or a direct involvement with urban transportation.

Second, this officer should have responsibility for all research, development, and demonstration programs in urban transportation. This might include some of the work, personnel, and money now being expended within the Bureau of Public Roads on projects focused explicitly on urban highway problems. It should also include the non-intercity railroad research, development, and demonstration work now being conducted or contemplated under the High Speed Ground Transportation Act. It should further include the Northeast Corridor Transportation Systems Planning Study, a study which is essentially metropolitan area in its orientation.

With respect to the mass transportation capital grant program now in HUD, I have already suggested that this should ideally be administered by the Bureau of Public Roads in coordination with the grants which they make for urban highway construction. I recognize, however, that such a move might at the outset be both politically and administratively impracticable. As an alternative to this I would suggest giving responsibility for this capital grant program to the task force outlined above. I am strongly against giving this responsibility to the Federal Railroad Administration, because it would merely perpetuate the split responsibility for urban transportation capital grants which the transfer of this program from HUD to DOT is presumably intended to correct. It would therefore be more sensible to locate responsibility for the urban mass transportation grant program in the task force, looking toward the day when it can be integrated with the highway grant program now administered in BPR.

(Since this memorandum is being dictated while I am out of town, I cannot spell out in graphical form precisely what I have in mind here, but I shall do so as soon as I return to Washington.)

A. Scheffer Lang

Copies to

Mr. G. M. Murray
Mr. L. C. Corcoran

Eno

Center for
Transportation

UNITED STATES GOVERNMENT

Memorandum

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

DATE: December 12, 1967

In reply
refer to:

SUBJECT: Urban Mass Transit

FROM : Assistant Secretary for Policy Development

TO : Alan L. Dean
Assistant Secretary for Administration

In the light of the Secretary's memo to Joe Califano, which I take to lay down the ground rules for handling the functions if they are transferred to DOT, I consider the alternatives open to us to be rather limited. I might add, however, that I am in complete agreement with the ground rules and would not suggest urging the Secretary to reconsider or change any of them.

The four options which I see are:

1. The appointment of an Under Secretary for Urban Transportation, who would be in charge of the program and also have more general responsibilities in the area.
2. Assignment to the Deputy Under Secretary of the urban mass transit functions from HUD, again making him responsible generally for urban transportation functions, at least to some extent.
3. Assignment of the program to an Assistant Secretary who would have the designation of Assistant Secretary for Urban Affairs. (I leave aside for the moment the implications of this being one of the four existing statutory Assistant Secretaries versus the creation of a new Assistant Secretary's office. This obviously has wide ranging implications for the assignment of functions among the Assistant Secretaries.)
4. The establishment of an Urban Transportation Administration as a 6th operating unit with status similar to that presently accorded the existing modal administrations.

I would opt for alternative no. 2. In my view, this would provide sufficient visibility for the program and would also insure that the individual

responsible for the program's supervision reported directly to the Secretary. It would, in fact, give direct supervision of the program to an individual considerably higher in rank and status than is presently the situation within HUD. This option would avoid the undesirable aspects of creating a second Under Secretary -- our experience in Commerce was enough to convince all of us associated with it of its many disadvantages and would also avoid creating one Assistant Secretary's office which was substantially different from all the rest and which was inconsistent with the management concept of the Department. While symmetry in and of itself is by no means a necessary objective, there appears to be no reason for creating an anomaly where it can be avoided. Assignment of functions to the Deputy Under Secretary would also have the advantage of preserving the Department's options for the future, particularly as contrasted with the establishment of an Urban Transportation Administration.

I also believe there is an incidental advantage to the assignment to the Deputy Under Secretary of these functions, given the present situation within the Department. There is, in my opinion, a need to institutionalize the role of the Deputy Under Secretary and this would be an excellent step in that direction.

My next choice would be alternative no. 3, the assignment of the functions to an Assistant Secretary.

M. Cecil Mackey

Eno

Center for
Transportation

UNITED STATES GOVERNMENT

Memorandum

FEDERAL AVIATION AGENCY

DATE: December 13, 1967

SUBJECT: Responsibility for Urban Mass Transportation in the DOT

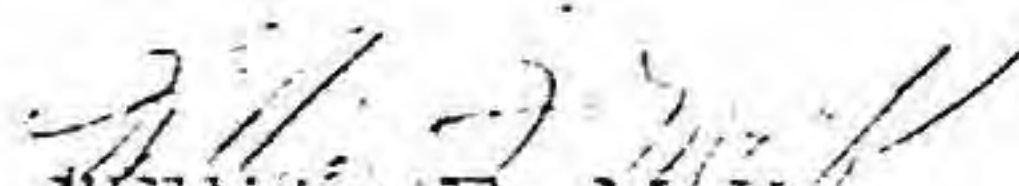
FROM : Administrator

TO : Assistant Secretary for Administration

Reference is made to your oral request for our views regarding the organizational placement of Urban Mass Transportation within the Department of Transportation.

It is my understanding that the Secretary has made a commitment that this program will not be assigned to one of the present administrations but will be assigned to a new element reporting directly to the Secretary.

With this in mind, the alternatives are to assign this program to an official in the Office of the Secretary, namely an Assistant Secretary, an additional Under Secretary, a Deputy Under Secretary or an Office Director, or set up another administration responsible for Urban Mass Transportation matters. As between these alternatives we strongly recommend that a separate administration be established to manage the Urban Mass Transportation program if the responsibility is transferred to the Department of Transportation. Placing this program under an official in the Office of the Secretary will unduly involve the Secretary in day-to-day operational matters and is inconsistent with the present policy of the Secretary regarding the functions of his office.


William F. McKee



Eno

Center for
Transportation

ADMINISTRATIVELY RESTRICTED

UNITED STATES GOVERNMENT

DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

Memorandum

DATE: December 13, 1967

SUBJECT: Internal Organization of Urban Transportation Functions

In reply
refer to:

FROM : General Counsel, TGC-1

TO : Assistant Secretary for Administration, TAD-1

The considerations which seem to me most important in deciding how to handle any mass transit functions we may get are:

1. High visibility of program and identification with Secretary.
2. Flexibility in determining future organization.
3. Consistency with present administrative arrangements.

Of what appear to be the alternatives (I do not consider dividing the program among the existing Administrations as a present alternative) creation of a new Assistant Secretary seems to me on balance to provide the fewest problems. While an Assistant Secretary with program responsibilities is not entirely compatible with the present structure, it seems to me less anomalous than the creation of a new Administration. Urban transportation is, after all, a system, combining the advantages of several of the modes. It is not itself a mode. I think that inter-modal systems responsibilities generally should be kept within the Office of the Secretary.

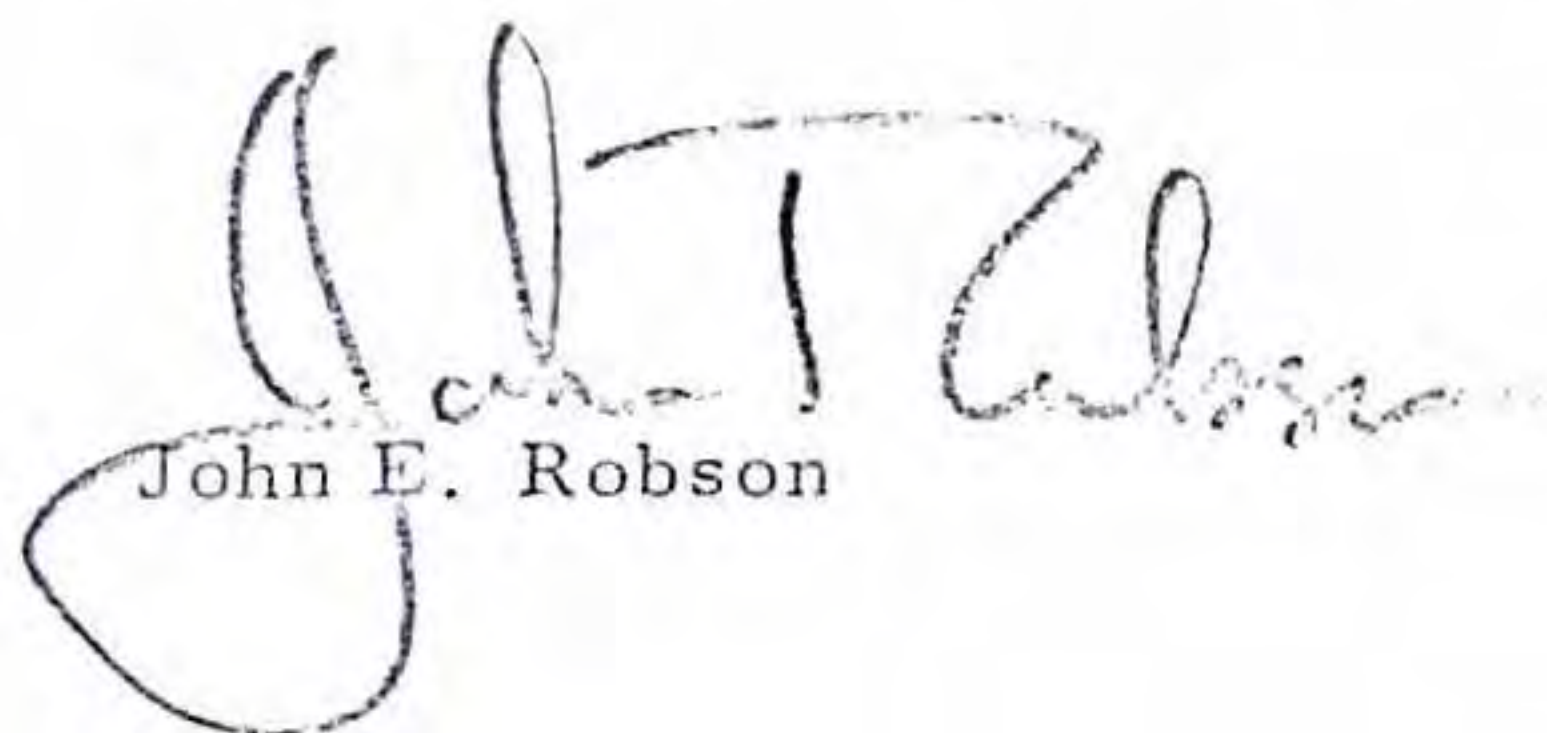
Creation of a new Assistant Secretary could also have the intangible advantage of keeping the administration of the program philosophically as close as possible to the thinking in the Office of the Secretary and would avoid the inherently centrifugal psychology of an Administration. It would also preserve future options in organization of urban transportation functions. (i.e., the Assistant Secretary post need not be "labelled" in the reorganization plan.)

Two other thoughts seem to me worth noting:

1. The creation of a new statutory post may have the advantage of added emphasis to DOT's concern with urban problems.
2. Some consideration might be given to the idea of asking the Highway, Railroad and Aviation Administrations to set up a counterpart

person or organization to deal with urban problems within each mode. Whether this warrants a separate organizational element, a special assistant to the Administrator, or some other setup, it would have the advantages of providing a focus within each Administration for urban interests, it would be natural basis for liaison with the Office of the Secretary on urban issues, and it could form the nucleus for some future reallocation of urban programs to the Administrations.

I recognize this is a tough decision as against, say, assigning the responsibility to the Deputy Undersecretary. And, however we come out, I think the most important thing is credible identification with the Secretary.



John E. Robson

ADMINISTRATIVELY RESTRICTED

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Center for
Transportation

UNITED STATES GOVERNMENT

*Memorandum*DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

DATE: December 13, 1967

In reply
refer to:

SUBJECT: Urban Mass Transit Program

FROM: Assistant Secretary for Public Affairs

TO: Assistant Secretary for Administration

I shall make this quite brief. I was most impressed by my discussion with you and your views about the feasibility of a specialized Under Secretary, based on the experience of the Under Secretary of Commerce for Transportation.

Therefore, I would opt for a modal administrator in charge of urban mass transportation and an Assistant Secretary for Urban Affairs.

The modal administrator would be the line operator of whatever grants and loan programs were available through Congressional action. He would be responsible for the day-to-day implementation of policy established by the Secretary, with the advice of the Assistant Secretary and others on the staff.

The Assistant Secretary for Urban Affairs would be a coordinating point for all Departmental activity in urban transportation. He would be the Secretary's primary source of advice for new policy and procedures that would alter not only the urban mass transportation program, but also those programs affecting urban transportation now lodged in the Federal Railroad Administration, the Federal Aviation Administration and the Federal Highway Administration.

John J. Sweeney

Center for
Transportation

UNITED STATES GOVERNMENT

*Memorandum*DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

DATE:

In reply
refer to:

SUBJECT: Organization for Mass Transit

FROM: Deputy Under Secretary

TO: Alan L. Dean
Assistant Secretary for Administration*Noted
Ely*

As agreed, I am submitting my views on how mass transit responsibilities should be organized internally within the Department once the transfer is made from HUD.

I look upon the problem in two phases:

- To find a politically respectable home for the urban mass transportation program.
- To provide effective and high level Departmental leadership with respect to the problems of urban transportation.

The accomplishment of these objectives should be considered in terms of short and long range considerations. Over the short-term, the major objectives are to (a) establish a basis of confidence in DOT on the part of the cities and clientele of urban mass transit; and (b) provide a focal point within the Department so that the often disparate and widespread program activities of the Department in urban transportation can be coordinated under a single policy framework. I believe strongly that the Urban Mass Transportation Act responsibilities should be transferred intact from HUD to DOT and that a separate Administration should be created and headed by an Administrator at an Executive Level III position. This Administrator would be responsible for development, demonstration, and research programs established in the Urban Mass Transportation Act of 1964. Such an approach would establish comparability with other Modal Administrations within the Department. The Congress and the cities would then have assurance that the Department fully intends to follow through with the program in the same spirit under which the program was established in HUD. Secondly, I believe that a top policy official in the Department should be given specific responsibility for coordinating urban transportation problems throughout the Department and act as a direct advocate at the highest policy level in the Department for the cities and their urban transportation problems. He would be an appropriate official to administer the

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proposed block grant program thus giving him an effective role to play and a lot of weight to throw around. This means that he would act in a quasi operational manner to promote and stimulate joint development concepts, total system project solutions to urban transport problems and urban research projects in all modes. He would insure that the Assistant Secretaries and Modal Administrations devote an appropriate share of their resources and effort to the problems which we will face over the coming years in urban transportation.

The short-term approach does not envision that any of the functional staff responsibilities of the Assistant Secretaries would be dissipated and reassigned to this top official. Instead, he would cooperate with appropriate staff units to assure that proper emphasis is given to all the problems of policy, research, public affairs, and otherwise which impinge upon the problems of urban transportation. The rank of this official should be such that (a) it reflects the objective of assuring advocacy of urban transportation problems at the highest level in the Department; and (b) that the promotion of urban transportation can be assured in the competitive framework of resource allocation within the Department. This top official would report directly to the Secretary and would in effect become the Secretary's spokesman on urban transportation matters. He would assist the Secretary in Congressional testimony, representation with cities and participation in conferences.

Long-Term Considerations

As the Department evolves into a more closely knit and integrated operation which looks upon transportation from the totality of movement of goods and people rather than with respect to modes, it may be useful to restructure the line operational units and redistribute staff responsibilities throughout the Department. This is something that could take place gradually over a period of 4-5 years. Such a transition should not be made until all transportation is integrated into a total systems approach.

Only in this way can the urban transportation clientele be assured that maximum Departmental promotional effort is being expended on urban transportation problems.

Paul L. Sitten

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ACTION: ✓ Mr. Hutchinson, S-2
Info: Mr. Sitton, S-5
Mr. Boyd, S-1
Mr. Dean, TAD-1
U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. Alan S. Boyd
Secretary

FROM : Lowell K. Bridwell
Federal Highway Administrator

DATE: JUL 13 1967

In reply refer to:

SUBJECT: Urban Mass Transportation Program

This is in response to the request of Under Secretary Hutchinson that I comment on his memorandum of December 8 to Paul Sitton and others. If this program is transferred to DOT there are strong reasons for assigning it to the Federal Highway Administration.

1. Only 23 percent of transit trips in the United States are by rail rapid transit, and many of these involve travel by bus or car to reach the rail line. If New York were disregarded the figure would be 6 percent. Urban mass transportation will continue to be predominantly rubber tired.
2. While rail rapid transit assistance under the grant program involves both roadbed and equipment, assistance for bus transportation is confined primarily to equipment and management. The roadbed for bus transportation is provided from highway funds under the Federal-aid highway program. Ease of coordination of the two classes of funds in improving bus transportation is one of the strongest reasons for transferring the program from HUD to DOT.
3. Rapid transit, either rail or bus on reserved or preferential lanes, will inevitably involve fringe parking and terminal or transfer facilities, often involving joint use of highway rights-of-way. Again coordination between the highway and mass transportation programs is essential.
4. Planning for mass transportation assistance in urban areas would involve only minor extension of the land use-transportation studies now under way as a part of the highway program in all metropolitan areas, through cooperation between the States and local communities. Appropriate integration between urban transportation and statewide and national networks can be readily effected.
5. For those areas in which assistance for rail transit is indicated, agreement between the Federal Highway Administration and the Federal Railroad Administration, either to administer that portion of the



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program or provide technical assistance, could be readily worked out. Similar agreement could be reached with the Federal Aviation Administration where air transit, as in airport access, is involved.

6. The HUD mass transportation research program would integrate readily with research in this area under the Bureau of Public Roads. Arrangements for supervising the phases of the research program involving hardware might best be worked out in co-operation with the Federal Railroad Administration.
7. The function could be administered through a new Bureau of Urban Mass Transportation, to give it identity and emphasis.

Against this logic is the possibly compelling views of the cities, the transit interests, and many associated interests and disciplines that locating the function in the Highway Administration would be a totally unacceptable downgrading of transit within DOT. To give it greater stature, the responsibility could be placed nearer the Secretary. I can see three possibilities:

1. Place it under an Assistant Secretary. This does not seem reasonable because it is a line, not a staff, function.
2. Establish a new Administration -- Urban Mass Transportation Administration headed by an administrator. This would give the program identity, but would involve much cooperation with other modal administrations at the same level, and urban transportation is not a single-mode function.
3. Establish an Office of Under Secretary for Urban Mass Transportation, or place the function under a Deputy Under Secretary for Urban Mass Transportation. This would give the function greater stature, and organizationally should permit ready focus on the problem and its solutions within the programs of the modal administrations.

All in all, while I should urge placing the function in the Federal Highway Administration, if that is not thought feasible I'd favor the third alternative above. The first is illogical, the second might work with great forbearance all around, but the third has the advantage of logic and administrative feasibility.

UNITED STATES

*Memorandum*DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

DATE: December 16, 1967

SUBJECT: Organization of Mass Transportation

In reply
refer to:

FROM : Assistant Secretary for Administration

TO : The Under Secretary
Deputy Under Secretary
Special Assistant to the Under Secretary
Special Assistant for Special Programs
Assistant Secretary for Policy Development
Assistant Secretary for Public Affairs
General Counsel ✓
Federal Highway Administrator
Federal Railroad Administrator
Federal Aviation Administrator

Attached for your review and use in the meeting scheduled for 2:30, Tuesday, December 19, is a draft of a memorandum to the Secretary recommending an organization for urban mass transportation functions in the Department of Transportation. Also attached is a summary chart of views received and a copy of each memorandum furnished me pursuant to the agreement in the previous meeting.

It would be expected that as a result of discussions on Tuesday, and such additional views as might be presented, a final memorandum will be prepared for the Secretary. Naturally, any changes in positions taken by commenting officials will be reflected in the final memorandum.



Alan L. Dean

Attachments

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MEMO TO THE SECRETARY

SUBJ: Organizing for Urban Mass Transportation

A. THE PROBLEM

In your memorandum of December 6, you asked that I prepare a paper setting forth feasible alternatives for the organizational structure to handle the Urban Mass Transit program in the event the program now administered by the Department of Housing and Urban Development is transferred to DOT. In preparing this paper, you also asked that consideration be given to the memorandum to Joseph A. Califano, dated October 6, and that the report represent full coordination with affected staff.

The arrangements for the organization of urban mass transportation functions should take into account four objectives:

1. They should be consistent with the management system of the Department and facilitate a smooth and uninterrupted assumption of responsibility for the program.
2. They should be reassuring to urban leaders and others concerned that the mass transportation program receive strong and effective representation within the Department.

3. They should facilitate coordination of the mass transit program and its administration with other urban transportation activities and interests within the Department.
4. They should preserve the flexibility needed for the Department to make future adjustments in the light of experience and future program developments.

B. BACKGROUND FACTS AND CONSIDERATIONS

The Department of Transportation legislation was drafted with full awareness that the respective roles of the Department of Transportation and the Department of Housing and Urban Development in urban transportation would have to be clarified. It was decided to defer a decision on the issue for fear that any effort to resolve the matter would be time consuming and could jeopardize the bill. The Administration, therefore, recommended, and the Congress approved, language in Section 4(g) which directed the Secretary of Transportation and the Secretary of Housing and Urban Development to study and report within one year to the President and the Congress on the "logical and efficient organization and location of urban mass transportation functions in the Executive Branch."

Subsequent efforts to obtain agreement between the two Departments on the organizational issue have been unproductive because both have developed plausible arguments for their participation in the administration of urban mass transportation programs. It was necessary, therefore, for the two Secretaries to advise the President of their unresolved views and recommendations. The President has now decided, after also considering the recommendations of the Director of the Bureau of the Budget White House staff, to proceed with a transfer of the functions to DOT. This approval is conditioned on the reorganization proving feasible and acceptable as efforts are made on its behalf in the weeks ahead.

Functions Involved

The immediate problem relates to the disposition of the functions now lodged in the Secretary of Housing and Urban Development by the Urban Mass Transportation Act of 1964, as amended. This statute authorizes a variety of activities designed to foster improved mass transportation in the Nation's cities. Specifically, the following programs are authorized by the statute:

1. Federal financial assistance to state and local agencies to finance acquisition, reconstruction and improvement of facilities and equipment for mass transportation.

2. The performance of research, development and demonstration projects in all phases of urban mass transportation.
3. The making of grants to state and local public bodies for the planning, engineering and designing of urban mass transportation projects.
4. The making of grants to state and local agencies to provide fellowships for the training of personnel employed in managerial, technical and professional positions in urban mass transportation.
5. Grants to public and private non-profit institutions of higher learning to assist in establishing or carrying on comprehensive research in the problems of transportation in urban areas.

Urban Transportation Organization in HUD

The Department of Housing and Urban Development has provided for a highly centralized administration of the urban mass transportation program. Responsibility is lodged in an Urban Transportation Administration, reporting to the Assistant Secretary for Metropolitan Development. All activities associated with the 1964 Statute are carried out through the Urban Transportation Administration directly and there is no significant regional participation.

