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United States Senate

COMMITTEE ON BANKING AND CURRENCY

April 28, 1961

Personal and
Confidential

Eno

Center for
Transportation

MATTHEW HALE, CHIEF OF STAFF

Mr. Lee C. White
The White House
Washington, D. C.

Dear Lee:

Since we talked last night, I have had a new bill prepared to meet the problems you folks see in S. 345.

I think this is the solution. It is recast as a temporary emergency program to be operated on a total demonstration basis. It will let us get started to help meet the emergency need -- and also provide valuable actual experience in formulating the long-range program -- with enough safeguards to insure that the program does not set any irreversible forces in motion.

It clearly specifies that this is a temporary emergency program to be operated on a demonstration basis. It recognizes that any long-range program must be based on adequate comprehensive area-wide planning and organization.


It requires HHFA to undertake an immediate and extensive study on the proper role for the Federal government in formulating the long-range program. And it requires a report to Congress on January 31, 1961 on his findings and recommendations for the long-range program. X

It limits the loans to areas threatened with deterioration or loss of essential mass transportation service, and to facilities and equipment that the Administrator determines can reasonably be expected to be required for a long-range comprehensive and coordinated mass transportation system.

It reduces the budgetary impact from \$325 million to \$100 million. *wlan*

Let me say, Lee, that I would very much like to be able to introduce this bill with Administration endorsement before the executive session of the full Committee on Banking and Currency, where I am very much afraid there will be a Republican move to add mass transportation to the omnibus housing bill unless we act first.

Sincerely,



Harrison A. Williams, Jr.

HAW:aed

87th Congress
1st Session

S. _____

IN THE SENATE OF THE UNITED STATES

Mr. Williams of New Jersey (for himself, _____)

introduced the following bill; which was read twice and referred to the Committee on Banking and Currency

A BILL

To authorize the Housing and Home Finance Administrator to assist State and local public bodies in providing emergency assistance to help preserve [and improve] essential mass transportation services in urban and metropolitan areas, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Emergency Mass Transportation Act of 1961".

FINDINGS AND PURPOSE

SEC. 2. The Congress hereby finds that the greatest part of the Nation's population, wealth, and defense productivity is located in the rapidly expanding urban and metropolitan areas of the country, many of which are interstate in character, and that such areas are suffering an intensification of traffic congestion and a decline in mass transportation service, which has in part been caused by activities of the Federal government. The Congress further finds that Federal financial assistance for effective mass transportation systems, based on adequate comprehensive area-wide planning and organization, is essential for the solution of these urban and metropolitan problems.

It is the purpose of this Act --

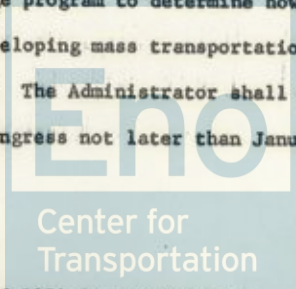
(a) to assist State and local public bodies in providing temporary emergency assistance to help preserve [and improve] essential mass transportation services in urban and metropolitan areas, to avoid jeopardizing the social welfare and economic efficiency of such areas and the efficacy of Federally aided programs; and

(b) to stimulate increased efforts by all levels of government, through research, studies, comprehensive planning and demonstrations, in formulating a long-range program to determine how such levels of government can best fulfill their role in developing mass transportation systems which can (a) most effectively contribute to meeting total urban transportation needs at minimum cost, and (b) most effectively be coordinated with housing, urban development and renewal, highway, and other private and public activities in urban and metropolitan areas, in order to reduce the total need for investment in transportation facilities, increase economic efficiency, and improve urban living conditions.

STUDY AND REPORT TO CONGRESS

SEC. 3 In order to carry out the purposes of this Act, the Housing and Home

Finance Administrator (hereinafter referred to as the "Administrator") shall provide technical assistance to State and local public bodies and shall undertake an immediate and extensive study to formulate a long-range program to determine how the Federal government can best fulfill its role in developing mass transportation systems to meet the objectives of section 2 of this Act. The Administrator shall submit a report of findings and recommendations to the Congress not later than January 31, 1962.



