

UNITED STATES GOVERNMENT

Executive Office of the President
Bureau of the Budget*Memorandum*

TO : Mr. Phillip S. Hughes

DATE: March 10, 1961

FROM : Commerce and Finance (Murray)

SUBJECT: Summary of S. 345, Urban Mass Transportation Act of 1961

Purpose

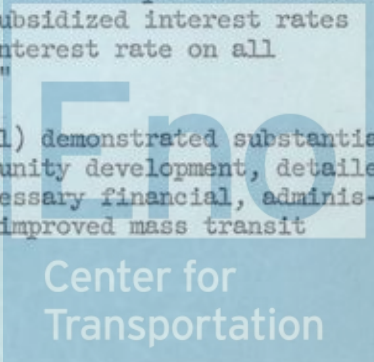
The bill would authorize the HHFA to assist States, local governments and their planning agencies (1) to conduct comprehensive research on and integrated planning for the development and redevelopment of urban metropolitan areas, including all forms of transportation but especially mass transit, (2) to carry on experimental projects to test and demonstrate new or improved mass transit services, facilities, and equipment, and (3) to finance the acquisition, construction, reconstruction, and improvement of mass transit equipment and facilities and to operate directly or by leasing such equipment and facilities.

The Administrator would also be authorized to carry on a direct mass transit research program, to conduct conferences of Government departments, State and local officials, industry representatives and industry experts to assist in solving mass transit problems and to help finance mass transit service and related research carried on by States and local governments or by private research agencies.

Amounts and conditions of loans and grants

The bill authorizes (1) \$75 million for planning and for demonstration grants of which as much as two-thirds would be for demonstration grants; this sum would be subject to appropriation control and would be available when appropriated until spent, and (2) authorize fifty-year Federal loans up to \$250 million (but not more than \$100 million before July 1, 1962) to States, local governments and their instrumentalities, for the development and operation of transit services. These loans would not be subject to appropriation control. They would be available whenever private financing is not available "on equally favorable terms" at subsidized interest rates not more than 1/4 per cent above "average annual interest rate on all interest bearing obligations of the United States."

Loan applicants would be given priority who (1) demonstrated progress in developing comprehensive plans for community development, detailed mass transit plans, and progress in developing necessary financial, administrative and organizational arrangements to assure improved mass transit

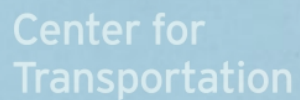


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services in the entire area, and (2) faced serious deterioration or loss of mass transit services.

After three years no financial assistance could be given any community not meeting requirement (1) above.

In making planning grants, the Administrator of HHFA would be required to select applicants "best qualified to plan for the area as a whole and to make a continuing contribution to the fulfillment of comprehensive plans, and he would be expected to foster acceptance of such area-wide plans by political subdivisions, public agencies, and other interested parties in the area.

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

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DEPARTMENT OF COMMERCE VIEWS ON URBAN TRANSPORTATION PROBLEM
AND S.345

Senator Williams of New Jersey joined by 17 other Senators introduced S.345 on January 11, 1961, which provides the following:

(1) Authorizes Administrator of Housing and Home Finance Agency to make loans to public agencies and state and local governments to finance acquisition, construction and improvement of mass transportation facilities. Authorizes \$250 million for such loans, with not more than \$100 million to be committed prior to July 1, 1962.

(2) Authorizes \$75 million for planning grants, no grant to exceed 50% of the cost of the planning project.

(3) Authorizes Administrator of Housing and Home Finance Agency to assist local governmental units in planning and providing for mass transportation services in urban areas.

There is no recognition in S.345 that the Department of Commerce has basic responsibilities with respect to transportation, and more particularly, the Department has policy and planning responsibilities for all forms of transport. Regardless of how such responsibilities may have been carried out in past years, it is suggested that the present allocation of transportation policy, planning and operating responsibilities to the Department of Commerce should not now be disregarded.

There must be close coordination between highway planning and the mass transit planning for urban areas. In fact, many studies conducted or participated in by the Department of Commerce in the past have included mass transportation features. This has been the case with respect to such metropolitan areas as Washington, D. C., Chicago and Philadelphia.

It is not suggested that transportation policy, planning or transportation operational activities should be the sole concern of the Department of Commerce, without reference to the contribution which can be made by other Federal agencies. But the Department believes that S.345 is directly in conflict with a basic point contained in the President's recent message on housing. Section VI of the President's message contains this paragraph:

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"I have asked the Administrator of the Housing and Home Finance Agency and the Secretary of Commerce to undertake an immediate and extensive study of urban transportation problems and the proper role of the Federal government in their solution."

Since January 20 the following steps have been or will soon be taken in the Department of Commerce in the discharge of the Department's transportation responsibilities which will enable the Department to recommend an effective program of Federal transport policy:

(1) Separation of day to day operating and research activities through appointment of an additional Deputy Under Secretary to be in charge of research and policy formulation.

(2) Appointment of a small staff of leading professionals from a variety of backgrounds to assist in identifying major problem areas and to direct the planning and research projects that demand top priorities.

(3) A review of all transportation activities within the Department. Many opportunities exist within the Department for teamwork.