The Urban Transportation Administration is a small organization, with only about 55 employees. It is headed by a Director at Executive Level V. There is a Deputy Director at GS-17 and two senior staff at GS-16. The Administration is divided into Divisions for (1) Project Development; (2) Transportation Training Programs; and (3) Demonstration Program and Studies. There are also two small staff units, one concerned with the study of new systems and another with processing project applications and various administrative matters.

The largest HUD activity under the program, when measured in money involved, is the making of grants to state and local agencies for transportation facilities. The 1968 funded level for such grants is \$123.5 million. Assistance to such agencies for research, demonstrations, studies and training is also important, with a 1968 program of \$¹⁵~~50~~.5 million.

Means of Implementation

All functions relating to urban mass transportation are lodged directly in the Secretary of Housing and Urban Development. This means that as long as we confine ourselves to transferring functions, the

reorganization can be implemented under the reorganization plan procedure. Using this device, the President can transmit a reorganization plan to Congress accompanied by an appropriate message, which plan takes effect automatically unless one House of Congress votes a resolution of disapproval within 60 calendar days. Provision may, however, be made in the plan for the reorganization to take effect at a date later than the end of the 60-day waiting period. The plan may also provide for the appointment and pay of officers determined by the President to be required by virtue of the reorganization, provided that the rate of pay must not be in excess of that applicable to comparable officers in the Executive Branch. It is thus possible by reorganization plan to make ample provision within the Department of Transportation for the administration of the Urban Mass Transportation program.

It should be stressed that the functions will be transferred to the Secretary and will not be directly lodged in any subordinate official. The Secretary will have the authority to make such delegations as he deems to be necessary to carry out his responsibilities for the program.

It is recognized that the Department of Transportation is already deeply involved in urban transportation and that several of its existing

programs have a direct impact on the cities. This needs to be kept in mind in the design of the organization to receive the Urban Mass Transportation Act functions, but should not be permitted to confuse the presentation of the reorganization as a straight-forward transfer from one Secretary to another of clearly specified authority and functions.

C. ALTERNATIVE SOLUTIONS

Each of the officials of the Department most concerned with urban transportation was asked to provide his views on the organization of the mass transportation program. All responded and copies of their memoranda are attached. A review of the submissions, as supplemented by further discussions, suggests that there are basically three alternative arrangements which warrant serious consideration and which are compatible with the guidelines stated in the memorandum to Mr. Califano and your instructions to me. These will be discussed in the paragraphs below as Alternative 1 and Alternatives 2a and 2b.

Alternative 1

Assigning Responsibility to an Official in the Office of the Secretary

The Assistant Secretary for Policy Development, the General Counsel and the Federal Railroad Administrator would establish a position

of Assistant Secretary, or utilize the position of Deputy Under Secretary, as the focal point of both staff and line direction in matters relating to the administration of the urban mass transportation program and urban transportation generally. As his second choice (that is, if the program cannot be placed in FHWA) the Federal Highway Administrator would choose this alternative, except that he would create a post of Under Secretary for Urban Mass Transportation. This alternative avoids the creation of a new operating administration for mass transit.

The pros and cons of this approach are the following:

PROS

1. It would concentrate line responsibility for the urban mass transportation program, as well as policy leadership in urban transportation matters generally in a single, high-level official.
2. Because the official would be in the Office of the Secretary, this arrangement would discourage the centrifugal tendencies which might be generated by a line administration.
3. Because the Secretary has discretion in assigning functions to an Assistant Secretary or the Deputy Under Secretary,

either of these variants of the alternative would assure a high measure of organization flexibility and freedom to make later adjustments.

4. If the Deputy Under Secretary is used in this capacity, it would give a continuing and institutionalized content to his job.
5. It can be accomplished by reorganization plan, including, if need be, the provision of an additional Assistant Secretary.

CONS

1. The Urban Mass Transportation program is a line, operating activity with a larger fiscal program than the Federal Railroad Administration or the St. Lawrence Seaway Development Corporation. To put the direct administration of such an activity in the Office of the Secretary would be inconsistent with the present management system of the Department, which calls for operating functions to be carried out through line administrations.
2. To expect an official of the Office of the Secretary simultaneously to exercise direct program responsibility in carrying out a single law and to serve as an impartial adviser on policy and

assume no
additional staff

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program matters relating to urban transportation affecting a number of elements of the Department is not unlikely to work because the same man cannot easily be the direct advocate and administrator of one program and the impartial adviser to the Secretary on other urban transportation matters.

*Could help
exact HUD organ*
3. The change from the HUD pattern which relies on a line administration (although it reports through an Assistant Secretary) could complicate the reorganization and make it more difficult to explain.

4. Most of the advantages listed above can also be achieved under Alternative 2b.

Alternative 2a

Establishing an Urban Mass Transportation Administration

This option, as well as Alternative 2b, as described below, contemplates the establishment of an Urban Mass Transportation Administration headed by an Administrator reporting directly to the Secretary.

Alternative 2a is distinguished from 2b in that the former makes no specific adjustments in the Office of the Secretary and envisages each of the present functional OST officials relating to the Urban Mass

Transportation Administration in much the same manner as he now relates to the existing administrations. The Deputy Under Secretary, the Special Assistant to the Under Secretary, the Special Assistant to the Secretary for Special Programs, the Assistant Secretary for Public Affairs, the Federal Aviation Administrator and the Assistant Secretary for Administration all urge that a separate administration be established for urban mass transportation, but several of these officials specifically recommend adjustments in the Office of the Secretary as will be indicated in the discussion of Alternative 2b.

PROS

1. The Department's organization and management concept places operating programs under administrators, with the elements of the Office of the Secretary functioning, insofar as practicable, in a staff capacity.
2. Although the mass transportation program is multi-modal, it still involves the execution of legislation involving direct service to the public and therefore qualifies for performance by an "operating administration."

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3. HUD now carries out the program through an Urban Transportation Administration, which could easily be transferred in its entirety to the Department of Transportation, without disruption of day-to-day work.
4. This alternative lends itself to ready treatment by reorganization plan and the mechanism of an operating administration headed by an administrator is well understood and accepted, both in the Bureau of the Budget and the Congress.
5. Although the administration and its head would be established by law, the Secretary would always be free to redeploy any or all of the functions which he might delegate to the administration and could, if he chose, abandon the administration by leaving the statutory position vacant.

CONS

1. The Urban Mass Transportation Administration would start with an initial staff of around 55 persons, a relatively microscopic organization compared to FAA, Coast Guard and FHWA.
2. To date, we have been able to keep all of our administrations on a primarily modal basis and the Urban Mass Transportation Administration would clearly be multi-modal in scope and interests.

3. There is some hazard that an administrator might take a more limited and parochial perspective in carrying out the program than would an official in the Office of the Secretary.
4. The alternative would increase the burden of the Secretary and the functional staff of OST by imposing the need to foster policy and program coordination between the UMTA and other administrations with major urban transportation interests.

Alternative 2b

Establishing an Administration with Special Arrangements in the Office of the Secretary

The Deputy Under Secretary, the Special Assistant to the Secretary for Special Programs, the Assistant Secretary for Public Affairs and the Assistant Secretary for Administration, all support the establishment of an Urban Mass Transportation Administration for the reasons presented above, but they also feel that specific provision for leadership and coordination in urban transportation generally must be made simultaneously in the Office of the Secretary. It is felt that this can be done through a number of devices, but the preponderance of opinion is that either an Assistant Secretary (including an additional position

if need be) or the Deputy Under Secretary should be charged with staff leadership in matters of urban affairs and urban transportation.

The pros and cons of the 2b version set forth below are restricted to the differences from 2a, namely the establishment of special arrangements in the Office of the Secretary.

PROS

1. Because mass transportation is only a part of the total urban transportation concern of the Department, there will be many matters involving consistency of policy, program or administration between several administrations (including the Urban Mass Transportation Administration) which will require attention by the Secretary or a member of his staff. It is likely that the burden of these coordination requirements can only be coped with by a high-level official in OST being charged specifically with this function.
2. The disclosure of the intent to provide for such a focal point of urban transportation leadership in the Office of the Secretary would dramatize the high importance attached by

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the Secretary to urban transportation and would further reassure those fearful that the move from HUD could result in an administrative setting less sympathetic to the problems of the cities.

3. The assignment of this function to the Deputy Under Secretary is a logical one consistent with the concept of the job as originally designed and would permit him to be effective as an immediate aide to the Secretary without being burdened by daily chores of program execution.
4. If an Assistant Secretary is used, it would permit the addition of a fifth Presidentially-appointed Assistant Secretary, or a realignment of Assistant Secretary functions in the light of the total needs of the Department.

CONS

Since this alternative assumes the creation of an operating administration, the cons previously stated under 2a are, to some extent, applicable.

Other possible cons are:

1. If we attempted to establish an additional Assistant Secretary, it would complicate the presentation of the reorganization plan and could engender opposition in the Congress.

2. If we use the Deputy Under Secretary, it would be a significant additional burden which might interfere with the continued performance of some of his present assignments.
3. Frictions might develop between an official with a general urban affairs orientation and individual administrators concerned with specific operating programs affecting urban transportation.
4. There would be a need to clarify relationships with the Assistant Secretary for Policy Development and the Assistant Secretary for Research and Technology when urban transportation matters involving policy or research require attention in the Office of the Secretary.

Rejected Alternatives

The Federal Highway Administrator would prefer the placing of the urban mass transportation program under the Federal Highway Administration. This alternative has not been considered, because it is not compatible with the understanding reached with the President, the Bureau of the Budget and the Secretary of Housing and Urban Development, that the program would be kept separate from the FHWA and other existing administrations.

Some of the memoranda also raised the possibility of ~~disbursing~~^{dispensing} the program among such administrations as Rail and Highway, thereby retaining the present modal character of the operating administrations. This alternative would disrupt the program and is also incompatible with our ~~standpoint~~^{statement} of intentions as conveyed to the President and the Bureau of the Budget.

There was, at one time, considerable advocacy of a position of Under Secretary for Urban Transportation as a variant of Alternative 1. Because of the unsuccessful experience in the past with Under Secretaries for specific programs or functional areas, and because of the controversy which a proposal to create such a post by reorganization plan would engender, it is no longer advocated as a preferred alternative by any DOT official. It is listed as a second alternative by the Federal Highway Administrator.

D. CONCLUSIONS

Although persuasive arguments can be made on behalf of Alternative 1 and Alternatives 2a and 2b, it would appear that a reorganization

along the lines of 2b would be the most clean cut, most consistent with the organizational concept of the Department, most acceptable to the Bureau of the Budget and most likely to win support in the Congress. It appears to provide adequately both for day-to-day administration of the Urban Mass Transportation Act and for strengthened leadership within the Office of the Secretary on urban transportation affairs generally.

E. RECOMMENDATIONS

It is recommended that the Secretary approve Alternative 2b and that within this alternative he accept the variant which calls for using the present position of Deputy Under Secretary as the focal point of Department-wide policy and program leadership and coordination in urban transportation matters.

Alan L. Dean

Attachment

Second Memo

UNITED STATES GOVERNMENT

DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

Memorandum

DATE: December 19, 1967

In reply
refer to:

SUBJECT: Urban Mass Transit Organization

FROM : General Counsel

TO : Assistant Secretary for Administration

Just to restate my position:

1. Urban mass transit is a system which draws on all of our modes. It is a small program, much of which will ultimately, it seems to me, be administered by the existing modal administrations.

2. Putting the program into the environment of an administration will provide a "pull" in the wrong direction. Additionally, it will lead to the creation of a powerful entity which the constituency will look for support in DOT and our flexibility with respect to its functions will be very limited as a practical matter.

3. While I appreciate the arguments about administering a program through an Assistant Secretary, I have indicated above that I believe this to be a transitional solution. I find little real distinction between the focus of giving the program to an Assistant Secretary versus giving it to an Administrator and I believe we will be far better off having it initially administered by an Assistant Secretary.


John E. Robson

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ADMINISTRATIVELY RESTRICTED
UNITED STATES GOVERNMENT

Memorandum

U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION

TO : Mr. Everett Hutchinson
The Under Secretary of Transportation

DATE: DEC 30 1967

FROM : Lowell K. Bridwell
Federal Highway Administrator

In reply refer to:

SUBJECT: Urban Mass Transportation Program

Since it does not appear practicable to place this program within the Federal Highway Administration, my next choice is Alternative 2a. of Mr. Dean's memorandum of December 16.

By placing the program in a separate Administration its identity will be preserved. Heading it by an administrator who will be reporting directly to the Secretary will give it appropriate stature.

There are hazards in any course, but to me this choice offers the least risk. By its independence it should not become too strongly oriented to any one mode, nor could it take over the urban functions of another Administration. The Secretary will have complete freedom to use whatever of his staff he feels appropriate to insure coordination among Administrations, as he now does.

I should like to repeat my observation that we cannot afford to give up any of our transportation planning functions to HUD. Our respective planning programs are now well coordinated in the urban areas through the cooperative planning studies in which both highway planning and 701 funds customarily are jointly applied. Moving the Mass Transportation Grant Program to DOT will strengthen not only the implementation of the plans, but also, I believe, the planning itself.

DEC 30 1967

U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION

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UNITED STATES GOVERNMENT

Second Memo

DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

Memorandum

DATE: December 20, 1967

In reply
refer to:

SUBJECT: Organization of the Mass Transit Program

FROM : Special Assistant to the Under Secretary

TO : Alan L. Dean
Assistant Secretary for Administration

Now that I have had the opportunity to consider the views circulated with your memorandum of December 16 and discussed at yesterday's meeting, I should like to revise the position expressed in my December 12 memorandum. In considering alternatives for the Urban Mass Transit Program organization, the following points appear to me to be the most pertinent.

Charter. - The charter of the group assembled to consider this problem is severely circumscribed. It is to develop for the urban mass transit program an organizational structure which:

- (1) will be effective and visible,
- (2) will keep the program intact for the time being at least,
- (3) will be headed by an official reporting directly to the Secretary, and
- (4) will be administered at a level at least as high as is now the case in HUD.

Consensus. - There appears to be general agreement upon certain points:

- (1) The transfer should be effected by an executive reorganization plan.
- (2) A reorganization plan, to assure maximum chance of success, needs to be simple and to propose a structure as much like the existing one as possible.
- (3) The necessary stature and visibility for the program dictate that it not be assigned to an existing official as an added duty, but that a new official and organizational unit be created. (There may be less than 100 percent consensus here. See Mackey's December 12 memorandum.)

- (4) The organization decided upon should be sufficiently flexible to be used to good advantage in the future.
- (5) It will probably be advisable eventually to break up the Urban Mass Transit Program and assign it to the appropriate modal administrations.

Questionable Assumptions. - Three assumptions which appear to have been made by some of those discussing this question at the December 19 meeting seem subject to re-evaluation:

- (1) Line and staff responsibilities must be clearly separated and assigned to Administrators and Secretarial Officers respectively.
- (2) An Administration is more visible and important in the public eye than is an Assistant Secretary.
- (3) An Assistant Secretary cannot be an effective staff advisor to the Secretary if he has a line program to administer because he will be too much of an advocate for that program.

Discussion. - The need for simplicity if a reorganization plan is to succeed limits consideration to only two basic alternatives:

- (1) Creation of a new unit within the Office of the Secretary headed by an official with line responsibility appointed by the President and confirmed by the Senate. (For the sake of convenience I shall call that official an Assistant Secretary for Urban Mass Transportation although he could be a Special Assistant, a Coordinator, a Director, or something else.)
- (2) Creation of a new unit outside the Office of the Secretary headed by an official with line responsibility appointed as indicated above. (For the sake of convenience I shall call that official an Administrator although again he could be designated as something else.)

Either an Administrator or an Assistant Secretary would appear a logical choice to head this program because the present HUD organization consists of an Administration, and its Director reports to an Assistant Secretary who appears to provide the effective leadership. To attempt to restructure an existing office, such as that of Deputy Under Secretary, would add to the reorganization plan a factor unfamiliar to the Congress and could cause difficulty. Simplicity also dictates that we not attempt to create two new Presidentially appointed officials. This rules out the proposal to create an

Administration for the line responsibility plus an Assistant Secretary for the staff responsibility. If an Administration is created, staff coordination at the Office of the Secretary level will have to be provided by a Secretarial delegation of authority to the Under Secretary, Deputy Under Secretary, or an existing Assistant Secretary, or (less desirable, I think) to a lower level official.

Given these alternatives, which I think are the only realistic ones, let me now comment on what I have called "Questionable Assumptions." First, is it essential that we attempt to preserve the present theoretical division between line and staff responsibility? Frankly, I do not think this division is strictly preserved now. Certain activities within the Office of the Secretary are now line programs, or else they will have to become such if they are ever to be effective. These include hazardous material regulation, facilitation, and perhaps the administration of the Uniform Time Act. Furthermore, I doubt very strongly that this division can survive normal Departmental growth and the impact of future Secretaries. I should not like to see a potentially useful organizational alternative rejected simply on the basis of the alleged need to preserve a neat organizational chart. Moreover, an Urban Mass Transit Administration would not really fit the pattern of the present five Administrations because it would be multi-modal in character.


Would the assignment of the Urban Mass Transit Program to an Administrator be as effective a way to give this program public visibility and stature as would assigning it to an Assistant Secretary? I cannot believe that the fact that Administrators in the Department of Transportation are more highly paid than Assistant Secretaries and, perhaps, have more opportunities for independent action, effectively counteracts the general public impression that an Assistant Secretary is a more important official from a political leadership standpoint.

Is it true that an Assistant Secretary cannot be an effective advisor to the Secretary if he becomes involved in administering a line program? I think this assumption is fallacious. Our Assistant Secretaries, in spite of their designation as staff officials, have very significant responsibilities in particular directions, and they do and should function as advocates in supporting programs within their areas of specialization. The Assistant Secretary for Policy Development, for example, will naturally be expected to support the funding of needed economic studies whether they take place in his own office or within one of the Administrations. The Assistant Secretary for International Affairs would be expected to support programs looking toward technical assistance for foreign countries and the like. Examples such as this could be multiplied easily. These officials are no less effective as advisors than they would be if they had no specialized program responsibility.

~~III~~ IV

Conclusion. - On balance I now favor placing the Urban Mass Transit Program under a new Level ~~III~~ Assistant Secretary, to be created by an executive reorganization plan, who would replace the present Level V Director of the program in HUD. I believe this would give the program the utmost flexibility and public visibility; it would place the program ultimately under an official bearing the same title as is now the case in HUD, and thus might serve to simplify the reorganization plan and aid in making it acceptable to the Congress; it would serve to establish an office within the Office of the Secretary which could be called upon to perform a staff function at some future date when program responsibility could be assigned to existing modal Administrations; and it would provide an organization more likely to remain flexible in the future than would an Administration, because once an Administration builds up a program and attracts a constituency it will be hard to alter its structure materially, whereas an Assistant Secretary would simply be converted from a program-oriented to a staff-oriented official.

The Under Secretary has asked me to advise you that he concurs in the foregoing.



George M. Chandler

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Transportation

*Memorandum*ADMINISTRATIVELY CONFIDENTIAL

DATE: December 20, 1967

TO : Assistant Secretary for Administration

In reply
refer to:

FROM : Administrator


SUBJECT: Organization of Mass Transportation Functions Within DOT

Given the consensus which was reached at our meeting yesterday afternoon, I have little in the way of comment to make on your memorandum to the Secretary outlining alternative ways of organizing within DOT for the mass transportation programs currently administered by HUD.

I do want, however, to raise again the question of the name which would be attached to the administrative organization which we agreed should be established to handle the HUD programs. I continue to be very much concerned about the limits which we might place on our future organizational flexibility by calling this new unit the "Urban Mass Transportation Administration."

In reflecting on the brief conversation which you and I had following the meeting, I find the only reason for including the word "mass" in this title is a desire not to arouse the concerns of the highway interests. On balance, my reaction now is that the highway interests should be satisfied with the explanation that we were merely transferring the old organization, name and all, into DOT. It seems to me that if there are any lingering doubts about this, it can be determined by some quiet inquiry in advance of a presidential message. The great advantage to the elimination of the word "mass" lies in the subsequent opportunity thus created for bringing some additional functions under this organizational unit that are now scattered throughout the Department. This would be Phase II of the assimilation of the HUD programs, a process which also has a Phase III involving some fairly drastic restructuring of DOT.

I greatly fear that an "Urban Mass Transportation Administration" will never be anything more than just that; which would be a disaster! If people see that word "mass" in there, they will never be able to expand their thinking, regardless of what the Secretary of Transportation tells them. I think it important, therefore, that the Secretary consider this matter carefully.


A. Scheffer LangEno
Center for
Transportation

Memorandum

DATE: December 21, 1967

SUBJECT: DOT/HUD Urban Transportation Study

In reply
refer to:

FROM : Special Assistant for Special Projects

TO : Deputy Under Secretary
Assistant Secretary for Policy Development
Assistant Secretary for Research and Technology
Federal Highway Administrator
Federal Railroad Administrator
Federal Aviation Administrator

In the extensive literature of city planning, it is difficult to find a concise description (having general application) of the process of comprehensive planning for urban development and transportation. The current emphasis on coordinated Federal-aid programs for urban areas (supported by funds from several departments, most notably DOT and HUD) makes it imperative that there be a common base for understanding and action both within Federal departments and among other interested parties.

The attached prospectus for a "primer" on comprehensive planning is intended to provide that basis for understanding and action, consistent with the requirements of Section 4(g) of the DOT Act which provides that the two Secretaries:

" . . . shall consult and exchange information regarding their respective transportation policies and activities; carry on joint planning, research and other activities; and coordinate assistance for local transportation projects . . . etc."

It is our intent that this prospectus, as revised to reflect the comments of reviewers, become the Scope of Work statement for an RFP. Especially in the light of the possible transfer of the mass transit program from HUD to DOT, it seems appropriate that the Department finance such an undertaking at an early date. We would seek the services of an outstanding expert in the field of local planning organization and local planning activities, i.e., a man or a group with extensive practical experience in this area, to prepare the report. It would be the first of several dealing with problems of metropolitan and intergovernmental relations. In fact, the present outline is carved out of the prospectus for a larger study -- The Role of State and Local Governments, and Federal-State-Local Relations in Urban Transportation -- a copy of which was sent you on June 20.

Your general comments, as well as detailed constructive criticism, at the earliest possible time, will be greatly appreciated.

Gordon M. Murray
Gordon M. Murray

cc: Under Secretary

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Transportation

DEC 21 1967

for a Study of

Comprehensive Planning for Urban Development

Background

The Secretary of Transportation is required, by Section 4(g) of the Department of Transportation Act of 1966 (Public Law 89-670) to study (jointly with the Secretary of Housing and Urban Development) "how Federal policies can assure that urban transportation systems most effectively serve both national transportation needs and the comprehensively planned development of urban areas." A first report on the results of such studies is to be submitted to the President and Congress by April 1, 1968.

In compliance with this and other requirements of the Act, the Department of Transportation is undertaking a broad range of studies of urban transportation, including a review and evaluation of current Federal programs (statutory authority, objectives, organization, procedures, financing, personnel, etc.), identification of major current issues, and formulation of proposed solutions.

