

THE WHITE HOUSE  
WASHINGTON

October 21, 1967  
2:30 pm., Saturday

FOR THE PRESIDENT:

Attached is the Department of Transportation Appropriation Act. Although last day for action is October 31, signature by Monday will avoid the need of including DOT in the next continuing resolution.

  
DeVier Pierson

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APPROVED  
OCT 23 1967

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

OCT 20 1967

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 11456 - Department of Transportation Appropriation Act, fiscal year 1968  
Sponsor - Rep. Boland (D) Massachusetts

Last Day for Action

OCTOBER 31, 1967

Purpose

Provides appropriations of \$1,511,905,772 for activities of the Department of Transportation for fiscal year 1968 and \$70,000,000 in advance 1969 appropriations for grants-in-aid for airports.

Agency Recommendations

Bureau of the Budget	Approval
Department of Transportation	Approval (informally)

Discussion

The total appropriations in the bill are \$136,713,000 less than the budget estimates of \$1,718,618,772 submitted to the Congress. The attached statement sets forth the differences in detail between the budget estimates and the appropriations in the bill.

Certain highlights are summarized below:

1. Facilities and equipment, FAA. The estimate of \$28.4 million was almost doubled, to a total of \$54 million, reflecting concern over aviation safety.

2. Civil supersonic aircraft development. The estimate of \$198 million was reduced by \$55.6 million, but the program can continue at about the budgeted level by using



unobligated balances from prior years heretofore set aside to pay back contractors for their share of the costs in the event that their contracts were terminated. The Committees did not believe it necessary to maintain reserves for that contingency.

3. Traffic and highway safety. The \$10 million reduction in the estimate of \$31 million was made by the House Committee because of its stated concern about "undue haste" in development of the program. The Department did not ask the Senate to restore the cut.

4. State and community highway safety. The bill limits obligations during fiscal year 1968 to \$25 million, compared to \$117 million estimated in the budget. This limitation is expected to impair the ability of the States to meet the Federal program standards under the Highway Safety Act of 1966. The bill makes a corresponding reduction to \$25 million in the \$100 million estimate of appropriations to liquidate obligations.

5. High-speed ground transportation research and development. The estimate of \$18.6 million was reduced by \$6.8 million. The entire amount of \$3.5 million estimated for the auto-on-train demonstration program was eliminated, reflecting the House Committee view that it sees no reason why private industry cannot proceed with the project.

*Alfred H. Rommel*  
Assistant Director for  
Legislative Reference

Enclosures

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OCT 20 1967

MEMORANDUM FOR THE PRESIDENT

Subject: Department of Transportation Appropriation Act,  
1968 -- Analysis of congressional changes

	<u>Budget estimate</u>	<u>Congressional change</u>
<u>Fiscal year 1968:</u>		
All appropriations.....	\$1,643,618,772	-\$131,713,000
Less: Appropriations to liquidate contract authorizations.....	<u>143,000,000</u>	<u>-77,000,000</u>
New obligational authority, 1968.....	<u>1,500,618,772</u>	<u>-54,713,000</u>
<u>Fiscal year 1969:</u>		
Appropriation (new obligational authority)....	<u>75,000,000</u>	<u>-5,000,000</u>

Note.--All page references below are to pages in the enrolled bill.

FEDERAL AVIATION ADMINISTRATION

Operations (p. 2).....	605,400,000	---
Facilities and equipment (p. 3)	28,400,000	+25,600,000
Civil supersonic aircraft development (p. 3).....	198,000,000	-55,625,000
Grants-in-aid for airports, 1969 (p. 3).....	75,000,000	-5,000,000
All other.....	36,160,000	-500,000

The \$25.6 million increase for facilities and equipment reflects congressional concern over the rapidly increasing rate of aviation activity, creating "the absolute necessity of having a stepped-up program for the equipment that enables...safety practices to be actually carried out."

The \$55.6 million reduction for civil supersonic aircraft development represents no reduction in this effort. The program will continue to be conducted at the budget level, using unobligated balances of prior-year funds which



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heretofore had been set aside to pay back contractors for their share of the costs in the event that the contracts are terminated. Both committees expressed the belief that the Government will probably not elect to terminate the program.

In agreeing to a reduction of \$5 million in the advance 1969 appropriation for grants-in-aid for airports, the conferees split the difference between the House-proposed cut of \$10 million to approximately the 1968 appropriation level and the Senate allowance of the full request.

