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NATIONAL VISITOR CENTER ACT OF 1967

(90–11)

HEARINGS

BEFORE THE

SUBCOMMITTEE ON PUBLIC BUILDINGS AND GROUNDS

OF THE

COMMITTEE ON PUBLIC WORKS HOUSE OF REPRESENTATIVES

NINETIETH CONGRESS

FIRST SESSION

SEPTEMBER 12 AND 13; OCTOBER 11 AND 12, 1967

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NATIONAL VISITOR CENTER ACT OF 1967

TUESDAY, SEPTEMBER 12, 1967

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON PUBLIC BUILDINGS AND GROUNDS OF THE
COMMITTEE ON PUBLIC WORKS,
Washington, D.C.

The subcommittee met, pursuant to notice, at 10 a.m., in room 2167, Rayburn House Office Building, Kenneth J. Gray (chairman of the subcommittee) presiding.

Mr. GRAY. The Subcommittee on Public Buildings and Grounds of the House Committee on Public Works will please come to order.

The Chair would like to welcome all of you here this morning and thank you very kindly for coming.

We will conduct open hearings starting today and continuing possibly for 3 or 4 days on H.R. 12603, by Mr. Gray of Illinois; H.R. 12686, by Mr. McClory; H.R. 12693, by Mr. Pickle; H.R. 12752, by Mr. Leggett; H.R. 12760, by Mr. Widnall; H.R. 12770, by Mr. Annunzio; H.R. 12778, by Mr. Matsunaga; H.R. 12784, by Mr. Schwengel and Mr. Mayne; H.R. 12823, by Mr. Eilberg; H.R. 12825, by Mr. Erlenborn; H.R. 12828, by Mr. Farbstein; H.R. 12831, by Mr. Kleppe; H.R. 12845, by Mr. Helstoski; H.R. 12866, by Mr. Grover; H.R. 12870, by Mr. Rodino; and H.R. 12885, by Mr. Henderson, and several identical Senate bills introduced by our colleagues in the other body.

This act, if enacted, will be known as the National Visitor Center Act of 1967.

(H.R. 12603 follows:)

[H.R. 12603, 90th Cong., first sess.]

A BILL To supplement the purposes of the Public Buildings Act of 1959 (73 Stat. 479), by authorizing agreements and leases with respect to certain properties in the District of Columbia, for the purpose of a national visitor center, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Visitor Center Act of 1967".

SEC. 2. The Administrator of the General Services Administration and the Secretary of the Interior, on behalf of the United States, are authorized to negotiate and enter into agreements and leases with the Washington Terminal Company, the owner of the property in the District of Columbia known as Union Station, for the use of portions of such property for a national visitor center and for a parking facility in connection therewith.

SEC. 3. (a) The agreements and leases authorized by section 2 of this Act shall be subject to the following terms and conditions:

(1) The Washington Terminal Company shall agree to undertake such alterations of the existing Union Station Building as the Secretary of the Interior deems necessary to provide adequate facilities for visitors, but the total cost of such alterations shall not exceed $5,000,000;

(2) The lease of the Union Station Building to the United States shall commence upon completion of such alterations and shall be for a term of not more than twenty years;

(3) The Washington Terminal Company shall undertake the construction of a parking facility, including a vehicular access ramp thereto, to accommodate approximately four thousand vehicles in the airspace immediately northerly of existing Union Station Building, at a total cost not to exceed $11,000,000, which facility, upon completion, shall be leased to the United States for a term of not more than twenty years;

(4) The Washington Terminal Company shall construct a new railroad terminal in the area immediately northerly of such parking facility; and

(5) The aggregate cost to the United States of the leases entered into under this Act may not exceed $2,935,000 annually.

(b) The agreements and leases authorized by section 2 of this Act shall be subject to such other terms and conditions as the Administrator of the General Services Administration and the Secretary of the Interior prescribe.

SEC. 4. The Secretary of the Interior shall administer the property leased under this Act in accordance with the statutory authority available to him for the administration of the national park system.

SEC. 5. In connection with his responsibilities to administer any areas in the Mall and its vicinity in the District of Columbia which contain points of intensive visitation or interest, the Secretary of Interior is directed to utilize the authority in the Act of May 26, 1930 (46 Stat. 382), as amended and supplemented, to provide transportation of visitors by the United States when the Secretary deems such action advisable to facilitate such visitation and to insure proper management and protection of such areas, The Secretary is also directed to make provision for such transportation of visitors to the National Visitor Center established pursuant to this Act.

SEC. 6. The District of Columbia shall not, during the term of any lease entered into by the United States and the Washington Terminal Company pursuant to this Act, include in the assessed valuation of the leased properties for tax purposes any increase in value by reason of the improvements made on such properties by said company in meeting its obligations under any lease or agreement made pursuant to this Act.

SEC. 7. (a) In connection with the construction of the parking facility contemplated by this Act, the District of Columbia shall, upon the request of the Administrator of General Services Administration, transfer to the said Administrator any real property under its jurisdiction which may be necessary to provide vehicular access to California Avenue.

(b) Any alteration in the existing traffic pattern in Union Station Plaza necessitated or made desirable by reason of the parking facility shall be made only after prior consultation with the Architect of the Capitol.

SEC. 8. Notwithstanding the execution of any agreement or lease pursuant to this Act, the Secretary of the Interior is directed to make a continuing study of the needs of visitors to the Washington metropolitan area, including therein the necessity and desirability of different or additional visitor centers, and to report to the President who shall submit to the Congress such recommendations as he deems appropriate.

SEC. 9. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

Mr. GRAY. The Subcommittee on Public Buildings and Grounds held extensive hearings last year on the need for establishing a National Visitor Center in our Nation's Capital. After hearings, it was the consensus of this committee that a Study Commission should be established to further study the need for a Visitor Center and/or Centers, and the Congress enacted last year a Public Law settting up a 21-member Commission to study the need for a Center, inspected sites and other matters relating thereto and report back to Congress.

The Speaker of the House of Representatives, the Vice President, and the President of the United States, combined, appointed a 21-member Commission. This Commission is composed of:

The Secretary of the Interior, Hon. Stewart Udall, who is Chairman of the full Commission.

Hon. Kenneth J. Gray, Democrat, of Illinois, Chairman of the Subcommittee to Select a Site or Sites.

Senator Joseph Tydings, of Maryland, Chairman of the Subcommittee on Parking and Transportation.
Hon. Fred Schwengel, Republican of Iowa, Chairman of the Subcommittee on Information and Materials for the Center.

Also on the Commission:
Mr. Carlisle H. Humelsine.
Rev. Walter E. Fauntroy.
Mrs. Jack Coopersmith.
Senator Alan Bible, Democrat, of Nevada.
Senator Gaylord Nelson, Democrat, of Wisconsin.
Senator Hugh Scott, Republican, of Pennsylvania.
Senator Strom Thurmond, Republican, of South Carolina.
Senator Howard H. Baker, Jr., Republican, of Tennessee.
Congressman John C. Kluczynski, Democrat, of Illinois.
Congressman J. J. Pickle, Democrat, of Texas.
Congressman William C. Cramer, Republican, of Florida.
Congressman George V. Hansen, Republican, of Idaho.
Hon. Lawson B. Knott, Jr., Administrator of GSA.
Dr. S. Dillon Ripley, Secretary of Smithsonian.
Mrs. James Rowe, Jr., National Capital Planning Commission.
Mr. William Walton, Fine Arts Commission.

This 21-member Commission held extensive meetings throughout the city, including on-the-site inspections of a number of proposed sites for a National Visitor Center. Helping in a big way was the National Park Service and other Government agencies, and we came up with recommendations that will be submitted to Congress in printed form by September 15. I am sorry to say that the printer has not completed the printing of the Commission's recommendations for today's hearings, but we do expect those reports by the Commission to be available by the end of this week.

We felt that since the need is so great and time is growing short for this legislative session, we would begin the hearings today and, when the printed report is available, we expect departmental witnesses, including Mr. Udall, the Secretary of the Interior, to come forward and to give us a detailed report concerning the Commission's recommendations. In order to facilitate the matter, we felt we would start hearings on all of the bills this morning and hear as many witnesses as possible, and then have the Secretary of the Interior, who is chairman of the full Commission, wind up the hearings as soon as possible.

Briefly, if I may, I would like to state that of all the sites that the Commission inspected, it was the unanimous opinion of the Commission that the now existing Union Station held the best hope for a National Visitor Center, and before we start the hearings I want to call your attention to the map over on the far side of the room. We will be referring to that map in some of the testimony.

Briefly, it was proposed by the Commission that we not purchase but enter into a lease arrangement with the Washington Terminal Co. to take over Union Station, with the owners of Union Station providing the $5 million with which to renovate the station to suit the needs for a National Visitor Center, to provide at least $11 million for parking to accommodate a minimum of 4,000 vehicles, and also to construct and own a new train station that would fit in very nicely with the various modes of transportation that will be provided. We hope to have a heli-

port for scheduled helicopter service to National, Dulles, and Friendship Airports on the roof. A station for the subway will also be at Union Station. We expect to have a leg off the Center Freeway for surface transportation. By having ample parking elevated over the tracks, we feel we can eliminate a lot of congestion on the streets of Washington and be able to accommodate all of the traffic in that area very nicely.

The first witness we have this morning is a distinguished colleague of mine from Illinois. I deeply appreciate his coming this morning. He has another meeting. We shall hear from him first.

I would like to welcome my good friend and colleague from Illinois, Congressman Frank Annunzio. Will you please come forward?

STATEMENT OF HON. FRANK ANNUNZIO, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS

Mr. GRAY. We appreciate your consideration in appearing here, Congressman Annunzio.

Mr. ANNUNZIO. My name is Frank Annunzio. I represent the Seventh District of Illinois.

Mr. Chairman and members of this subcommittee, I appreciate the opportunity to appear before this subcommittee today, and I should like to commend the distinguished members of this subcommittee, as well as my outstanding colleague from Illinois, Hon. Ken Gray, who is chairman of this subcommittee, for the thoughtful consideration you are extending to the problem of a visitor center for the Nation's Capital.

I want to congratulate Chairman Gray for the wisdom and foresight he has exercised in introducing H.R. 12603, which, if enacted, would provide a National Visitor Center for the District of Columbia. I recently introduced H.R. 12770, which is identical to Chairman Gray's bill, and I appear here today to express my enthusiastic support for a National Visitor Center.

The District has been long in need of organized assistance for the millions of visitors who come here each year from all the States of the Union and many countries of the world.

Washington, D.C., is the most popular tourist attraction in the United States. This Nation's Capital has become the capital of the free world. Each year, thousands of foreign visitors come here to see our Government at work. Each year, hundreds of high school classes save and work to come to Washington for their senior trips.

There is so much to see in this city that it would take weeks of 12-hour days to see it all. Washington is full of history—from Ford's Theater to the Eternal Flame atop the hill in Arlington. She is a beautiful, wide, and impressive city, with white buildings sparkling in the sun and their flags waving proudly in the breeze. She offers history and cultural events and excitement and inspiration. Here, the Government of the most powerful Nation in the world, and the most free, carries on its daily business under the eyes of its citizens.

For many people, both our foreign visitors and our fellow citizens, their trip to Washington is a pilgrimage they will make but once in a lifetime. I am sure that all of us would hope that the visit of each of our guests is a successful one—an educational, enjoyable, inspirational experience.

Unfortunately, too often our visitors leave in disappointment and disillusionment. As Vice President Humphrey has said, they come to Washington for education and enjoyment and—

What they do get very often are parking tickets, a feeling of being strangers and intruders, and above all, shabby, cold indifference to their coming here on what truly is a pilgrimage for themselves and their children.

The problems that beset visitors to this city are well known to all of us who have attempted to guide our friends and constituents through the city. Traffic congestion, lack of parking spaces, misinformation, and confusion are problems that face our vacationing visitors. Their excitement and enthusiasm are thwarted by this situation.

We need a Visitor Center. H.R. 12603 offers a plan to provide for the use of portions of Union Station for a National Visitor Center and a parking lot. Passage of the National Visitor Center Act of 1967 would be a great forward step toward making our visitors feel like guests, and not like strangers.

Passage of H.R. 12603 would mean that we could preserve Union Station, which is an unusual landmark in itself. We could have parking facilities within walking distance of Capitol Hill, but it would not be necessary to distort the beauty of the Hill complex. We would have a new railroad station. Our visitors would be able to begin their stay in Washington with a welcome. They could leave their cars, collect information and make their plans at the beginning of the day, in pleasant surroundings and within sight of interested, helpful guides.

We need look only as far as Williamsburg, Va., to see how successful a visitor center can be. For many years, in Williamsburg, the Williamsburg Information Center has made trips to that historic Virginia area more meaningful and more enjoyable for millions of visitors.