Major advances in the practice of land-use planning and transportation planning have resulted from requirements of the Federal-Aid Highway Act of 1962 that all highway projects in urban areas of more than 50,000 population shall be " . . . based on a continuing comprehensive transportation planning process carried on cooperatively by States and local communities . . . "

The required transportation planning process has been undertaken in each major metropolitan area, generally taking the form of a land-use and transportation planning study organized around a work program that meets the requirements of both the Bureau of Public Roads and the Department of Housing and Urban Development. Most of these studies have been undertaken by special-purpose agencies established by cooperative agreements among local and State governmental units; increasingly, they are being taken over by regional government organizations (Councils of Government, Regional Planning Commissions, etc). In all cases, they are supported jointly by local, State, and Federal moneys, the latter consisting of both BPR "1 $\frac{1}{2}$ " and HUD "701" funds.

All of these studies meet the requirements of the 1962 Highway Act; at best they also embody a full-scale comprehensive planning process for the region. Each one benefits from the drive of an active highway program covering an entire metropolitan area, with urgent demands for timely decisions and for handling great quantities of data. Perhaps the most important advance exemplified by these studies results from the requirement that the planning process on which they are based shall be continuing as well as comprehensive. The impressive resources made available for these studies have produced advances in technology for dealing with the complex problems of urban development (both "hardware" and skills).

So far, the comprehensive planning operations jointly funded by BPR and HUD have been dominated by the needs of the highway program, with heavy emphasis on elements of the Interstate System. Metropolitan development

planning as such has played a responsive rather than the leading role. As these operations proceed, however, general planning considerations must take the lead. In the majority of cases, the comprehensive planning side of the program will have to be strengthened so that the desired future development of the area may be sharply defined and appropriate transportation improvements scheduled accordingly. Thus transportation systems will be planned primarily to serve metropolitan development in accord with locally adopted goals and objectives -- consistent, of course, with broader national goals.

Since Federal-aid funds for transportation and urban development must be channeled through planning operations set up by State and local governments, the Department needs to have full knowledge of the planning process itself, as it has developed in recent years. Federal policies and programs for urban transportation should take account of the various ways in which metro-area planning can be effectively organized and should support and encourage effective participation of local-government units in the area's planned development. To be successful in the long run, the planning process will require continuing collaboration among all levels of government and by local citizens and elected officials as well as transportation and public works and planning technicians.

The proposed study will condense the experience gained from several recent land-use and transportation planning operations into a state-of-the-art description that will have general application. The approach to be taken will be consistent with but may go beyond

the following definitions:

- A. Metropolitan-area Planning is described (in Metropolitan Planning for Land Use and Transportation, a study by Robert B. Mitchell, December 1959 for the Office of Public Works Planning, the White House) as a recent extension of city planning, which:

" . . . has been called a way of making better decisions about the form and structure of the city. It can be defined as guidance of the amount, rate, nature and quality of urban change. This definition imposes the requirement that the plan be dynamic in two ways: first, that it must include the time dimension, and second, that it must be programmatic, that is, that it program and order the various measures which will be necessary for its attainment.

"Since the city's physical structure is changed by gradual adaptation (even though some individual projects may seem quite large) the city plan must recognize the amount and rate of adaptation which practically can be achieved. It must be based upon the best possible assessment of the range of choice open to policy decisions in view of the existing fabric, the requirements of the city's people, and the available resources with which to do the job."

- B. Comprehensive Development Planning is defined (in Bureau of the Budget Circular A-80, January 31, 1967) as the process of:

1. assessing the needs and resources of an area;
2. formulating goals, objectives, policies, and standards to guide its long-range physical, economic and human resource development; and
3. preparing plans and programs therefor which:
 - a. identify alternative courses of action and the spatial and functional relationship among the activities to be carried out thereunder,
 - b. specify the appropriate ordering in time of such activities,
 - c. take into account other relevant factors affecting the achievement of the desired development of the area, and
 - d. provide an overall framework and guide for the preparation of functional and project development plans.

Objective

The objective of this study will be to provide the Department of Transportation with a survey of metropolitan planning and an evaluation of the effectiveness of the various organizational arrangements for conducting the planning operations. In effect, the report will constitute a primer of current comprehensive planning practice, to serve as reference material for use in drafting and reviewing Federal transportation policies and programs for urban areas.

The report will cover both planning theory and practice, the latter based on review of a selection among federally-aided planning operations in metropolitan areas, which are supported jointly by DOT and HUD.

Scope

The study should include a representative selection of metropolitan areas of different sizes, in different parts of the country, and with different State-and-local-government relationships (e.g., single or bi-State, single or multi-county, with or without metro-government advisory council, etc.)

The study should cover the full range of activities affected by the following Federal programs, both separately and in combination: highway, airport, high-speed ground transportation, aid to urban mass transit, and comprehensive urban planning assistance.

Transportation functions are to be considered primarily in the context of broad social objectives and incidentally in terms of their

*Don't a
function have
a role?*

technical roles. It is understood that the proper role for urban transportation is service to desired patterns of urban development.

Selected metro areas should ^{have} ~~cover~~ various types and combinations of planning organizations ~~already functioning in the various areas~~ (e.g., central-city or county commissions or departments, metropolitan planning organizations, State planning departments) in relation to the federally-funded planning operations. Review should include extent of participation by citizens, by elected officials at all levels of government, and by technicians.

Methodology

The study is intended to furnish expert analysis and interpretation of material that is readily available and constructive recommendations as to organization of metropolitan planning operations. Generally, it should not be necessary to collect much data nor should field work be required, other than on-the-spot interviews by the contractor.

The methodology should include the following elements:

1. Review and summary of relevant literature and policy statements by professional planning bodies and recognized schools of planning.
2. Search of metro-area planning reports and work papers, to be supplied by the Department.
3. Interviews of key personnel -- staff, policy and advisory boards, other government officials, and representatives of interested organizations.
4. Contractor's direct experience in comprehensive planning at the policy level, enabling him to evaluate stated objectives and actual accomplishments.

Content

At a level of generality suitable to work of review and interpretation and preparation of recommendations affecting Federal programs and procedural policies, the following items are to be covered:

1. Review and summary of relevant material in the general planning literature:
 - a. Academic and professional work in the fields of planning and local-government administration.
 - b. Federal informational reports and directives.
 - c. Policy statements by planning agencies and advisory bodies.
2. Selected examples from the comprehensive planning operations under BPR/HUD auspices:
 - a. Organizational structure and work program.
 - b. Availability of officially sanctioned (community adopted) specific goals and objectives; responsiveness of planning operation to stated goals and objectives.
 - c. Adequacy of working relationships among governmental units and departments.
 - d. Initiative taken by participating technicians, elected officials, electorate
 - e. Allocation of responsibilities.
3. Evaluation of the operations described in 2 in light of stated goals and purposes and in terms of effectiveness of Federal policies and Federal assistance:
 - a. Congruence with locally-determined goals and objectives.
 - b. Adequacy of work outline in terms of problems specific to the area.

- c. Responsiveness to needs of local-government units and the public interest.
 - d. Effectiveness of Federal-State-local channels of communication.
 - e. Identification of issues and problems.
 - f. Resolution of controversial issues.
4. Policy proposals (covering program, procedure and organization) for more effective administration of urban transportation planning programs -- to be drawn from review of planning operations or literature or interviews or experience of the consultant:
- a. Shortcomings and problems encountered in the present organizational arrangements and principle issues to be confronted in efforts to improve them.
 - b. Likely trends in government organization for urban programs at State and local levels; suggestions for improving coordination.
 - c. Proposals for changes in Federal policies, programs and organizations to make urban transportation planning more effective.
 - d. Proposals for local changes, as in c.

X

The study will seek to identify general organizational types or patterns, a limited number of which may serve to characterize a large number of specific situations, both in describing field operations and in proposing administrative improvements. Prior to preparation of the report, the contractor shall prepare an outline program for a one-day round table conference of experts for review of the work and the proposals.

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Report

It is expected that the report covering the work described herein will require 80-100 pages of double-spaced typescript. Preliminary draft and outline for round table discussion shall be submitted in ribbon copy. Final report, setting forth the procedures, findings and recommendations shall be submitted in 5 copies.

Period for Performance

Contractor should begin work promptly upon award of contract and submit draft material for the round table conference with 90 calendar days. Final report shall be delivered one month after date of the round table conference.

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

UNITED STATES GOVERNMENT

DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

Memorandum FOR OFFICIAL USE ONLY

DATE: December 26, 1967

In reply
refer to:SUBJECT: Mass Transportation Program

FROM : Assistant Secretary for Administration

TO : The Under Secretary
 Deputy Under Secretary
 Special Assistant to the Secretary
 Special Assistant to the Under Secretary ✓
 Special Assistant for Special Projects
 Assistant Secretary for Policy Development
 Assistant Secretary for Public Affairs
 Assistant Secretary for International Affairs
 and Special Programs
 General Counsel
 Federal Highway Administrator
 Federal Railroad Administrator
 Federal Aviation Administrator

Attached for your information is the memorandum on mass transportation organization which has been sent to the Secretary. Every effort has been made to incorporate the various discussions which have taken place and the views stated in written comments. Because it is impossible to reflect in full all of the views received, I have attached to the original memorandum for the Secretary's information all written materials which you have supplied.

Since it is the Secretary's intention to discuss the matter during this week's sessions on organization of the Office of the Secretary, you will also be afforded an opportunity to supplement orally what is reflected in the attached package.


 Alan L. Dean

Attachment

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ASSISTANT SECRETARY
FOR ADMINISTRATION

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OFFICE OF THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

MEMORANDUM TO THE SECRETARY

SUBJ: Organizing for Urban Mass Transportation

A. THE PROBLEM

In your memorandum of December 6, you asked that I prepare a paper setting forth feasible alternatives for the organizational structure to handle the Urban Mass Transit program in the event the program now administered by the Department of Housing and Urban Development is transferred to DOT. In preparing this paper, you also asked that consideration be given to the memorandum to Joseph A. Califano, dated October 6, and that the report represent full coordination with affected staff. I have also taken into account views expressed in two meetings with concerned staff, numerous individual discussions, and the attached written comments.

The arrangements for the organization of urban mass transportation functions should take into account four objectives:

1. They should be consistent with the management system of the Department and facilitate a smooth and uninterrupted assumption of responsibility for the program.
2. They should be reassuring to urban leaders and others concerned that the mass transportation program receive strong and effective representation within the Department.
3. They should facilitate coordination of the mass transit program with other urban transportation activities and interests within the Department.
4. They should preserve the flexibility needed for the Department to make future adjustments in the light of experience and future program developments.

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B. BACKGROUND FACTS AND CONSIDERATIONS

The Department of Transportation legislation was drafted with full awareness that the respective roles of the Department of Transportation and the Department of Housing and Urban Development in urban transportation would have to be clarified. It was decided to defer a decision on the issue for fear that an effort to resolve the matter would be time consuming and could jeopardize the bill. The Administration therefore recommended, and the Congress approved, language in Section 4(g) which directed the Secretary of Transportation and the Secretary of Housing and Urban Development to study and report within one year to the President and the Congress on the "logical and efficient organization and location of urban mass transportation functions in the Executive Branch."

Subsequent efforts to obtain agreement between the two Departments on the organizational issue have been unproductive because both have developed plausible arguments for their proposed roles in urban mass transportation. It was consequently necessary for the two Secretaries to advise the President of their unresolved views and recommendations. The President has now decided to proceed with a transfer of the functions to DOT. This approval is conditioned on the reorganization proving feasible and acceptable as work is done on its behalf in the weeks ahead.

Functions Involved

The immediate problem relates to the disposition of the functions now lodged in the Secretary of Housing and Urban Development by the Urban Mass Transportation Act of 1964, as amended. This statute authorizes a variety of activities designed to foster improved mass transportation in the Nation's cities. Specifically, the following programs are authorized by the statute:

1. Federal financial assistance to state and local agencies to finance acquisition, reconstruction and improvement of facilities and equipment for mass transportation.
2. The performance of research, development and demonstration projects in all phases of urban mass transportation.

3. The making of grants to state and local public bodies for the planning, engineering and designing of urban mass transportation projects.
4. The making of grants to state and local agencies to provide fellowships for the training of personnel employed in managerial, technical and professional positions in urban mass transportation.
5. Grants to public and private non-profit institutions of higher learning to assist in establishing or carrying on comprehensive research in the problems of transportation in urban areas.

Urban Transportation Organization in HUD

The Department of Housing and Urban Development has provided for a highly centralized administration of the urban mass transportation program. Responsibility is lodged in an Urban Transportation Administration, reporting to the Assistant Secretary for Metropolitan Development, who also supervises a number of other activities within HUD. All functions associated with the 1964 Statute are carried out directly through the staff of the Urban Transportation Administration and there is no significant regional participation.

The Urban Transportation Administration is a small organization, with only about 55 employees. It is headed by a Director at Executive Level V. There is a Deputy Director at GS-17 and two senior staff at GS-16. The Administration is divided into Divisions for (1) Project Development; (2) Transportation Training Programs; and (3) Demonstration Program and Studies. There are also two small staff units, one concerned with the study of new systems and another with processing project applications and various administrative matters.

The largest segment of the program, when measured in money involved, is the making of grants to State and local agencies for transportation facilities. The 1968 funded level for such grants is \$123.5 million. Assistance to public agencies for research, demonstrations, studies and training is supported at a 1968 program level of \$15.5 million.

Means of Implementation

All authority conferred by the Urban Mass Transportation Act is now lodged in the Secretary of Housing and Urban Development. This means

that as long as we confine ourselves to transferring functions, the reorganization can be implemented under the reorganization plan procedure. Using this device, the President can transmit a reorganization plan to Congress accompanied by an appropriate message, which plan takes effect automatically unless one House of Congress votes a resolution of disapproval within 60 calendar days. Provision may, however, be made in the plan for the reorganization to take effect at a date later than the end of the 60-day waiting period. The plan may also provide for the appointment and pay of officers determined by the President to be required by virtue of the reorganization, provided that the rate of pay must not be in excess of that applicable to comparable officers in the Executive Branch. It is thus possible by reorganization plan to make ample provision within the Department of Transportation for the administration of the Urban Mass Transportation program.

It should be noted that the functions will be transferred to the Secretary and will not be directly lodged in any subordinate official. The Secretary will have the authority to make such delegations as he deems to be necessary to carry out his responsibilities for the program.

It is recognized that the Department of Transportation is already deeply involved in urban transportation and that several of its existing programs have a direct impact on the cities. This should be kept in mind in the design of the organization to receive the Urban Mass Transportation Act functions, but this fact should not be permitted to confuse the presentation of the reorganization as a straight-forward transfer from one Secretary to another of clearly specified statutory authority and functions.

C. ALTERNATIVE SOLUTIONS

Each of the officials of the Department most concerned with urban transportation was asked to provide his views on the organization of the mass transportation program. All responded and copies of their memoranda are attached. A review of the submissions, as supplemented by further discussions, suggests that there are only two alternatives which warrant serious consideration and which are compatible both with the guidelines stated in the memorandum to Mr. Califano and your instructions to me. These will be discussed in the paragraphs below as Alternatives 1 and 2, with a recognition that the basic alternatives have a number of variants.

Alternative 1

Assigning Responsibility to an Official in the Office of the Secretary

The Assistant Secretary for Policy Development, the General Counsel and the Special Assistant to the Under Secretary would establish a position of Assistant Secretary, or utilize the position of Deputy Under Secretary, as the focal point of both staff and line direction in matters relating to the administration of the urban mass transportation program and urban transportation generally. Under this alternative, no new operating administration would be established to carry out the transferred functions.

The pros and cons of this approach are the following:

PROS

1. It would concentrate line responsibility for the urban mass transportation program, as well as policy leadership in urban transportation matters generally in a single, high-level official.
2. Because the official would be in the Office of the Secretary, this arrangement would discourage the centrifugal tendencies which might be generated by a line administration.
3. Because the Secretary has discretion in assigning functions to an Assistant Secretary or the Deputy Under Secretary, either of these variants of the alternative would assure a high measure of organization flexibility and freedom to make later adjustments.
4. If the Deputy Under Secretary is used in this capacity, it would give a continuing and increasingly institutionalized content to his job.
5. The small size of the staff concerned with Urban Mass Transportation in HUD would fit into the structure of the Office of the Secretary without great difficulty.
6. It can be accomplished by reorganization plan, including, if need be, the provision of an additional Assistant Secretary.

CONS

1. The Urban Mass Transportation program is a line, operating activity with a larger fiscal program than either the Federal Railroad Administration or the St. Lawrence Seaway Development Corporation. To put the direct administration of such an activity in the Office of the Secretary would be inconsistent with and would seriously confuse the present management system of the Department, which calls for operating functions to be carried out through line administrations.
2. To expect an official of the Office of the Secretary simultaneously to exercise direct program responsibility in carrying out a single law and to serve as an impartial adviser on policy and program matters relating to urban transportation affecting a number of elements of the Department is not unlikely to work, because the ~~same~~ man cannot easily be the direct advocate and administrator of one program and the impartial adviser to the Secretary on other urban transportation matters.
3. The change from the HUD pattern which relies on a line administration (although it reports through an Assistant Secretary) might complicate the reorganization and make it more difficult to explain.
4. Most of the advantages listed above can also be achieved under Alternative 2 through appropriate adjustments of assignments in the Office of the Secretary, after the reorganization takes effect.

Alternative 2

Establishing an Urban Mass Transportation Administration

This option contemplates the establishment of an Urban Mass Transportation Administration headed by an Administrator reporting directly to the Secretary. The Deputy Under Secretary, the Special Assistant to the Secretary for Special Programs, the Assistant Secretary for Public Affairs, the Federal Aviation Administrator, the Federal Highway Administrator, the Federal Railroad Administrator, and the Assistant Secretary for Administration urge that a separate administration be established

for urban mass transportation, but several of these officials specifically recommend additional adjustments or arrangements in the Office of the Secretary to facilitate leadership and coordination in urban transportation affairs generally. The Federal Railroad Administrator urges that if we proceed with this alternative the present HUD title, Urban Transportation Administration, be retained in the interest of flexibility should it be decided to transfer additional functions to the new unit after it is set up in DOT.

PROS

1. This alternative is consistent with the Department's organization and management concept, which places operating programs under administrators, with the elements of the Office of the Secretary functioning, insofar as practicable, in a staff capacity.
2. Although the mass transportation program is multi-modal, it still involves the execution of legislation involving direct service to the public and therefore qualifies for performance by an "operating administration."
3. HUD now carries out the program through an Urban Transportation Administration, which could easily be transferred in its entirety to the Department of Transportation, without disruption of day-to-day work.
4. This alternative lends itself to ready treatment by reorganization plan and the mechanism of an operating administration headed by an administrator is well understood and accepted by the Congress.
5. Although the administration and its head would be established by law, the Secretary would always be free to redeploy any or all of the functions which he might delegate to the administration and could, if he chose, abandon the administration by leaving the statutory position vacant.
6. The Secretary can provide additional arrangements for the coordination of urban transportation matters in the Department by administrative action charging an Assistant Secretary or the Deputy Under Secretary with leadership in matters cutting across operating administrations. Only if an additional Assistant Secretary were ~~needed~~, could it be necessary to touch upon OST structure in the reorganization plan.

CONS

1. The Urban Mass Transportation Administration would start with an initial staff of around 55 persons, a relatively microscopic organization compared to FAA, Coast Guard and FHWA.
2. To date, we have been able to keep all of our administrations on a primarily modal basis and the Urban Mass Transportation Administration would clearly be multi-modal in scope and interests.
3. There is some hazard that an administrator might take a more limited and parochial perspective in carrying out the program than would an official in the Office of the Secretary.
4. The alternative could increase the burden of the Secretary and the functional staff of OST by imposing the need to foster policy and program coordination between the UMTA and other administrations with major urban transportation interests.

Rejected Alternatives

Alternatives envisaging placement of the 1964 Act functions under an existing administration have not been considered, because they are not compatible with the understanding reached with the President, the Bureau of the Budget and the Secretary of Housing and Urban Development, that the program would be administered by an entity "organizationally independent of other Administrations".

The dispersion of the program among such elements as Rail and Highway, thereby retaining the present modal character of the operating administration, was also discarded as an initial approach to the management of urban mass transportation functions. Such an approach would jeopardize the reorganization and is also incompatible with the statement of the Department's intentions as conveyed to the President.

There was, at one time, some advocacy of a position of Under Secretary for Urban Transportation as a variant of Alternative 1. Because of the unsuccessful experience in the past with Under Secretaries for specific programs or functional areas, and because

of the controversy which a proposal to create such a post by reorganization plan would engender, it is no longer advocated as a preferred alternative by any DOT official.

D. CONCLUSIONS

Although persuasive arguments can be made on behalf of Alternative 1 and Alternatives 2, it would appear that a reorganization along the lines of 2 would be the most clean cut, most consistent with the organizational concept of the Department, and most likely to win support in the Congress. It appears to provide adequately for day-to-day administration of the Urban Mass Transportation Act and leaves the Secretary free to take any additional actions which he might find desirable to strengthen the role of the Office of the Secretary in urban transportation affairs generally.

E. RECOMMENDATIONS

It is therefore recommended that the Secretary approve Alternative 2 and that he propose the creation of an Urban Mass Transportation Administration reporting directly to him. Any adjustments in the Office of the Secretary to assure Department-wide policy and program leadership and coordination in urban transportation matters should be made by administrative action after the approval of the reorganization plan.

Alan L. Dean

Attachment

ORGANIZATION FOR MASS URBAN TRANSPORTATION

Summary of Comments

Commenting Official	Preferred Placement of Program Respon.	OST Arrangements for Inter-modal Coordination	Remarks
1/ Deputy Under Secretary	Separate Administration. Level III Administrator.	"Top policy official" for coordination and advocacy should be provided.	Also envisages long-range adjustments over 4-5 years.
2/ Special Assistant to the Under Secretary	Assistant Secretary		This arrangement regarded as more likely to remain flexible.
3/ Special Assistant to the Secretary for Special Programs	Separate Administration.	Coordinator or Spec. Assistant to Secretary to make sure of full program coordination.	Feels neither the line or staff function of urban transportation can be assigned to an existing Assistant Secretary.
4/ Assistant Secretary for Policy Development	Deputy Under Secretary or an Assistant Secretary to receive HUD functions and to have general responsibility for urban trans. functions, at least to some extent.	Deputy Under Secretary or Assistant Secretary	Would preserve Department's options for future, and would institutionalize the role of DUS.
5/ Assistant Secretary for Public Affairs.	Separate Administration for line operations.	OST official to provide coordination and policy advice across Dept.	

