

APPROVED  
SEP 13 1966

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

SEP 8 1966  
Eno  
Center for  
Transportation

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill S. 3155 - Federal-Aid Highway Act of 1966  
Sponsor - Sen. Randolph (D) West Virginia

Last Day for Action

September 13, 1966 - Tuesday

Purpose

(a) Provides additional authorizations for the interstate highway system, for the Federal-aid primary, secondary, and urban highway programs, and for highways and roads on Federal property; (b) requires certain studies and reports; and (c) makes other changes in the highway laws.

Agency Recommendations

Bureau of the Budget	Approval
Department of Commerce	Approval
Department of the Interior	Approval
Department of Agriculture	Approval
Department of the Treasury	Approval

Discussion

This is the regular, biennial authorization bill for the Federal-aid highway programs and various direct Federal highway and road construction programs administered by Commerce, Interior, and Agriculture. The bill has the following major provisions:

1. Increased appropriation authorizations for the interstate system

The increases are:

- . \$400 million to a total of \$3.4 billion for fiscal year 1968
- . \$800 million to a total of \$3.8 billion for 1969
- . \$600 million to a total of \$3.6 billion for 1970
- . \$715 million to a total of \$3.6 billion for 1971



In addition, the authorizations are extended for one year to include 1972 at an amount of \$2.685 billion.

These increases for the five years total \$5.2 billion, \$300 million more than recommended by the executive branch--\$100 million more in 1968 and \$200 million more in 1969. Current estimates of Highway Trust Fund revenues indicate that they will be sufficient to permit apportioning among the States the full amount of \$3.4 billion authorized for 1968. The estimates, however, now indicate that revenues will not be sufficient to allow full apportionment of the 1969 authorization.

2. Provision of appropriation authorizations for other Federal-aid highways (A-B-C systems) and for direct Federal construction programs for fiscal years 1968 and 1969 as follows:

	(in millions)	
	<u>1968</u>	<u>1969</u>
<u>Commerce</u>		
Federal-aid highways	\$1,000	\$1,000
Forest highways	33	33
Public lands highways	14	16
<u>Agriculture</u>		
Forest development roads and trails	170	170
<u>Interior</u>		
Park roads and trails	25	30
Parkways	9	11
Indian reservation roads and bridges	19	23
Public lands development roads and trails	3	5

The amounts authorized are the same as those requested by the executive branch with the exception of the following increases. The bill provides for \$14 million and \$16 million for 1968 and 1969, respectively, instead of the \$7 million requested for each year, for public lands highways. The conferees compromised between the Senate figures \$20 million and \$25 million and the executive branch request which had been accepted by the House. For forest development roads and trails \$170 million is provided for each of the two years, compared to the \$85 million and \$110 million which were requested. In the case of Indian reservation roads, the 1968 authorization of \$19 million is \$1 million more than the executive branch figure, and the amounts provided for public lands development roads and trails--\$3 million and \$5 million--compare to the request of \$2 million and \$3 million. In addition, the Congress did not accept the executive branch proposal to finance forest highways and public lands highways from the highway trust fund rather than the general fund.



### 3. Emergency relief

Existing law authorizes an emergency fund of \$30 million annually for the repair or reconstruction of highways, roads and trails which have been damaged by natural disasters. The executive branch proposed increasing the authorization to \$50 million, providing for a two-year carryover of unexpended authorizations, and providing for reimbursement from the general fund for those expenditures relating to highways, roads, and trails not on the Federal-aid systems.

S. 3155 differs from that proposal chiefly in that it provides that sixty percent of the Federal expenditures for emergency relief in any one year are to be appropriated from the highway trust fund and 40 percent from the general fund. This is a satisfactory compromise.

In addition, the bill adds Federal parkways, public lands highways, and public lands development roads and trails to those categories of Federal domain roads which are eligible for financing out of the emergency relief fund.