Our Visitor Center here in Washington would do more than offer information and a drinking fountain. Silently, it would say, "We're glad you're here. It's your Capital, and your city, and we hope you have a pleasant stay." The Center can make our visitors guests, not strangers.

Financial objections to the development and construction of a National Visitor Center have been met, and H.R. 12603 offers a commonpromise that should alarm no one. Under the provisions of H.R. 12603, $19.5 million will be spent by the Union Station owners with no Federal funds involved in construction or renovation. After improvements are made, the General Services Administration will lease the building, and a good portion of the lease payments can be recouped from parking fees and the sale of goods and services.

Today, there are those who worry about the attitude of youth, about world opinion toward the United States of America, about the lack of patriotism in this country.

We have the opportunity to help to make a visit to Washington, D.C., exciting, educational, and inspiring. That's a good place to start an attempt to revitalize national pride. Our Government is the most democratic, most free in the world. Let's allow our visitors to see that.

Again, I want to express my appreciation for this opportunity to appear before the subcommittee, and I want to say that I support the National Visitor Center Act of 1967. This is a good bill, a strong bill. It presents answers to several problems we shall have to solve in the immediate future and, therefore, it deserves early enactment.

Mr. GRAY. Thank you very much, my distinguished colleague, for

that very forthright and enlightening statement. We deeply appreciate your appearance here this morning.

Are there any questions?

Mr. WRIGHT. May I simply say to our colleague, we are grateful for his coming and being with us and presenting this statement, which is clear cut and persuasive and also very eloquent. We appreciate his being with us.

Mr. ANNUNZIO. Thank you very much.

Mr. GRAY. Thank you very much.

I should like to call now Mr. Lawson B. Knott, Jr., the distinguished Administrator of the General Services Administration, who I understand is accompanied by Mr. Loy M. Shipp, Jr., Deputy Assistant Commissioner for Space Management of the Public Buildings Service.

Mr. CRAMER. Before Administrator Knott testifies, Mr. Chairman, as a member of the Study Commission, along with the gentleman from Iowa, he having done more of the work on the Commission, as far as his subcommittee is concerned——

Mr. GRAY. You were both very valuable members.

Mr. CRAMER. I appreciate that, Mr. Chairman.

I appreciate the leadership given to the Study Commission, not only by its Chairman, Secretary Udall, but also by the distinguished chairman of this subcommittee, Congressman Gray, who spent tireless and endless hours and efforts to try to pull this thing together, and to come up with something that would make sense and be feasible in a year when spending cuts are being made in many places, to devise something that could possibly attract the support of the Congress.

I want also at this time to express my appreciation to the witness, Lawson Knott, for his cooperation. The work of the Commission is one of the most cooperative and productive efforts, accomplished within a short period of time, in my experience in Washington.

I also would like to express to Mr. Schwengel, my colleague, my appreciation for his effort. Incidentally, he was one of the first, 7 or 8 years ago, to propose a Visitor Center for Washington.

Mr. GRAY. The gentleman is eminently correct.

Mr. CRAMER. That, and the cooperation on the Commission on a bipartisan basis, indicates the interest on all sides for finding a solution to this very perplexing problem of what to do to provide necessary information and services to visitors to the Nation's Capital—the Capital, after all, being representative of the people themselves, and they being entitled properly to see what is going on here and how Washington operates and thus, I hope, become more interested in it.

The solution presented is a very fine one, and one which makes sense, certainly, to this Member of the House. It has the valuable aspect of preserving Union Station and of providing facilities close to the Capitol and the rest of Washington.

It will be fascinating to see the things developed out of this Commission study and which we hope will receive the action of Congress. This is the beginning of an effort to pay proper attention to the needs of visitors in the Nation's Capital. I congratulate the chairman, the other members of the Commission, and, in particular, the witness who is now before us.

Mr. GRAY. Let me again state how glad I am to have had the opportunity to have worked with the distinguished gentleman, the ranking

minority member on the full Committee on Public Works, the gentleman from Florida, and also the gentleman from Iowa, Mr. Schwengel. They both have been very helpful along with the other members of the Commission. As you have stated so eloquently, this has been a bipartisan effort, and we have not had one word of dissent. This has been a mutual undertaking to try to solve many very serious problems. The problem of what to do for visitors coming to our Nation's Capital goes back more than 100 years, and it has grown progressively worse every year.

I am sure, when the full hearings of this Commission are printed later this week and made available, one's imagination will be staggered at some of the frustrations the American people and foreign visitors have experienced in coming here.

For example, we found in our studies that the average stay in Washington for visitors is less than 2 days, mainly because they cannot find a place to park. They are frustrated on how to go about seeing all of the facilities around Washington. Even in their average 2-day stay, tourists combined spent here last year almost $400 million. You can see what an economic impact this can make on the National Capital, and certainly it would save a lot of our present Federal payment if we were able properly to accommodate the people so they could stay 4 or 5 or 6 days as they intended when they came.

This legislation and the need for a Visitor Center has far-reaching implications, not only economically but because of the image this Nation's Capital should present to this country and the people around the world.

I did not want to go into detail because Mr. Udall will present the full Commission report when it is printed later on this week or sometime next week, but since the gentleman from Florida commented, I want certainly to agree with everything he has said, except where he refers to the gentleman from Illinois now in the chair.

With that, we will now recognize the very distinguished Administrator of the General Services Administration, who is a valued member of the 21-member Commission and who was a real inspiration and help the Commission. We now recognize you, Mr. Knott, and thank you very much for coming.

Mr. WRIGHT. Perhaps it might be in order at this point to ask unanimous consent to include in the record the statements of any other Members of the Congress who may not be able to appear in person and testify.

Mr. GRAY. Without objection the letters will be inserted later.

Mr. GRAY. We will now hear from Mr. Knott.

STATEMENT OF HON. LAWSON B. KNOTT, JR., ADMINISTRATOR, GENERAL SERVICES ADMINISTRATION, ACCOMPANIED BY LOY M. SHIPP, JR., DEPUTY ASSISTANT COMMISSIONER FOR SPACE MANAGEMENT, PUBLIC BUILDINGS SERVICE; AND KAREL YASKO, SPECIAL ASSISTANT TO COMMISSIONER, PUBLIC BUILDINGS SERVICE

Mr. KNOTT. Thank you, Mr. Chairman.

As always, Mr. Chairman, I am pleased to appear before your subcommittee, particularly today, to discuss H.R. 12603, a bill to supple-

ment the purposes of the Public Buildings Act of 1959 (73 Stat. 479), by authorizing agreements and leases with respect to certain properties in the District of Columbia, for the purpose of a national visitor center, and for other purposes.

As you indicated, I have with me Mr. Loy M. Shipp, Jr., Deputy Assistant Commissioner for Space Management of our Public Buildings Service, who has been looking into the value aspects of the property in question. Also, I have with me Mr. Karel Yasko, who sat in for me many times in the subcommittee hearings which you chaired.

The purpose of the bill is to provide for a National Visitor Center to be located in the present Union Station in Washington, D.C.

The objectives of the National Visitor Center for Washington are well outlined in the act (Public Law 89–790) which created the Study Commission of which I am a member. These indicated a Center which would provide information and assistance to visitors and students coming to the Nation's Capital, facilitate their enjoyment and appreciation of the many cultural and historical features to be found here, and provide special services to visiting groups and assistance to foreign visitors, parking and local transportation.

Of the several sites investigated and studied for the Center, the Union Station offers the means for implementing such a facility in the short period required for conversion and with no capital outlay by the Government.

Among the many features of the Nation's Capital is the plan of the city based on that prepared by Pierre L'Enfant and developed by others over the years. One of these groups was the McMillan Commission, which in its plan of 1901 indicated the location of a railroad station for Washington which would eliminate the station and tracks which crossed the Mall. By relating the Union Station, which was completed in 1907, to the Capital, it dramatized the significance of the Capital to the visitor who now enters the Washington metropolitan area at over 20 million a year, about 75 percent of whom stop for some period of time. By 1970 this number is expected to reach over 24 million, and in 1980 over 35 million.

While other means of transportation have developed since the construction of the Union Station, the location of the structure still holds an important planning position in the city. Designed by Daniel Burnham, a member of the McMillan Commission, and credited with the admonition that we "make no little plans," the significance of the building has been cited by leading architects and critics. Its original function was a reception center for large numbers of visitors who reached Washington by train. As a Visitor Center it will receive, welcome, and inform greater numbers who arrive by the varied modes of today's transportation. Parking facilities for 4,000 vehicles to be provided over the tracks and north of the present concourse will permit many of the 75 percent who arrive by private automobile to store their vehicle during their stay and travel about the city by convenient public transportation. By removing these automobiles from the city's traffic, one urban problems can be eased.

We support the objectives of H.R. 12603, but believe that it would be more appropriate and effective if the role of GSA in connection with the negotiation and execution of the agreements and leases be consultative rather than as an executive agency. The bill would provide that plans for alterations of the Union Station Building shall be

approved by the Secretary of the Interior and that he shall be solely responsible for the management of the leased property, including the offering of transportation services for visitors to and from the center and points of intensive visitation and interest in the District of Columbia. It is therefore recommended that references to the Administrator of the General Services Administration and the Secretary of the Interior on lines 5 and 6, page 1, and lines 8 and 9, page 3 of the bill be changed to refer to the Secretary of the Interior after consulting with the Administrator of General Services.

GSA has undertaken, as a member of the Study Commission, a study of the station building and the proposed site of the parking facilities for the purpose of estimating a fair rental for these properties. However, pending a firm agreement as to the location of the proposed new terminal facilities and certain other details, we question whether it is advisable to fix the annual rental limitations as precisely as proposed in the bill. We suggest, alternatively, that the bill be revised to provide that the annual rental may not exceed the fair rental value determined by appraisal and in no event exceed $3 million.

Mr. Chairman, this, in brief, is my statement concerning the bill. As you know, we had a relatively short time to comment on the bill. We have furnished the committee with a report which was cleared with the Bureau late yesterday. We hope that will be helpful. In essence, it provides much the same as my statement here.

We would be glad to answer any questions or to come back after the full report has been printed and published, as we had hoped would be done before this hearing, and supplement any statements at that time.

Mr. GRAY. Thank you, Mr. Knott, for a very fine and concise statement. We certainly will consider the suggestions you have made. As I understand your statement, you would rather be on a basis of consulting with the Secretary instead of having the authority to enter into agreements as Administrator of GSA. Is that not essentially your request?

Mr. KNOTT. Yes.

Mr. GRAY. You wish to be a consultant to the Secretary of the Interior rather than being a party to the contract.

Mr. KNOTT. These matters in the bill are joint enterprises, and I find it difficult to jointly carry out between two agencies the same function. I think it better to vest in the head of one agency the authority that this bill would provide.

Mr. GRAY. I think you are eminently correct, not only for that reason, but also by virtue of the fact that the Park Service would request in their annual budget request the funds with which to operate the center. If you had joint responsibility for entering into agreements, you might have joint responsibility for requesting the funds, and this would be a complicated procedure. We certainly will take that into consideration.

There is one question I would like to ask concerning the fair rental value. We will have the president of the Washington Terminal Co. here later this morning, but it is our understanding that on the existing facilities they have figured about a 5-percent return on investment and about 6-percent return on the capital they will have to borrow.

As General Services Administrator, you, of course, have jurisdiction over the Public Buildings Service which is constructing at the present

time several hundred million dollars worth of public buildings, and also leasing buildings all over the country for Government use. Would you consider this to be a fair return on the railroad's investment, or would you say it is a low or high return? How would you class a 5-percent return on the investment they now hold and 6 percent on the amount of money they want to borrow? Is this a reasonable rate for the Government?

Mr. KNOTT. This is difficult to determine. This is one reason that we made the recommendation. As it unfolds, we might very well agree with them.

Let me say this in explanation of why we find it difficult to agree at this time. It is not entirely clear from our investigation whether the entire building will be used as a visitor center and whether the terminal will be at the lower level or whether the terminal will be a separate buiding. It is also not exactly clear as to where and what access will be provided on the north side for the parking. These are details that can be developed and may not vastly affect the rental value in any case. I think it would in terms of how much space in the original building is used.

To get back to your question as to whether the formula is one which we would endorse, I may say our biggest difficulty with the formula is that it contemplates that the interest rate of 6 percent will be over the entire period of the lease, which I believe is 20 years, whereas GSA's approach to it would be that the interest would be on the unamortized balance of the investment for each succeeding year.

Mr. GRAY. We wanted to try to get for the Congress, and particularly this committee, as close an estimate as possible as to what this was going to cost on an annual rental basis.

Mr. Mulligan, president of the Washington Terminal Co., who will appear later, set this down and said that if this money could be borrowed for less, that saving would be passed on to the Government. I was merely using 6 percent as a reference. Knowing what you are having to pay generally on leases all over the country, I thought maybe you could give us a comparison as to whether 6 percent is a reasonable amount of return for the investment.