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ORGANIZATION FOR MASS URBAN TRANSPORTATION

Summary of Comments

Commenting Official	Preferred Placement of Program Respon.	OST Arrangements for Inter-modal Coordination	Remarks
6/ General Counsel	Assistant Secretary for Urban Transportation	Assistant Secretary for Urban Transportation	Will keep the administration of programs as close to the Secretary as possible, preserves flexibility. Consideration should be given to counterpart officials in the administrations.
7/ Federal Highway Administrator	Separate Administration.	Secretary should be free to use any staff he feels appropriate to assure coordination among administration.	
8/ Federal Railroad Administrator	Separate Urban Transit Administration	An Assistant Secretary or Special Asst. to the Secretary would direct Task Force.	Feels that word <u>Mass</u> should be eliminated from title in interest of flexibility.
9/ Federal Aviation Administrator	Separate Administration.	Let Secretary make any provision he wishes in OST for inter-modal coordination.	To put program in OST would unduly involve the Secretary in day-to-day operational matters. Feels reorganization should be kept simple.
10/ Assistant Secretary for Administration.	Separate Administration.	Deputy Under Secretary to handle urban transportation coordination.	Plan would only mention new administration. Secretary would make OST adjustments by administrative action after plan is approved.

EYES ONLY

MEMORANDUM FOR: Honorable Joseph A. Califano, Jr.
Special Assistant to the President
The White House

SUBJECT: Basic Points for a Proposed New HUD/DOT
Relationship

In further reference to our recent conversation concerning the appropriate HUD role in urban transportation, I understand the following principles are to be the guidelines for detailed discussions between myself, Secretary Boyd.

1. Planning function and funds. Urban transportation must be planned as a system and in relationship to the other systems, such as water, sewer and open space, which determines sound and orderly growth and development. HUD will need major additional planning funds and planning engineers to assure urban transportation is related to other urban systems.

a. The 701 planning should be expanded substantially as possible:

(1) Double the present level of normal comprehensive metropolitan planning assistance (from approximately \$20 million annually to \$40 million annually).

(2) Specifically authorize funds for joint facilities development (approximately \$10 million annually).

(3) Specifically authorize funds for regional airport planning, primarily impact studies (approximately \$10 million annually).

b. HUD should assume the responsibility for setting standards, guidelines and reviewing the planning work programs of State Highway Departments -- in effect, leveling requirements on the location and impact of transportation in the urban areas.

2. Review function. We propose that the concurrence of the Secretary of HUD be obtained for transportation grants or loans affecting urban areas. With funds and manpower made

available by the transfer proposed above, HUD could provide prompt advice with respect to proposals presented to it by DOT for review, evaluation, and recommendations. Such concurrence is especially required when proposals relate to (a) land use planning requirements (such as the modal split, or other arrangements affecting the transportation component), (b) relocation of persons or businesses, or (c) the certification of the areawide comprehensive planning requirement now required in the transportation grant statutes. A parallel case would be the decisions of the Secretary of Labor with respect to wage rate determinations, or of the Secretary of HEW re air pollution.

3. Research and development function. Research, demonstration and development directly related to transportation facilities, systems and services would, of course, be the principal concern of DOT. However, the impact of such proposals on urban areas and land development should continue to be a major concern and responsibility of HUD as well as hardware/software relations. Investments in these R & D activities should be substantial to insuring emphasis & sophistication equivalent to the other areas of R & D.

4. Continuing HUD-DOT evaluation arrangements. We propose a Federal Council on Urban Transportation. This would be a permanent organizational arrangement to provide advice on standards, criteria, and priorities. The Secretaries of DOT and HUD would be full members, with chairmanship rotating between them. To provide guidance and advice to the Council, subcommittees would be designated with responsibility for such areas as research and development, planning, airport location, noise abatement, urban design, joint facilities, and so forth.

HUD concern would be that DOT's technology and dollars be used to develop urban transportation facilities that were consistent with and contributed to programs of area-wide comprehensive planning; provided a broad range of transportation alternatives to urban residents in their housing, jobs, education, and recreation facilities; minimized pollution; were in harmony with existing or proposed land uses; enhanced the design of the city and the quality of urban life; and made proper provision for adequate relocation of persons and businesses.

Further, I believe it is important to emphasize the team approach in announcing the new allocation of responsibilities. The exchanges of duties -- rather than their reassignment -- is the critical point to convey to the Congress and the public.

If you agree with this approach, I will work out the details with Alan Boyd.



Acting Secretary

to be the
urban areas.

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Center for
Transportation

THE SECRETARY OF TRANSPORTATION

WASHINGTON, D. C. 20590

January 2, 1968

MEMORANDUM OF CONVERSATION WITH U/S WOOD, HUD

Attached is a memo prepared by U/S Wood which served as a basis for conversation between the two of us. I stated my agreement in principle subject to definition of the items set forth.

Specifically under item:

1(a) - I stated that we would review our DOT budget to see whether any money could be made available for expanding the 701 planning. Further I agreed to support any effort of HUD to obtain additional planning funds.

1(b) - In this item I stated that we would consider the transfer or detail of personnel.

2 - Review function. I agreed to the requirement for concurrence of the Secretary of Housing and Urban Development in connection with transportation grants or loans affecting urban areas. This agreement is to cover such things as the Philadelphia Expressway situation and/or the D. C. Freeway system but does not include such items as the loan or grant of funds for some city to buy a half dozen buses.

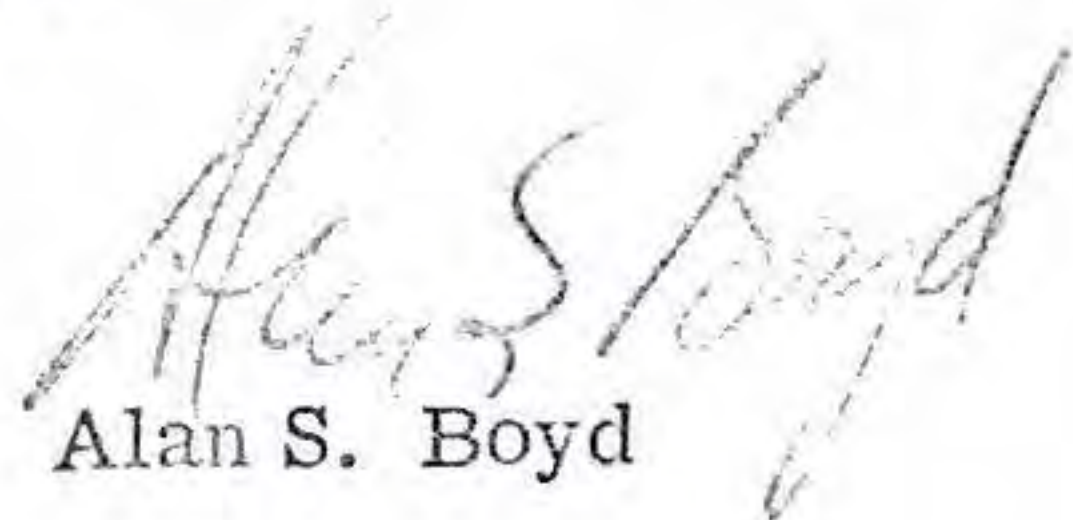
3 - Research and Development function. We agreed that there would be no problem on 90% of this activity and we should work out a method to make sure HUD is able to deal with the question of impact.

4 - Continuing HUD/DOT evaluation arrangements. I outlined to U/S Wood a proposal which I had made to the President (copy attached) to deal with whole area of coordination. We agreed to pursue the approach set forth in the attached memo.

In general we agreed to the "lead agency" principle with HUD having the lead on planning and impact and DOT having the lead on research and operations. We further

agreed that collaboration while essential should be limited to matters of importance and should not devolve in any sort of nit-picking.

I have proposed to the White House that we proceed to a reorganization plan on urban mass transit. This has not been discussed with Mr. Wood. I will try to get a final reading on that this week. We are working together on making contacts both prior and subsequent to the State of the Union Message where I expect some comment to be made on the transfer of functions to DOT.


Alan S. Boyd

Enclosures - 2

cc: Mr. Hutchinson ✓
Mr. Bridwell
Mr. Sweeney
Mr. Dean
Mr. Sitton
Mr. Murray

Eno

Center for
Transportation

copy to [unclear] for [unclear]

EYES ONLY

*Lead agency principle
for planning single
DOT ops. [unclear]
Collection for on [unclear]*

Basic Points for a Proposed New HUD/DOT Relationship

*HUD/DOT
[unclear]*

1. Planning function and funds. Urban transportation must be planned as a system and in relationship to the other systems, such as water, sewer and open space, which determine sound and orderly growth and development. HUD will need major additional planning funds and planning engineers to assure urban transportation is related to other urban systems.

a. The 701 planning should be expanded substantially as possible:

(1) Double the present level of normal comprehensive metropolitan planning assistance (from approximately \$20 million annually to \$40 million annually).

(2) Specifically authorize funds for joint facilities development (approximately \$10 million annually).

(3) Specifically authorize funds for regional airport planning, primarily impact studies (approximately \$10 million annually).

*HUD/DOT
[unclear]*

b. HUD should assume the responsibility for setting standards, guidelines and reviewing the planning and work programs of State highway departments -- in effect, leveling requirements on the location and impact of transportation in the urban areas.

2. Review function. To assure the greatest possible local understanding and support for transportation development, we propose that the concurrence of the Secretary of HUD be obtained for transportation grants or loans affecting urban areas. With funds and manpower made available by the transfer proposed above, HUD could provide prompt advice with respect to proposals presented to it by DOT for review, evaluation, and recommendations. Such concurrence is especially required

*Review [unclear] [unclear]
[unclear] [unclear]*

when proposals relate to (a) land use planning requirements (such as the modal split, or other arrangements affecting the transportation component), (b) relocation of persons or businesses, or (c) the certification of the areawide comprehensive planning requirement now required in the transportation grant statutes. A parallel case would be the decisions of the Secretary of Labor with respect to wage rate determinations, or of the Secretary of HEW re air pollution.

3. Research and development function. Research, demonstration and development directly related to transportation facilities, equipment and services would, of course, be the principal concern of DOT. However, the impact of such proposals on urban areas and land development should continue to be a major concern and responsibility of HUD as well as generalized systems development involving hardware/software relations and affecting the urban environment. Investments in these R & D activities should be substantial to insuring emphasis and sophistication equivalent to the other areas of R & D.

4. Continuing HUD-DOT evaluation arrangements. We propose a Federal Council on Urban Transportation. This would be a permanent organization to provide advice on standards, criteria, and priorities. The Secretaries of DOT and HUD would be full members, with chairmanship rotating between them. To provide guidance and advice to the Council, subcommittees would be designated with responsibility for such areas as research and development, planning, airport location, noise abatement, urban design, joint facilities, and so forth.

In developing these arrangements and in their public announcement it is important to emphasize the team approach in the new allocation of responsibilities. The sharing, exchange and coordination of duties -- rather than their reassignment -- is the critical point to convey to the Congress and the public. Problem-solving in cooperative, creative ways should be the basic theme.

mem to Council
(working group) to
Ed to
By joint effort
Consensus - 8/11/79 (prior)

Don Williams

Eno

Center for
Transportation



THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

November 30, 1967

file

MEMORANDUM TO THE PRESIDENT

Domestic programs of the Federal Government often overlap several departments. Coordination is a necessity but not always a fact. In the absence of effective machinery for identifying and dealing with areas of overlap, what coordination we now have is likely to come about only after a jurisdictional question has arisen. A committee of Under Secretaries could effect coordination where required.

Transportation represents a prime example of the overlap situation. Various people in New York are proposing a "linear city" development. The base would be several miles of the interstate highway system over and adjacent to which will be built major additions to the New York City school system with accompanying residential and commercial development. Such a project will tie together interests of HEW, HUD and DOT as well as very possibly the Department of Labor. Many other examples could be developed. There is no mechanism for meshing these federal activities. Jurisdictional disputes wind up with either the Bureau of the Budget or Joe Califano. Their decisions settle the disputes but do not provide a modus vivendi.

With your permission, I would like to suggest the Under Secretaries of HEW, HUD, DOT, Interior and Commerce be constituted as a committee to (a) identify programs with overlaps; (b) establish a mechanism for coordination; and (c) oversee the functioning of the mechanism. If this approach works, I would then suggest the committee be expanded to include other departments and executive agencies. I would recommend limiting it at first to getting a feel for the situation.

With five departments involved there should always be one committee member with no personal ax and therefore objective to help in reaching decisions. Under Secretary Hutchinson has considerable experience in organization and negotiation. He would make a good Chairman. DOT could provide someone on a part-time basis to act as Executive Secretary with approximately one staff member from the other agencies being made available to assist.

The committee should be able to report on the effectiveness of the mechanism in 120 days. If you approve, I will meet with Secretaries Udall, Gardner, Weaver and Trowbridge to start the operation.

~~Signed~~ Alan S. Boyd

Alan S. Boyd

Eno

Center for
Transportation

THE SECRETARY OF TRANSPORTATION
WASHINGTON, D. C. 20590

January 3, 1968

→ Minority
File - Temp
(Urban -
Transit)

MEMORANDUM TO THE HONORABLE JOSEPH CALIFANO

U/S Wood provided me with a copy of a memorandum entitled "Basic Points for a Proposed New HUD/DOT Relationship." I understand you have a copy also. I stated my general agreement in principle to the points made subject to definition.

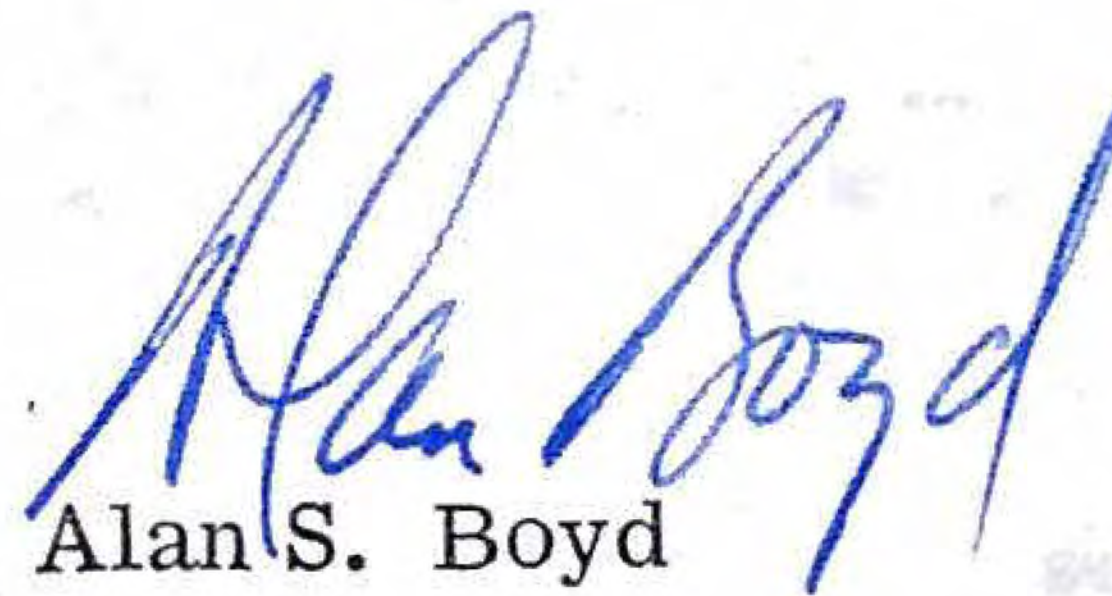
I am proposing to designate Alan L. Dean, Assistant Secretary for Administration, and Lowell K. Bridwell, Federal Highway Administrator, as a working group for DOT to meet with a working group from HUD which I understand will be composed of Dwight A. Ink, Assistant Secretary for Administration and Peter A. Lewis, Deputy Assistant Secretary, to effect a method for transfer of functions. My purpose in designating Administrator Bridwell is primarily to deal with item 1 (b) which will necessitate the development of a relationship between the Bureau of Public Roads with its funds and personnel and the Planning Function of HUD.

U/S Wood and I are acting on the premise that an announcement will be made in the State of the Union Message. We hope to prepare ourselves to submit a statement which will indicate a change in responsibilities and will not appear as a defeat in a bureaucratic struggle between HUD and DOT. I am proposing to develop a reorganization plan for the transfer of the various functions (the method of transfer has not been discussed with U/S Wood).

We are developing together a statement of key contacts to be made both prior and subsequent to the State of the Union Message. We will break out in this list the names of those Secretary Weaver and I should contact jointly and those contacts which may be made individually by either of us.

This memorandum is for your information to indicate our course of action unless we hear to the contrary from you.

U/S Wood concurs in this memo.


Alan S. Boyd

Eno

Center for
Transportation



ASSISTANT SECRETARY

OFFICE OF THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

January 5, 1968

MEMORANDUM FOR THE SECRETARY:

SUBJECT: Staff Council Meeting on DOT-HUD Organization

I would like to pass on the comment that I thought the meeting of the Staff Council today was extremely well done, a valuable exercise and, I would hope, an indication of how this organizational vehicle can be used in the future. There were several characteristics which I think should be noted because they are probably ingredients of a successful operation of this sort.

1. The issue was one of major importance to the Department which requires a clearcut Secretarial decision. It was also an issue in which a number of the Department's officials have a major substantive interest and one on which differing points of view were important considerations in the process.

2. There had been a clearcut assignment of the principal staff responsibility in connection with the whole project. Furthermore, the assignment was quite a logical one and consistent with well understood and accepted functional responsibilities within the DOT organization.

3. You played a significant role in framing the issue so that the staff who were called upon to work on it and direct it prior to its consideration at the meeting were well acquainted as to how the issue needed to be presented and the kind of decision you wanted to make as a result of the staff work and advice which you expected to get.

4. The staff work itself was well done and reflected a considerable amount of time and effort by the people whose advice you wanted. The participants on whom you were calling for advice had also done their home work.

5. You stayed out of the process from the time you had structured it and made the assignment until it was ripe for your consideration and let the staff processes proceed as they should.

6. The meeting itself was effectively handled with little that could be identified as wasted motion or irrelevant conversation. The issues had been clearly identified and the participants addressed themselves to the issues as they had been framed. Here the staff work had clearly helped by clarifying the issue and narrowing the alternatives compared to what had been in the earlier draft memorandum. It is important to be sure that the staff work does not narrow the range of alternatives to be presented unduly, but in this case that did not seem to be a problem.

7. The meeting was conducted in such a way as to use as little time as possible which will become increasingly important as the Department develops, particularly when the issues are of such importance as to warrant attention of so many of the officials of the Department. The time factor will be an important consideration in deciding what issues should be laid before such a group and how much time it is reasonable to expect the principals themselves to have to devote to a single issue in the light of all their other responsibilities.

While I think it would be a mistake to assume that any operation is, in fact, perfect, I think this could be used as a valid illustration of the way we would like to see major issues handled in the future. It might be worth your reviewing the whole operation at one of your staff meetings with the Modal Administrators and the Assistant Secretaries to let them know the extent to which you were in fact satisfied with the process as it operated in this case.


M. Cecil Mackey

Eno

Center for
Transportation

File: Shift of
Mass Transit

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

OFFICE OF
THE DIRECTOR

January 6, 1968

MEMORANDUM FOR THE SECRETARY, DEPARTMENT OF TRANSPORTATION
MR. JOSEPH CALIFANO ✓

The following represents my understanding of the results of the conversation we had last night with respect to urban mass transit.

As part of the overall urban mass transit "solution" -- mass transit moving from HUD to DOT -- we would propose a new title in the urban mass transit bill giving the Secretary additional flexibility in the kind of projects he could mount, in particular relating them to other forms of urban transportation and urban development.

No additional funds would be provided in the DOT budget for this purpose. (There will be an additional \$15 million requested for urban mass transit research.) However, in the Message and in his testimony, the Secretary will indicate that mass transit is of such high priority that, upon passage of the legislation, he will reprogram funds within the Department in such a manner as to provide an additional \$25 million for mass transit. (This reprogramming will presumably require an appropriation amendment.) It is our present understanding, although this particular point need not be mentioned early in the game, that the additional funds would come from the presently budgeted FAA facilities program.

If my statement of this proposal is satisfactory, then I have no problem with it. Please let me know if this agrees with your understanding.

Charles

Charles L. Schultze
Director

Eno
Center for
Transportation

For: Joe Califano

I think this is
fairly persuasive --
assuming, of course,
that we do, in fact,
want to Transfer
the program.

JB

I concur.

Matt

Eno

Center for
Transportation

January 10, 1968

TRANSFER OF URBAN TRANSPORTATION FUNCTIONS

Reorganization Plan vs. Amendment of Legislation

The question has been raised as to why a Reorganization Plan instead of an amendment by authorizing legislation should be used to transfer the Urban Mass Transportation Program from the Department of Housing and Urban Development to the Department of Transportation. There are several compelling reasons for using the Reorganization Plan.

1. Action on a Reorganization Plan is assured within 60 days after transmittal by the President, while legislation extending the Urban Mass Transportation action might be long delayed. In fact, because the program is funded through 1969 Fiscal Year, there is no necessity for Congress to extend the program in the second session of the 90th Congress at all.
2. Reorganization Plans are not subject to amendment. This means that the location of authority and arrangements for administration of the program chosen by the President must be accepted unless the Plan as a whole is rejected. The legislative route leaves the way open for Congressional attempts to write into the legislation detailed arrangements for administration within the Department of Transportation.
3. There are already available substantial funds, numerous projects, and a small staff engaged in the present program. It is easier and more certain to transfer these resources by Reorganization Plan than by legislation.
4. The Reorganization Plan procedure is a familiar one to the Congress and was specifically designed to permit this kind of shift of statutory functions from one agency to another under simplified arrangements.
5. The Committees on Government Operations have jurisdiction over Reorganization Plans. The substantive committees have jurisdiction over regular legislation. An attempt to affect the transfer by statutory amendment might result in the Banking and Currency Committees having jurisdiction, and these Committees are unlikely to be as sympathetic as the Committees on Government Operations.

2
JAN 10 1968

TRANSFER OF THE URBAN MASS TRANSPORTATION
PROGRAM TO SECRETARY OF TRANSPORTATION

Status Memorandum

A. Reorganization proposal. To transfer to the Secretary of Transportation authority for the Urban Mass Transportation Program now vested in the Secretary of Housing and Urban Development.

B. Background and source. The need for close coordination between urban mass transportation program and other transportation programs has been recognized since the program began in 1961 in the Housing and Home Finance Agency. However, serious consideration was not given to re-locating the Urban Mass Transportation program in the same organization with related transportation programs -- e.g., highway programs -- until after HUD was created and the proposal for DOT was developed in 1966.

In the hearings and debate on the DOT legislation, while the question of its location came up a number of times, it was generally stressed that the legislation should not be delayed pending decisions on the Urban Mass Transportation program. Congressional interest in a prompt transfer of the Urban Mass Transportation program to the new Department did, however, result in the inclusion in the DOT legislation of a provision requiring a joint DOT-HUD study of how Federal policies and programs can assure that urban transportation systems most effectively serve both national transportation needs and the comprehensively planned development of urban areas. The two Departments were directed to report their study findings and legislative recommendations to the President for submission to the Congress within one year after the effective date of the DOT Act. About three months now remain to carry out that provision of the Act.