### 4. Highway safety and beauty

The bill requires specific annual authorizations for the highway beauty program and the recently enacted highway and traffic safety programs and in effect prohibits appropriations from the highway trust fund for these purposes. The executive branch has proposed to the Congress that legislation be enacted to set up a separate trust fund to carry out these programs. That fund would be financed by earmarking a certain portion of the auto excise tax and possibly by general fund appropriations. Congress is not expected to act on that proposal this year. Meanwhile, general fund appropriations will be necessary to carry out these programs.

The following provisions in the enrolled bill were not recommended by the executive branch. We do not regard items 5 and 6 as desirable, but it will be possible to control item 5 through the budget process. We see no particular problems in items 7 and 8.

### 5. Special Alaska provisions

The bill authorizes general fund appropriations of \$14 million annually for the years 1968-1972 for construction and maintenance of any highways in Alaska. These amounts are in addition to amounts that will be apportioned to Alaska under the Federal-aid highway program. The bill also authorizes Alaska to use its regular Federal-aid funds to construct access and development roads on its Federal-aid system. As passed by the Senate, the bill authorized (a) Alaska to use without limitation Federal-aid highway funds for maintenance of Federal-aid highways and



for construction of any access and development roads and (b) an additional appropriation from the trust fund of \$10 million for each year 1968 through 1972. The House bill contained no special Alaska provisions.

6. Four-laning the interstate system

The bill requires that the standards for the interstate system must provide for at least four traffic lanes and authorizes the Secretary of Commerce to modify previous project agreements accordingly.

7. Soil erosion and preservation of parklands

The bill requires the Secretary of Commerce (a) to consult with the Secretary of Agriculture on guidelines for minimizing possible soil erosion from highway construction and report the guidelines to the Congress by July 1, 1967, and (b) to cooperate with the States in developing plans and programs to preserve Federal, State, and local government parklands and historic sites and their beauty and historic value. The bill provides that after July 1, 1968, the Secretary shall not approve any program for a highway project which requires the use of any park or historic site unless all possible planning and consideration of alternatives have been done to minimize harm to the park or historic site.

8. Studies and reports

The bill requires the Secretary of Commerce to conduct studies of the following subjects and report their results to the Congress by July 1, 1967:

a. advance acquisition of rights-of-way for future construction on the Federal-aid system.

b. additional assistance for relocation and reestablishment of persons, businesses, and others displaced by Federal-aid highway projects. This study must be made in cooperation with the Secretary of Housing and Urban Development, State highway departments, and other affected Federal and State agencies.

c. the need for, and estimates and planning surveys regarding, highway construction programs for Guam, American Samoa, and the Virgin Islands. This study, for which an appropriation of \$200,000 is authorized, is to be made in cooperation with the three island governments.



In summary, the bill adds a total of \$194 million in NOA to your 1967 budget, since these authorizations are contract authority and are available for obligation in 1967. Of the \$194 million, \$100 million is chargeable to the highway trust fund and \$94 million to the general fund. The bulk of the expenditures from these add-ons will not take place until fiscal year 1968 and subsequent years.

*Welfred H. Rommel*

Assistant Director for  
Legislative Reference

Enclosures



MEMORANDUM

THE WHITE HOUSE

WASHINGTON

September 10, 1966  
Saturday - 12:05 p.m.

Eno

Center for  
Transportation

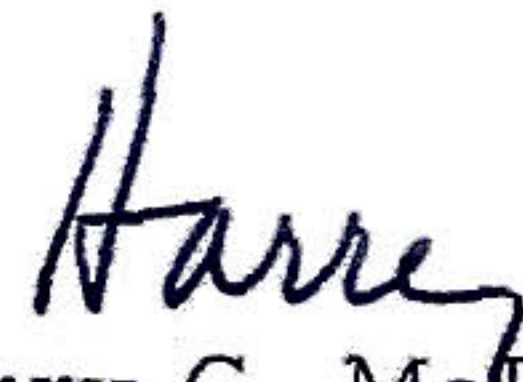
FOR THE PRESIDENT

This is the biennial highway authorization. It adds \$194 million in NOA to your 1967 budget -- \$100 million chargeable to the trust fund, and \$94 million to the general fund. The bulk of expenditures from these add-ons, however, will not take place until FY 1968 and subsequent years.