Mr. KNOTT. We had attempted to make an appraisal but, as I say, because of the uncertainties of some of these unknowns we were not able to complete, and this is why we suggested a more flexible formula which would base the rental ultimately—you see there are contracts to be worked out and there needs to be some flexibility in executive authority that carries this out to take care of unknowns and unforeseen events, with some limitation, of course.

Mr. GRAY. Let me, if I may, Mr. Knott, phrase my question a little differently.

If you are considering leasing a building worth, let's say, $20,000, some place for Government use, do you not generally figure say 10-percent gross on the investment? In other words, you pay maybe $200 a month for that type of facility. What I am trying to get in the record is what is a fair gross figure for rental. What is the figure—9 percent, 10 percent, 11 percent?

Mr. KNOTT. Nine percent is what we try for. This is our general guideline.

Mr. GRAY. Nine percent?

Mr. KNOTT. Nine percent, yes.

Mr. GRAY. So if we get a lease on the Union Station for 5-percent return, we are getting a good deal by those standards?

Mr. KNOTT. It depends again on what it encompasses.

Mr. GRAY. I am talking in generalities. If you figure 9-percent of gross and we could get a 5-percent rate on the existing facility, this would be a fair and reasonable rental?

Mr. KNOTT. Right, and our 9 percent assumes full taxation.

Mr. GRAY. I realize you cannot comment specifically. I am trying to get some general figure for the record. You usually figure 9-percent return?

Mr. KNOTT. Right. We have a statutory limitation in the Economy Act which provides that we may not exceed 15 percent, but we have never——

Mr. GRAY. Gone that high?

Mr. KNOTT. Except very unusually. That is 15 percent of the appraised fair market value. There again, fair market value you get into it. This is per annum rental. We feel that is a liberal allowance and have no difficulty in staying within that, well within that limitation.

Mr. GRAY. It is your feeling that this committee would be acting in the best interests of the Government to put a maximum in but to leave the exact figures up to negotiation between the Secretary and the owners of the Washington Terminal Co.?

Mr. KNOTT. I think so.

Mr. GRAY. We wanted to get as close as possible on estimates so we would not have another inflated proposition where we come and say we think it is going to be this, and when it is enacted and they come back to the Congress for a request for rental funds we find it is much in excess of what we told the Congress.

Mr. KNOTT. I agree it is desirable to do that wherever it is possible. But, if we were in the same position in constructing buildings, with increased building costs these days, I think we would be back before the committee almost every week with changes. So the Public Buildings Act wisely provides for a 10 percent override over the estimated cost. So there needs to be some kind of flexibility and that is all we are trying to suggest here.

Mr. GRAY. I might say that the figure we are using is $2.9 million and you suggest $3 million as a maximum so our figures are very close.

Mr. KNOTT. I just rounded it out at $3 million, that is all.

Mr. GRAY. So there is no great area of disagreement here at all?

Mr. KNOTT. No. You could use your figure as a limitation.

Mr. GRAY. Are there any questions?

Mr. ROBERTS. I would just like to compliment the gentleman for his statement and the job he is doing. This is one agency where you can call down and ask for a straight answer, and in a few minutes or a few hours they will call you back and give you the answer to your question, and I appreciate it.

Mr. GRAY. Mr. Wright?

Mr. WRIGHT. I would like to agree with the comments of Mr. Roberts. I have been impressed with the GSA's responsiveness to Members of Congress. I would like to thank GSA officials for their cooperativeness, their willingness to work with us as always. They have done a thoroughly creditable and workmanlike job in this task,

and I would like to compliment and commend Mr. Knott for his splendid administration of a very effective agency.

Mr. GRAY. Mr. Grover?

Mr. GROVER. I would also like to compliment Mr. Knott and say it is very unusual to find a Federal Administrator move to divest himself of authority. It is somewhat indicative of the very responsible way the gentleman has done his job.

You have suggested to amend the bill to provide the determination of fair rental value by appraisal?

Mr. KNOTT. Yes.

Mr. GROVER. Who would make that appraisal?

Mr. KNOTT. I would assume this would be made by an independent appraiser employed by the Secretary under contract. GSA could perform that service for the Secretary. We would have no difficulty in doing that.

Mr. GROVER. There was some discussion before of how that fair rental value would be determined. I suppose since this is a very unique situation, including air space and leasing and rebuilding of a new terminal, that you will not find a comparable situation.

Mr. KNOTT. Right. It is a difficult appraisal problem because it is a special-purpose facility, but to appraisers there are three techniques employed in the appraisal process and they serve as checks and balances one against the other. One is market data approach. This assumes a comparable facility. This assumes two houses alike or something of that kind. You do not have that there, but you do have land that can be valued on a square-foot basis.

Then you have a building that you can determine to what extent it contributes to the value of the land or detracts from the value of the land. Here you get into the cost-less-depreciation approach. This again would let you more closely approach the problem here. Cost less depreciation then becomes a factor of appraisal techniques that is more applicable here than market data.

The third one is the income approach, which is normally used in business enterprises where income is the principal factor of value, where the property itself may have little value but maybe the income is significantly large. This would have a bearing on that.

Mr. GROVER. One further question.

On the appraisal it would be your recommendation that the specific authority be given to the Secretary to have an independent appraiser. Would you advise whether he has that authority, or should it be in the bill?

Mr. KNOTT. I think he has that authority, and I have seen many pieces of legislation that do specifically provide that the Secretary shall determine the fair market value by independent contract appraisers, or words to that effect.

Mr. GROVER. That is all.

Mr. GRAY. Let me ask you this, would we be running some risk if we took, let's say, "comparables" as we call them, and found that instead of valuing this property at $19 million or so, they would come back and say the land is worth $30 or $40 million?

If we base the legislation solely upon estimated value and the independent appraisers come in and give us a much higher figure, would we not be subjecting ourselves to a higher rental if it is provided in the law we abide by the appraisal?

Mr. KNOTT. But you would have a limitation under the language I have suggested—the appraised fair market value.

Mr. GRAY. This is for our own benefit and guidance, but I was addressing my remarks to the danger of putting in the legislation that the rental would be contingent upon the appraisal. If we do that we may be getting ourselves into a higher rental.

Do you not see that danger if some appraiser comes back and says this property, within two blocks of the Capitol, is worth $30 million and thinks the amount of rental should be based upon that fair market value?

Mr. KNOTT. I suggested in my statement the fair market value, but in no event to exceed $3 million.

Mr. GRAY. Yes. I am not against the appraisal. I would hope this committee would not write in that we would base our rental strictly upon the appraised value of the property because, if it is more, then we would be subject to paying more. If we put a limitation in as you propose, this would protect us.

Mr. KNOTT. Yes.

Mr. GRAY. Mr. Cramer?

Mr. CRAMER. To solve this problem that has just been discussed: would you not also insert before fair market value, "not to exceed the fair market rental value, subject to negotiation," as well as not to exceed $3 million?

Mr. KNOTT. I believe that is in my statement, that the bill be revised to provide that the annual rental may not exceed the fair rental value determined by appraisal and in no event exceed $3 million.

Mr. CRAMER. I think that answers the question of flexibility.

Mr. KNOTT. Right.

Mr. CRAMER. Your recommendation is that GSA only be consulted, not to make recommendations or approvals. Is that right?

Mr. KNOTT. That is right.

Mr. CRAMER. Do you see any problem then with the language on page 4, line 5, relating to the assessed valuation of the leased properties not including for tax purposes, any increase in value by reason of the improvements made on such properties by said company?

You think it is a proper function of the Congress to write such language in the bill; is that correct?

Mr. KNOTT. We think they could so legislate; yes.

Mr. CRAMER. Section 8 of the bill suggests continuing studies relating to the needs of visitors to the Washington area, including therein the necessity and desirability of different or additional visitor centers, and to report to the President and the President to the Congress. That does not, however, in any way commit the Congress in the future, does it?

It means Congress shall consider the matter as it seems fit through future authorizations; is that correct?

Mr. KNOTT. That is right.

Mr. CRAMER. It is not a commitment on the part of the Congress to approve additional centers in any way, is it?

Mr. KNOTT. I do not read it as committing them.

Mr. GRAY. Mr. Schwengel?

Mr. SCHWENGEL. First I want to join in paying tribute to Mr. Knott for appearing here, not only for his statement, which is a very good summary of his studies and thoughts, but for the work that he and his staff along with the Secretary have done in preparation for this hear-

ing and for the contributions made to the full Commission. You have been a wonderful help and inspiration in this.

The Secretary of the Interior, I note, has been a real leader and a real help and has given great inspiration, from the fact he has this feeling himself, to every member of the committee. We should pay him tribute.

I would say also that the leadership of Mr. Gray went far beyond the call of duty from the very beginning, and all of the members of the Commission who could not be there had their representatives there, and I thought we had the benefit of your great experience throughout. I think you made a very good contribution.

Speaking as an amateur historian momentarily, if I may—I have been accused of this and I accept it especially if you underline the word "amateur"—I want to say this is a great day for me and it ought to be for all of those interested in American history because finally this Nation of ours is concerning itself with a program that is designed for the preservation of the thing we call America.

I know of no place in the world where people can learn about freedom and what freedom has done better than they can learn it here in this complex we call our Capitol. So this is a great thing we are identified with in this program. We can do this in these times without increasing of cost of government in cooperation with what we call free enterprise, which is what we are alining ourselves with in this proposition before us.

We are building on plans that were early made and evolved through and with free enterprise. This is a good thing to note.

Let me call attention to something that was said by a man who addressed a joint session of the Congress, a private citizen who never served in public office, Carl Sandburg, who said, and I paraphrase him, he said, "Whenever a nation forgets its hard beginnings, it is beginning to decay." He concluded that we had some really rough, tough, hard beginnings.

With this project we are not forgetting. We are beginning to remind our people of the sacrifices that made this Nation, and this is to the good.

Here finally, because of what we are doing, students are going to come and they are going to learn something about the grand design of the place we call our country. They are going to learn to understand its basic philosophy and be better able to build for the future.

I say to the members of the committee that, if we want to do something about the un-Americanism so evident in many places in America today, there is no better way or place to do it than right here in Washington with this kind of a project. You show me an extremist in America and I will show you a person who does not understand American philosophy and the American way of life. So we are doing some great and noble things as far as our own people to understand, and more importantly for the people of the world who can come here to this country and better understand America. They will appreciate it because before they will leave they will see something of themselves because what we build here was built from the experience of other people.

Mr. Chairman, I am going to have a statement later on which will involve some suggestions, but not before I talk to you, Mr. Knott, and they relate to the manner of managing of this headquarters. It is some-

thing we ought to talk about and we ought to have it part of the record in this hearing.

I thank you for this time.

Mr. GRAY. Thank you again, Mr. Schwengel.

I want to reiterate what I said earlier. You were a very valuable member of the Commission and your words are very timely. I am sure when the Congress acts upon this, and I hope favorably, that the things you have been saying for years will finally come to pass concerning the great need for a national visitors' center.

Mr. CRAMER. Mr. Chairman, on page 12, subparagraph 1 of section 3 of the bill:

The Washington Terminal Company shall agree to undertake such alterations of the existing Union Station Building as the Secretary of the Interior deems necessary to provide adequate facilities for visitors, but the total cost of such alteration shall not exceed $5 million.

Does any other language of the bill in any way permit the Secretary of Interior or obligate through him the U.S. Government to pay for anything that he might "deem necessary" in excess of $5 million? Direct expenditure by the Government, in other words?

What is in there is intended to be the total. Does that accomplish that purpose?

Mr. KNOTT. I think, certainly, reading this subsection, it is limited to what the Washington Terminal undertakes to do with an upper limitation on what it will be obligated to spend in the determination of the Secretary of the Interior.

Mr. CRAMER. I wanted to get that as a matter of record.

Thank you very much.

Mr. GRAY. The gentleman from Nebraska, Mr. Denney.

Mr. DENNEY. Mr. Chairman, I have the greatest respect for the GSA, and I like the language in the bill. I think it is an excellent bill.

On page 3, line 6 through 9, I am wondering if the witness could tell us whether or not if we would strike out the part about the Secretary of the Interior and GSA negotiating and entering into a lease on page 1 of the bill, section 2, and leave in the part on page 3, lines 6 through 9, he would like to have GSA prescribe conditions.

I think this Congress is turning over to the executive branch a lot of discretion and I want the GSA in there. Along with your recommendations of being in a consulting status, would it be all right to leave in lines 6 through 9 on page 3, but strike out the entering and negotiating on page 1?

In other words, I would like to have GSA help prescribe the conditions of remodeling.

Mr. KNOTT. These lines are on page 3 from 6 through 9?

