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8-5-68*
APPROVED
AUG 8 - 1968

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

AUG 5 1968

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MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 18188 - Department of
Transportation Appropriation Act of 1969
Sponsor - Rep. Boland (D) Massachusetts

Last Day for Action

August 19

Purpose

Provides \$1,429,266,000 in budget authority for fiscal year 1969, \$205,000,000 in budget authority for fiscal year 1970, and \$4,241,970,000 in appropriations to liquidate contract authorizations for the Department of Transportation.

Agency Recommendations

Bureau of the Budget

Approval

Department of Transportation

Approval
(informally)

Discussion

The following table shows by major component of the Department of Transportation and in totals the budget estimates, the amounts provided by the bill, and the Congressional changes from the estimates:

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	<u>Budget estimate</u>	<u>Enrolled bill</u>	<u>Congressional change</u>
Coast Guard.....	\$558,616,000	\$532,000,000	-\$26,616,000
Federal Aviation Administration.....	994,098,000	827,554,000	-166,544,000
fiscal year 1970...	(65,000,000)	(30,000,000)	(-35,000,000)
Federal Highway Administration.....	39,825,000	31,512,000	-8,313,000
Liquidation of con- tract authoriza- tions.....	(4,270,000,000)	(4,241,970,000)	(-28,030,000)
Urban Mass Trans- portation Admin- istration: fiscal year 1970...	(230,000,000)	(175,000,000)	(-55,000,000)
All other.....	<u>44,493,000</u>	<u>38,200,000</u>	<u>-6,293,000</u>
Total:			
Appropriations (budget auth- ority): 1969...	1,637,032,000	1,429,266,000	-207,766,000
1970...	295,000,000	205,000,000	-90,000,000
Appropriations to liquidate contract authorizations (not budget authority)....	4,270,000,000	4,241,970,000	-28,030,000

The attached memorandum provides a detailed analysis of Congressional changes in the budget estimates. Among the more significant are:

- A decrease of \$35 million from the \$65 million requested for an advance 1970 appropriation for grants-in-aid to airports in the apparent expectation that legislation will be enacted later to change the means of financing airport development.
- Increases of \$50 million over the \$70 million requested for FAA facilities and equipment and \$7.9 million over the \$663.1 million requested

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for operations, on the grounds of the need to advance air safety.

- Deletion of the \$223 million requested for supersonic aircraft development and recission of \$30 million of prior year funds, leaving \$186 million available for 1969 from prior year balances.
- A decrease of \$0.5 million from the requested \$1.5 million for highway beautification, in the absence of authorization for the program's continuance. (The Federal-aid highway bill which has cleared the Congress would authorize \$25 million for the program in 1969.)
- A decrease of \$55 million from the \$230 million requested for an advance 1970 appropriation for urban mass transportation grants. The \$175 million allowed is the same amount as provided for 1969.

In addition, an exemption is provided by H.R. 18188 from the employment limitations of the Revenue and Expenditure Control Act of 1968 for those positions determined by the Secretary of Transportation to be essential to assure public safety and which are assigned to facilities directly engaged in the operation or maintenance of FAA's air traffic control or air navigation systems.

Finally, the bill contains the same provision with respect to financing interagency committees that has appeared in other appropriation bills this year.

Welfred H. Rommel

Assistant Director for
Legislative Reference

Enclosures

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MEMORANDUM FOR THE PRESIDENT

Subject: Department of Transportation Appropriation Act, 1969 --
 Analysis of congressional changes

	<u>Budget estimate</u>	<u>Enrolled bill</u>	<u>Congressional change</u>
<u>Fiscal year 1969:</u>			
Appropriations (budget authority).....	\$1,637,032,000	\$1,429,266,000	-\$207,766,000
Appropriations to liquidate contract authorizations (not budget authority).....	(4,270,000,000)	(4,241,970,000)	(-28,030,000)
<u>Fiscal year 1970:</u>			
Appropriations (budget authority).....	295,000,000	205,000,000	-90,000,000

COAST GUARD

	<u>Budget estimate</u>	
Operating expenses.....	366,536,000	-4,536,000
Acquisition, construction, and improvements.	107,000,000	-17,000,000
Research, development, test, and evaluation.	9,000,000	-5,000,000
All other.....	76,080,000	-80,000

The provision of \$14.6 million more than appropriated for 1968 for operating expenses is for operation of new facilities acquired, increased levels of personnel compensation, and annualization of the 1968 program.

The chief effect of the reduction for acquisition, construction, and improvements, an economy cut, will be to decrease from nine to five the number of helicopters planned for procurement, eliminate funds for a new base at Portsmouth, Va., and reduce construction of family housing.

The reduction for research, development, test, and evaluation denies the request for initiation of the National Data Buoy System because of "the present Federal fiscal situation."