I asked Charlie Schultze whether you should announce the planned hold-back of \$400 million in highway funds, when you sign the bill. In your message Thursday you announced "I have already directed that lower-priority Federal programs be reduced by \$1.5 billion in fiscal 1967," but you did not spotlight the highway program.

Charlie recommends that you merely sign the bill on Monday, without a statement. He and Connor will be testifying Monday and Tuesday before Ways and Means, and they will describe the \$400 million hold-back. He believes it is better to let them break the news than to announce it from here.

All agencies recommend approval.



Harry C. McPherson, Jr.

Attachment





GENERAL COUNSEL OF THE DEPARTMENT OF COMMERCE  
WASHINGTON, D.C. 20230

Eno

Center for  
Transportation

SEP 7 1966

Honorable Charles L. Schultze  
Director, Bureau of the Budget  
Washington, D. C. 20503

Dear Mr. Schultze:

This is in reply to your request for the views of this Department concerning S. 3155, an enrolled enactment

"To authorize appropriations for the fiscal years 1968 and 1969 for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes."

Section 2 of S. 3155 authorizes increased appropriations for the National System of Interstate and Defense Highways. The use of such authorization for this system would not be permitted to carry out the provisions of title 23, United States Code, relating to outdoor advertising (Section 131), junkyards (Section 136), and landscaping and scenic enhancement (Section 319(b)) as well as any provision of law relating to highway safety enacted after May 1, 1966.

Section 3 authorizes the Secretary of Commerce to make the apportionment for the fiscal years ending June 30, 1968 and 1969 of the sums authorized for such years for the National System of Interstate and Defense Highways using the apportionment factors contained in the 1965 Interstate System Cost Estimate (H. Doc. No. 42, 89th Congress).

Section 4 extends the time for completion of the National System of Interstate and Defense Highways for an additional year to June 30, 1972.

Section 5 requires that the standards for the National System of Interstate and Defense Highways provide for at least four-traffic lanes and authorizes the Secretary of Commerce to modify existing project agreements to carry out this requirement.

Section 6 authorizes appropriations for the fiscal years ending June 30, 1968 and 1969 for expenditures 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. The use of such authorizations would also not be permitted to carry out the provisions of title 23, United States Code, relating to outdoor advertising, junkyards, and landscaping and scenic enhancement, as well as any provision of law relating to highway safety enacted after May 1, 1966. This section also provides authorizations for forest highways, public lands highways, forest development roads and trails, public lands development roads and trails, park roads and trails, parkways, and Indian reservation roads and bridges.

Section 7 amends section 118 of title 23, by adding a new provision to permit apportionments available to Alaska under title 23, to be expended for access and development roads which are on a Federal-aid system. In addition to funds otherwise available to Alaska under title 23, funds are authorized to be appropriated out of the general funds for each of the fiscal years 1968-72 for construction and maintenance of highways in Alaska on or off the Federal-aid systems.

Section 8 prohibits the use of the Highway Trust Fund for highway beauty and safety appropriations and requires specific annual authorizations for such purposes.

Section 9 modifies emergency reconstruction provisions to make all Federal-domain roads eligible and provides that emergency reconstruction appropriations shall be 60% from the Trust Fund and the remainder from general funds, effective July 1, 1966.

Section 10 directs the Secretary of Commerce to make a study of advance acquisition of rights-of-way and report the results of such study together with recommendations to Congress by July 1, 1967.

Section 11 amends section 302(a) of title 23, United States Code relating to State highway departments to authorize States in meeting the requirements of the section to engage the services of private engineering firms, to the extent necessary or desirable.

Sections 12 and 13 direct the Secretary of Commerce to make a study of relocation assistance and Guam, Virgin Islands and Samoan roads, respectively, and make reports to the Congress by July 1, 1967.

Section 14 requires the Secretary of Commerce to consult with the Secretary of Agriculture on guidelines for control of soil erosion on Federal-aid system and report the guidelines to the Congress by July 1, 1967.