Mr. DENNEY. Yes, where it says:

The agreements and leases authorized by section 2 of this Act shall be subject to such other terms and conditions as the Administrator of the General Services Administration and the Secretary of the Interior prescribe.

Mr. KNOTT. I have no problem with that.

Mr. DENNEY. That is all right. You would be willing to have that?

Mr. KNOTT. Yes.

Mr. DENNEY. I would like to leave that in. I thought from the statement you wanted all reference to GSA out of there because you thought one executive branch of the Government should handle the situation.

Mr. KNOTT. I was thinking primarily, as I am sure you understand, of the administrative problem of fixing responsibility.

Mr. DENNEY. I understand that, but your Department has so much experience in setting up rules and regulations and conditions and terms, I would like to have your Department in there, too. I think it will make a better bill.

Mr. KNOTT. We will be glad to make our contribution, although we think they are expert in operating concessions.

Mr. DENNEY. So it is your recommendation that as far as striking out to get at one executive branch, we strike out GSA in section 2, line 5, and that would primarily take care of your objection?

Mr. KNOTT. I believe that is right; yes, sir.

Mr. GRAY. Let me say I think this is a very forthright suggestion, and I am sure the subcommittee in executive session will consider it.

Are there any other questions? If not, we thank you again very much for coming and for the contribution you have made to this legislation, Mr. Knott.

Mr. KNOTT. Thank you.

Mr. GRAY. I see we now have our very distinguished friend and colleague from Texas, Congressman Pickle, in the room. As I stated earlier, Congressman Pickle was very helpful as a member of the Commission, having been appointed by the Speaker of the House of Representatives.

At this time, Mr. Pickle, we are delighted to welcome you before the committee and again thank you for your very wonderful work as a member of the Commission. You may proceed in your own way.

STATEMENT OF HON. J. J. PICKLE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

Mr. PICKLE. Mr. Chairman, I thank you very much and I want to return the compliment, so to speak, and express my appreciation to you and Mr. Cramer and Mr. Schwengel for the great work you have done on this Commission.

I have filed with the committee, with your permission, a statement of my position on this measure, which is in support of the bill as I have cosponsored it. I would like, however, to make two points in connection with the testimony submitted.

(Prepared statement of Mr. Pickle follows:)

STATEMENT OF CONGRESSMAN J. J. PICKLE

Mr. Chairman, I appreciate the opportunity to appear before you this morning. The subject under consideration is H.R. 12603, the National Visitor Center Act of 1967.

Over almost the past year, I have had the honor to serve on the National Visitor Center Commission established to find solutions to the problems of tourist congestion in the Capitol area. I concur in the solution set out in H.R. 12603, and, in fact, have co-sponsored identical legislation, H.R. 12693. I believe you are already familiar with the provisions of this approach and accordingly, will not take your time to go over them again. My feeling on the bill is that the solution proposed there is the best balance we can strike now between what is most desirable and what is financially and practicably feasible. Still, I would like to take this opportunity to elaborate on some other thoughts I have had on the subject.

Ideally, it seems that we should utilize the greatest advantage already existing in the major tourist area, the Mall. This advantage is the close proximity of

almost every major point of interest. With the exception of the Lincoln Memorial and the Capitol, almost every other attraction is within easy walking distance from the Washington Monument. The Smithsonian, the White House, the National Art Gallery, the Jefferson Memorial, and the Archives are all on or very close to the Mall.

It is my thought that a single underground railway having several stops and running the length of the Mall from the Lincoln Memorial to the Capitol would adequately serve every major tourist attraction without the need for branching out as would be required by the Union Station approach. Since the Mall is the center of attraction, why not keep the emphasis there?

Of course, parking would be needed, but I think that an adequate underground garage visitors center, theatre and cafeteria, could be constructed on the Mall. This way, tourists could easily see the Capitol, then return to the area of the museums and monuments. Congestion in the area of the Capitol itself would be reduced, and tourists here would have a much easier way to get back down the Mall to the other highlights.

I realize there are difficulties involved in this scheme. In addition to problems of construction, it would be much more expensive to the Government. This is the major reason I have supported the Union Station proposal. Still, in seeking a solution to this problem, I believe that the ideal solution must not be confused with the optimum solution; the ideal must not invarably be sacrificed simply because a cheaper, more convenient alternative presents itself. And it is for this reason that I have taken this time to explain my thoughts on the alternatives facing us.

The facility needed most of all, however, is an adequate and appropriate visitors center here in the Capitol Building itself. Some 50 million visitors annually come to the Capitol—and it is embarrassing to have so little conveniences for them. No center, no resting facilities, practically no restaurant capable of handling large groups, few drinking fountains, no parking space, almost no restroom facilities. The West Front of the Capitol is closed off, as visitors are stopped on the balcony by a sign: "Danger—No Visitors Allowed".

Mr. Chairman, this is a deplorable situation. As soon as possible we should provide for adequate facilities in the Capitol. I hope we can utilize the West Front first floor or ground level and construct a beautiful and useful visitors center there—or at least somewhere in the Capitol.

Several satellite centers will be needed over the city, but the Capitol ought to be Number One.

Mr. Chairman, thank you again for the chance to be with you this morning.

Mr. PICKLE. As a practical matter, I think all the Congress would possibly support would be the bill before us. As the chairman well knows, I was one member of the Commission who favored a different approach, and it is my position in these two fields I would like to leave with the committee this morning.

Of course, I would have preferred a large visitors' center on the Mall in the neighborhood of 14th, 15th, and 16th just in front of the monument. It seems to me that is the nerve center of the Capital visitors and that is within walking distance of everything except possibly the Lincoln Memorial and the Capitol.

I think those two points could be connected underground, by monorail or some type of conveyance perhaps we do not know about now, and you could move people back and forth. I am hopeful some day we can have a center like that in that area.

It is recommended by some national architects who made a considerable study on this. Practically speaking, I do not think that the Congress could or would approve that at this point.

The second point I would like to leave with the committee is, I am hopeful one of the first emphases to be given by this committee of the Congress would be a visitors' center at the Capitol. To me this is a No. 1 consideration as a Member of the Congress that we ought to pass.

I spoke out for this 2 years ago, and as a new Member of Congress then I was appalled by the treatment generally received by visitors in the Capitol.

I apologize for being late and am sure this was mentioned to the committee, but surely we do envision other satellites throughout the city, and I am hoping the first priority would be given to one in the Capitol itself, perhaps on the west front, but a large effective, adequate and appropriate visitors' center in the Capitol ought to be the first consideration that we give.

We give our visitors here rather shabby treatment. We more or less leave them to themselves to thrust about. This is deplorable and I am hoping we can address ourselves to that when we have the funds and when conditions permit.

Mr. GRAY. Let me state I could not agree with the gentleman more. And commenting on your last statement first, let me say that when the Commission's recommendations are printed and presented to the Congress, I am sure that they will include not only the need for this initial visitor center at Union Station, but also the satellites to which the gentleman has referred.

In addition to the Capitol, the Arlington National Cemetery now has in its budget request funds for establishment of a satellite visitors' center at the national cemetery and they will orientate the people as to the individual places to visit and other information about Arlington.

If the west front is extended as the gentleman advocates, I am sure this would be an ideal place for a Capitol visitors' center. We certainly do not intend to preclude in this legislation the need to study and establish other visitors' centers.

I am glad the gentleman brings up that point because I think it is very important.

The gentleman, being the very fair-minded and very outstanding Member that he is, I am sure realizes that this was a compromise considering the very tight budgetary situation where no Federal funds would be involved and if we did go on to the Mall with new construction it would require a very large outlay of Federal funds.

I think Congress now is against any large spending for this type of proposal. So all in all, we deeply appreciate the position taken by the gentleman and appreciate his support and his efforts. This is not something that just happened. The gentleman spoke to me shortly after coming to Congress about the need for a visitor center and we appreciate the great contribution you have made up to this point.

Mr. PICKLE. Thank you.

Mr. GRAY. The gentleman from Texas, Mr. Wright.

Mr. WRIGHT. Mr. Chairman, let me commend my friend and colleague, Mr. Pickle, for his always incisive and original, thoughtful, constructive approach. I suppose most of us who have been here at the Capitol for some time have permitted the comfort of familiarity to blind us to the lack of familiarity which accompanies the typical visitor to our Capitol. It is easy also for Members of Congress to forget, though they should always remember, that this is not our Capitol, it belongs to the people. They are entitled to come and see it; it is their property. They are entitled and by all means should have a great feeling of pride and proprietary interest in it.

I quite thoroughly agree with the gentleman that it is difficult for a visitor who has not been here before to find an orientation to know

where things are. It is hard frequently for people to find a place to eat. Our cafeterias and restaurants are crowded with Congressmen and staffs and our individual guests. It is difficult sometimes for a person to find a restroom in the Capitol.

It strikes me these things really ought to be corrected. While this particular bill is not the vehicle by which to correct them, I am glad the gentleman has brought them to our attention because I think we ought to move with some dispatch to get those items corrected. And I believe this is a step in the direction of recognizing the responsibility we all hold to the millions of visitors who come to their Nation's Capital.

I think the gentleman performed a real service bringing these thoughts to our attention.

Mr. ROBERTS. I would agree with the comments of my colleague from Texas; I have worked with the gentleman for a long time.

Mr. GROVER. I want to compliment my good friend from Texas. I think he has put his finger right on the pulse of this problem.

I, too, have found myself embarrassed having constituents of mine come down from New York to find that very, very willing reception maybe in the Congressman's office, but to find any of the conveniences that one would normally expect just simply not available when you travel these many, many miles to the Nation's Capital.

I think perhaps the Congress over a period of years has been shortsighted in this regard. It does indeed leave somewhat of a bad taste with our constituents when they come these many miles to visit here. But the gentleman's discussion was very frank and very much to the point and I concur with him.

Mr. PICKLE. Thank you.

Mr. GRAY. Mr. Cramer?

Mr. CRAMER. I want to compliment the gentleman for having rendered very fine service on the Commission. He appreciates the problem we all have as to what Congress might reasonably do under our present spending problems. I think his testimony is to be commended.

Mr. PICKLE. Thank you very much.

Practically speaking, that is all we could get.

Mr. SCHWENGEL. I want to pay tribute to the gentleman also, and recall to the committee the fact I agree with him on the other question you mention. I felt also this was not the ideal place to have a visitors' center for the District, but it is a valuable and practical and possible beginning now or very soon.

I had much the same experience you did in coming to the conclusion you did that this is a good place to start providing something.

I also agree with you about having a place in the Capitol where people can come to get information so somebody can help them to learn and understand. The west front, as I would recall to the members' attention, calls for the building of an auditorium which would hold up to a thousand people. I can envision a plan where we can provide a place for student groups to come and persons appear before those people briefly, or maybe we can have an intercom field system where a Congressman can be in his office and be interrupted just briefly to talk to people and make himself available to questions by video intercom system that we could provide at very nominal cost, I believe it would be a very valuable arrangement.

I share the experience with you on the committee. We have had many private visits about the possibilities for visitors. I know the man's deep feeling about this and want to commend him and say it has been an honor to serve with him.

Mr. CRAMER. I am trying to think the thing through as to who will be administering this and who will have the say-so on what kind of programs will be shown, to what extent will they be representative of the executive and legislative and possibly judicial branches of our Federal Government.

In reading the bill, I see no provision whatsoever for a continuation of any commission of any kind or any consultative group representative, in particular, of Congress.

I would like to also suggest to the chairman of the subcommittee as to what the thinking is with regard to a continuing voice by Congress in the makeup of the program itself.

I, for one, voted for this particular Union Station recommendation because we have a facility close enough to the Capitol to be of value to the Congress as well as the executive.

Mr. GRAY. I think this is a very important point and it is going to be my suggestion I would say to the gentleman from Florida we set out some guidelines calling for reports directly to Congress, and particularly this committee would be further consulted on the establishment of these satellites. And if the committee were constrained to do so, I would see no objection in amending the Public Buildings Act to where GSA and the Secretary of the Interior would submit to us a prospectus, as we do on public buildings, for any further authorizations of additional satellites.

I might say here at the Capitol the Speaker of the House and the Capitol Buildings Commission would have the authority for the establishment of adequate space without any additional legislation. The same thing would apply over in the Senate. And any satellites established elsewhere of course would require specific authorization.

Mr. CRAMER. I appreciate that response as it relates to additional facilities. What I am concerned about is a continuing voice by Congress over how this particular facility is going to be operated.

Mr. GRAY. I misunderstood the gentleman.

In that connection, I would have no objection to writing a proviso in stating that they should submit annual reports to Congress, and possibly the present 21-member Commission could be maintained for that purpose.

Mr. CRAMER. I think some consideration ought to be given to providing specifically for a continuing voice by Congress in the operation of the Center.

Mr. GRAY. I think that is a very forthright suggestion, and I would certainly entertain an amendment to the bill to that effect.