PLANNING

SEC. 4. Section 701 of the Housing Act of 1954 is amended by -

(1) striking out the matter preceding paragraph (1) in subsection (a) and inserting in lieu thereof the following:

"SEC. 701. (a) In order to assist State and local governments in solving planning problems resulting from the increasing concentration of population in metropolitan and other urban areas, including smaller communities, to facilitate comprehensive planning on a continuing basis by State and local governments for urban development [and the coordination of transportation systems] in urban areas, and to encourage State and local governments to establish and improve planning staffs, the Administrator is authorized to make planning grants to --";

(2) adding the following ^{centered?} paragraph at the end of subsection (a): ["Plan-
ning which may be assisted under this section ^{and may include} includes any] planning to carry out the purposes of the Emergency Mass Transportation Act of 1961.".

DEMONSTRATION GRANTS AND LOANS

SEC. 5. (a) Section 103(b) of the Housing Act of 1949 is amended by striking out the period at the end of the first sentence and inserting in lieu thereof the following: ": Provided, That of such sum the Administrator may make grants not to exceed \$50,000,000 for mass transportation [demonstration] projects which he determines would contribute significantly to the development of data and information of general applicability on the reduction of urban transportation needs, the improvement of mass transportation service, and the contribution of such service toward meeting total urban transportation needs at minimum cost. Such grants shall not exceed two-thirds of the cost, as determined or estimated by the Administrator, of the project for which the grant is made and shall be subject to such other terms and conditions as he may prescribe."

(b) Section 201 of the Housing Amendments of 1955 is amended by adding the following after "public works or facilities," in the second sentence: "including mass transportation facilities and equipment,".

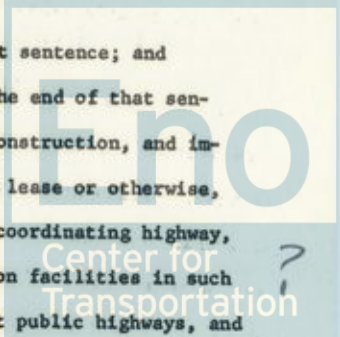
(c) the first sentence of Section 202(a) of such Act is amended by -

(1) deleting ", acting through the Community Facilities Administration,"; ✓

and

(2) inserting "(1)" after "any State," in the first sentence; and

(3) inserting the following before the period at the end of that sentence: "and (2) to finance the acquisition, construction, reconstruction, and improvement of facilities and equipment for use, by operation or lease or otherwise, in mass transportation service in urban areas, [and for use in coordinating highway, bus, surface-rail, underground, parking and other transportation facilities in such areas.] Such facilities and equipment may include land, but not public highways, and any other real or personal property needed for an economic, efficient, and coordinated mass transportation system".



(d) Section 202(c) of such Act is amended by striking out "this section" in the first sentence and inserting in lieu thereof "clause (1) of subsection (a) of this section".

first to small modification

X

(e) Section 202 of such Act is further amended by adding the following subsection:

"(d) No loans may be made for transportation facilities or equipment, pursuant to clause (2) of subsection (a) of this section, unless the Administrator determines (1) that the urban or metropolitan area is threatened with deterioration or loss of essential mass transportation service; (2) that there is being actively developed for the urban or metropolitan area served by the applicant a positive program, meeting criteria established by the Administrator, for the development of a comprehensive and coordinated mass transportation system; and (3) that such facilities or equipment can reasonably be expected to be required for a comprehensive and coordinated mass transportation system."

40 yrs. loans. cant do.

1.4. 2.4. 3.4. 4.4. 5.4. 6.4. 7.4. 8.4. 9.4. 10.4.

40 yrs.

(f) Section 203(a) of such Act is amended by -

(1) striking out "in an amount not exceeding \$150,000,000, notes and other obligations." in the first sentence and inserting in lieu thereof the following: "notes and other obligations in an amount not exceeding \$300,000,000: Provided, That of the funds obtained through the issuance of such notes and other obligations \$100,000,000 shall be available only for purchases and loans pursuant to clause (2) of subsection 202(a) of this title"; and

+ 150m.

(2) inserting before the period at the end of the third sentence a semicolon and the following: "except that notes or other obligations issued by the Administrator to obtain funds to provide financial assistance under clause (2) of subsection 202(a) shall bear interest at a rate determined by the Secretary of the Treasury which shall not be more than the average annual interest rate on all interest-bearing obligations of the United States then forming a part of the public debt as computed at the end of the fiscal year next preceding the issuance by the Administrator of such notes or other obligations, and adjusted to the nearest one-eighth of 1 per centum".

No