C. Benefits of the proposal. Significant advantages can be gained from unifying all Federal urban transportation programs in one agency. At present, no one agency has complete authority and responsibility and the programs are fragmented. State and local agencies must look to two agencies to put a program together. DOT is the only agency in a position to bring all the modes of urban transportation together -- particularly the urban highway and mass transit programs, to insure the necessary trade-offs and mixes.

In addition, DOT has a greater research base on which to draw and develop a competence in the urban mass transportation field. It would be costly and wasteful to duplicate similar research facilities and technical competence in HUD.

D. Previous consideration by President or Congress. DOT and HUD were unable to reach agreement on the future organization of the urban mass transportation program as required by the DOT Act. The Bureau of the Budget reviewed the agency positions in November of 1967, and

prepared an analysis of the organizational alternatives for the President. After White House meetings with the Secretaries of HUD and DOT, the President approved the proposal to transfer the urban mass transportation program to DOT.

E. State of readiness. A reorganization plan and message are now being drafted by DOT. The proposed plan and message are being discussed with HUD representatives, and a completed draft will be forwarded to the Budget Bureau shortly.

F. Support and opposition. It is still too early to determine fully the degree of support or opposition to the transfer. As indicated, there was significant Congressional support for an immediate transfer of the program at the time of the creation of DOT. It is conceivable, however, that proponents of mass transportation may object on the grounds that the program could be subordinated to highway interests in DOT. Conversely, the highway interests could view the transfer as a threat in that it would strengthen the ability of the Secretary of DOT to coordinate and influence all urban transportation programs.

It is possible that HUD supporters would oppose the transfer because it could be viewed as a weakening of the comprehensiveness of the HUD approach to the problems of the cities. Some local government officials might also view the transfer as diminishing their chances of influencing mass transit decisions and funding levels if their established channels of communications with HUD were to be changed.

G. Factors bearing on timing of a Presidential transmittal. The report to the President and the Congress required by the DOT Act could provide the opportunity to submit the reorganization plan at the same time since the legislation provided for the inclusion of any recommendations deemed desirable.

Eno

Center for
Transportation

UNITED STATES GOVERNMENT

DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

Memorandum

DATE: January 12, 1968

SUBJECT: Conversation with Secretary Weaver on
January 8, 1968In reply
refer to:

FROM: Secretary of Transportation

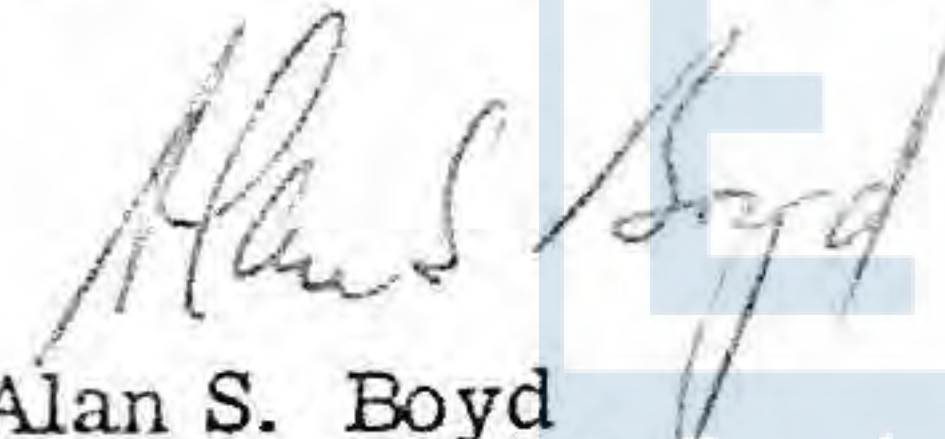
TO: Under Secretary

I met with Secretary Weaver to discuss future joint activities relative to the transfer of Urban Mass Transit to DOT. I advised him that our preference was to effect the transfer through a reorganization plan and asked if this was satisfactory. He stated this was okay with him.

We agreed we should meet jointly with various Members of Congress and agreed on a list of those who should be seen jointly. They are as follows: Senators McClellan, Ribicoff, Williams (N.J.), Mundt and Cotton, all of whom are to be contacted by me. Secretary Weaver is to contact Senators Sparkman, Bennett, Magnuson and Tower. Representatives Boland, Blatnik, Holifield, Staggers, Springer and Dwyer are to be contacted by me for joint appointments. Secretary Weaver is to contact Representatives Evins, Patman, Widnall and Dawson. These contacts are for appointments on the afternoon of January 16 and during the course of the entire day on January 18. Secretary Weaver is also to contact John Gunther of the Conference of Mayors to set up a joint meeting between the two of us and the staff and representative Mayors of the Conference. I am to contact Pat Healy of the League of Cities to do the same. These meetings should be set before the State of the Union Message but be held after the Message has been published. This is on the assumption the President will comment on the transfer in the State of the Union Message.

We agreed that we will meet jointly with the staffs of the Conference of Mayors and the Association of Cities. We did not discuss meeting with representatives of the American Transit Association.

Secretary Weaver is preparing a one page statement which can be utilized in the event there is some premature discussion about the transfer from the groups to whom we talked. When this is drafted, he will send it to me for our consideration.


Alan S. BoydEno
Center for
Transportation



THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

244
Urban Mass Transit

JAN 20 1968

Honorable Robert C. Weaver
Secretary
Department of Housing and Urban Development
Washington, D. C. 20410

Dear Bob:

With the President having decided to transmit to the Congress a reorganization plan transferring the urban mass transportation program from the Department of Housing and Urban Development to the Department of Transportation, we are entering a period of transition which will present problems for both Departments. For a period of sixty days after the transmittal of the plan, the legal responsibility for the operation of the program will remain in HUD, but the Secretary of Transportation will have been publicly designated as the recipient of the urban mass transportation functions, subject to such cooperative relationships as are agreed to by the Departments.

There are three specific areas for which we need to make provision in the interest of the most effective transition. These are the development of the determination order, the handling of new commitments and obligations during the period between now and the taking effect of the reorganization plan, and the development of legislation extending the Urban Mass Transportation Act of 1964, as amended.

With respect to the determination order, I would suggest that we continue to rely upon our respective Assistant Secretaries for Administration to develop detailed plans for the shift of funds, personnel, records and other assets which should logically be moved to the Department of Transportation upon the taking effect of the reorganization. As you know, the determination order itself is issued by the Director of the Bureau of the Budget, but he will rely upon the two Departments to reach as much agreement as possible in identifying the personnel and assets to be transferred.

With respect to the entering into commitments or obligations involving projects and assistance authorized under the Urban Mass Transportation Act, I urge that we set in place arrangements for consultation between the two Departments before future actions of this kind are taken. Obviously only the Secretary of Housing and Urban Development can approve projects or commit funds until the plan has actually taken effect, yet, it would appear reasonable to assure that the Department of Transportation is given an opportunity in each case to indicate its concurrence, since it will have the responsibility for the subsequent administration of the project. I am prepared to designate our Assistant Secretary for Policy Development as the DOT official to handle such consultation.

Because most of the funds authorized for urban mass transportation through 1969 have been appropriated and because of the advance funding procedures which have been used for this program, you have planned to seek an extension of the Act in the current session of Congress. Such an extension can involve both the continuation of existing authority and the introduction of amendments taking into account experience to date with the program. Maximum funding levels also need to be determined. I have asked the Assistant Secretary for Policy Development to give special attention to this matter, and it would be helpful if you would designate a member of your staff who can work with him in assuring that any extension legislation takes into account that the new statute will be administered by the Secretary of Transportation.

As you know, I will do everything within my power to assure that this reorganization is brought about smoothly and with full consideration of the needs and problems of the Department of Housing and Urban Development. In this reorganization we have an opportunity to demonstrate the capacity for effective team work which we will expect of our Departments in the months ahead in the many matters which will require our joint or cooperative action.

Sincerely,

ALAN S. BOYD

Alan S. Boyd

cc: Honorable Joseph A. Califano, Jr.
Special Assistant to the President
The White House
Washington, D. C. 20500

Eno
Center for
Transportation

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PAUL NELSON,
CLERK AND STAFF DIRECTOR
CA 4-3121, EXT. 4247

January 23, 1968

The President
The White House
Washington, D. C. 20515

Dear Mr. President:

As you know, the departments within your Administration are proposing that the administration of the mass transit program be transferred from the Department of Housing and Urban Development to the Department of Transportation. The preponderance of the membership of the House Committee on Banking and Currency strongly opposes this misguided proposal.

In the first place, Mr. President, we feel, in the strongest possible terms, that anyone who understands the pressing urban and metropolitan problems we face must agree that improving our rapid mass transit systems in the cities and towns of the country is a vital and integral part of any rational, coordinated program to make our urban areas better places in which to work and live. Among the basic problems facing our cities are those of housing, improved streets, improved water and sewer programs and the like. The availability of high speed, low cost transit within our metropolitan areas is clearly just as important if not more important to the environmental health of our urban centers. Just as clearly, the problem of metropolitan and urban rapid mass transit should belong nowhere else but within the jurisdiction of the Department of Housing and Urban Development which you and the Congress have entrusted with the mission of up-grading and improving our urban environment and urban living conditions.

Eno
Center for
Transportation

The President

- 2 -

January 23, 1968

All of the programs of the Department of Housing and Urban Development, as you know, Mr. President, come within the legislative jurisdiction of the Committee on Banking and Currency and our Subcommittee on Housing. For many, many years, the members of this Committee have devoted much of their legislative and professional life to the advancement and enactment of legislation designed to provide better housing for our people and to provide a better urban environment for the millions of Americans who are city and town dwellers. Mr. President, our Committee is proud of our role in launching an urban mass transit program in which the financial aid of the federal government is being brought to bear to help our beleaguered cities to cope with their almost insoluble problems of intra-metropolitan transportation. Our first hearings on this subject were held in 1960. The first mass transportation legislation took root in the housing legislation of 1961. The landmark year, of course, was 1964, when our Committee, in the face of obstacles which most people thought impossible to overcome, was successful in passing the Urban Mass Transportation Act of 1964. In 1966, we again improved and gave additional funds to this vitally needed urban program. In 1967, we again dealt with urban mass transportation legislation. Mr. President, we submit, in the strongest possible terms, that our Committee and its Subcommittee on Housing and the Department of Housing and Urban Development should never be deprived of the jurisdiction and management of a program which we first launched and have since nurtured, and a program which we hope to gradually expand and improve toward the ultimate objective we all seek of an urban America with the vitally needed fast, low-cost rapid transit it must have to survive.

Mr. President, we implore you to have your budgetary experts and your governmental organization experts and your urban experts re-examine what we regard as a shortsighted and misguided proposal and we deeply hope that that re-examination will persuade you that all of the facts and considerations point overwhelmingly to retaining the executive administration of the urban mass transit program in the Department of HUD and the legislative authority and guidance within the purview of the Committee on Banking and Currency.

Sincerely,

William B. Widnall

William B. Widnall

Wright Patman

Wright Patman, Chairman

William A. Barrett

William A. Barrett

Center for
Transportation

MEMORANDUM OF MEETING BETWEEN SECRETARIES WEAVER AND BOYD, UNDER
SECRETARY WOOD AND DEPUTY UNDER SECRETARY SITTON, JANUARY 25, 1968

SUBJECT: Discussion of Issues on Proposed Transfer of Urban Mass
Transit Program to DOT

The discussion between Secretaries Boyd and Weaver was based upon the HUD/DOT staff position paper. Secretary Weaver indicated that HUD was concerned over two issues on which the staffs had failed to reach agreement. These are Item C (Planning Base for Highway Assistance) and Item F (Technical Studies, Transportation Systems Design). The points at issue involved (a) clarification of substance and (b) procedures for implementing the agency agreement, i.e., whether by memorandum of understanding or by reorganization plan.

Planning Base for Highway Assistance

Secretary Weaver took the position that HUD should exercise a leadership role at the Federal level in promoting improved urban transportation planning as a component of comprehensive community planning. It was his view that the reorganization plan should provide specifically for a transfer of 23, U.S.C. Section 134, responsibilities to HUD in order to strengthen this leadership role. Secretary Weaver believed that such transfer of responsibility was also needed to clearly indicate to the Congress that there was an equivalency of exchange as part of the reorganization.

Secretary Boyd agreed on the need to strengthen HUD's clientele relationship with duly constituted local planning bodies. He said that DOT was fully prepared to require that approval of transportation plans and projects should be made contingent upon their responsiveness to and consistency with comprehensive community plans developed by local bodies and approved by HUD. Secretary Boyd indicated that it was critical that the HUD/clientele relationship be strengthened and said DOT would cooperate to the fullest extent toward accomplishing this objective through transfer of funds to the local body selected by HUD and support of increased 701 planning grants. However, Secretary Boyd indicated that inclusion within the reorganization plan of language transferring Section 134 responsibilities to HUD was a sensitive political issue. He believed it would be extremely unfortunate if such a proposal were adopted since it could trigger counter effort by highway interests to thwart DOT/HUD efforts to strengthen the role of comprehensive community planning in guiding highway transportation planning. Such efforts were not to be discounted as idle threats. Secretary Boyd believed a more desirable alternative was to avoid the issue in a reorganization plan, to outline objectives in the Presidential message and to implement agreement through a memorandum of understanding. Reference should not be made in the message to highway planning but to transportation planning and hortatory language should be included in the President's message for guaranteeing that HUD's leadership role in assistance and guidance to local communities was to be substantially strengthened. Subsequently, it was agreed that Secretary Boyd's suggested approach would be adopted and that Under Secretary Wood would assume responsibility for initial drafting of the Presidential message.

Technical Studies under Section 9 of the Urban Mass Transportation Act

Secretary Weaver considered it essential to reserve to HUD certain Section 9 authority to perform technical studies primarily relating to the external impact of transportation. Such language is needed to serve as a basis for securing certain HUD appropriations. Secretary Boyd indicated that although DOT could transfer appropriate funds to meet this requirement, he fully recognized the HUD problem and agreed to incorporate in the reorganization plan a split in authority between the two Departments as recommended by Secretary Weaver.

Discussion of Tactical Procedures

There was further discussion about the problem of securing Congressional support and about the best approach, from the Administration's viewpoint, for securing concurrence on reorganization plan. Secretary Boyd made reference to DOT's sensitive relationship to the highway interest groups and also to the Department's problems with respect to reorganization proposals for transferring maritime programs to DOT. Secretary Weaver reiterated his belief that the plan's success would be strengthened by forthcoming statements giving some recognition to equivalency of transfer. However, both Secretaries Weaver and Wood recognized the problem of handling this through the reorganization plan. They agreed to cover the issue of clarifying and strengthening HUD's planning responsibilities through a memorandum of understanding between the two Departments. The following was agreed:

- (a) Under Secretary Wood would prepare a first draft Presidential message spelling out in general terms the Administration's intent to strengthen the comprehensive planning process and to assure that transportation planning

is made more responsive to general community development objectives. The initial draft language will be forwarded to Messrs. Sitton and Robson for review and comment.

(b) The task force would continue to work on the detailed memorandum of agreement in line with the agreement above. This agreement would be used as the implementing document for DOT/HUD interagency understanding.

(c) Over the short term, it is recognized that due to the limited availability of 701 planning grants, Highway Trust Fund 1 1/2% planning and research grants must continue. The key point here was to assure that the HUD clientele community planning agency be further strengthened and DOT will cooperate in promoting this objective.

(d) The general division of responsibilities between HUD/ DOT will be:

--HUD will have primary responsibility for comprehensive community planning;

--DOT will exercise primary responsibility for project planning;

--HUD and DOT will work jointly on criteria and guidelines in the grey area identified as "transportation systems planning." In this latter area, HUD will be expected to provide leadership in developing criteria to govern external impact problems. These relationships and responsibilities are to be worked out in detail in the memorandum of understanding.

It was agreed that detailed drafting on these basic documents including the reorganization plan, would provide a basis of interagency understanding for going to BOB and the White House with the HUD/DOT position.

The logo for the Eno Center for Transportation. It features the word "Eno" in a large, light blue, sans-serif font. Below "Eno", the words "Center for" and "Transportation" are stacked in a smaller, white, sans-serif font, all contained within a light blue rectangular box.

Eno

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Transportation

Sections not written
To be cut

6a, 9, 11

THE WHITE HOUSE
WASHINGTON

Weaver

Message Two-way Street

Implication that

Boyd

Simple, straightforward plan

HUD has no practical way to affect
highways

Give HUD major role

Memo of understanding

The issue:

Should plan for or reserve certain
functions in HUD

- Can you draft it technically
- Is it desirable policy

THE WHITE HOUSE

WASHINGTON

February 1, 1968

FOR: Joe Califano

FROM: Fred Bohen *Fred Bohen*

I have arranged a meeting for this afternoon at 5:00 p.m. on the Urban Mass Transit transfer, and invited Zwick, Hughes, Weaver, Boyd, Barefoot (plus Nimetz and me). All of these individuals can and will attend unless you direct otherwise.

As I understand it, there are two major problem areas. First, Boyd has taken a constructive position in meetings with Weaver on a transfer which would leave real teeth in HUD for scrutiny of urban transit, including highways. But, at the working level, Boyd's people have resisted putting together the staff work which would implement Boyd's position. As a result, there is now a split between Boyd and Weaver. Boyd does not want the reorganization plan to leave any planning functions in HUD, but is willing to enter into a memo of agreement with Weaver which would authorize an important consultative role for HUD. Weaver feels that HUD must have a legal base and wants to retain some planning authority in the language of the reorganization plan.

After reviewing the documents, it seems clear to me that we (the White House and BOB) have agreed throughout this discussion that HUD, in return for giving up the grant program, should retain the maximum amount of leverage and authority to consult and review transportation plans and projects in urban areas. On the merits, I think Weaver's position is right -- namely, that the reorganization plan should provide a legal base for HUD's continuing planning responsibilities.

The second issue concerns Patman's letter, which I have not seen, but which I have heard about. As I understand it, Patman feels he has some kind of commitment from the White House to leave the Mass Transit program in HUD and therefore under his jurisdiction in the House Banking and Currency Committee. Weaver, for one, feels that the politics of this issue will turn on Committee jurisdiction, and feels therefore that it is all the more important to preserve the notion of a genuine quid pro quo, rather than a one-sided transfer.

① Pres leverage -

②

③ Highway & Cities

Does plan per se
specifically reserve
certain functions in HUD -
A) Technically possible?
B) Right [Planning]

④

The meeting at 5:00 is needed to insure full coordination of all available knowledge, to settle, if possible, the differences between Weaver and Boyd, and to decide upon a line of response to the Patman letter.

As further background, I have attached copies of some of the major memos detailing terms of the negotiation between HUD and DOT.

Attachments

cc: Matt Nimetz

After the five o'clock meeting so
you may want to circulate this among
the present. Accordingly, I am
pleased for that purpose.

Robert C. Weaver

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Transportation



THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

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786
✓

February 1, 1968

MEMORANDUM TO JOSEPH CALIFANO
The White House

Subject: Contacts on Urban Mass Transit

Congressmen jointly contacted by Secretary Weaver and myself:

1. Congressman William B. Widnall -- Said he would like to help, subsequently reversed his field and objects.
2. Congressman William L. Dawson -- Said whatever the Administration wanted, he would try to get through the Government Operations Committee.
3. Congressman Joe L. Evins -- Chairman, Independent Offices Subcommittee -- said the idea sounded sensible and generally approved.
4. Congressman Wright Patman -- Very cautious -- said matter was so important he would have to discuss with his Committee. I understand he subsequently wrote the President expressing objections.
5. Congressman Edward P. Boland -- Approved
6. Congressman William L. Springer -- Asked detailed questions. I fear we did not explain too well to Springer what was involved but he expressed general agreement.
7. Congressman John A. Blatnik -- Cooperative, forthcoming -- approved.
8. Congressman Harley O. Staggers -- Approved.
9. Congresswoman Florence P. Dwyer -- Asked searching questions and expressed approval.
10. Senator John G. Tower -- Hearty approval.

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11. Senator John J. Sparkman -- Approved.
12. Senator Harrison A. Williams -- Stated that the function was really transportation and should be in DOT. His staff expressed concern about Pete losing Committee jurisdiction. Williams did not seem perturbed.
13. Senator Karl E. Mundt -- Approved.
14. Senator John L. McClellan -- Stated he could see no reason to object if the proposal were as outlined.

Senator Warren G. Magnuson -- We have been unable to meet with him. However, Jerry Grinstein advises Magnuson is aware of the proposal and quite comfortable about it.

Congressman George H. Mahon -- I talked to him myself. He will support.

The following have been contacted by me individually:

ORGANIZATIONS

The Railway Progress Institute, representing the manufacturers of rail equipment (including both railroad and mass transit) will meet with me and an officer of HUD on Friday, February 9. I have informally discussed the transfer with Ashley Gray, President of General Steel Industries and current President of RPI, and plan to visit his plant on Monday, February 5, while in St. Louis.

I think they will come along.

The American Transit Association, representing both public and privately-owned transit systems throughout the country, met with me and Under Secretary Wood to discuss the transfer.

They will cooperate with the Administration and will give support.

The National Association of County Organizations, representing county governments throughout the country, will support. Executive Director Bernie Hillenbrand is in favor. Hillenbrand, Arch Lamb of Lubbock, Texas and NACO's transportation committee met with me and presented a resolution of support.

The Conference of Mayors recently met in Washington and discussed the transfer. Some Mayors have reservations but there does not appear to be strong opposition. The Conference has not taken a position.

The National League of Cities has also discussed the transfer at length and taken no position. The Transportation Committee of the League, headed by Mayor Dorm Braman of Seattle, can probably be persuaded to support the Administration.

ALAN S. BOYD

Alan S. Boyd

cc: Secretary Robert C. Weaver

ASBoyd:jap 2/1/68

cc: S-1

S-10

U/S Hutchinson ✓

Mr. Sitton

Mr. Dean

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Center for
Transportation

EYES ONLY



DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D. C. 20410

OFFICE OF THE ASSISTANT SECRETARY
FOR METROPOLITAN DEVELOPMENT

1 February 1968

IN REPLY REFER TO:

MEMORANDUM FOR: Secretary Robert C. Weaver


SUBJECT: Reorganization Plan

Clearly you and Secretary Boyd want to maintain relative Departmental equivalency while redistributing the transportation functions. It is also in the President's interest to insure one Department doesn't appear "king of the hill" while the other (and the voting interests it represents) appears to be the "loser." Unfortunately the press are touting a "winner" and starting to depict HUD as only playing "a modest part as consultant" and "will get a voice . . . but the Transportation Department will make decisions."