Mr. SCHWENGEL. This is a very good point the gentleman from Florida brings up, and I think the gentleman from Texas would agree. I have worked out a bill that provides an Information Center and Education Center in the Capitol that is before the House Administration Committee. In this bill we include the Members of the Congress from both sides and people who understand history and understand something about the proper interpretation of history to guide the management of the Information Center. This might be a guideline we put in

this bill. Certainly any Members of Congress and members of the public who understand American history ought to be a part of a commission to determine what program, how you have a display, what pictures, or a plan to have a moving picture comparable to the picture you see at Williamsburg before you visit that area.

This committee or the proper committee ought to make such a valuation or final judgement on just what it should be. I think we ought to have a continuing committee in Congress itself which would have a voice in cooperation with people who are authorities in this area.

Mr. GRAY. I might say, in that connection, I would not see too much wrong with keeping this 21-man Commission intact as an Advisory Commission. We could write that in the bill.

Mr. SCHWENGEL. That would be one very good suggestion.

Mr. CRAMER. Whatever program is available should be equally representative of the executive and legislative and possibly judicial branches of the Government, and the way to assure that equal representation would be some sort of an advisory group, perhaps a continuation of the Commission, or maybe a different advisory group.

Mr. GRAY. I think that is a very forthright suggestion and I think we should consider writing something in the bill.

Mr. PICKLE. May I add my general endorsement to those expressed by Mr. Cramer. I have also been impressed, I might say, with the practical hardnosed, hardheaded approach with which the Department of Interior and GSA have addressed themselves to this particular proposal. I am confident they will give to the Congress and American people a good leadership.

In addition to that, I think it would be well to have an Advisory Commission or continuation of the Commission so that Congress would have a voice, and I certainly concur.

Mr. GRAY. Thank you very much.

Mr. Johnson of California.

Mr. JOHNSON of California. I want to commend Mr. Pickle for his statement here and his work as a member of the Commission. I am glad to see this legislation moving forward.

I also agree with the gentleman from Florida that Congress should have a further look after this particular bill is passed and we set up the initial Center, which is very much needed. But if created by Congress, Congress is responsible for what they place in it. There should be some oversight, some continuation of the Commission, or an annual report back to the Congress so the Congress could take action if they see fit to.

The visitors now coming here certainly need a Center. If created, I think it should be operated as a Visitors Center to benefit the visitors. A lot can take place in a Visitors Center that can affect many people. I think we should see that it is a true Visitors Center.

Mr. GRAY. Thank you very much.

I might say that we will have a very exciting model of what we propose at Union Station when the Secretary of Interior does testify, we hope later this week or sometime next week. Congress provided only $10,000 last year and the Interior Department engaged the services of a planner and he has come up with a very exciting model. I hope all of you will be able to see it when presented at the time the Secretary testifies.

I think it speaks very well for what we propose down at Union Station.

Are there other questions?

Again we thank all you.

Mr. PICKLE. May I make one other statement?

In expressing the hope we have a Visitor Center here in the Capitol, I suggested the west front might be the appropriate place. The appropriate committee might determine some other location at the Capitol. But whether or not it is on the west front, since this is the Committee of Public Works I hope the committee keeps in mind the very great urgency of doing something about the west front of the Capitol. I think it is personally embarrassing to bring a group of people to the Capitol, approach the west front, and be stopped by a sign that says "Danger—No visitors allowed." This condition has existed for over 2 years.

This is unthinkable and surely we ought to reach some kind of agreement between the architects and historians and those interested in seeing visitors and do something about that west front.

Thank you, Mr. Chairman.

Mr. GRAY. Thank you very much, Mr. Pickle.

Our next witness this morning will be Mr. William D. Toohey, chairman of the Government Relations Committee of the National Association of Travel Organizations, from Chicago, Ill. Mr. Toohey, will you please come forward? On behalf of the committee we want to welcome you and thank you for coming. You may proceed in your own fashion.

STATEMENT OF WILLIAM D. TOOHEY, CHAIRMAN, GOVERNMENT RELATIONS COMMITTEE, NATIONAL ASSOCIATION OF TRAVEL ORGANIZATIONS

Mr. TOOHEY. Thank you, Mr. Chairman.

Mr. Chairman and members of the Subcommittee on Public Buildings and Grounds, my name is William D. Toohey, I am executive vice president of the Tourism Council of Greater Chicago, Civic Center, Chicago, Ill. I submit this statement in my capacity as chairman of the Government Relations Committee of the National Association of Travel Organizations.

NATO, as we will refer to our organization, is headquartered at 900 17th Street NW., Washington, D.C. NATO was founded in 1941. Today NATO represents all components of the U.S. travel industry. Membership in our travel industry trade association includes the State travel offices, the District of Columbia, the Virgin Islands, the Commonwealth of Puerto Rico, American Samoa, city and area travel promotion organizations, public carriers, accommodations, travel attractions, automobile clubs, petroleum firms, newspapers, magazines, and other businesses having to do with selling and conducting travel and serving the traveler in the United States.

The purpose of our association is to increase travel to and within the United States, and this purpose, of course, is accomplished by making all modes of travel within the United States easy, enjoyable, and educational.

To encourage our citizens to travel in this country NATO also wholeheartedly supports the "Discover America" campaign. NATO Executive Director James C. Gross, who is present here this morning, serves as special assistant to Mr. Robert E. Short, chairman of Discover America, Inc.

At present NATO is coordinating the staffing and operation of a U.S. travel information booth in the U.S. pavilion at Expo 67. At this facility we have gathered materials from each of the States and a staff knowledgeable concerning visitor attractions in the United States. Visitors to the U.S. pavilion can get an introduction to enjoyable and educational experiences awaiting them in the States.

We strongly support a National Visitor Center in the Nation's Capital that would provide orientation to past and present Washington, D.C., and would offer information on the variety and attractiveness of all our States and possessions.

By encouraging visitors from abroad and U.S. citizens to discover all of America, the Visitor Center would contribute to our Nation's economic growth. The travel industry now ranks third in its economic contribution to our Nation, generating over $30 billion annually. In every State travel is one of the top three income producers. The combined payrolls of 12 of the Nation's largest companies are equal to only one-half of this country's annual tourist expenditures.

The stimulation of travel within this country creates employment for Americans in all levels of our work force. Hundreds of thousands of new jobs for the unskilled and the semiskilled, the very people we are trying to help under other Federal programs, is aided through development of the U.S. travel industry.

In addition, a traveler who visits a community pays taxes—sales tax, cigarette tax, gas tax, lodging tax, and entertainment tax, and more tax—and this is almost clear profit to an area because the traveler is not a major tax consumer in the area in which he is visiting.

Recognizing the new dollars that travel pours into their States, State travel director members of NATO are anxious to make known their States' special appeal that facilities at the National Visitor Center should provide such opportunity.

By encouraging the discovery of all America, the National Visitor Center would develop in the foreign visitor an empathy for America, as well as contributing to our own citizens' sense of national pride.

The foreign visitor, as he travels the States, will see the great America our citizens of different religions and colors and countries have built. They will watch us working together today to build a better America for us all. And this lesson will not be lost on our own citizens as they travel the States. We the people of the United States need to discover America. We need to see and share the common heritage and aspirations which can cement us together as Americans.

In recognition of the importance of encouraging domestic travel, Congress in 1965 passed a joint resolution calling upon the President to issue a proclamation urging our citizens and those of other lands to travel in the United States. This the President has done each year since. The establishment of a National Visitor Center would enhance these efforts to increase domestic travel.

The NATO Board of Directors unanimously passed the following resolution in support of a National Visitor Center in Washington, D.C. In part, the resolution reads:

Whereas it is a matter of national policy to encourage greater knowledge of the benefits of travel within the United States as expressed by the Congress and by the establishment of the Discover America program; and

Whereas it is in the national interest to provide services and information in the Nation's Capital about the fifty States;

Therefore, the Board of Directors of the National Association of Travel Organizations supports the concept of a National Visitor Center in Washington, D.C. as a vital service to the traveling public, and offers its assistance in the establishment of such a center, and counsel in its operation.

The degree to which a National Visitor Center could make a visit more meaningful to the Nation's Capital and to our States can be appreciated if we each let our mind go back to our first exposure to the visitor center maintained at colonial Williamsburg, Va. Viewing the film there sets the mood and meaning for us as we tour to witness history remade in this splendidly restored city.

NATO finds acceptable the proposals for the National Visitor Center to be located in Union Station as outlined in H.R. 12603. Both H.R. 14604 and S. 3031 of 1966 called for:

1. "* * * exhibits and displays by the individual states * * *" and
2. "* * * specialized information and assistance to foreign visitors to facilitate and encourage their travel throughout the United States."

We believe the Union Station site could provide the necessary space for States to present their stories, if not individually, then perhaps on a regional basis, such as NATO has delineated for the United States.

Union Station could bring under one roof all methods of transportation. Since about 85 percent of the tourists come by car, the parking facility outlined in H.R. 12603 is vitally necessary.

H.R. 12603 has the strength in it which made America great. It proposes a working relationship between government and industry in creating a National Visitor Center. Such a center will not only benefit Americans, but foreign visitors as well.

NATO respectfully recommends, due to its members' vast experience in the U.S. travel business, that it be officially included in such a working coalition, at least in an advisory capacity. Further, NATO is prepared to discuss at the appropriate time the matter of staffing and operation of the National Visitor Center.

The National Association of Travel Organizations pledges its support to these goals.

Thank you.

Mr. GRAY. Thank you very much, Mr. Toohey. That is a very fine statement and I am sure if this legislation is enacted and the National Park Service is given the responsibility for operating the National Visitor Center, they will welcome advice from the National Association of Travel Organizations. Although the National Park Service has had years of experience in dealing with visitors, this is a unique project so I am sure they will welcome your counsel and advice.

You touched on something I mentioned briefly in my opening statement, and that is that last year it was estimated the visitors to the District of Columbia spent $400 million, and much of that went to help the tax base of the District of Columbia. At the present time the Federal Government is paying to the District of Columbia in lieu

of taxes $107,599,000. I will ask you if it is not conceivable that when facilities are available for visitors to stay 4 or 5 days rather than the average stay of 2 days the annual payment of the Federal Government of $107 million could be cut down by allowing the District of Columbia to have more taxable income derived from business. Is this conceivable?

Mr. TOOHEY. Mr. Chairman, I would say with the expert operation of the District of Columbia Convention Bureau coupled with the Visitor Center there is no question it would be of great economic benefit to the District of Columbia.

Mr. GRAY. If the average stay of visitors was doubled the District could take in $800 million per year rather than $400 million and that would have a hearing on the amount of taxes collectible from the District of Columbia residents, which would more than pay the cost of maintaining this Center.

I appreciate your testimony.

Are there any questions of Mr. Toohey?

We thank you very much, Mr. Toohey, and would you pass on to your associates in the National Association of Travel Organizations our sincere thanks for this very informative testimony here this morning.

Mr. TOOHEY. Thank you.

Mr. GRAY. Our last witness this morning is Mr. M. C. Mulligan, the president of the Washington Terminal Co., a man who has been very, very cooperative with the 21-member Study Commission over the past several months and sincerely negotiated with us and his associates an agreement that we believe is in the best interest of the American people as well as the owners of Union Station.

I would like to call Mr. M. C. Mulligan, and I notice he has with him Mr. Shaw, the manager of the Union Station. Again let me thank you for coming and you may proceed in your own fashion.

STATEMENT OF M. C. MULLIGAN, PRESIDENT, WASHINGTON TERMINAL CO.

Mr. MULLIGAN. Thank you, Mr. Chairman. My statement is very brief.

My name, as you mentioned, is M. C. Mulligan. I am here today as president of the Washington Terminal Co. to testify regarding H.R. 12603 and its companion bills. Let me state as the outset that my company endorses the purpose of this legislation.

The Washington Terminal Co. is the owner of Washington Union Station and its related passenger terminal facilities. The company constructed these facilities pursuant to a mandate from Congress embodied in the acts of February 12, 1901, and February 28, 1903. The purpose of these statutes was generally to combine the then existing separate terminal facilities of the Baltimore & Ohio and the Pennsylvania Railroads, as well as to eliminate railroad operations at street-grade level in the District of Columbia.

Congress provided that the Terminal Co. be owned equally by the Baltimore & Ohio and the Pennsylvania Railroads, but that the facilities be made available for the use of the other railroad lines reaching the District of Columbia, namely the Chesapeake & Ohio, the Rich-

mond, Fredericksburg & Potomac, and the Southern Railway. The Union Station building, which is primarily the subject of the legislation now before this subcommittee, was constructed in its present form under the provisions of the 1903 statute which included the express requirement that the building be "monumental in character."