Section 15 requires the Secretary of Commerce not to approve highway projects unless after July 1, 1968 harm to parks and historic sites is minimized.

The Department of Commerce recommends approval by the President of S. 3155.

Enactment of this legislation would involve:

- (a) For fiscal year 1968 - \$1 billion available for making an apportionment to the States for the ABC Federal-aid highway program and \$3.4 billion for the Interstate highway program.

For fiscal year 1969 - \$1 billion available for making an apportionment to the States for the ABC Federal-aid highway program and \$3.8 billion for the Interstate highway program.

- (b) For forest highways, \$33 million available for apportionment in each of fiscal years 1968 and 1969.

Funds for the Federal-aid ABC, Interstate and forest highway programs are apportioned under contract authority and are available for obligation in the year preceding the year for which the funds are authorized.

- (c) For Public Lands highway program, \$14 million available for allocation in fiscal year 1968 and \$16 million in fiscal year 1969. These funds are available for obligation in the year preceding the year for which authorized.
- (d) Emergency relief funds, \$50 million available for allocation to disaster areas and obligations in the year for which authorized.
- (e) Alaskan assistance funds, \$14 million available for obligation in the year for which authorized to the extent funds are appropriated.

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The following table shows the funds authorized for each of fiscal years 1968 and 1969 and their relationship to the Highway Trust Fund and the General Fund.



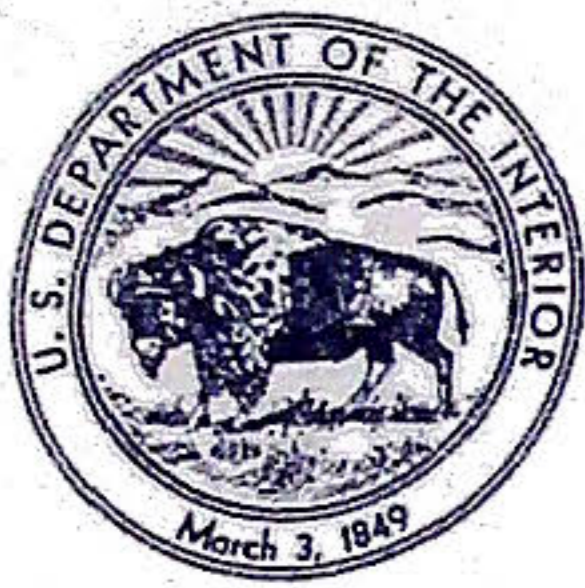
	Authorized for	
	<u>Fiscal Year</u> 1968	<u>Fiscal Year</u> 1969
	(In Millions of Dollars)	
<u>HIGHWAY TRUST FUND</u>		
ABC	\$1,000	\$1,000
Interstate	3,400	3,800
Emergency Relief	30	30
	<u>\$4,430</u>	<u>\$4,830</u>
<u>GENERAL FUND</u>		
Forest Highway	\$33	\$33
Public Lands	14	16
Alaska Assistance	14	14
Emergency Relief	20	20
	<u>81</u>	<u>83</u>

Sincerely,

A handwritten signature in black ink, appearing to read "Robert E. Giles", written in a cursive style.

Robert E. Giles  
General Counsel





UNITED STATES  
DEPARTMENT OF THE INTERIOR  
OFFICE OF THE SECRETARY  
WASHINGTON, D.C. 20240

Eno

Center for  
Transportation

SEP 2 1966

Dear Mr. Schultze:

Enrolled bill S. 3155, the Federal-Aid Highway Act of 1966, has been submitted to the President. Insofar as it relates to this Department we recommend that it be approved.

The appropriation authorizations for roads under the jurisdiction of this Department are:

	<u>Fiscal Year 1968</u>	<u>Fiscal Year 1969</u>
Public lands development roads and trails	\$ 3,000,000	\$ 5,000,000
Indian reservation roads and bridges	19,000,000	23,000,000
Park roads and trails	25,000,000	30,000,000
Parkways	9,000,000	11,000,000

These amounts reflect a \$1 million increase in the 1968 authorization for each of the first two items over the amounts cleared by the Bureau of the Budget, and a \$2 million increase in the 1969 authorization for the first item.