(4) Development of government-wide plans for collection of needed transportation information, its analysis and prompt availability.

(5) Immediate action is being taken to initiate a study of probable trends in transport requirements for both passengers and freight, and in this connection each agency of government will be asked to assist in making its own projections.

(6) We will have a review of the technological changes taking place within the transportation field and an analysis of the probable impact and consequences. The Department is in a unique position to foster new ideas for the solution of transport problems because of its close association with the industrial community throughout the country.

(7) A priority project to be undertaken by the Department, as already indicated, is the question of how Federal transport policy and action can be developed with specific reference to the urban areas of the country. The Department's transport policy staff will explore the most fruitful possibilities for using transportation as a tool to achieve the kind of urban environment that America should have.

(8) The Department's transport policy staff will proceed with the basic belief that transport policy is an integral part of the policies and programs that affect the rest of the economy, and the transport policy planning and policy function within the Department of Commerce must be revitalized and given the attention and stature which the Nation's needs require.

Personnel who will participate in carrying out the transport policy function of the Department of Commerce, either as full-time members of our transport policy staff or as consultants, include the following:

Wilfred Owen, Brookings Institution
Carl Feiss, Urban Renewal Consultant
Robert B. Mitchell, University of Pennsylvania
Joseph Lieper, New York City Planning Commission
Boyd Ladd, Johns Hopkins University
Edward T. Chase, Hartford Conference on Metropolitan Problems
Henry Fagin, Director of the Penn. Jersey Study
William Saunders, Washington Transportation Consultant
Albert Atwell, General Motors Technical Center

We feel that the Department of Commerce will for the first time be bringing together the talent necessary to develop an imaginative approach to the Federal government's transportation responsibilities. We are very anxious to begin the task of undertaking a joint study of the urban transportation problems with HHFA as directed by the President. Until these deliberations have been completed, we should like to reserve judgment on the specific issues involved and the question of direct Federal aid for mass transit.

As a matter of emphasis, we would make the following observations at this time concerning urban transportation problems:

(1) It is obvious that a successful attack on urban transportation problems involves both the development of adequate highways and urban mass transit. The two are very closely related. What is done with respect to highways will have a very important influence on what needs to be done for mass transit and vice versa. In addition, in many cases there will have to be a physical integration of highway and mass transit facilities. For example, highways may be built with additional right-of-way to accommodate rail transit; transit buses must operate over the highway system.

(2) In addition to the relation between highways and transit, the whole transportation problem of the metropolitan area must be looked at as one problem. This includes the airports, rail terminals, truck and bus terminals and parking facilities.

(3) Just as we are convinced that an over-all approach must be taken to problems of transportation in the metropolitan area, we are also convinced that transportation programs must be based on comprehensive land use plans. What is done in the way of slum clearances, urban renewal, housing, the provision of open space and the planning of land use arrangements and densities, will determine the nature of the transportation task. We will not solve the problem of urban congestion without these fundamental attacks on the urban environment.

C. D. Martin, Jr.

Center for
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The Secretary

March 15, 1961

The Under Secretary for Transportation

Views on Urban Transportation Problem and S. 345

Joint Study of Department of Commerce and Housing and Home Finance Agency should be aimed at positive recommendations for federal policy.

The principal question is how the federal government can make a concerted attack on the congestion of urban areas. This means providing both for adequate transport facilities and for an urban environment in which the transport system can operate and which will minimize the creation of new congestion. We know that the solution of transport difficulties in urban areas will depend on how we live as well as how we move.

Specifically, this inquiry will be concerned with the urban highway program, the possibilities of federal aid to mass transit, the interrelation of these and other transport programs, and the relation of transport activities to metropolitan area planning, housing, slum clearance, and urban renewal.

A suggested outline follows, merely to initiate discussions with HHFA.

I. Nature of Urban Transport Problem with Which We are Concerned:

1. Principal cities involved
2. Predominance of home to work problem
3. Trends in urbanization
4. Trends in how people move
5. Other aspects of the transport problem, i.e., freight, airport to city, week-end travel, etc.
6. The relation of transport requirements and congestion to land use.

II. Present Attack

1. The urban highway program and where it now stands
2. Recent metropolitan transport studies and what they have recommended

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3. Recent approaches to providing mass transit -- Boston, Philadelphia, New York, Chicago, Los Angeles, Washington
4. Effect of housing and renewal programs on transport problems
5. Conflict between roads and other urban development
6. Joint Public Roads-IBFA approach to urban transport planning

III. Review of Measures for a More Effective Program to Improve Urban Transport

1. Some immediate steps to deal with traffic congestion
2. Some technological potentials in this field that deserve federal attention
3. The potentials of joint metropolitan planning by Commerce Department and IBFA
4. The need for organizational arrangements at federal and local level
5. An aid program for transit -- what kind and how it might be done
6. A review of present federal aid highway policy -- how roads could make their contribution
7. A review of urban renewal and housing programs -- their role in reducing the transport burden

IV. A Federal Program for Improving Urban Transport

1. Planning
2. Roads
3. Transit
4. Urban Development
5. Other federal programs

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