

APPROVED
AUG 13 1964

EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET
WASHINGTON, D.C. 20503



AUG 6 1964

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 10503 - Federal-Aid Highway Act of 1964
Sponsor - Rep. Fallon (D) Maryland

Last Day for Action

August 17, 1964 - Monday

Purpose

Provides contract authority for the fiscal years 1966 and 1967 for the Federal-aid primary, secondary and urban highway programs and for highways and roads on Federal property and makes certain liberalizing and technical amendments to the highway laws.

Agency Recommendations

Bureau of the Budget	Approval
Department of Commerce	Approval (Proposed signing statement attached)
Department of Interior	Approval
Department of Agriculture	Approval

Discussion

This is the regular, biennial authorization bill for the Federal-aid highway programs and for various direct Federal highway and road construction programs administered by Commerce, Interior and Agriculture. The bill provides contract authority in the following amounts for the fiscal years 1966 and 1967:

	(In millions)	
	<u>1966</u>	<u>1967</u>
<u>Commerce</u>		
Federal-aid highways (A-B-C systems)...	\$1,000	\$1,000
Forest highways	33	33
Public lands highways	7	7

	(In millions)	
	<u>1966</u>	<u>1967</u>
<u>Agriculture</u>		
Forest development roads and trails	\$85	\$85
<u>Interior</u>		
Park roads and trails	23	23
Parkways	11	11
Indian reservation roads	18	18
Public lands development roads and trails .	2	2

The amounts provided are the same as those requested by the Administration with the following exceptions. The bill provides a \$1 billion program level for the Federal-aid highway programs as compared with the \$975 million level requested. This reflects a continuing difference between the Congress and the Executive Branch as to how fast the annual level of authorization should be stepped up until the ultimate level of \$1 billion is reached. In reporting on the bill, Commerce put the Committees on notice that if the level were increased beyond \$975 million for 1966 and 1967, the possibility of having to impose more restrictive controls over the rate at which the apportioned funds could be obligated by the States would be substantially increased. In this connection, it reviewed the status of the Highway Trust Fund balances and indicated that the estimated balances for future years made questionable the level of \$1 billion which the Committees were considering.

The bill provides \$7 million for the public lands highways program, compared to \$3 million requested. The House accepted the Administration's figure, the Senate raised it to \$9 million, and the conference agreed on \$7 million. The Senate report indicated that the Committee was convinced that \$9 million -- the level authorized for 1965 -- was the minimum level needed to maintain construction on projects already authorized and to fund the development of roads for Glen Canyon Recreation Area in southeastern Utah. On the other hand, the bill provides only \$85 million for 1967 for the forest development roads and trails program, instead of the \$95 million requested.

In addition to certain technical amendments, the bill includes two liberalizing amendments. It authorizes the use of public lands highways funds for parking areas adjacent to the highways and for sanitary, water, and fire control facilities. Similar authority is already available with respect to three other direct Federal highway construction programs. The bill also authorizes the use of forest development roads and trails funds on experimental and other areas under Forest Service jurisdiction, and in particular on the 3.8 million acres of national grasslands administered by that Service.

The Department of Commerce has prepared the attached proposed signing statement for your consideration. We understand that the draft has also been sent directly to Mr. Busby at his request. We would suggest omission of the third sentence on page 3 of the draft because of the possible implication that the regular Federal-aid highway program is accomplishing for the Appalachian area what the special highway program in the Appalachian bill is intended to do.


Assistant Director for
Legislative Reference

Enclosures



THE UNDER SECRETARY OF COMMERCE
FOR TRANSPORTATION
WASHINGTON 25, D.C.

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AUG 6 1964

Center for
Transportation

Honorable Kermit Gordon
Director, Bureau of the Budget
Washington, D. C. 20503

Dear Mr. Gordon:

This is in reply to your request for the views of this Department concerning H. R. 10503, an enrolled enactment

"To authorize appropriations for the fiscal years 1966 and 1967 for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes."

Section 2 of this enactment, which would be cited as the "Federal-Aid Highway Act of 1964," authorizes the appropriation of \$1,000,000,000 in each of the fiscal years 1966 and 1967 for expenditure on the Federal-aid primary system, the Federal-aid secondary system, and extensions of these systems in urban areas in the same 45-30-25 ratio as used for many years. While the sums authorized exceed, in each fiscal year, by \$25,000,000 the amount recommended by the President for these systems, this Department would interpose no objection to approval of the larger amounts.