As has been brought out, the legislation now before this subcommittee is the result of a study authorized by Public Law 89–790, approved on November 7, 1966. This Public Law established a 21-member Study Commission to investigate plans and sites to provide increased service for visitors to Washington, D.C. Specifically, as I recall, the Study Commission was charged with presenting a report to the Congress which would recommend a site or sites, estimate the cost, and include preliminary plans and specifications. The report to which the Chairman has referred will, as I understand it, cover all three of those areas. Since four members of this subcommittee served on this Study Commission, which, I understand, has determined to recommend that Union Station be leased by the Government for use as a National Visitor Center, I am sure you know more about what you recommend than I do. As I understand it, it is to implement this recommendation that H.R. 12603 and related bills have been introduced in the present Congress.

The plan embodied in the proposed legislation contemplates that the Washington Terminal Co. or its nominee will raise the funds necessary: (1) for alteration of the present Union Station building into a National Visitor Center, (2) for construction of a large parking facility to the north of the present building with suitable access for vehicular and pedestrian traffic, and (3) for construction of a new station building for the use of the railroads.

The U.S. Government would undertake to lease the converted Union Station building for use as a National Visitor Center, and also to lease the parking facility, each for a term not to exceed 20 years, and it is contemplated that the leases with the Government would provide the basis for borrowing the money necessary to carry out the project. The leases would obligate the Government to operate and maintain the leased facilities and to pay an annual rental to the owners.

The plan further contemplates that the amount of the rentals paid to the owners would represent, in each case, only the sum of a percentage applied to value of the properties and the cost to the company of borrowing the necessary funds for remodeling the present station and construction of the parking facility. It is also my understanding that the lessor would be protected against any increase in real estate tax liability or increase in other financial liability which might arise as a consequence of the leases to the Government of the properties and improvements contemplated under this legislation. Such plan is acceptable to the Washington Terminal Co.

As the members of this subcommittee are aware, the report of the National Visitor Study Commission has not yet been released. Therefore, I respectfully request permission, Mr. Chairman, to file a further statement for the record, if appropriate, after there has been an opportunity to review the report.

Mr. GRAY. Without objection that request will be granted.

Mr. MULLIGAN. In June 1965, a joint committee of the National Capital Planning Commission listed Union Station as one of 20 historic landmarks which contribute significantly to the national cul-

tural heritage and which "must be preserved." Also included in that group of 20 were the White House and the Capitol. Legislation of the nature proposed here would not only preserve this landmark but fulfill an important public need. Accordingly, the terminal company will use its best efforts to implement legislation, if passed by the Congress, along the lines of the plan now being considered.

In closing, Mr. Chairman, let me express my appreciation for the opportunity of appearing before this distinguished legislative body, and let me pledge my support of the efforts to formulate and carry out a plan to utilize Union Station in making the concept of a National Visitor Center a reality.

Thank you, Mr. Chairman.

Mr. GRAY. Thank you very much, Mr. Mulligan. Again I want to state for the record how cooperative you personally have been to the Study Commission, and also Mr. Shaw, the manager of Union Station. This has been a long and difficult task in trying to work out a solution to our problems, and I would like to ask you for the record whether or not Union Station per se has not served its usefulness as a railroad station because of changing modes of transportation, and if this station is not utilized for a visitor center there may be the real possibility in years to come that you will have to sell this station and build a smaller Union Station, thereby losing this national monument?

Mr. MULLIGAN. That is correct. Basically, the station complex, embracing a total of 300 acres of land, represents a plant in total which far exceeds the requirements for railroad operating purposes. A smaller station and a contraction generally of the area is clearly indicated. As a business matter, we would raze the monument, but sometimes there are considerations which transcend business considerations. But this would be, from a business standpoint, our best course of action.

I heard Mr. Knott's testimony, and he stated quite accurately some of the techniques of real estate appraisal. He did not, however, allude to a fourth category which in the trade is known as "highest and best use." Now, the figures adding up in this bill to the $2.9 million were developed on what I consider a most conservative basis. The land value—and I make this statement on the basis of outside qualified expert advice—the land is worth $74 a square foot, the land alone. Now this is a matter upon which experts will disagree, having in mind that certain of the pertinent facilities such as the railroad terminal and some communications facilities in the basement would continue to be required and used in railroad operations, so I discounted that $74 a square foot to $60 a square foot, and multiplying that by 330,000 square feet I get $19.5 million, which is what could reasonably be expected as a realization from the sale of that land if there were no monument on it.

Mr. GRAY. It is my understanding that you have used a 5-percent figure as return on your investment for the land value. You heard the Administrator of the General Services Administration testify that in our average leasing arrangements around the country he uses from 9 to 15 percent. Is it not correct that you have used a 5-percent formula on the land value as the return on the leased property?

Mr. MULLIGAN. That is correct, and I want to make it clear we have ascribed no value—I repeat, no value—to the station itself.

Mr. GRAY. To the so-called monument?

Mr. MULLIGAN. To the so-called monument or landmark.

Mr. GRAY. Or to the improvements?

Mr. MULLIGAN. That is right. We have ascribed no value to the improvements on the land.

Now, I say this because it is a fact, and I wrestled hard with the question of trying to place a value on the monument, and I consider it is incalculable. Therefore, the lease, as we visualize it, would not include in the valuation base any amount representing the present station. We would expect to include in the value base the $5 million or less that might be spent for new improvements, but nothing for the existing improvements.

Mr. GRAY. The new improvements would be in connection with the visitor center?

Mr. MULLIGAN. Yes.

Mr. GRAY. And you would provide up to $11 million for the parking facility and $5 million for remodeling the existing Union Station, and $3.5 million for a new railroad terminal, making a total investment of $19.5 million plus the existing investment plus the air rights over the tracks, and the aggregate cost to the United States for the leases would not exceed $2.9 million a year for a term of not more than 20 years?

Mr. MULLIGAN. That is right. Mr. Chairman, I think we should recognize that all of these figures are ceilings, they are maximum figures.

Mr. GRAY. You would have no objection to this committee writing in that the exact figures would be determined through negotiation but not to exceed $2.9 million?

Mr. MULLIGAN. I would prefer to go with Mr. Knott's figure of not to exceed $3 million.

Mr. GRAY. We are talking about less than a $100,000 a year difference.

Mr. MULLIGAN. Yes. the point, sir, is this: I don't think any of us know now precisely what the $11 million will buy. Hopefully, it will buy 4,000 spaces. It might well prove that it would be a few more. My own guess is it will be less. So that if the $11 million will only buy 3,000 spaces, that is what it will buy.

I know you understand, Mr. Chairman, as do the other members who served on the Study Commission, there is ample additional area, up to 300 acres, but I think this should be clear, we get as the parking facility what the $11 million will buy. Still to be worked out as to design would be the new station facility. We continue to recognize that this is the Nation's Capital and that passengers arriving by train should have an adequate facility, and we intend to provide one, and the present thinking of ours and your consultants is that the new station facility would be incorporated in what you can imagine will have to be a very massive structure.

Mr. GRAY. For parking?

Mr. MULLIGAN. Yes.

Mr. GRAY. You contemplate that visitors arriving by automobile or by train or by subway or by helicopter would go through the Visitor Center. This would be a part of the overall complex.

Mr. MULLIGAN. Definitely.

Mr. GRAY. But not in the existing structure?

Mr. MULLIGAN. It would be incorporated physically in the parking facility. Bear in mind that to shoot for 4,000 parking spaces would require, depending somewhat on how the ramps are laid out, a total of 1,400,000 square feet. The new station would, we think, require possibly 150,000. So it tucks in there very nicely and its precise location would be dictated by that which is optimum from the standpoint of all uses.

Mr. GRAY. Any further questions?

Mr. GROVER. Mr. Chairman, the gentleman has discussed the basis for an appraisal. I would like to be reassured on the record that the basis for the fair market value and for the appraisal will in no event take into consideration the values of the existing building but would be predicated on the land value?

Mr. MULLIGAN. That depends on what the assignment is as given to the appraiser. A qualified appraiser—and I had one of the outstanding ones in the country appraise the property for us at the time the Smithsonian Institution made a study concerning the possible use of the station area for a transportation museum and/or a Visitor Center—now real estate appraisals, with which I have some experience, are far from an exact science. I am not trying to evade your question. I think we are prepared to stand on a value of the land as determined by a qualified appraiser or more than one. If some appraiser were to report that in his judgment the land was only worth $16 million, I would not be able to buy that.

Mr. GRAY. What you are saying is that in your best judgment the value you have set on the property in the proposed lease arrangement is just for the land, and if they wanted to include the building you would have no objection?

Mr. MULLIGAN. No objection.

Mr. CRAMER. Will the gentleman yield?

Congress would most probably have an objection, if an appraisal came in that substantially exceeded the approximate $19 million figure. So as I see it, our practical problem is how do we tie down in the report or otherwise a figure of approximate value of $19 million. It should be thoroughly understood the present station will not be included if the value is approximately $19 million.

Mr. GRAY. I think the sole value of the appraisal proposed by the Administrator of the General Services Administration is to make sure the Government will not be cheated. It is only in an advisory capacity that they would make such an appraisal and the memorandum of agreement is based on the figure of approximately $19.5 million. If we make an appraisal and it comes to more, the gentleman does not intend to ask for an additional rental payment. Is that right? The gentleman is prepared to stand on the recommendation he has made based on his estimate of value. So that if GSA came back and said their appraisal shows your property is worth $25 million, the gentleman would not expect to come back and ask for additional rental, would you?

Mr. MULLIGAN. Just as the Congress would be unhappy with an appraisal report that showed the property worth $30 million, so would my management if I committed us to $19.5 million.

Mr. GRAY. But if they come back and say it is worth $16 million, would the gentleman come down in the rental payment? This is a two-way street. We both could be in trouble. That is why I felt we ought

to have an appraisal to be used as more or less a guideline, but you should not ask for an additional rental based on an increase in the appraisal, and we should not ask you to make a substantial reduction in the rental amount if the appraisal showed less value. In other words, if we write in the bill $2.9 million based on your estimated value of the land and not the building, and later on some appraiser says it is worth more, would you have any objection to our using these figures as a maximum and any additional savings would accrue to the Federal Government? That is what Mr. Knott proposes, that any such savings would accrue to the Government. That is why he wants to use the maximum amount.

Mr. MULLIGAN. That is quite correct, Mr. Chairman. Let me put it also this way—but before I go to the second point I want to make it clear we use 6 percent per annum as the estimated cost of borrowing.

Mr. GRAY. This is just for the new improvements?

Mr. MULLIGAN. It would be using, again, the numbers we have talked about—$11 million for the parking facility, $5 million for remodeling of the station. Now, I would hope we could borrow for no more than 6 percent. I would be delighted if we could borrow for less.

Mr. GRAY. But if it is less the savings will accrue to the Government? I want the record to show that.

Mr. MULLIGAN. The record should show if the interest is less the savings would be reflected in the rental, but, on the other side of that coin, if the interest rate is more there would be an increase reflected in the rental.

Mr. GRAY. I felt we should reach a compromise both on the appraisal and the amount of money because these are funds of the taxpayers and our Commission wanted to get as near as we could to the exact figure.

In your best judgment this morning the figure of $2.9 million would be a fair and reasonable annual rental to the Federal Government for these improvements and the present facility, and in your judgment this would not vary very much one way or another?

Mr. MULLIGAN. That is correct.

Mr. GRAY. Any further questions?

Mr. GROVER. On page 2 of your statement, the last two sentences, you say:

> It is also my understanding that the lessor would be protected against any increase in real estate tax liability or increase in other financial liability which might arise as a consequence of the leases to the Government of the properties and improvements contemplated under this legislation.

I have two questions: What other financial liability do you have in contemplation other than tax liability?

Mr. MULLIGAN. We have none specifically in contemplation, and I would like to make this point, if I may: The Terminal Co. does not seek to escape payment of the taxes to the District which it is paying, and those aggregate approximately—real estate taxes I am talking about now—$350,000 a year. However, this project is being undertaken by the Government. Left to our own devices we would not build a parking facility for 4,000 vehicles. And we think, in all fairness, since we are undertaking this at your request, and since we are predicating our rental on what I think is a very modest rate of return—if we had started out at the beginning talking 7 percent no heads would have fallen to the floor——

Mr. GROVER. I am troubled by your language "other financial liability." Are you talking about increased insurance cost or what do you have in mind?

Mr. MULLIGAN. We don't have a thing in mind, sir. It is a broad escape clause, a protective clause.

Mr. CRAMER. Will the gentleman yield? We struck that out. It is not now in the bill.

Mr. GROVER. When you refer to improvements, the new terminal is also contemplated. You don't mean to get an exemption from taxation on the new terminal, do you?

Mr. MULLIGAN. We would pay taxes on the new passenger station.

Mr. GRAY. Will the gentleman yield? Is it not a fact that the Washington Terminal Co. paid this year better than $300,000 in taxes?