The "old hands" of Washington bureaucracy are becoming increasingly concerned that HUD has little or no chance of maintaining a real role unless its responsibilities for comprehensive planning requirements on the Mass Transportation Program; comprehensive transportation planning requirements for highways; and, the bringing over of the staff with supporting 1-1/2% funds are clearly spelled out in the Reorganization Plan.

You know, far better than I, the notion of burying responsibilities in messages and agreements, as proposed by DOT negotiators, have little chance of remaining buried and if still subrosa after Congressional review, far smaller chance of being implemented.

Since it increasingly appears that anything not in the Reorganization Plan will be lost, I want to be certain this point is clearly recognized and not lost in the maze of this complicated negotiation.


Charles M. Haar
Assistant Secretary

cc:
Robert Wood

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Transportation



DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D. C. 20410

File:
Urban Mass Transit

OFFICE OF THE ASSISTANT SECRETARY
FOR ADMINISTRATION

IN REPLY REFER TO:

FEB 5 1968

MEMORANDUM FOR: Frederick H. Bohen
Assistant to Mr. Califano
The White House

Attached is the joint paper prepared by Al Dean and me concerning the HUD and DOT positions as they existed prior to last week's meeting with Joe Califano. The only point of disagreement related to the implementation of Item B in which HUD urged that the Plan in some way reflect the HUD responsibility for planning determinations, whereas DOT urged that this HUD responsibility be provided for in the Memorandum of Understanding rather than the Plan.

I am sure that the development of the more detailed Memorandum of Understanding will uncover many points on which there are minor disagreements which will have to be resolved. However, Al Dean and I both feel that this document represents a very substantial degree of agreement between the two Departments.

Dwight
Dwight A. Ink
Assistant Secretary
for Administration

Attachment

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Summary of HUD and DOT Positions
on Major Reorganization Plan Issues

Note: This summary is not intended to convey agreement on specific language for the Plan, nor is it intended to identify all of the subsidiary agreements between the Departments which will be required to be stated in a Memorandum of Understanding. For example, the proposed Federal Council on Urban Transportation is not included here because it is assumed it would not be included in the Plan.

A. Basic Financial Assistance Authority under the Urban Mass Transportation Act and title II of the Housing Act of 1955

1. Substantive recommendation. All HUD authority under the Urban Mass Transportation Act to make grants or loans and related specific transportation loan authority under title II of the Housing Amendments of 1955, and HUD authority under the WMTA consent legislation (P. L. 89-774, - 40 USC 672), will be transferred to DOT, subject to certain limitations indicated in the remainder of the paper.

B. Planning Base for Urban Mass Transportation Assistance

1. Substantive recommendations. (HUD and DOT)

a. The Federal responsibility for assisting and guiding areawide comprehensive planning (including comprehensive transportation planning) by local communities resides in HUD.

b. Within this framework, criteria for urban transportation system planning shall be developed jointly by HUD and DOT.

c. Where a local agency having responsibility for comprehensive planning for the area is qualified, as determined by HUD, to carry out transportation system planning, that agency or one responsible to it, shall carry out the transportation system planning.

d. HUD will assume responsibility for determinations (or findings, if implemented by a Memorandum of Understanding) under Sections 3(c), 4(a) and 5 of the Urban Mass Transportation Act ^{1/} that there is, or is being developed, a program for a unified or officially coordinated urban transportation system as part of the comprehensively planned development of that area. (This would include, as it does now, the adequacy of the comprehensive planning mechanism and comprehensive long and short range transportation planning.) HUD will keep DOT informed on a current basis of the status of planning operations in the various areas.

2. Implementation.

HUD POSITION

HUD responsibility for the determination whether there is a program for a unified or officially coordinated transportation system as a part of the comprehensively planned development would be specifically excepted in the Reorganization Plan.

DOT POSITION

HUD responsibility for a finding on the basis of which DOT would make the determination would be provided for in a memorandum of understanding.

1/ Under section 3(c), HUD would determine that there is "a program proposed or under active preparation, for a unified or officially coordinated urban transportation system as part of the comprehensively planned development of the urban area". Under section 4(a), HUD would determine that there is "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". Under section 5, HUD would determine that "the program for the development of a unified or officially coordinated urban transportation system, referred to in section 4(a) is under active preparation although not yet completed". In each case, the HUD determination would provide a basis for DOT findings with regard to the availability of financial assistance for projects taking into account the essentiality or need for the assistance for carrying out the programs referred to in these sections.

C. Planning Base for Highway Assistance

1. Substantive recommendation. HUD will certify to DOT as to the adequacy of the continuing transportation planning process in urban areas of more than 50,000, pursuant to section 134, title 23, U. S. Code. (The HUD certification will provide a basis for a DOT finding as to adequacy of the planning process and a finding that projects are based on such a process.) This responsibility will be exercised pursuant to the same consultation arrangements indicated for mass transportation planning under B above.

2. Implementation. The HUD responsibility for certification will not be assigned to HUD in the Plan, but will be provided for in a Memorandum of Understanding. Reference will be made in the Plan to a HUD role in coordinating comprehensive planning; and in the Message to increased responsibility for HUD in comprehensive urban transportation planning, including language designed to guarantee that HUD's leadership role in assistance and guidance to local communities will be substantially strengthened.

D. Project Approvals - Consistency with Planning - Urban Mass Transportation

1. Substantive recommendation

a. System plans. DOT and HUD will exchange information on locally prepared transportation system plans at the earliest possible time.

b. Project plans. DOT will provide HUD at the earliest possible time with full information on proposals for urban mass transportation projects having a significant impact on the planned development of the urban area. DOT will assume responsibility for



determining whether those projects are needed for or essential to carrying out a unified or officially coordinated urban transportation system as part of the comprehensively planned development of the urban area. DOT will not make this determination without securing the recommendations of HUD. The HUD involvement in the determination will be treated as a formal step in the process of project approval.

2. Implementation.

HUD involvement will be pursuant to a general reference in the Plan to consultations. There should probably be some reference to the matter in the message, and a specific agreement on details between the two Departments would be necessary in the Memorandum of Understanding.

Procedural details will include, among other things, provision for adherence to requirements of Section 204 of the Demonstration Cities and Metropolitan Development Act for review and comment of urban transportation projects by areawide review agencies.

E. Project Approvals - Highway - Consistency with Planning

1. Substantive recommendation. HUD will assume with respect to highway projects having significant impact on the planning and development of urban areas, the same role as specified in D above with respect to mass transportation project approvals.

2. Implementation. There will be no reference in the Plan to HUD involvement in review of highway projects for consistency with comprehensive planning. The Message will refer to comprehensive urban transportation planning. A Memorandum of Understanding will provide for the details of review of these projects.

F. Technical Studies - Transportation Systems Design

1. Substantive recommendation.

HUD will retain responsibility for assistance under section 9 of the Urban Mass Transportation Act for studies or portions of studies of transportation systems design which provide a basis for decisions having an impact on urban environment.

Retention by HUD of the responsibilities indicated above will be provided for in the Plan, with further detailed arrangements in the HUD-DOT Memorandum of Understanding.

G. Highway Planning Assistance Programs for Metropolitan Areas

1. Substantive recommendation.

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 (including comprehensive urban transportation planning) in metropolitan areas. HUD will also review planning proposals and reports prepared by planning bodies in metropolitan areas. DOT and HUD will jointly develop standards and guideline for these reviews.

DOT and HUD would jointly develop criteria for urban transportation system planning. Section 701 planning assistance funds and the 1-1/2 percent highway planning funds will be made available to the extent possible for transportation system planning. (DOT will join HUD in urging appropriate increase in 701 appropriations to strengthen HUD to carry out its responsibility in this area. Meanwhile, in addition, DOT will make available technical personnel to assist HUD in meeting its responsibility under this provision.)

2. Implementation. There will be no reference in the Plan to HUD's responsibilities in the exercise of this function. The Message will allude generally to the HUD role in comprehensive urban transportation planning, and this responsibility will be further described in the Memorandum of Understanding. Consideration will be given to the use of the authority of the Economy Act under which DOT would utilize and reimburse HUD for performance of services.

Research and Development

1. Substantive recommendation.

HUD and DOT will 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, sub-system 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."

2. Implementation.

The Plan will specifically refer to the joint research program. The Plan will also reserve to HUD authority under sections 6 and 11 insofar as it relates to the matters described above as falling within the HUD area of responsibility.

(Note: It is understood that HUD will continue to undertake research and studies, under the authority of sections 1010 and 1011 of P. L. 89-754 and other HUD research and development authorities, in those transportation related areas required to assure that all of the social, political, financial, and other characteristics of urban living are given comprehensive and properly balanced attention. Further, it will make such studies as required to delineate broad transportation system characteristics so as to insure that those techniques, components, and systems developed by the Department of Transportation are appropriately related to the basic social needs of urban living.)

Relocation - Urban Mass Transportation

1. Substantive recommendation.

DOT will secure HUD concurrence in the criteria for relocation planning. DOT should provide to HUD at the earliest possible date full information with respect to relocation questions presented by any application and should not approve any relocation plan without HUD recommendations. The HUD involvement in project approvals should be treated as a formal step in the approval process.

2. Implementation.

HUD involvement will be pursuant to a general reference in the Plan to consultation.

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✓

The Under Secretary
944

February 3, 1968

**Status of Urban Mass Transportation
Organization**

Assistant Secretary for Administration

The Secretary

The purpose of this memorandum is to report to you before my departure for Alaska on certain aspects of the work on urban mass transportation and to indicate arrangements which are in place for continued effort during my absence next week.

1. HUD-DOT Position Paper on Major Issues.

As of Friday afternoon, Dwight Ink and I reached complete agreement on the final version of the joint issues paper, a copy of which is attached. This paper is now consistent with the agreements reached in the White House meeting and in your discussions with Messrs. Weaver and Wood. The only area in which a continued divergence of views is reflected is under E in which there is a continued pro forma HUD position favoring retention by Plan language of the statutory responsibility for making certain determinations under Sections 3(c), 4(a) and 5 of the Urban Mass Transportation Act. However, because Secretary Weaver did not push this point in the White House meeting on Thursday, both Dwight Ink and I assume that the BOB will make no effort to provide for a reservation of these determinations functions to HUD and that, instead, the DOT proposal of handling the relationships by Memorandum of Agreement will prevail. In any event, no further work is required on this document which will be used as a basis for future work on the Reorganization Plan, the Message, the Joint Report, and the Memorandum of Agreement.

2. Reorganization Plan and Message.

The Thursday White House meeting affirmed that it is now up to the BOB, working in close collaboration with HUD-DOT, to develop a technically sound and defensible

Reorganization Plan with some kind of reservation of functions or authority to the HUD Secretary in the technical studies and research sections of the Urban Mass Transportation Act. In our staff, Tom Tidd has been working very closely with the Bureau experts and will continue to do so this coming week. John Robson will personally concern himself with this progress and will do whatever he can to help work out Plan language consistent with the principles agreed to.

The Message is inseparable from the Plan since it must not only describe its provisions but include a number of findings mandatory under the Reorganization Act. You have previously contemplated that Messrs. Sitton and Spickerman would give special attention to the Message and no other provision for the coming week is needed.

3. Joint HUD-DOT Report.

In accordance with our discussion, Gordon Murray has been asked to push forward this coming week with the preparation of a succinct joint report of the kind which the Secretaries are required to make by April 1 under Section 4(g) of the DOT Act. Dwight Ink has designated Peter Lewis as the HUD counterpart to Gordon in this undertaking. It is hoped that now that the basic issues have been reasonably clarified, this report can be pushed forward rapidly in the coming week.

4. Memorandum of Agreement.

Both Dwight Ink and I agree that the time critical documents discussed in the preceding paragraphs must be given priority attention. We will, however, turn our efforts to the Memorandum of Agreement as soon as possible. Gordon Murray and Ernie Spickerman have been given the immediate responsibility for the DOT segment of this task. As you know, this Memorandum will not be easy to prepare, and it is unlikely that it will be ready for signature by the Secretaries prior to the taking effect of the Reorganization Plan. Many sub-projects and subsequent codicils may be required to cope with difficult aspects of the Memorandum and to implement in DOT procedures compatible with agreements reached. Furthermore, there is a possibility

that some part of what HUD has favored for inclusion in Plan language and which we have urged be covered by the Memorandum of Agreement might be handled through Executive Order.

5. Determination Orders.

Dwight Lark and I are quite prepared to move ahead with the preparation of the Determination Order in accordance with the suggestion you made in your recent letter to Secretary Weaver. This Order will not, however, be particularly difficult in this reorganization and we plan to defer further attention to their preparation until after the Plan has gone to the Congress.

(SIGNED) ALAN L. DEAN
Alan L. Dean

Attachment

cc: Executive Secretariat ✓
Mr. Paul Sitten
Mr. Gordon Murray
Mr. Tom Tidd
Mr. Ernest Spieherman
Mr. Gerald Snyder

ALDean:nn:TAD-1:2/3/68

Eno

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Transportation

The Secretary

Administrator

Chairman Patman and the Mass Transit Transfer

I asked some more questions about Chairman Patman's position on the transfer of the mass transit programs, as per our conversation in the car last Monday.

It seems that Patman is, in fact, concerned about a possible loss of jurisdiction. Put another way, we must worry about his ego.

It was suggested that Patman will want assurance from Speaker McCormack, and concurrence from the White House and the Department, that he will retain substantive jurisdiction over the urban mass transportation programs. I have been advised that the message should also get through to him that this would give him a look in on still another department, something which would further enhance the scope of his committee's activities. In this connection, moreover, a positive aspect of this which should be emphasized with him is the importance of maintaining the best possible liaison between DOT and HUD, a job for which his committee would be particularly well suited because of its extensive jurisdiction over the remainder of HUD programs.

I was also advised that someone should have a talk with Congressman Barrett, the Chairman of the Subcommittee which has jurisdiction over the mass transit programs; but that this should be done with Chairman Patman's knowledge. Again, the question of the Chairman's ego was emphasized.

I might further point out here that the composition of the House Banking and Currency Committee is one from which we can draw far greater comfort when it comes to urban problems than is true of the House Commerce Committee. These mass transportation programs will become extremely important to us, and the indifferent kind of support for urban problems which we would derive from the House Commerce Committee would have to be a matter of real concern to us.

ASLang/cll 2/5/68

cc: Mr. Sweeney
Exec Sec (2)
Subj/Chron

A. Scheffer Lang

A. Scheffer Lang

Center for
Transportation

REORGANIZATION PLAN NO. OF 1968

Prepared by the President and transmitted to the Senate and the House of Representatives in Congress assembled, 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} ~~for~~ ^{or activities} ~~for~~ ^{6(a),} ~~for~~ ^{for undertaking} projects under sections 9 and 11 of that Act (49 U.S.C. 1607a; 1607c) to the extent that such projects primarily concern the relationship of coordinated urban transportation systems to the comprehensively planned development of urban areas, or the role of transportation planning in overall urban planning, ~~and (ii) responsibility for assisting technical studies or research and demonstration activities which involve significant relationships between urban mass transportation systems or technologies or other urban planning, housing, or development objectives.~~

(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 11(a)(1) of this reorganization plan, including, to the same 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), to the extent that 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. 482; 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, 1965 (P.L. 89-774; 80 Stat. 1352; 40 U.S.C. 672 (b)).

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Transportation

factor

(b) In order to ~~bring about~~ coordinated actions by the Department of Housing and Urban Development and the Department of Transportation, the Secretary of Housing and Urban Development shall provide *advised* ~~guidance~~ to the Secretary of Transportation with respect to urban development and comprehensive planning objectives insofar as these pertain to functions transferred to the Secretary of Transportation by this reorganization plan or to the harmonious performance of these and other related functions of the Secretary of Transportation, including comprehensive transportation planning functions.

(c) Any reference in this reorganization plan to any provision of law shall be deemed to include, as may be appropriate, reference thereto as amended, and as affected by section 5(a) of the Department of Housing and Urban Development Act (42 U.S.C. 3534(a)) and by section 9(c) (penultimate sentence) of that Act.

FEB 13 1968

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 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 time determined under the provisions of section 906(a) of title 5 of the United States Code or at the close of June 30, 1968, whichever is later.



DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D. C. 20410

OFFICE OF THE ASSISTANT SECRETARY
FOR ADMINISTRATION

IN REPLY REFER TO:

February 14, 1968

Honorable Philip S. Hughes
Deputy Director
Bureau of the Budget
Washington, D. C. 20503

Dear Sam:

We have discussed the B.O.B. draft of the Reorganization Plan with Bob Wood and the attached represents the reactions of HUD.

As I mentioned yesterday, the Secretary continues to feel very strongly the Plan should include a reservation with regard to HUD's continuing role to make the determinations as to the adequacy of programs for transportation systems as part of comprehensively planned transportation. This is both to provide a basis for our securing support from the Appropriation Committee to staff for this function, and because of our reluctance to weaken the limited leverage we now have with respect to urban planning activities on which urban transportation has such a critical impact.

With respect to the discussion on page 3, we prefer the word "guidance" in your original draft, although this point is not as essential from our standpoint as the one mentioned above.

We are attaching examples of demonstration projects which we have undertaken under the authority of Section 6a and which would come primarily within the scope of the research and development activities which HUD would carry out under the exception in the Plan.

Sincerely,

Dwight A. Ink
Assistant Secretary
for Administration

Attachment

cc: Asst. Secretary Alan L. Dean
Department of Transportation

Center for
Transportation

HUD Position on the February 13 Bureau Draft
Reorganization Plan

1. Amend section 1 of the latest Bureau draft to read as follows:

"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 authority under that Act (i) to make determinations under sections 3(c), 4(a) and 5 of the Act (49 U.S.C. 1602(c), 1603(a), and 1604) as to the development or adequacy of programs for transportation systems as part of comprehensively planned urban development, and (ii) to make grants for or undertake projects or activities under sections 6(a), 9 and 11 (49 U.S.C. 1605, 1607a, and 1607c) to the extent these projects or activities primarily involve relationships between urban mass transportation systems or technologies and other urban planning, housing or development objectives."

2. On page 3 of the latest Bureau draft, we prefer use of the word "guidance." This is so because of agreements reflected in the February 2 summary of DOT and HUD positions. These reflected understandings that (1) HUD would make recommendations to DOT on project approvals, (2) HUD would make certifications as to the adequacy of the planning process for purposes of highway assistance in urban areas, and (3) HUD and DOT would jointly develop the criteria for systems planning. The word "guidance" is preferred as being broad enough to cover all of these diverse HUD roles, so far as highways, airports, etc. are concerned. Further, we consider this term as being more appropriate for expressing a coordination purpose, responsive to the Reorganization Act, than advice and recommendations. It also has been used in at least one prior plan that has come to our attention (Reorganization Plan No. 8 of 1953).

Eno

Center for
Transportation

U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

ROUTING SLIP

TO	CO	OS	ADM	DIR	FHA	FNMA	MD	RHA	R1	R2	R3	R4	R5	R6	R7	
NAME AND/OR SYMBOL									ROOM		BUILDING					
1.	Mr. Bohen															
2.																
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<input type="checkbox"/> CORRECTION	<input type="checkbox"/> NOTE AND RETURN	<input type="checkbox"/> YOUR COMMENT
		<input type="checkbox"/> YOUR INFORMATION

☐ ANSWER OR ACKNOWLEDGE ON OR BEFORE _____

☐ PREPARE REPLY FOR SIGNATURE OF _____

REMARKS:

As you are well aware, there is considerable concern here with respect to weakening of the HUD planning leverage in urban areas. Attached is a statement concerning our thinking, prepared in the General Counsel's Office.

We believe this HUD responsibility is consistent with the Department of Transportation Act which states in Section 4(g):

"The Secretary and the Secretary of Housing and Urban Development shall...carry on joint planning, research and other activities; and coordinate efforts for local transportation projects."

FROM	CO	OS	ADM	DIR	FHA	FNMA	MD	RHA	R1	R2	R3	R4	R5	R6	R7
NAME AND/OR SYMBOL									ROOM		BUILDING				
Dwight A. Ink									TELEPHONE		DATE				
											2/16/68				

U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

ROUTING SLIP

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| | | <input type="checkbox"/> YOUR INFORMATION |

☐ ANSWER OR ACKNOWLEDGE ON OR BEFORE _____☐ PREPARE REPLY FOR SIGNATURE OF _____

REMARKS:

We are concerned that the Reorganization Plan will not provide a basis on which we can fund staff to do these things.

FROM	CO	OS	ADM	DIR	FHA	FNMA	MD	RHA	R1	R2	R3	R4	R5	R6	R7
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NAME AND/OR SYMBOL

ROOM

BUILDING

Dwight A. Ink

TELEPHONE

DATE

2/16/68

HUD Position with Respect to Reorganization Plan Issues

HUD considers that it has primary responsibility for Federal actions to promote overall urban development objectives, and for stimulating, guiding and sustaining the comprehensive planning that is necessary for urban areas to attain these objectives. The first of these responsibilities is traceable to the Department's charter act. The second has an additional, more specific basis under section 701 of the Housing Act of 1954.

HUD's interest in transportation planning is not simply a collateral or peripheral interest within the above responsibility. Section 701, in particular, recognizes transportation planning as a crucial element in the comprehensive planning process. It specifically authorizes HUD to assist "comprehensive planning for urban development, including coordinated transportation systems." It provides that section 701 funds may be used for such purposes as "urban transportation surveys, studies, and plans to aid in solving problems of traffic congestion, facilitating the circulation of goods and people in metropolitan and other urban areas and reducing transportation needs."

HUD believes that, even apart from the provisions of law at issue in the present reorganization plan, it has a clear primacy of interest with respect to comprehensive transportation planning.

For one thing, DOT has agreed to that primacy both in general and in terms of many specifics. In a February 2 summary of the positions of the two Departments, reflecting both agreements and disagreements, it was stated as an agreed upon item --

"The Federal responsibility for assisting and guiding areawide comprehensive planning (including comprehensive transportation planning) by local communities resides in HUD."
(Emphasis added).

That summary also indicated DOT agreement to a wide variety of HUD functions with respect to planning, including certification of the adequacy of transportation planning process for highway purposes and administrative responsibilities with respect to current DOT planning assistance functions. It is understood that the reason why DOT did not want this additional role -- which relates to current functions which DOT has -- reflected in the plan was that it was felt that this might imperil prospects of Congressional acceptance, particularly in view of the current sensitivity of the urban highway area.

Apart from this agreement, HUD considers that recognition of the primacy of a single agency so far as the planning process is concerned makes sense organizationally and from the standpoint of the State and local

agencies engaged in planning. If HUD under the section 701 has the principal Federal responsibility for assisting the planning activity and for setting standards for that assistance, it is also the logical agency for evaluating that activity and determining its adequacy. This simplifies things for State and local agencies with respect to the Federal acceptability of the same thing -- a comprehensive planning process which includes comprehensive transportation planning. It also minimizes the possibility of Federal agencies taking inconsistent positions with respect to that process in any given urban area.

The HUD position in light of the above may be stated as follows:

A. HUD accepts transfer of its existing mass transportation assistance functions to DOT as a step which will hopefully produce improved coordination within the transportation field generally, and in matters of urban transportation specifically.