The authorization for forest highways of \$33,000,000 for each of the fiscal years 1966 and 1967 is in accord with the program of the President. The authorization for public lands highways under paragraph 8 of section 2 exceeds by a total of \$4,000,000 for each of the fiscal years 1966 and 1967, the Department's recommendation of \$3,000,000 for each of the respective fiscal years for these highways. It is understood that the Congress intended the additional sums to reduce a backlog of requests for projects in this category, and we would interpose no objection thereto.

Paragraphs 3, 4, 5, 6, and 7 of section 2 relate to forest development roads and trails, public lands development roads and trails, park roads and trails, parkways, and Indian reservation roads and bridges. Funds for these roads are administered either by the Department of Agriculture or the Department of the Interior, and we therefore offer no comment on these provisions.

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Honorable Kermit Gordon

Section 3 makes a technical amendment to the second paragraph of subsection (b) of section 101 of title 23, United States Code, relating to the Interstate System completion date. This provision is in accord with the recommendations of the Department and would not involve the expenditure of additional funds at this time.

Section 4 merely makes two technical amendments to existing law. It also authorizes the use of public lands highway funds for parking areas and sanitary, water, and fire control facilities, and permits the use of forest roads and trails funds in areas under Forest Service administration. Although these provisions were not recommended by the Department, they would not involve the additional expenditure of Federal funds and we would not object to their enactment.

Section 5 provides that the terms used in section 2 of this enactment shall have the same meaning as given in section 101 of title 23 of the United States Code.

Although H. R. 10503 is not entirely consistent with the President's recommendations in all areas, we believe that its approval would substantially accomplish the objectives of the Federal highway program.

Sincerely,



Clarence D. Martin, Jr.

PROPOSED STATEMENT FOR PRESIDENT JOHNSON TO BE
MADE ON THE OCCASION OF SIGNING THE FEDERAL-AID
HIGHWAY ACT OF 1964

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Center for
Transportation

My fellow Americans:

I am about to sign into law the Federal-Aid Highway Act of 1964.

This law authorizes for fiscal years 1966 and 1967 the continuation of the Federal-aid program for primary and secondary roads and their urban extensions, as well as the several classes of Federal domain roads. It authorizes for the Federal-aid primary and secondary highways \$1 billion for each fiscal year to be made available to the States on a 50-50 matching basis. It also authorizes for each fiscal year \$33 million for forest highways, \$85 million for forest development roads and trails, \$2 million for public lands development roads and trails, \$23 million for roads and trails in National parks, \$11 million for parkways, \$18 million for Indian reservation roads and bridges and \$7 million for public lands highways. The Federal-Aid Highway Acts of 1956 and 1961 authorized the entire program for the National System of Interstate and Defense Highways for fiscal years 1957 through 1971.

The Federal-Aid Highway Act of 1964 represents the continuation of the accelerated highway construction program provided for in 1956. Since this year marks the halfway point in the time provided for accomplishment of the accelerated highway construction program, I want to take this occasion to talk to you about what this program means to every American.

Shortly following the passage of the Federal-Aid Highway Act of 1956, I, as Senate Majority Leader, said:

"Evidence is mounting daily that the Federal-Aid Highway Act recently enacted by the Congress is one of the most far-reaching legislative measures ever to come out of this body.

"In passing this legislation, we provided for the construction of a highway system--not just a series of projects.

"New highways always result in the establishment of new businesses. Intensive industrial and commercial development accompanies the construction of controlled-access highways, such as those that will comprise a large part of the completed Interstate system.

"It is easily possible that within a decade the investment in new industrial, commercial, residential and public facilities stimulated by this program will equal--perhaps even surpass--the value of the investment in the highways themselves.

"Rural communities and small towns all over the Nation will reap enormous economic benefits from the primary and secondary road construction phases of this program.

"The Highways Act of 1956 authorizes the largest peacetime public works program in our national history. Its size is commensurate with the need it will meet.

"We are a Nation on wheels.

"We cannot depend on the roads of yesterday to carry the motor traffic of today and tomorrow."

The Federal-Aid Highway Program is fulfilling its promise. It is helping to strengthen our national defense and it is stimulating our national economy. It is playing a vital role in our efforts to revive distressed manufacturing centers, and distressed mining areas.