Mr. MULLIGAN. Yes, sir.

Mr. GRAY. And if the gentleman would continue under this arrangement to pay the District of Columbia those taxes, it was his feeling if he added in the taxes on the improvements it would be in the lease. We felt it would be better to keep the rental payments lower and the Washington Terminal Co. will continue to pay the assessed valuation they are now paying?

Mr. MULLIGAN. Yes. In other words, we will continue to pay taxes on a station as we are today.

Mr. CRAMER. Will the gentleman yield? Is it your understanding that the language relating to taxes and increased value by reason of improvements made on the property, that there shall not be an increased assessed valuation, refers to all improvements including paragraph (4) for a new railroad terminal as well as those constructed for the Federal Government?

Mr. MULLIGAN. No, sir.

Mr. CRAMER. The bill as drafted says:

> The District of Columbia shall not, during the term of any lease entered into by the United States and the Washington Terminal Company pursuant to this Act, include in the assessed valuation of the leased properties for tax purposes any increase in value by reason of the improvements made on such properties by said company in meeting its obligations under any lease or agreement made pursuant to this Act.

You will note it refers to the assessed valuation of "leased properties"?

Mr. MULLIGAN. Yes, sir

Mr. CRAMER. The new terminal facility will not be a "leased property"; is that correct?

Mr. MULLIGAN. That is correct.

Mr. CRAMER. Therefore, the increased valuation of the new terminal facility could result in an increased assessed valuation and this bill would not preclude the District of Columbia from making such an increased assessed valuation?

Mr. MULLIGAN. As written that is correct, and that is one of the matters I would cover in my supplemental statement for the record.

Mr. CRAMER. Would the bill as drafted cause any change in maximum figure for annual rental?

Mr. MULLIGAN. No.

Mr. CRAMER. The bill as drafted specifically would not permit any addition. That is the top limit?

Mr. MULLIGAN. Yes.

Mr. CRAMER. Do you think that would cause a serious problem?

Mr. MULLIGAN. Again, sir, may I put it to you this way: We would not plan to go out and construct a new station if we were not going to turn over the present station to you. We might possibly close portions of it surplus to the need and reduce the cost of operation to a level consistent with actual use in a railroad operation, but there has been no contemplation on the part of the Terminal Co. to build a new station unless it disposes of the old.

Mr. CRAMER. Would the gentleman have any objection to lifting the taxation on existing facilities if the Government takes over?

Mr. MULLIGAN. Well, subject to the advice of tax counsel I think that might be a possible solution.

Mr. CRAMER. It is something we could consider.

Mr. GRAY. I would like to see this stay on the tax rolls. I would not like to ask Congress to exclude taxes. But, as the gentleman said a moment ago, if we put in additional taxes on these government improvements, then the annual rental the government will have to pay will be increased. We could exclude the facility used by the Government and tax the new facility.

Mr. CRAMER. I gather from the discussion, in order to accomplish what the gentleman has said, this would require some amendments.

Mr. GRAY. I appreciate the gentleman's observation.

Mr. CRAMER. I do not know whether I would agree with the policy or not. Obviously, it would require some amendment.

The other question I had relates to the $5 million for improvement in the station itself, and the $10 million or $11 million for parking space. What contract-letting procedure will be used? I gather from the manner in which the bill is drafted that the actual contract-letting for the improvements is not a function of the Department of the Interior or GSA; is that correct? It would be a private enterprise function.

Mr. MULLIGAN. We would be willing to do it. We had assumed that we would be expected to do it. We would be very happy if the Government chose to do it.

Mr. CRAMER. What contract-letting procedure would you contemplate if the bill remained in its present status, that is, private enterprise letting the contract? The Federal Government's interest would be to achieve the lowest possible cost basis, by competitive bid or otherwise.

Mr. MULLIGAN. Frankly, sir, I had not reached that point in my thinking. I had assumed two things, of course. First, as far as alterations to the station, we will carry out whatever you tell us you want done. Coming to the parking facilities and a new station incorporated in it, obviously there must be complete agreement between our engineers and the Government's engineers as to design and specifications. I would expect to consult the authorities in the executive branch—I guess it is GSA and the Secretary of the Interior—relative to their procedures for letting contracts of this kind.

Mr. GRAY. Putting the question simply, since we are pressed for time here, would it not be your purpose, if the delegation of authority were given to you, to advertise on a competitive bid basis for the construction works?

Mr. MULLIGAN. Answering the question today, "Yes."

Mr. GRAY. I think that is what the gentleman from Florida wanted to have on the record, the fact that we would get as much as we possibly could for the amount of money available and do it on a competitive bid basis.

Mr. MULLIGAN. That is correct.

I would further expect, gentlemen, that we would review the bids received with GSA, if GSA is the proper agency, and would agree with them on that to be awarded, because in this matter we are acting as the Government's agent, really, and we want to do it the way you think it should be done as far as letting construction or renovation bids is concerned.

Mr. CRAMER. The reason I raised the question is that I think it obvious that somewhere in the report or in the bill it should be provided that the contract letting and contract bidding and advertising, et cetera, ought to be handled in consultation or in cooperation with or with the advice of the GSA or the Secretary of the Interior, or what have you, to make certain there will be the lowest possible bid in order to get the maximum amount for the dollar spent.

I notice in paragraph 1 on page 1 relating to alterations of existing buildings, that the alterations to the station shall be as the Secretary of the Interior deems necessary within that $5 million limitation, but in relation to parking facilities there is no such requirement, except that he provide parking space for approximately 4,000 vehicles.

I was wondering if there were any reason that the Secretary of the Interior was left out or GSA was left out of the determination of the nature of those facilities.

Mr. MULLIGAN. I have no knowledge on the question, sir.

Mr. CRAMER. You would not object to including a similar provision in paragraph 3?

Mr. MULLIGAN. No, sir.

Mr. GROVER. How many of these parking spaces, which you say may run between 3,000 and 4,000, would normally be taken up by the transient personnel going from trains and parking cars?

Mr. MULLIGAN. A very small percent.

Mr. GROVER. Approximately.

Mr. MULLIGAN. I would think the maximum might be 100 a day.

Mr. GROVER. A further question. Do you have a lease on the existing restaurant?

Mr. MULLIGAN. Yes, sir.

Mr. GROVER. What is the term of that lease?

Mr. MULLIGAN. It has 3 more years to go.

Mr. GROVER. Is there a renewal clause?

Mr. MULLIGAN. No.

Mr. GROVER. Would you supply to the committee information in regard to the net income to the Terminal Co. from the lease?

Mr. MULLIGAN. I can give you the total. I can give you the breakdown, also.

If you like, Mr. Chairman, I could offer for the record a list showing for the year past, 1966, the breakdown of total revenues from concessions, including the restaurant, which aggregated approximately $375,000.

Mr. GROVER. Is that gross or net?

Mr. MULLIGAN. That would be net, sir.

Mr. GRAY. There is a great potential here, with millions of visitors, for the Government to recoup these rentals, because they netted $375,000 last year just from the trade of a small number of people coming in by train.

Mr. CRAMER. Any earnings would be recouped by the Federal Government?

Mr. MULLIGAN. The answer is "Yes," as the matter has now evolved. All costs of operation and maintenance would be borne by the Government, and all revenues would accrue to the Government.

Mr. CRAMER. Have we made any exploration into the possibility of borrowing this $5 million and $11 million at less than 6 percent?

Mr. MULLIGAN. No, sir, we have not.

Mr. GRAY. What is that?

Mr. MULLIGAN. The question is, had we sought to borrow money, and the answer is no, we have not.

Mr. CRAMER. Have you made any explorations as to whether you could borrow it at 6 percent?

Mr. MULLIGAN. To the extent that we have some qualms about it. Is there some Government agency that might loan it to us at 4 percent? Really?

Mr. CRAMER. No. You are not a farmer, and we are not an REA.

Mr. GRAY. If you were a foreign visitor, you could get it a lot cheaper.

Any other questions?

Let me again thank all the committee members, and also the witnesses, for coming this morning.

We will recess now and reconvene at 10 a.m. tomorrow with another list of witnesses. Thank you very much.

(Whereupon, at 12:25 p.m., the subcommittee recessed, to reconvene at 10 a.m., Wednesday, September 13, 1967.)

NATIONAL VISITOR CENTER ACT OF 1967

WEDNESDAY, SEPTEMBER 13, 1967

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON PUBLIC BUILDINGS AND GROUNDS
OF THE COMMITTEE ON PUBLIC WORKS,
Washington, D.C.

The subcommittee met at 10:16 a.m., in room 2167, Rayburn Building, Hon. Kenneth J. Gray (chairman of the subcommittee) presiding.

Mr. GRAY. The committee will please come to order. Off the record.

(Discussion off the record.)

Mr. GRAY. The Subcommittee on Public Buildings and Grounds of the House Committee on Public Works is sitting this morning in continuation of hearings on H.R. 12603 and related bills, to supplement the purposes of the Public Buildings Act of 1959, by authorizing agreements and leases with respect to certain properties in the District of Columbia, for the purpose of a National Visitor Center, and for other purposes. The act would be known as the National Visitor Center Act of 1967.

I might announce for the record that in addition to the bills introduced previously, on yesterday five House bills and four Senate bills were introduced: H.R. 12823, by Mr. Eilberg; H.R. 12825, by Mr. Erlenborn; H.R. 12828, by Mr. Farbstein; and H.R 12831, by Mr. Kleppe.

And on the Senate side, S. 2391 was introduced by Senator Tydings, Senator Thurmond, Senator Scott, and Senator Baker.

These are all identical bills upon which we are holding hearings for the second day today.

Prior to calling the first witness, I would like to read a letter into the record:

DEAR MR. CHAIRMAN: I am most pleased with the considerable progress being made in behalf of the National Visitor Center, progress which is further facilitated by your introduction of and scheduled hearings on H.R. 12603. Having been invited to comment on H.R. 12603, I must refer to the judgment of the experts with regard to leasing arrangements between the Washington Terminal Company, the General Services Administration, and the Department of Interior. This is an area outside the operating jurisdiction of the Civil Service Commission. Therefore, we have no special skills or experience on which to make judgments or recommendations. We do, however, support the renovation and use of Union Station as a National Visitor Center. Also we have a continuing interest in the Center's proposed program content. We look forward to working with you, members of your subcommittee, and members of the Visitor Center Study Commission, in developing a program that will be truly inspirational and educational, one that will prove worthy of being a first step for every visitor to the Nation's Capital.

Sincerely yours,

JOHN W. MACY, JR.,
Chairman, U.S. Civil Service Commission.

There are also a number of additional letters received from House Members. They are too numerous to read, but I would ask, without objection, that they be inserted in the record at this point.

(Letters referred to follow:)

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., August 26, 1967.

Hon. KENNETH GRAY,
Member of Congress,
Washington, D.C.

DEAR KEN: Many thanks for your thoughtfulness and courtesy in bringing me up to date on the Commission studying the need for a National Capital Visitors Center.

You have done a splendid job as Chairman of this Commission and I commend you also for your introduction of H.R. 12603, authorizing a lease agreement with the Washington Terminal Company. I look forward to discussing this great possibility with you in the near future in person.

With warmest personal regards and highest esteem, I am

Sincerely,

WM. JENNINGS BRYAN DORN,
Member of Congress.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C. August 29, 1967.

Hon. KEN GRAY,
House of Representatives,
Washington, D.C.

DEAR KEN: Thank you for your letter of August 24 regarding the National Capital Visitor's Center.

I appreciate your bringing me up to date on the progress of the Commission established to study the need for this Center, and I shall study your bill, H.R. 12603 carefully with a view to introducing an identical measure.

Best regards.

Sincerely,

WILLIAM D. HATHAWAY,
U.S. Congressman.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., August 31, 1967.

Hon. KENNETH GRAY,
Chairman, House Subcommittee on
Public Buildings and Grounds,
Rayburn Building.

DEAR KEN: Thanks for the information about the Visitor's Center. Congratulations on your effective leadership in this regard. About four years ago I proposed that we get in action to establish such a center and it is gratifying to see the progress you are able to report.

I will look forward to the pleasure of discussing this with you personally one of these days.

Sincerely yours,

PAUL FINDLEY,
Representative in Congress.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., September 5, 1967.

Hon. KEN GRAY,
U.S. House of Representatives,
Rayburn House Office Building,
Washington, D.C.

DEAR KEN: Thank you very much for your letter of August 24, 1967, concerning the introduction of your legislation which authorizes the General Serv-

ices Administrator and the Secretary of the Interior to enter into a lease agreement with the Washington Terminal Company.

Although I do not plan to introduce legislation on this subject at this time, I recognize the seriousness of the problem you describe and will be happy to lend my support toward reaching a workable solution as quickly as possible.