The bill broadens the language relating to emergency relief to permit emergency repairs to be made to parkways and to public lands development roads and trails. This is desirable.

The bill adds a new section to the law which requires highway planning to consider all possible alternatives to the use of park lands and historic sites, and to minimize any harm to such lands and sites. This new section is highly desirable.

Sincerely yours,

*Stanley A. Cain*

Assistant Secretary of the Interior

Hon. Charles L. Schultze  
Director, Bureau of the Budget  
Washington, D. C. 20503





DEPARTMENT OF AGRICULTURE  
WASHINGTON 25, D.C.

Eno

Center for  
Transportation

September 12, 1966

Honorable Charles L. Schultze  
Director, Bureau of the Budget

Dear Mr. Schultze:

As requested, here is our report on enrolled enactment S.3155, "The Federal-Aid Highway Act of 1966".

We recommend that the enactment be approved by the President.

The Department of Agriculture is particularly interested in the Forest Highways, Public Lands Highways, and Forest Development Roads and Trails covered by S.3155. Our comments will be limited to the provisions of the enactment directly related to these roads and to section 14, which also directly affects the responsibilities of this Department.

Subsection 6(2) of the enactment authorizes the appropriation of \$33 million for Forest Highways for fiscal years 1968 and 1969. Forest Highways are parts of Federal-Aid, State, county and other public highways in and adjacent to the National Forests. The Forest Highway system, now totalling 25,000 miles, is administered by the Secretary of Commerce through the Bureau of Public Roads. Forest Highways are important means of access to and outlet from the National Forests. They are heavily used by persons visiting the National Forests for recreation and other purposes. Most of the products of the forests move over these highways enroute to mill or market.

Subsection 6(3) of the enactment authorizes the appropriation of \$14 million for fiscal year 1968 and \$16 million for fiscal year 1969 for public lands highways. These highways are main highways through unappropriated public lands, certain Indian lands, and other Federal reservations, and are also administered by the Secretary of Commerce.

Forest Development Roads and Trails covered by subsection 6(4) of the enactment are the direct responsibility of this Department. These roads and trails are built and maintained to preserve and provide for wise use of the many resources of the National Forest System.

The construction and maintenance of Forest Highways, certain public lands highways and Forest Development Roads and Trails are essential to the full protection, development, and utilization of the lands



comprising the National Forest System. The presence or lack of access by road or trail largely determines the value of timber that can be marketed, the size, duration, and distribution of timber sales, and the level of salvage cuttings. This factor strongly influences the effectiveness of measures for protecting these lands from fire, insects, disease, and other destructive forces. It sets the level of use made of recreation, wildlife, and other resources of the National Forest System.

In 1961, President Kennedy sent to the Congress "A Development Program for the National Forests." This program set forth the resource management and development work needed in the National Forests during the Fiscal Years 1963-1972 to assure that they will meet their full share of present and future public needs.

The estimated cost of the Forest Development Road and Trail construction proposed in this 10-year program is approximately \$1.7 billion, of which about \$1.2 billion would be financed with appropriated funds. The balance of about \$0.5 billion would constitute work performed by purchasers of National Forest timber. But, in order to keep logs rolling to the mills, the Forest Service has been required to increase the accumulated amount constructed by timber purchasers by \$61 million.

This reliance on purchaser-constructed roads has often resulted in choices in road locations which are less desirable and not entirely consistent with good forest management and development. Many areas planned for development, where access is more difficult, have been left undeveloped.

Also, development of an efficient National Forest transportation system is not promoted by an increase in the proportion of purchaser-constructed roads. Permanent, main-haul roads which will serve entire tributary areas must be built to a standard adequate for access to, use and development of, all tributary resources. This often requires a road standard higher than that necessary to remove the timber.

We are able, in some instances, if funds are available, to obtain maximum economy roads by supplementing the increased cost of construction to higher standards. As an exclusive alternative to Government construction, this is undesirable, since many purchasers are not properly equipped for higher standard road construction.