FEDERAL HIGHWAY ADMINISTRATION

Traffic and highway safety (p.5)	\$31,035,000	-\$10,001,000
State and community highway		
Safety:		
Liquidation of contract		
authorization (p. 5).....	100,000,000	-75,000,000
Limitation on obligations		
(p. 6).....	---	(+25,000,000)
Forest highways (liquidation		
of contract authorization)		
(p. 5).....	33,000,000	-1,000,000
Public lands highways (liqui-		
dation of contract authori-		
zation) (p. 6).....	10,000,000	-1,000,000
Inter-American Highway (p. 6).	7,000,000	-2,000,000
Chamizal Memorial Highway		
(p. 6).....	8,000,000	-4,000,000
Alaskan assistance (p. 6).....	---	+5,000,000
Limitation on general		
expenses (p. 4).....	(62,055,000)	(-2,128,000)
Federal-aid highways (trust		
fund) (p. 4).....	(3,773,000,000)	(-2,128,000)
All other.....	18,627,772	-550,000

In recognition of the House committee's concern about "undue haste" in the development of the traffic and highway safety program, the Department did not ask the Senate to restore the \$10 million House cut.

The House committee recommended only \$20 million for State and community highway safety, to fund "only the most important and urgently required programs. After their



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effectiveness can be determined, decisions can be made as to the requirements for future funding." In response to a strong plea by the Department for the full request, the Senate committee allowed \$40 million, noting that the program appeared to be developing more slowly than the \$100 million estimate assumed. The conferees settled on an appropriation of \$25 million and approved a House-initiated general provision (sec. 401) prohibiting obligation of funds in excess of \$25 million in fiscal 1968 for planning or execution of State and community highway programs.

The Congress considered the \$5 million allowance for the Inter-American Highway to be sufficient.

The reduction for Chamizal Memorial Highway, initiated by the House committee, was accepted by the Department on the grounds that it is feasible to defer the remainder of the Federal share of construction contracts until fiscal 1969.

An unrequested appropriation of \$5 million is provided in this bill for Alaskan assistance, justified in the opinion of the committees by highway financing problems peculiar to the State.

Of the \$2.1 million reduction for general expenses, financed from the highway trust fund, \$0.5 million represents disallowance of 32 of the 42 proposed new positions. The rest of the cut denies the budgeted increase of \$0.4 million over 1967 for the research and development contract program and \$1.2 million of the \$2.3 million increase over 1967 sought for contract programs under traffic operations and highway planning.

COAST GUARD

Operating expenses (p. 1).....	\$344,437,000	-\$1,786,000
Acquisition, construction, and improvements (p. 2).....	107,014,000	No change
All other.....	72,795,000	-495,000

Under acquisition, construction, and improvements, funds were budgeted for construction of one high-endurance cutter and one oceanographic research ship. The Congress substituted an additional high-endurance cutter for the

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oceanographic ship. "In view of the demands of the war on Coast Guard ships, the second high-endurance cutter is considered to be a high priority requirement. The oceanographic ship is postponed pending a comprehensive review of oceanographic research programs throughout the Government."

FEDERAL RAILROAD ADMINISTRATION

High-speed ground transportation research and development (p. 7)	\$18,600,000	-\$6,850,000
All other.....	4,450,000	-156,000

The reduction for the high-speed ground transportation program was applied as follows (in millions):

	<u>Request</u>	<u>Reduction</u>
Research and development:		
Tracked air cushion vehicle....	\$1.9	-\$0.4
Rail and other - cut to be applied mainly to the lowest priority programs.....	6.1	-2.8
Demonstration program:		
Auto-on-train.....	3.5	-3.5
Other.....	6.1	---
Administration.....	<u>1.0</u>	<u>-0.2</u>
	18.6	-6.8

Denial of the request for the auto-on-train project reflects the House committee's failure "to understand why the Federal Government should finance a project of this nature during this period of high federal deficits. If the project is economically feasible, there is no reason why private industry cannot proceed with it."

ALL OTHEROffice of the Secretary (p.1):

Salaries and expenses.....	8,300,000	-900,000
Transportation research.....	8,100,000	-2,150,000

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The reduction for transportation research was applied primarily to areas in which it appeared that an excessive rate of growth in research activity had been requested. The entire \$2.5 million sought for the Northeast Corridor project was allowed.

St. Lawrence Seaway Develop-  
ment Corporation:

(limitation on administra-  
tive expenses) (p. 7).....

(\$515,000)

(-\$1,000)

National Transportation

Safety Board (p. 8).....

4,300,000

-300,000

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