B. HUD believes that, with this loss, there should come recognition of HUD's primacy with respect to overall urban development and urban planning, which includes comprehensive transportation planning as part of the urban planning process.

C. HUD would like to see in the plan some recognition of its expanded role to offset the loss in the plan of its assistance role. However, HUD recognizes that this poses problems of political acceptability, and is prepared to consider various alternatives, such as message language or perhaps an executive order.

D. HUD is not prepared to accept in the plan any diminution of its existing responsibilities with respect to urban development and planning, including comprehensive transportation planning. Whatever tactical considerations may tend to make it difficult to secure in the plan language which would reflect HUD's added responsibilities with respect to functions which DOT now has, do not apply to functions which HUD now has. If any thing, the political and tactical risks point in the opposite direction.

E. In light of the above, HUD considers it essential that the power it now has pursuant to the Mass Transportation Act to make planning findings be reserved. It should be noted in this respect, that HUD consider that this involves no particular administrative problem. This finding is now made in HUD by a staff separate from the mass transportation staff; it involves a generalized finding of adequacy of the planning process with respect to an overall area and a defined period of time, not specific project approvals. HUD agrees that the project approval authority, including a finding of consistency with the plan, logically should be transferred with the assistance program to DOT, with HUD retaining only an advise or recommendation role that can be spelled out in interagency agreement.

[FEB 19 1968]

Prepared by the President and transmitted to the Senate and the House of Representatives in Congress assembled, 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, (ii) so much of the functions under the first sentence of section 4(a) of the Act (49 U.S.C. 1603 (a)) as will permit the establishment of the criteria referred to therein jointly by the Secretary of Housing and Urban Development and the Secretary of Transportation, and (iii) 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 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.

(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. 482; 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.



Under Secretary
JH

February 20, 1968

MEMORANDUM TO: JOSEPH A. CALIFANO, JR.

SUBJECT: Urban Mass Transit

There follows a list of organizations and persons contacted for the purpose of obtaining their commitment to publicly express support of the Urban Mass Transit Reorganization proposal. In each case the person was asked to publicly endorse the proposal immediately after its transmission to Congress either by a telegram to the White House which they would make public or through press announcement. Contacts were made by the Secretary, the Under Secretary, the Assistant Secretary for Public Affairs, the Special Assistant to the Secretary and myself. In each case the person making the contact is indicated. Unless otherwise indicated, the person contacted agreed to send a telegram to the White House which will be made public or make a public endorsement.

1. Associations and Trade Groups.

a. American Transit Association (Special Assistant to the Secretary).

b. Institute for Rapid Transit (General Counsel).

c. National Association of Counties (Special Assistant to the Secretary).

d. League of Cities (Assistant Secretary for Public Affairs).

e. Conference of Mayors (Assistant Secretary for Public Affairs). They probably will not single out the Urban Mass Transit proposal but will make some statement endorsing the Cities Message generally.

f. Association of American Railroads (Secretary).

g. Railway Progress Institute (Special Assistant to the Secretary).

h. National Association of Motor Bus Operators (Under Secretary).

2. Mayors.

a. Mayor Daley, Chicago (Secretary).

b. Mayor Yorty, Los Angeles (Secretary).

c. Mayor Alioto, San Francisco (Special Assistant to the Secretary).

d. Mayor Braman, Seattle (Secretary).

3. Labor.

George Meany (Assistant Secretary for Public Affairs).

4. Individuals.

Stuart Saunders (Secretary).

SIGNED:

JOHN E. ROBSON

John E. Robson

JERobson:nrr:TGC-1:25954:2/20/68

cc: Secretary
✓ Under Secretary
Mr. Sweeney
Mr. Sitton
Mr. Bond

(Copy sent to Mr. Brad Panzer, the
White House, 2/21/68, per Mr. Hutchinson)
JMC

Center for
Transportation

gram to success.

I can report to the Nation that:

- Over 60 of America's top business executives have agreed to participate in the Alliance. They will spearhead its drive in our 50 largest cities.
- Detailed plans have been laid. A strategy has been shaped. A tight schedule has been worked out.

Now the test is to turn these plans into action—into good private industry jobs for the thousands of men and women in this country who want to work. These are the people who need special help and training to overcome the poverty of opportunity that has dimmed their hope and their courage.

In this task—as in other crucial efforts to rebuild our cities, to lift men from poverty, to clean our air and water—business has responded to the Nation's call. When indus-

try joins America's most urgent work, it strengthens the Nation in which it grows and prospers.

So today, we are heartened as the JOBS program gets underway. We look to it with the highest hopes for success.

America is well served by Henry Ford, Paul Austin, Leo Beebe, and all the other business leaders who are engaged in this vital work.

NOTE: The National Alliance of Businessmen was proposed by the President in his January 23 message to the Congress on manpower and occupational health and safety programs (see Item 24). Following the meeting, two announcements were issued by the White House. The first summarized the discussions and listed the executive board members and metropolitan chairmen of the Alliance, and the second gave the text of a concluding statement by Alliance Chairman Henry Ford II. Both announcements are printed in the Weekly Compilation of Presidential Documents (vol. 4, pp. 358-360).
The statement was released at Austin, Texas.

93 Special Message to the Congress Transmitting Reorganization Plan 2 of 1968, Urban Mass Transportation. *February 26, 1968*

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 trans-

portation 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 inter-relationship.

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 wise investments and efficient transportation systems essential.

An urban transportation system must:

—combine a basic system of efficient, responsive mass transit with all other forms and 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 reorganiza-

tion 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

NOTE: Reorganization Plan 2 of 1968 is printed in the Weekly Compilation of Presidential Documents, the Federal Register, and Title 3 of the Code of Federal Regulations (4 Weekly Comp. Pres. Docs., p. 363; 33 F.R. 6965; 3 CFR, 1968 Comp., p. 150). It became effective on June 30, 1968, as provided by section 6 of the plan.

94 Special Message to the Congress: "Prosperity and Progress for the Farmer and Rural America." February 27, 1968

To the Congress of the United States:

The farm was here before the factory.

It was the promise of productive land that pushed our people westward, and America was built on a foundation of farms and ranches supplying the food and fiber for a bountiful and restless Nation.

It was the farmer's qualities—his hard work and perseverance, his independence and initiative—which gave strength to a Nation's character.

Agriculture, our first industry, remains our greatest. It is the vital center of our economy—fueling our industry and commerce, feeding our people and the hungry of the world.

—Almost 18 million Americans work at growing our crops, processing them and shipping them to market, and supplying our farmers.

—Americans spend \$125 billion yearly

for the products of our agriculture—which brings the family the most nourishing food in the world, at a modest share of its income.

—The harvest of one out of every four acres moves into foreign markets. Last year American farm exports set a new record—\$6.8 billion.

—Millions of people in other lands live today because of food grown and shipped from American farms.

—Agricultural technology, combined with modern machinery, seeds, and fertilizers, has revolutionized production. Each farmer today grows enough food for 40 persons, compared to only 10 thirty years ago.

But the American farmer, who helped to build America's prosperity, still does not fully—or fairly—share in it.

While retail food prices have risen in

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

Transmitted
February 26, 1968.
Effective
June 30, 1968.
80 Stat. 393.

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.

78 Stat. 305;
80 Stat. 715;
80 Stat. 716.

78 Stat. 303,
304.

(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

Ante, p. 1314.

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.

80 Stat. 396.

Reorganization Plan No. 3 of 1968

Transmitted
March 13, 1968.
Effective
June 30, 1968.
80 Stat. 393.

Prepared by the President and transmitted to the Senate and the House of Representatives in Congress assembled, March 13, 1968, pursuant to the provisions of chapter 9 of title 5 of the United States Code.

DISTRICT OF COLUMBIA RECREATION FUNCTIONS

56 Stat. 261.

SECTION 1. *Definitions.* (a) As used in this reorganization plan, the term "the Recreation Board" means the District of Columbia Recreation Board provided for in D.C. Code, sec. 8-201 and in other law.

(b) References in this reorganization plan to any provision of the District of Columbia Code are references to the provisions of statutory law codified under that provision and include the said provision as amended, modified, or supplemented prior to the effective date of this reorganization plan.

56 Stat. 262.

SEC. 2. *Transfer of functions to Commissioner.* There are hereby transferred to the Commissioner of the District of Columbia all functions of the Recreation Board or of its chairman and members and all functions of the Superintendent of Recreation (appointed pursuant to D.C. Code, sec. 8-209).

81 Stat. 951.
D.C. Code
title 1 app.

SEC. 3. *Delegations.* The functions transferred by the provisions of section 2 hereof shall be subject to the provisions of section 305 of Reorganization Plan No. 3 of 1967 (32 F.R. 11671).

THE WHITE HOUSE

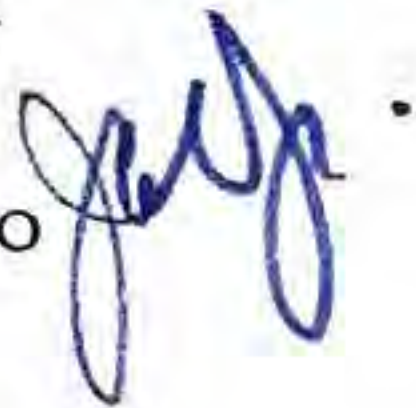
WASHINGTON

March 7, 1968

2:00 p.m., Thursday

FOR THE PRESIDENT

FROM Joe Califano



Attached is a joint report and recommendations from Weaver and Boyd on the future organizational location of Urban Mass Transit functions.

The Act establishing DOT required that this report be prepared by the two Secretaries and transmitted to the President and the Congress on or before April 1st, 1968.

The report has been reviewed and approved by BOB. It is consistent with the Cities Message and with the Reorganization Plan you sent to Congress on February 26th. Your decisions and recommendations are reflected in these two earlier messages.

In light of this, I recommend a pro-forma transmittal of the joint report of the two Secretaries, and have attached a brief message for your signature to accomplish this.

Attachments

Eno

Center for
Transportation



THE SECRETARY OF TRANSPORTATION

WASHINGTON, D.C. 20590

February 28, 1968

The President
The White House
Washington, D. C. 20501

Dear Mr. President:

The enclosed report and associated documents have been prepared so that you may receive and transmit to the Congress the results of studies of urban mass transportation organization which Secretary Weaver and I have conducted over the past months. Since our work on this report has been substantially complete since early this month, we have dated it February 19, which documents its availability prior to the announcement of the mass transportation reorganization in the Cities Message, as transmitted on February 24.

Respectfully yours,

A handwritten signature in blue ink, which appears to read 'Alan S. Boyd', is written over the typed name.

Alan S. Boyd

Enclosure

Eno

Center for
Transportation

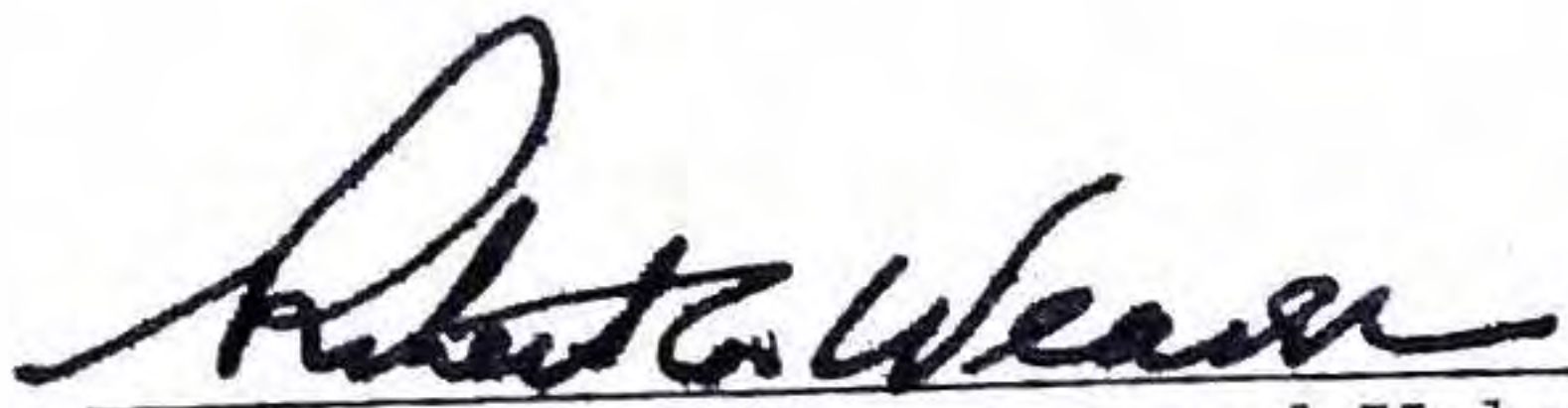
February 19, 1968

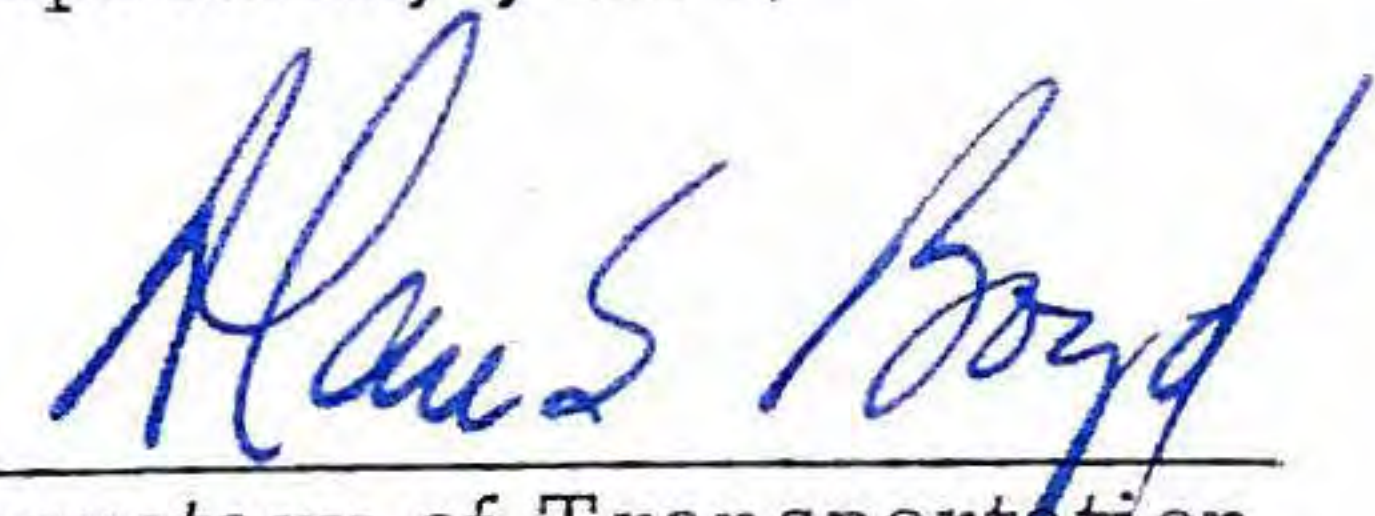
The President
The White House
Washington, D. C. 20501

Dear Mr. President:

We have the honor to submit herewith a report on the logical and efficient organization and location of urban mass transportation functions in the Executive Branch, as required by Section 4(g) of the Department of Transportation Act.

Respectfully yours,


Secretary of Housing and Urban
Development


Secretary of Transportation

Enclosure

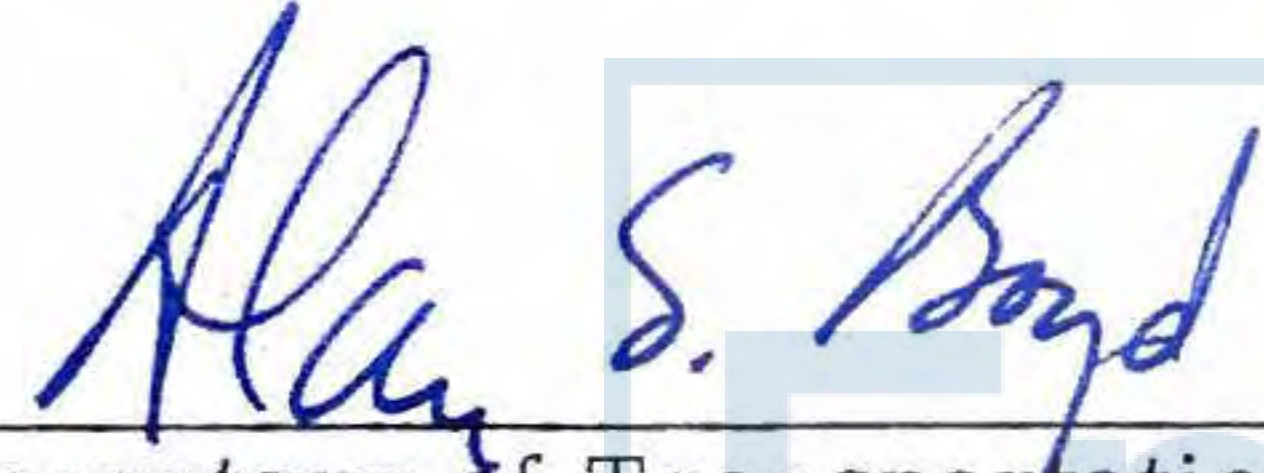
Eno
Center for
Transportation


REPORT TO THE PRESIDENT
ON URBAN TRANSPORTATION ORGANIZATION

PREPARED JOINTLY BY THE
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
AND THE
DEPARTMENT OF TRANSPORTATION

FEBRUARY 19, 1968


Secretary of Housing and Urban
Development


Secretary of Transportation


Eno
Center for
Transportation

February 19, 1968

INTRODUCTION

On March 2, 1966, when he proposed the establishment of a Department of Transportation, the President said,

"The Departments of Transportation and Housing and Urban Development must cooperate in decisions affecting urban transportation . . . The future of urban transportation . . . depends upon . . . rational planning. If the Federal Government is to contribute to that planning it must speak with a coherent voice. The Department of Housing and Urban Development bears the principal responsibility for a unified Federal approach to urban problems. Yet it cannot perform this task without the counsel, support and cooperation of the Department of Transportation."

The President at that time proposed no specific changes in Federal organization or programs for fostering the development of urban mass transportation. Rather, he announced that he would ask the two Secretaries to recommend within one year after the creation of a Department of Transportation "the means and procedures by which the cooperation can best be achieved -- not only in principle, but in practical effect."

During the congressional hearings on the Department of Transportation bill, it was pointed out that

"Mass transportation is a very new Federal interest. Program decisions have impacts on interstate transportation and on national transportation policy as well as on general urban planning and development. Some of the effects are only beginning to emerge. The Federal mass transit assistance program consists of complex and interrelated functions which should be identified and analyzed before decisions are made on their final assignment, whether individually or as an entity, to the Department of Housing and Urban Development or to the Department of Transportation."

The Congress endorsed this view and provided in the Department of Transportation Act for a joint study and report to the President, for

submission to the Congress, on the "logical and efficient organization and location of urban mass transportation functions in the Executive Branch." (Sec. 4(g), PL 89-670.) Significantly, the Congress recognized the complex nature of urban transportation by indicating that the basic objectives of any policy and program changes should be the development of urban transportation systems that "most effectively serve both national transportation needs and the comprehensively planned development of urban areas."

Shortly after the activation of the Department of Transportation on April 1, 1967, we began the study called for by the President and the Congress. The Bureau of the Budget was advised periodically of the progress of the study. The report briefly summarizes the deliberations of officials of the two Departments over the past year.

FINDINGS AND RECOMMENDATIONS

We have from the start been in agreement on the guiding philosophy of the study. The approach has been to test each alternative by the public interest criteria laid down by the Congress in recognizing that any reorganization of Federal mass transit programs should contribute tangibly to the expectation of improvement in the economic and social circumstances in which all Americans live.

It was recognized that it is difficult to make distinctions between national transportation and urban transportation because transportation systems and operations are inextricably interrelated. Transcontinental rail and motor freight movements typically begin and end in city factories and warehouses. Intercity air travellers begin their journeys by automobile, taxi or bus from urban residences or offices and end at downtown hotels or offices via connecting surface transport -- often the most time-consuming portions of their journey.

On the other hand, the key role played by urban transportation systems in shaping the structure of cities and in influencing the rate and nature of their growth -- and their great impact on the quality of city life as measured by noise, air pollution, vibration, congestion, inconvenience and impairment of aesthetic values and cultural amenities -- has long been recognized and is being given increasing attention. Transportation

will support the realization of urban goals and objectives only to the extent that transportation systems and investments are consistent with sound urban development.

Thus, any set of recommendations must foster two goals: that of an efficient transportation system, and that of sound urban development. These considerations and their implications have led us to certain conclusions as to the nature and scope of the reorganization and adjustments in interdepartmental relationships required in the area of urban mass transportation. We are in agreement on two major actions: (a) the transfer of the Federal mass transit operating programs to the Department of Transportation, and (b) the strengthening and extension of the role of the Department of Housing and Urban Development in assisting and guiding comprehensive planning, including comprehensive transportation planning, and in promoting coordination among all urban systems.

We therefore recommend that there be transferred to the Secretary of Transportation such functions and authorities as he may need to provide effective leadership in urban transportation matters. We also recommend that the Department of Housing and Urban Development intensify its efforts in promoting comprehensive planning, including comprehensive transportation planning, and that the two Departments work closely together in developing the standards, criteria, rules, regulations or procedures that are needed to assure that transportation will be fully related to urban development goals. We call attention to the fact that there is already set forth in the Department of Transportation Act (Sec. 4(g)) a strong statement of congressional policy to guide the Departments in evolving arrangements for program coordination.

The two Departments have already begun the task of developing agreements essential to the success of the reorganization at both Federal and local levels.

It is our intention that these recommendations have the following effects:

1. Strengthen the capacity of the Department of Housing and Urban Development through planning assistance and review to provide Federal leadership in the coordination of urban programs, including urban transportation programs.

2. By concentrating the capital grant and loan programs for urban transportation in the Department of Transportation, assure most effective employment of its expertise in systematic analysis of transportation problems. Rail transit programs, for example, will benefit by integration with intercity rail transportation activities.

The consolidation of staff and funding for these programs at the Federal level should prevent duplication of activities and assure a more appropriate allocation of funds in accordance with the urgency and magnitude of problems in each program area.

3. Integrate all technical and financial aids available for urban transportation with those currently available to meet national transportation needs and consolidate the responsibility in a single Federal agency. The improved coordination made possible by these changes should substantially increase the effectiveness of both systems and thus meet one of the two objectives laid down by Congress in Section 4(g) of the Department of Transportation Act, namely: that urban transportation policies and programs be shaped to provide a maximum contribution toward meeting national transportation needs.
4. Assure to State, regional, metropolitan and local agencies greater uniformity and consistency in the standards, policies and procedures for planning activities bearing upon the relationship of transportation to other urban programs and systems, enhance the coordination and approval role assigned to the Department of Housing and Urban Development for comprehensive urban planning, and increase the constructive contribution of urban transportation to the achievement of community goals and objectives in accordance with the other principal objective of Section 4(g) of the Department of Transportation Act.