Subsection 6(4) authorizes the appropriation of \$170 million for fiscal years 1968 and 1969 for Forest Development Roads and Trails. This amount is within the funding proposed in the Development Program for the National Forests. Approval of S.3155 will assist the orderly accomplishment of this program.

Section 14 of the enactment adds a new subsection to section 109 of title 23, U.S. Code, which requires the Secretary of Commerce to consult with the Secretary of Agriculture with respect to guidelines for minimizing possible



soil erosion from highway construction. These guidelines are to be reported to Congress by July 1, 1967.

There are more than 3½ million miles of roads in the United States. Many miles of new roads are constructed annually. Where these roads pass through rolling or rough terrain they create an erosion problem that if not properly cared for can be costly in terms of maintenance, damaging to adjacent land, unsightly and depressing to those who travel the roads, and contribute significantly to the sedimentation of the nation's streams and reservoirs. In addition, a gullied roadside ditch constitutes a dangerous safety hazard for any vehicle forced off the paved area.

We believe the guidelines called for by section 14 will keep soil loss on highways within tolerable limits. Maintenance costs will be kept at a minimum, sediment depositions in adjoining streams and reservoirs will be reduced, and the beauty of the highway will be enhanced.

Sincerely yours.







ASSISTANT SECRETARY

TREASURY DEPARTMENT

WASHINGTON, D.C. 20220

Eno

SEP 7 1966

Center for  
Transportation

Dear Mr. Schultze:

This is in response to your request for the Treasury Department's views and recommendations on the enrolled bill S. 3155, entitled the "Federal-Aid Highway Act of 1966."

The bill was developed from the draft "Federal-Aid Highway Act of 1966" which was sent to the President of the Senate and the Speaker of the House of Representatives by the Secretary of the Treasury and the Secretary of Commerce on March 21, 1966. A proposed companion bill, the "Highway, Airway, and Waterway User Act of 1966", which was transmitted at the same time, has not been acted upon by the Congress.

S. 3155 deviates from the highway-aid proposals of the Administration in several respects. Appropriations authorized for the Interstate System of highways for the fiscal years 1968 and 1969 are greater than proposed by \$300 million. However, the bill does not affect the requirement of present law that allocations for the Interstate System be limited to funds expected to be available in the Highway Trust Fund.

There are a number of subsidiary types of roads which are financed from the general fund of the Treasury such as: (1) Forest highways, (2) public land highways, and (3) forest development roads and trails. Authorizations for appropriations for these roads for the fiscal years 1968 and 1969 are increased by the bill beyond the levels recommended by the Administration in a few cases. Most important is the increase for forest development roads and trails where the total authorization for the two years is placed at \$340 million compared with the proposal of \$195 million.

An additional claim on the general fund of the Treasury included in the bill, but not requested by the Administration, is an authorization for the appropriation of \$70 million in the fiscal years 1968-1972 inclusive for the construction and maintenance of highways in the State of Alaska. Such funds would be in addition to those available under the regular Federal aid criteria.

Other features included in the bill but not in the Administration's draft provide for studies on: (1) Advance acquisition of rights-of-way; (2) relocation assistance; and (3) the highway needs of Guam, American Samoa, and the Virgin Islands. Only the last item would be financed by

RECEIVED



additional appropriations from the general fund. Policy directives included in the bill relate to coordination of work on soil erosion by the Bureau of Public Roads and the Department of Agriculture, and Federal and State cooperation in road programs to preserve parklands and historic sites. The bill also provides that no funds in the Highway Trust Fund shall be available for the highway beautification and safety programs.

The Treasury Department is concerned about the increase in authorizations for the Interstate System and forest development roads and trails beyond those recommended by the Administration. However, any increase in expenditures for the Interstate System will be limited by the funds available in the Highway Trust Fund. In view of the need to limit the growth of Federal expenditures at this time, we hope that steps can be taken to restrict the use of additional funds for forest development roads, and the other roads financed from the general fund, for which authorizations are set at a higher level than recommended by the Administration.