Highway construction is an important generator of employment. An estimated 870,000 workers are employed in constructing and improving highways, including 370,000 working directly on highway construction and 500,000 workers employed in the production, supply and transportation of highway construction materials and equipment. An additional 500,000 persons are employed full time by Federal, State, County and Municipal highway agencies to plan, design, supervise, maintain, and operate our streets and roads. The benefits of this program affect every American. The highways that will be aided by the bill I am signing today extend into every county of the United States.

Highway improvements have a continuing impact on our economy. They set off a chain reaction of industrial and commercial activities. They are the stimulants for the economic growth that we need to provide jobs for the millions of young people who are joining the labor force each year.

The Federal-Aid Highway Program is being carried out without cost to the General Fund of the Treasury. It is financed directly by special taxes on highways users. These special taxes are dedicated to the Highway Trust Fund and can be used only for highway purposes.

The cost of the Federal-aid highway program to users is being returned in improved user benefits. It is estimated, for example, that during 1964 the user benefits on all Federal-aid highway systems due to highway improvements made since 1956 will total \$6 billion. The National System of Interstate and Defense Highways, which is being constructed at a total cost of \$41 billion of State and Federal funds will produce user benefits of \$11 billion a year after it is completed in 1972.

In addition, highway improvements pay for themselves in terms of reduced accidents. The already completed sections of the Interstate Highway System saved an estimated 3,000 lives last year. The 61,000-mile system when completed in 1972 will save 8,000 lives a year. Improvements through the Federal-aid highway program on other highways will help to improve hazardous sections that tend to produce accidents.

The Federal-aid highway program, which is being continued by this bill, is, finally, a tribute to the effective working of the Federal Government and State Government partnership.



UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
WASHINGTON 25, D. C.

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Center for
Transportation

AUG - 6 1964

Dear Mr. Gordon:

Your Bureau has requested our views on the enrolled bill, H.R. 10503 "To authorize appropriations for the fiscal years 1966 and 1967 for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes."

We recommend that the President approve this bill.

As it relates to this Department, H.R. 10503 authorizes the appropriation of certain sums for fiscal years 1966 and 1967 for public lands development roads and trails, for parkways, and for Indian reservation roads and bridges. These sums will be utilized for these purposes in accordance with the provisions of Title 23, United States Code, § 201 et seq. The sums authorized in the categories of interest to this Department by the bill are identical to those recommended by the Administration.

Sincerely yours,

Assistant

John A. Cameron, Jr.
Secretary of the Interior

Hon. Kermit Gordon
Director, Bureau of the Budget
Washington, D. C.



DEPARTMENT OF AGRICULTURE
WASHINGTON 25, D.C.

Eno

Center for
Transportation

August 6 1964

Honorable Kermit Gordon, Director
Bureau of the Budget

Dear Mr. Gordon:

This is in response to the request from your office for a report on the enrolled enactment H.R. 10503, "To authorize appropriations for the fiscal years 1966 and 1967 for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes."

We recommend approval of the enactment by the President.

Section 2 of H.R. 10503 authorizes, among others, appropriations for forest development roads and trails for Fiscal Years 1966 and 1967. It also authorizes for those Fiscal Years appropriations for forest highways and for public lands highways.

The construction and maintenance of forest highways and forest development roads and trails and of certain of the highways constructed out of the public lands highways funds are essential to the full protection, development, and utilization of the lands comprising the National Forest System. The development and maintenance of an adequate transportation system is a key part of the "Development Program for the National Forests" which the late President Kennedy submitted to the Congress on September 21, 1961. Approval of H.R. 10503 will authorize the appropriation of funds toward orderly accomplishment of this program.

Section 4(b) of H.R. 10503 authorizes the use of public lands highways funds for adjacent vehicular parking areas and for sanitary, water, and fire control facilities. This puts the use of these funds on the same basis as the funds available for other similar types of roads and highways.

Section 4(d) of H.R. 10503 amends subsection (a) of section 205 of title 23, United States Code so that funds available for forest development roads and trails may be used for the construction and maintenance of

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roads and trails on areas under Forest Service administration. The effect of this is to let the forest development roads and trails funds be used for roads serving the National Grasslands. This will put on the same basis the financing of all lands in the National Forest System, both the National Grasslands and the National Forests.

Sincerely yours,

Charles S. Murphy

Charles S. Murphy
Under Secretary