In summary, these changes should materially help to (a) balance program interests through the comprehensive planning process; (b) recognize the Department of Housing and Urban Development as the coordinating agency for Federal programs affecting urban areas; (c) consolidate technical and financial assistance for transportation programs in the Department

of Transportation with a resulting increase in efficiency and economy; and, (d) further structure Federal grant-in-aid programs for transportation to foster initiative and decision-making responsibilities in local agencies directly representing the area affected by federally-aided programs.

The remainder of this report is devoted to the development of the positions summarized above and to a discussion of the relationship of the recommendations to current Federal programs.

DISCUSSION

The first task of the Departments was to identify the "complex and interrelated functions" affecting urban transportation that were referred to during the hearings on the Department of Transportation Act. After a careful examination of existing Federal transportation programs, we recognized four major functions as being essential to the successful implementation of a sound urban development and urban transportation program. They are: (1) planning, (2) research and demonstrations, (3) capital investment, and (4) operations.

It should be stressed that most of these functions are not the direct responsibilities of the Federal Government. The Federal Government, for example, offers technical and financial assistance to State and local planning agencies, but it does not actually prepare plans for urban transportation facilities. The Federal Government does not directly participate in the operation of urban transportation systems. It can and does, on the other hand, perform transportation research, both through in-house and contract efforts.

Demonstrations are assisted both financially and technically, but not ordinarily performed by the Federal Government. In the case of the High Speed Ground Transportation Program collaboration is largely between the Federal Government and private industry, in this case the railroads, rather than between the Federal and state governments.

The functions listed above are thus activities which must be carried on somewhere if we are to achieve public purposes in the field of urban transportation. They may be performed by any level of government. In some instances they may be performed by private enterprise, or by government and business cooperatively.

Further analysis disclosed that one of these major functions, research and demonstrations, is more commonly performed as an adjunct of the other three functions than as an independent activity or end in itself. Research and demonstration grants may be made to test proposed new or improved operating procedures and to demonstrate the feasibility for broader application.

We also conclude that there are three important kinds of urban and transportation planning. They are: (1) comprehensive planning; (2) systems planning; and (3) project planning. These distinctions are important because they facilitate the resolution of the organizational issues with which this report is concerned.

Therefore, in rearranging Federal urban transportation responsibilities, we must provide for:

1. Planning
 - (a) Comprehensive development planning
 - (b) Systems planning
 - (c) Project planning
2. Research and Demonstrations
3. Capital Investment
4. Operations

Each of these functions must be carried out if transportation facilities and services satisfactory in themselves and compatible with other public service systems as well as with comprehensive community development plans and objectives are to be achieved. Each of them, except for operations in which there is presently little Federal participation, will now be treated in somewhat greater detail.

1. Planning
 - (a) The Comprehensive Plan

To warrant the commitment of public resources, an urban transportation program, like any other well-founded and orderly program of public investment, should originate in

and be consistent with officially approved and publicly supported comprehensive community development plans. The policy expressed in this statement has been repeatedly endorsed by the Congress. It is entirely consistent with the Workable Program requirements of the Housing Act of 1949; it was the rationale of the Section 701 Planning Program of the Housing Act of 1954 and the statutory planning requirements associated with various grant programs administered by the Department of Housing and Urban Development.

Urban transportation planning must begin, therefore, with the formulation and adoption of broad community goals and objectives to which all development in the area concerned and all project plans should conform. It means decisions by local people, through their local organs of government, as to what kind of place they want their community to become. It means decisions on the kinds, amounts and quality of public facilities and services that are to be provided and the standards, scheduling, and constraints to be imposed thereon. It means deciding whether, when, where and how much is to be done. It means moving away from the imposition of decisions from above and means moving toward a new Federal-State-Local cooperative relationship.

Comprehensive planning includes land use planning and the formulation and adoption of policies to implement such plans, including decisions on the location of airports, transportation corridors, public parks, schools and hospitals, sewage systems, etc. The comprehensive planning process entails surveys of existing land use and forecasts of future use, reflecting the employment of zoning, taxing and other land use policy instruments. This planning also requires consideration of transportation problems and needs, since transportation decisions influence (often decisively) other location decisions, the overall design of the community, and the realization of community goals and objectives.

Comprehensive plans involve evaluation of alternatives -- including alternative transportation networks and service levels.

Similarly, comprehensive plans must consider available resources and priorities in their application.

Comprehensive planning of this order is not always achieved at the present time. Often important determinants of land use are not taken into account explicitly in the planning process at the local level. Despite the creation of metropolitan planning agencies through the 701 program, comprehensive plans do not always make explicit the application of general goals and objectives in terms of positive performance standards or constraints to be honored in subsequent system and project planning, nor do they always provide a realistic framework for decision makers.

Since the Department of Housing and Urban Development exercises the primary Federal responsibility for technical and financial assistance for comprehensive planning, assistance for the transportation elements of the comprehensive plan should be vested in the Department of Housing and Urban Development. An augmented 701 planning program will be essential to meet this objective. As part of its responsibility, the Department of Housing and Urban Development should perform or contract for research on planning methodology; conduct or make grants for the conduct of demonstrations relating to comprehensive planning objectives; grant scholarships for the training of planners; sponsor conferences and other activities to improve the skills of planners and the quality of planning functions; seek to develop mechanisms by which communication between citizens, elected officials and planning technicians can be facilitated, including devices to carry approved plans into action; and, finally, should review locally approved comprehensive plans for conformity with its technical standards and requirements as a basis for consideration of further Federal aid in whatever functional area the comprehensive plan may call for action.

We wish to emphasize that in the comprehensive planning process, local people, acting through their officials, should make the basic choices on location of urban highways and public mass transit corridors, airports, terminals, parking

and other ancillary transportation facilities in urban areas, consistent with regional and national transportation plans and goals. We recognize further that the comprehensive planning responsibilities in urban areas having populations of 50,000 or more should generally be lodged in an officially-designated comprehensive planning agency for the area concerned.

In order to strengthen the comprehensive planning process in urban areas, the Department of Housing and Urban Development should exercise leadership in providing technical and financial assistance to area-wide planning agencies. It should also assume responsibility for reviews of the adequacy of the planning process from the standpoint of urban development and comprehensive planning objectives. Further, to minimize fragmentation of planning programs due to separate funding mechanisms, the Department of Transportation, to the greatest extent practicable, should utilize the Department of Housing and Urban Development to foster the continuing development of the area-wide planning needed for sound urban transportation systems.

(b) Systems Planning

Transportation systems planning as conceived in this report is a phase of planning that effects a connection or transition between the comprehensive plan and transportation project plans. Both Departments have interests and responsibilities in this activity and must play active and constructive roles. The division of responsibilities can be stated simply, but the working out of detailed planning criteria, funding arrangements, research, training, and other related programs is exceedingly difficult and left to the more flexible administrative agreements mentioned earlier in this report. We agree that more effective arrangements are needed and can be developed.

(c) Project Planning

Project planning, as the term is used in this report, means the preparation of detailed plans, designs, drawings, specifications, cost estimates, and solutions of field problems involving engineering and construction techniques for specific construction

projects. With respect to highways, for example, project plans include geometric design, route alignment within approved corridors, specifications and cost estimates; with respect to airports, project plans include the number and direction of runways, tower and hangar locations, and gates and other operating appurtenances as well as engineering specifications and cost estimates.

Locally, project plans should be prepared by the agency which is to develop and operate the facilities or services in question. Before transmittal to the Federal program agency, they should be submitted to appropriate local planning agencies for determination of conformity with community development plans. Plans involving projects that extend beyond the local jurisdiction would also be submitted to regional or State planning agencies for review. These project plans are the how of problem solving in the various broad areas of publicly-sponsored activities -- transportation, education, urban renewal, recreation, etc.

Eligibility for Federal aid for all transportation projects should be determined on the basis of a consistent technical review. This review should consider local preferences concerning design specifications as they are developed in the comprehensive and transportation system planning process. It should also reflect research developments as they occur, for example, in highway safety, air pollution abatement, and reductions in noise and vibration levels.

The Departments should develop a framework to assure consideration of the recommendations of the Department of Housing and Urban Development on urban transportation projects which have a significant impact on the planned development of urban areas.

The two Departments will work together closely on criteria and planning for relocation in the interest of consistent treatment of persons and enterprises displaced by Federally-aided transportation projects.

2. Research and Demonstrations

As already noted, research and demonstration activities tend to be adjuncts of the other major functions. Existing statutes provide a basis for federally-assisted or directly coordinated research and demonstration projects bearing on the various aspects of planning, investment and operations of urban transportation programs. This means the social and economic aspects of transportation as well as transportation technology and other "internal effects."

The Department of Housing and Urban Development and the Department of Transportation will develop, jointly, a program of projects and priorities for urban-related transportation research, development, and demonstrations. The Department of Housing and Urban Development will be concerned especially with (a) 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 the Department of Transportation with (b) those portions which deal with component, sub-system and system development, engineering and testing. This will normally mean that the Department of Transportation will have primary responsibility in the area of "internal systems and program effects and requirements," the Department of Housing and Urban Development having primary responsibility in the area of "external personal and community effects and requirements."

The precise division of responsibility, details of financing, the development of program criteria, and the coordination of joint or related activities should be worked out in agreements between us or by other administrative devices.

3. Capital Investment

All Federal financial assistance for urban transportation capital investment programs would be located in the Department of Transportation. Insofar as the problems of capital investment

in urban transportation facilities and equipment at the Federal level can be solved by organizational changes, we are convinced that transfer of the mass transportation grant and loan programs to the Department of Transportation will achieve the desired result.

Some of the basic problems are not primarily in the realm of Federal organization. They arise from the nature of and differences among current statutory policies and programs. More study will be needed to evaluate the effects of differences in allocation formulae, cost-sharing ratios, authorizations and appropriations and other terms and conditions of capital assistance on local planning and decision-making as well as on the competitive and financial viability of urban transportation systems. Under Section 4(g) of the Department of Transportation Act, we are required to carry on a continuing review of urban transportation policies and programs and to report annually to the President and the Congress making recommendations for any desirable policy and program changes. This is ample authority to enable us to undertake constructive program analysis and to develop recommendations for changes in Federal policies that will improve the allocation of Federal resources in transportation and their benefits and effects on urban development.

4. Operations

At the present time there is little Federal participation in the operation of urban transportation systems. Federal policy, both congressional and executive, is explicitly against Federal intervention in the operation of local transportation services. Present statutory authority for transportation research and for demonstration and training aid is broad enough to allow some involvement in management training and to permit federally-sponsored evaluation of the administrative and service practices of local systems.

Eno

Center for
Transportation

UNITED STATES GOVERNMENT

DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

Memorandum

DATE: March 21, 1968

In reply
refer to:SUBJECT: Further Preparation for Assimilation of Urban
Mass Transportation Programs

FROM: Special Assistant for Special Projects

TO: The Secretary

Recommendation

I recommend that you reconstitute the departmental Task Force which operated on urban mass transportation reorganization problems before the technical work on the Reorganization Plan and Message were turned over to Mr. Dean. It seems to me that all of the people who participated in the Task Force will have interests and contributions to make in bringing the additional required actions to successful conclusion. I suggest that you assume the chairmanship of this Task Force. My role might be that of Executive Secretary.

Discussion

Set forth below are the principal additional actions required for transfer and beginning of assimilation of the urban mass transit programs. Some recommendations as to how the necessary actions can be accomplished are added. Items are in approximate order of chronology or urgency.

1. Preparation of testimony on the Reorganization Plan and other material for hearings in either House of Congress
2. Preparation of testimony to support extension of the Urban Mass Transportation Act of 1964 (which expires this year) and of new and increased appropriations.
3. Development of a Memorandum of Understanding between DOT and HUD and of related documents, e.g., possible Executive Orders.

Comment: The most difficult problems relate to the division of responsibilities, especially for demonstration, research and planning grants, vis-a-vis local government.

4. Preparation of a Determination Order by the two agencies for transmittal to the Bureau of the Budget well in advance of the effective date of transfer which is July 1, 1968.

Comment: Concurrently there should be a careful evaluation of personnel now on board at HUD. This can be initiated by DOT Personnel Office but, with respect to principal officials, should include evaluation by your senior staff.

File: 4500-2

5. Evaluation of on-going mass transit programs, particularly the demonstration and research and planning grants, but also the capital grant program, as an aid to developing organization structure and staffing patterns for UMTA.

Comment: For a long time HUD did not require reporting on demonstration projects and made no analysis on such reports as were submitted by local sponsors. This has been partially remedied. A contractor has recently done some systematic evaluation of completed demonstration projects.

6. Development of organization structure and staff patterns for UMTA.

Comment: The size and professional competence of the HUD staff seem inadequate to a successful expansion of the program. Both have suffered from personnel attrition and dominance of the program by the Office of the Assistant Secretary for Metropolitan Development. There is no field organization.

7. Selection of Administrator and Deputy Administrator.

Comment: If DOT receives a new Under Secretary in the near future who has strong administrative capabilities, he might well be named Acting Administrator, as the Reorganization Plan allows. He could assist in the selection of a permanent Administrator and top staff, and in the initial design of the organization.

For purely illustrative purposes, the following names are suggested as the kind of permanent Administrator the new program will need: B. R. Stokes (General Manager of BARTD); Ben Heinemann (President of the Chicago and Northwestern Railroad); Edward Logue (an able administrator with political competence, formerly head of all public works in Boston, recently unsuccessful candidate for Mayor); John Bailey (former head of the Passenger Service Improvement Corporation in Philadelphia and now Director of the Transportation Center at Northwestern University). All of these men are good administrators, have political understanding and broad practical experience in transportation.

8. Establishment of a secretarial coordinator, a recognized necessity from the start of our thinking about internal organization.

Comment: The new Under Secretary, if he has strong administrative capabilities, might well be given this assignment permanently. Involved will be coordination of urban transportation aspects of the FAA, FHWA, UMTA and FRA programs; interagency relationships outside the Department -- with HUD, Interior and HEW at least; and intergovernmental problems with State and local government.

JUL 12 1968

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

DETERMINATIONS WITH RESPECT TO CERTAIN MATTERS PURSUANT TO
REORGANIZATION PLAN NO. 2 OF 1968

Pursuant to Reorganization Plan No. 2 of 1968 and effective on July 1, 1968 determinations are made (and dispositions are ordered) as follows:

There shall be deemed to be transferred from the Department of Housing and Urban Development to the Department of Transportation by Section 5 of Reorganization Plan No. 2 of 1968 the personnel, funds, property and records as set forth below, which I hereby determine to have been employed, used, held, or available in connection with the function transferred:

A. Personnel and positions:

All personnel listed in Schedule I, attached.

B. Appropriations and funds:

<u>From</u>	<u>Amount</u>	<u>To</u>
1) 86X4119, Urban Mass Transportation Fund, Department of Housing and Urban Development		69X4119, Urban Mass Transportation Fund, Urban Mass Transportation Administration, Department of Transportation
a. Unexpended balance as of June 30, 1968	All of the unexpended balance as of June 30, 1968, except that portion shown on the books of account of the Department of Housing and Urban Development as obligated or reserved as of that date for projects included in Schedule II, attached.	
b. Appropriation for 1969	\$167,750,000.00	
c. Other assets (loans and accounts receivable)	All	

B. Appropriations and funds: (continued)

<u>From</u>	<u>Amount</u>	<u>To</u>
d. Limitation on Research, Development, and Demonstration projects under Sec. 6(c) of the Urban Mass Transportation Act of 1964, as amended.	All but \$5,000,000.00 of the unused limitation as of July 1, 1968, plus any increase enacted in the current session of the Congress.	
e. Limitation on grants for research and training in urban transportation problems under Sec. 11(b) of the Urban Mass Transportation Act of 1964, as amended.	All but \$750,000.00 of the 1969 limitation.	
2) 86X0123, Construction Washington Metropolitan Area Transit Authority, Department of Housing and Urban Development	Unexpended balance	69X0123, Construction Washington Metropolitan Area Transit Authority, Department of Transportation
3) 86X0300, Washington Metropolitan Area Transit Authority, Federal Contribution	All the appropriations for 1969	69X0123, Construction Washington Metropolitan Area Transit Authority, Department of Transportation
4) 8690141, Salaries and Expenses, Metropolitan Development (1969)	\$610,000.00 plus 14.03884% of any appropriation in excess of \$6,339,000.00, rounded to the nearest thousand dollars. The amount transferred as defined above shall be subject to adjustment if (1) additional funds are made available by Congress for the FY 1969 for the administration of functions	6990800, Salaries and Expenses, Urban Mass Transportation Administration (1969)

B. Appropriations and funds: (continued)

<u>From</u>	<u>Amount</u>	<u>To</u>
4) (continued from previous page)	authorized by the Urban Mass Transportation Act of 1964, as amended, other than increased pay costs, or (2) total appropriations for Salaries and Expenses, Metropolitan Development, are less than \$6,339,000.00	

C. Property:

All property listed in Schedule III, attached.

D. Records:

All records and papers of the Department of Housing and Urban Development relating to the operations of the Urban Mass Transportation Administration in that Department except those relating to the grants and contracts listed in Schedule II, attached.

Personnel records of all personnel being transferred to the Department of Transportation.

Charles J. Zwick
Charles J. Zwick
Director

Attachments

SCHEDULE I

<u>NAME</u>	<u>JOB TITLE</u>	<u>GRADE</u>	<u>SALARY</u>
Aaronson, Robert J.	Urban Mass Transp. Rep.	GS-12/1	\$11,461
Abraham, Alexander	Director, Processing Staff	GS-14/6	18,481
Abrams, Robert L.	Transp. Research Asst.	GS-11/1	9,657
Adams, William O.	Transp. Representative	GS-14/2	16,369
Andryshak, Richard J.	Transp. Planner	GS-13/1	13,507
Beachley, Mary E.	Secretary	GS-7/9	8,534
Bennett, Ellen D.	Research Assist.	GS-9/2	8,323
Berlin, Harvey	Civil Engineer	GS-9/1	9,698
Blundon, Joseph A.	Attorney-Adviser	GS-14/2	16,369
Dupree, John H.	Transp. Specialist (Housing Intern)	GS-9/1	8,054
Floyd, Thomas H., Jr.	Asst. Dir., Div. of Demonstration Programs and Studies	GS-15/2	19,017
Gimmler, Franz K.	Transp. Rep.	GS-13/2	13,957
Glancy, David M.	Transp. Res. Spec.	GS-15/1	18,404
Gleason, Maynard G.	General Engineer	GS-14/5	17,953
Gormous, Mary Lou	Prog. Assist.	GS-7/5	7,634
Hare, Wilbur E.	Financial Analyst	GS-12/2	11,843
Hawkins, Harriet C.	Prog. Reports Analyst	GS-12/1	11,461
Hill, Eunice U.	Clerk-Typist	GS-4/1	4,995
Hurd, William B.	Deputy Director, Office of Transp.	GS-17/5	26,960
Jackson, Eugene, Jr.	Civil Engineer	GS-13/1	13,507
Jackson, Marion S.	Clerk-Typist (Transp. Training Program)	GS-4/8	6,157
Johnson, Artis J.	Clerk-Steno	GS-4/1	4,995
Kanwit, Edmond L.	Economist	GS-15/3	19,630
LaRue, Elizabeth B.	Secretary	GS-7/8	8,309
McGauley, Catherine M.	Clerk-Steno	GS-4/2	5,161

SCHEDULE I

<u>NAME</u>	<u>JOB TITLE</u>	<u>GRADE</u>	<u>SALARY</u>
McManus, Robert H.	Director, Div. of Project Development	GS-16/3	\$22,380
McMilliam, Lottie M.	Secretary (Typing)	GS-6/6	7,162
Merritt, Harold W., Jr.	Director, New Systems Study Project	GS-16/1	20,982
Munter, Theodore A.	Attorney-Adviser	GS-14/1	15,841
Murphy, Mary E.	Secretary	GS-7/7	8,084
Premo, Jerome C.	Urban Mass Transportation Rep.	GS-11/1	9,657
Scaife, Doris H.	Secretary (Steno)	GS-5/7	6,681
Siegel, Bernadine	Secretary	GS-7/2	6,959
Speck, David J.	Supervisory Attorney	GS-15/4	20,243
Stearns, Charles M.	Trans. Res. Prog. Officer	GS-14/10	20,593
Stowell, Peter N.	Transportation Rep.	GS-12/2	11,843
Warren, Deborah L.	Urban Transportation Analyst (Intern)	GS-9/1	8,054
Wexler, Pamela	Secretary	GS-5/1	5,565

Eno

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Transportation

SCHEDULE II

URBAN MASS TRANSPORTATION PROJECTS TO BE ADMINISTERED BY THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

TRD

TRD-2
TRD-3
TRD-4
TRD-5
TRD-7
TRD-8
TRD-9
TRD-10
TRD-11
TRD-12
TRD-13
TRD-16
TRD-17
TRD-18
TRD-19
TRD-20
TRD-22
TRD-23
TRD-31
TRD-33
TRD-35

MTD

Alas.- MTD-1
Calif.-MTD-9
D.C. -MTD-3
Ill. -MTD-3
Ill. -MTD-4
Mass. -MTD-3
Mass. -MTD-4
Mass. -MTD-5
Mo. -MTD-2
Ohio -MTD-2
R.I. -MTD-2
N.Y. -MTD-15
Tenn. -MTD-2
Wash. -MTD-3
Minn. -(Minneapolis)
Ohio -(Cincinnati)

T-9

Ariz.- T9-1
Calif.-T9-3
Calif.-T9-4
Calif.-T9-5
Mass. -T9-2
Colo. -T9-2
Hawaii-T9-1
N.J. -T9-1
N.Y. -T9-3
N.J. -(Jersey City)
Mass. -(Worcester)
Pa. -(Schuylkill)
W.Va. -(Morgantown)

TRNS

TRNS-1
TRNS-2
TRNS-3
TRNS-4
TRNS-D-1
TRNS-D-2
TRNS-D-3
TRNS-D-4
TRNS-D-5
TRNS-D-6
TRNS-D-7
TRNS-D-8

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SCHEDULE III

PROPERTY TO BE TRANSFERRED TO DEPARTMENT OF TRANSPORTATION

FURNITURE

Bookcases - 4 each
Cabinet, filing - 33 each
Cabinet, supply - 1 each
Chairs - 136 each
Costumer - 10 each
Desks - 48 each
Bookcase Sections - 68 each
Clothing Rack - 3 each
Section, Map and Plan - 2 each
Sofa - 1 each
Stands - 29 each
Tables - 41 each

MACHINES

Adding - 3 each
Calculator - 2 each
Dictating - 5 each
Transcribing - 3 each
Typewriters - 23 each

Eno

Center for
Transportation