FEDERAL AVIATION ADMINISTRATION

Operations.....	663,079,000	+7,875,000
Facilities and equipment.....	70,000,000	+50,000,000
Grants-in-aid for airports: Fiscal year 1970	65,000,000	-35,000,000
Civil supersonic aircraft development.....	223,000,000	-223,000,000
Rescission of prior-year funds.....	--	(-30,000,000)
All other.....	38,019,000	-1,419,000

Budget
estimate Congressional
change

The increases for operations and facilities and equipment are provided for advancement of air safety by adding 998 positions for the air traffic control system and financing procurement of additional equipment for control towers and centers. Noting that new personnel cannot be trained, or equipment obtained, in a short time, the conferees spelled out "certain helpful short-term actions which could be taken and which have not yet been taken," such as shifting a number of international flights to less congested areas, stretching out schedules throughout the day rather than bunching them in the early morning and evening hours, reducing fares for travel in off-peak hours, and using former military airfields, now inactive, for commercial or general aviation purposes.

In the further interest of air safety, the Congress (in section 210 on page 8 of this bill) has exempted air traffic control and navigation personnel from the employment limitations of the Revenue and Expenditure Control Act of 1968.

Denial of \$35 million of the requested \$65 million advance appropriation for fiscal year 1970 for grants-in-aid for airports is apparently based on the hope that proposed legislation will be enacted in time to finance any additional requirements for 1970 from user charges paid into a trust fund.

The request for civil supersonic aircraft development was predicated upon acceptance of a design that was subsequently not accepted. Redesign work, delaying the program a year, is estimated to require \$186 million in fiscal year 1969. Therefore, the Congress has inserted in the bill language rescinding \$30 million of the \$216 million of unobligated funds carried over from prior years.

FEDERAL HIGHWAY ADMINISTRATION

Limitation on general expenses.....	(\$68,186,000)	(-\$2,630,000)
Federal-aid highways (trust fund) (liquidation of contract authorization).....	(4,158,000,000)	(-2,630,000)
Highway beautification.....	1,508,000	-508,000
Traffic and highway safety.....	30,305,000	-3,805,000
State and community highway safety:		
Liquidation of contract authorization...	(70,000,000)	(-20,000,000)
Limitation on obligations.....	--	(+65,000,000)
Forest highways:		
Liquidation of contract authorization...	(33,000,000)	(-4,000,000)
Limitation on obligations.....	--	(+29,000,000)
Public lands highways:		
Liquidation of contract authorization...	(9,000,000)	(-1,400,000)
Limitation on obligations.....	--	(+12,500,000)
Chamizal Memorial Highway.....	4,000,000	-4,000,000
All other.....	4,012,000	No change

Budget
estimate Congressional
change

Nearly all of the reduction for general expenses, financed from the highway trust fund, denies the requested increase over 1968 for the Office of Research and Development. The Department told the Senate committee that the cut would be applied principally to the contract research program without serious consequences.

The House committee, with subsequent concurrence by the Department, considered the amount allowed for highway beautification sufficient in the absence of authorization for continuation of the program. The committee stated that it would carefully review the requirement for additional funds if new authorizing legislation was enacted and a supplemental estimate presented to the Congress. (An authorization of \$25 million for fiscal year 1969 has been included in the Federal-Aid Highway Act of 1968 now awaiting Presidential approval.)

The largest element of the reduction for traffic and highway safety is disallowance of half of the proposed \$6 million increase over 1968 for the National Traffic Safety Institute.

Although \$20 million less than requested, the \$50 million allowance for State and community highway safety is double the amount granted for 1968 and "is indicative of the high priority given the program" by the Congress. A limitation on obligations has again been inserted in the bill (section 203, p. 7), but it permits obligations in the amount of \$65 million as compared with \$25 million in fiscal year 1968.

The cuts for forest highways and public lands highways are based on the House committee's judgment that these are "relatively low priority programs and must be curtailed at this time as a part of the required reduction in Federal expenditures." To reinforce this decision, limitations on 1969 obligations for these programs have been added to the bill (sections 204 and 205, p. 7).

Disallowance of the entire request for the Chamizal Memorial Highway will not delay the project as there has been some slippage in acquisition of rights-of-way and preliminary engineering design.

ALL OTHER

Office of the Secretary:

Salaries and expenses.....	\$11,335,000	-\$1,535,000
Transportation research.....	7,000,000	-1,000,000

Federal Railroad Administration:

High-speed ground transportation research and development.....	16,200,000	-3,200,000
All other.....	5,252,000	-352,000

Not considered by the House, because of then-lacking authorization, and allowed in full by the Senate, the request for high-speed

<u>Budget</u> <u>estimate</u>	<u>Congressional</u> <u>change</u>
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ground transportation was cut in conference. The conferees directed that none of the reduction be applied to the Boston-New York or New-York-Washington demonstration programs.

Urban Mass Transportation Administration:

Urban mass transportation grants: Fiscal		
year 1970.....	\$230,000,000	-\$55,000,000

The allowance of \$175 million for fiscal year 1970 for these grants is the same amount as the Congress provided in advance last year for fiscal year 1969. (An additional \$15 million requested this session for fiscal year 1969 was considered and disallowed by both Houses in the pending Independent Offices and Housing and Urban Development appropriation bill, 1969.)

St. Lawrence Seaway Development Corporation (limitation on administrative expenses)....	(560,000)	(-10,000)
National Transportation Safety Board.....	4,706,000	-206,000