The Treasury Department is particularly concerned about section 7(b) of the bill relating to aid for Alaskan highways, since it would overturn two of the basic principles used for highway aid to States. By authorizing the appropriation of funds to the State of Alaska for road use from the general fund, section 7(b) violates the principle adopted by the Congress in 1956 of limiting Federal highway aid to States to the revenues derived from specified highway user charges. We regard this preferential treatment for the State of Alaska as a possible serious breach of the highway user charge system embodied in the Highway Trust Fund.

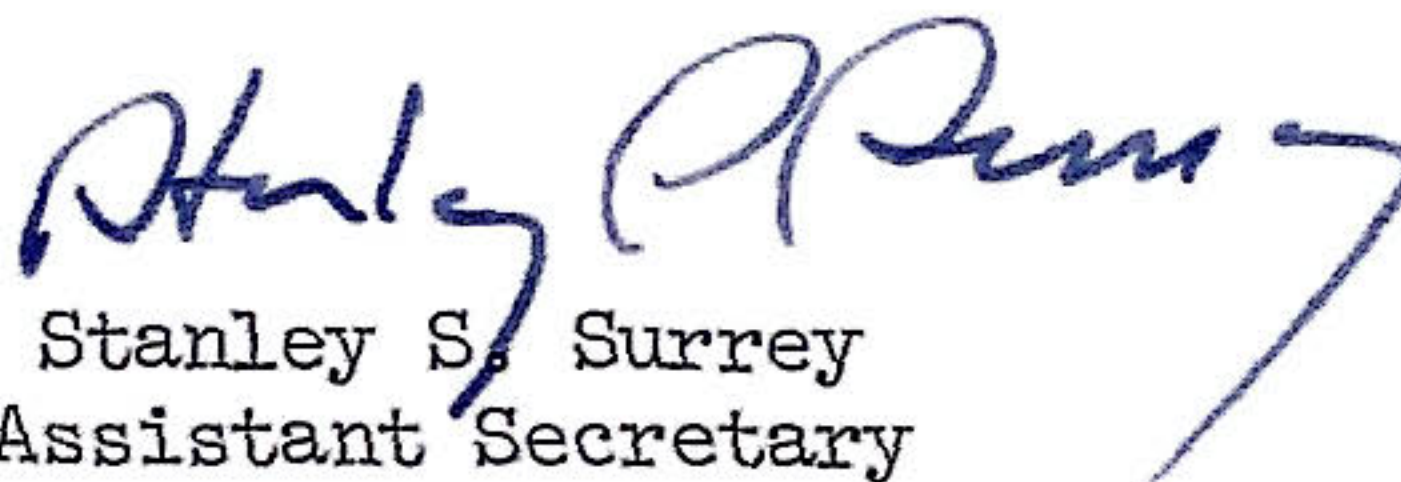
Since the Federal Government has previously limited its highway aid to States to construction funds, the granting of funds to Alaska that may be used for maintenance purposes is very likely to lead to similar requests by other States. While the Treasury Department does not wish to express an opinion on the overall question of whether Federal highway aid should be given for maintenance as well as construction, the Department does wish to express objection to any financing of maintenance outside of the monies available from highway user charges.

Since S. 3155 represents the basis for allocation of Federal highway aid for 1968 and 1969, and in large part follows the recommendations of the Administration, the Treasury Department is of the opinion that the bill should be approved by the President. The Department does



believe, however, that the current fiscal situation warrants taking such further steps as may be available to limit expenditures for forest development roads, and similar roads financed from the general fund, to levels more consistent with those recommended by the Administration. The additional funds authorized by section 7(b) for Alaskan highways represent such an exception to the user charge system of financing Federal aid for highways that we believe future efforts should be made to have this section repealed. Any legislation which finances Federal highway aid to States at a level beyond receipts from user charge receipts not only reflects on the user charge system for highways but could influence the attitude of the Congress towards the Administration's proposals for user charges for the airways and waterways.

Sincerely yours,

  
Stanley S. Surrey  
Assistant Secretary

The Honorable  
Charles L. Schultze  
Director  
Bureau of the Budget  
Washington, D. C. 20503