With best regards,

Sincerely,

GARRY BROWN.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., September 5, 1967.

Hon. KEN GRAY,
Chairman, House Subcommittee on Public Buildings and Grounds, Public Works Committee, Rayburn Office Building, Washington, D.C.

DEAR COLLEAGUE: I appreciate your detailed letter outlining some of the recommendations made by the 21 member commission to study the need for a National Capital Visitor's Center together with a copy of your bill, H.R. 12603, which will make this Center a reality.

As you know, I have been very much interested in this project since its inception and I am particularly pleased to note that provisions have been made for a heliport to be constructed on top of the Center.

It was good of you to send this information to me. I certainly look forward to receiving the Commission's recommendations around the 15th of this month. In the meantime, you can count on my support for H.R. 12603 when it comes to the floor of the House for action.

Warmest regards.

Sincerely,

SAMUEL N. FRIEDEL.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., September 11, 1967.

Hon. KENNETH J. GRAY,
Rayburn House Office Building, Washington, D.C.

DEAR KEN: I very much appreciated your letter of August 24th concerning H.R. 12603, a Bill which you have introduced to create a National Capital Visitors Center.

I think that the financing arrangements which have been made for the Center are sensible, particularly if the annual lease payments can be repaid from parking fees and the sale of goods and services. I am not in favor of expensive new Federal facilities in Washington at this time which would contrast sharply with our efforts in other needed areas of the economy.

I will be happy to join you in co-sponsoring this Bill, as I am certain it will be of interest to the constituents of my District who visit Washington each year.

Sincerely yours,

CHET HOLIFIELD.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., September 13, 1967.

Hon. KEN GRAY,
House of Representatives, Washington, D.C.

DEAR KEN: Thank you very much for your letter concerning H.R. 12603.

I compliment you on the tremendous work you have done on this Commission and in this respect.

Best wishes,

HENRY B. GONZALEZ.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C. September 14, 1967.

Hon. KENNETH J. GRAY,
Rayburn House Office Building, Washington, D.C.

DEAR KEN: Thank you for your letter concerning H.R. 12603 to authorize the General Services Administration and the Secretary of the Interior to enter into a lease agreement with the Washington Terminal Company.

I agree with your objections concerning the inadequate facilities for tourists visiting Washington, and I want you to know that I will do all that I can to assist you.

With very good wishes.

Sincerely yours,

EDNA F. KELLY.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., September 15, 1967.

Hon. KENNETH J. GRAY,
U.S. House of Representatives,
Washington, D.C.

DEAR KEN: In accordance with the request contained in your letter of August 24, 1967, I am pleased to enclose a copy of my bill, H.R. 12823, which I introduced in support of your bill, H.R. 12603, to supplement the purposes of the Public Buildings Act of 1959 (73 Stat. 479), by authorizing agreements and leases with respect to certain properties in the District of Columbia, for the purpose of a national visitor center.

With best wishes.

Sincerely,

JOSHUA EILBERG.

U.S. SENATE,
COMMITTEE ON AGRICULTURE AND FORESTRY,
Washington, D.C., August 28, 1967.

Hon. KEN GRAY,
Chairman, House Subcommittee on Public Buildings and Grounds,
House of Representatives, Washington, D.C.

DEAR CONGRESSMAN GRAY: Thank you for your letter of August 24, concerning H.R. 12603, a bill authorizing agreements and leases with respect to certain properties in the District of Columbia, for the purpose of a National Visitor Center, and for other purposes.

I appreciate your sending me this explanation of the work of the Congressional Commission created last year to study the need for a National Capital Visitor's Center. The work accomplished by the Commission is certainly impressive. You may be assured that I will study the proposals offered by the Commission and should H.R. 12603 reach the full Senate for action, it will have my full consideration.

With kindest regards and best wishes, I am,

Sincerely yours,

ALLEN J. ELLENDER, *U.S. Senator.*

U.S. SENATE,
COMMITTEE ON APPROPRIATIONS,
Washington, D.C., August 29, 1967.

Hon. KENNETH J. GRAY,
Chairman, House Subcommittee on Public Buildings and Grounds,
House of Representatives, Washington, D.C.

DEAR REPRESENTATIVE GRAY: Thank you for your letter of August 24 detailing the steps which have been taken to establish a National Capital Visitor's Center at Union Station. You and the other members of the Commission who have studied the Washington visitor problem are to be commended on the progress thus far. I am pleased that you have introduced a bill which will authorize the General Services Administrator and the Secretary of the Interior to lease the remodeled Union Station from the Washington Terminal Company. You may be assured of my belief in and support of what you are trying to do.

Sincerely yours,

E. L. BARTLETT.

U.S. SENATE,
Washington, D.C., August 29, 1967.

Hon. KENNETH J. GRAY,
Rayburn House Office Building,
Washington, D.C.

DEAR KEN: Many thanks for your letter of August 25, regarding the proposed National Visitors' Center.

I shall be happy to get in touch with my Senatorial colleagues on the National Visitors' Center Commission with a view to having your bill, H.R. 12603, introduced in the Senate.

Best personal regards,

Sincerely,

HUGH SCOTT, *U.S. Senator.*

U.S. SENATE,
COMMITTEE ON BANKING AND CURRENCY,
Washington, D.C., September 12, 1967.

Hon. KENNETH J. GRAY,
House Office Building,
Washington, D.C.

DEAR KEN: Thank you for your recent letter in which you bring us up-to-date about the work of the commission to study the need for a National Capital Visitor's Center.

I was pleased to learn of the progress the commission has made and of the suggestions it has proposed. I commend you and the other members of the commission for doing such a fine job in this area and I wish you every success.

Sincerely,

CHARLES H. PERCY,
U.S. Senator.

Mr. GRAY. The first witness scheduled this morning is our esteemed colleague from the Washington metropolitan area, Congressman Gilbert Gude, of Maryland.

We are delighted to have you with us this morning, Mr. Gude, and would you please come forward.

I appreciate your interest in taking time out of your busy schedule to be with us this morning. You may proceed in your own fashion.

STATEMENT OF HON. GILBERT GUDE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MARYLAND

Mr. GUDE. Mr. Chairman and members of the subcommittee, I am pleased to have the opportunity to appear before this subcommittee to discuss legislation of importance to the Nation and to the National Capital area. I wish to commend the chairman for his leadership in bringing together in this legislation the various elements of the plan for the National Visitors' Center. H.R. 12603 provides the Congress with the opportunity to assist in bringing real dignity to an important part of the economy of our National Capital. Previous witnesses have pointed out the sizable financial dollar volume of trade which tourism brings to Metropolitan Washington. A much greater contribution can be made, both financially and educationally, by the establishment of the Visitors' Center.

More than 80 percent of the area tourists arrive here in unorganized, unscheduled groups with no reliable guidance. It is these visitors for whom the Center will furnish such valuable assistance. By such a Center, the National Capital, which offers so many great attractions to its citizens as well as to world travelers, can provide appropriate direction to, and interpretation of, the historic and cultural points of

the area in a manner of dignity and reliability worthy of the name of Washington, D.C.

Our guests will understand better the fabric of history and government which they observe. With a warm reception they will wish to stay longer, or to return again.

Not competing but complementing our great Capital are points beyond the District of Columbia. In my own Congressional District the famous Chesapeake and Ohio Canal provides a panorama of American history in the magnificent natural setting of the Potomac Valley; and hospitable world-famous dining places await the travelers.

These and many attractions of neighboring Maryland, Virginia, and West Virginia, as well as other points of interest on the eastern seaboard are as much a part of visits to the Washington area as some of the Capital landmarks. Virginia's Williamsburg, Stratford, and Fredericksburg, and Maryland's Annapolis and Fort McHenry, and Harpers Ferry in West Virginia could well be included as part of the documented tourist information which will be featured at the Visitor Center.

Certainly these additional historic attractions of the surrounding States from the cradle of democracy, with the fine restaurants and lodging facilities of the area, will only increase the enjoyment and extend the stay of all the visitors.

This opportunity for the updated utilization of the refurbished Union Station, so long a part of the Capital Plaza and its plan, is a logical and practical development because of its central location for transit and rail facilities, freeway accessibility, the 4,000 parking spaces, and the frequency of bus service. These facilities and the related planning will provide the area with a system of sensible traffic patterns for tourists.

Mr. Chairman, I believe that this legislation, which has the support of a special 21-member commission established by the Congress last year to study such a Center, merits favorable consideration of this subcommittee and the Congress.

Thank you, sir.

Mr. GRAY. Thank you very much, Mr. Gude. That was a very informative statement, and we appreciate the contribution that you and your constituents are making to the great metropolitan area of Washington. Thank you for your consideration.

Mr. GUDE. Thank you.

Mr. GRAY. The statement of Hon. William B. Widnall, New Jersey, will be inserted here.

(The statement follows:)

STATEMENT OF HON. WILLIAM B. WIDNALL OF NEW JERSEY

Mr. Chairman, thank you for this opportunity to testify on the legislation now before your Committee to establish a National Visitors' Center on the site of the Union Station here in Washington, D.C. As you know, I have long advocated the use of the station as a visitors' center and warmly endorse the proposal now under consideration. My own support for this type of project goes back to 1963. In the 88th Congress and again in the 89th Congress, I proposed legislation which sought to save Union Station from the fate of the bulldozer and wrecker's hammer by providing that it become a transportation museum and visitor's center. In this Congress, I have introduced HR 12760, similar to HR 12603, introduced by our colleague, Rep. Kenneth Gray (D-Ill.), to acquire Union

Station and create a National Visitors Center. I still have high hopes that a suitable location for a monument to the magnificent story of mankind's development of transportation—from the wheel to the wing and beyond—can be found. This in no way limits my enthusiasm for the proposed use of Union Station, as I recognize first, the compelling need for a National Visitors Center in Washington, and second, the ideal suitability of the station for this purpose.

The need for a National Visitors Center has become more critical over the years. Few major tourist attractions operate without a central and convenient location where visitors can acquaint themselves with the information they need to make their sojourn more enjoyable. Williamsburg, Virginia, for example, has a visitors center where a short orientation program is offered so that visitors will receive maximum benefit from their trip. Surely, Washington, D.C., where the average tourist spends only a few days trying to take in the highlights of a city which by expert's count could exhaust three weeks time, is in need of a center to assist the traveler to help plan his stay in order that he may make the most profitable use of this time. This need grows as the number of visitors mounts yearly, and more people are in need of such elementary information as what to see and where to go.

As a proposed Visitors Center, Union Station offers several advantages. First, its size; second, its location; third, its beauty; and finally, the relatively inexpensive cost to the taxpayer to convert this impressive and imposing edifice into a reception center for the millions of Americans and citizens from other nations who visit this world capital each year.

In the early years of its existence, period pieces noted that Union Station, "contains in the passenger concourse the largest room in the world under one roof." Recent D.C. guidebooks suggest that this fact may still be true, noting that in comparison to New York's Penn and Grand Central Stations, the Union Station concourse is almost as large as the two combined. That the size is adequate to handle the daily crowds anticipated to the Visitors Center is evidenced by the fact that during World War II, the Station handled over 100,000 persons per day; up to 175,000 on holidays. It was closed only once due to over-capacity and that was on December 24, 1944, when an estimated 250,000 persons jammed the Station. As further proof of its size, the Station once served as the dining facility for 3,000 persons. In 1936, when the engineers at the Third World Power Conference were in need of a hall large enough to permit a sit-down dinner for all of the delegates, only Union Station was large enough and the waiting room was converted for the banquet.

Union Station is ideally located for a Visitors Center. It has been called at various times, the "gateway to the city," "gateway to the Nation," and by one magazine, as "... the grandest front door in the world." Surely, there is no more imposing or appropriate introduction to the citadel of democracy, and the seat of our Nation's Government, than the vista of the Capitol with its majestic dome that greets the visitor as he emerges from the main door of the Station. It is as breathtaking to the uninitiated as to those of us who have focused on it in awe throughout the years.

Long recognized as a building of great beauty in its own right, the Union Station was hailed as "the most beautiful building architecturally in America," by the American Architect magazine when the building first opened. And over the years this vast Roman palace of shining white Berthel granite with its central pavilion modeled after the Arch of Constantine has been cited as an inspiring example of the true conformation of function and design. In the style and the use of materials it is both ornamental and useful. As such, the White House consultant was prompted to note: "Union Station is a significant landmark with historic and esthetic value to the National Capital, and as part of our Capital's heritage, it should be preserved."

For this reason alone, many have asked that Union Station be saved from the fate suffered by New York City's Penn Station. I have received letters from such organizations and groups as Downtown Progress, the National Trust for Historic Preservation, and the Commission of Fine Arts, to name a few, all of whom concur on the one point that Union Station ought to be preserved. And most agree that a fitting use of this stately and dignified structure would be as a National Visitors' Center.

A final argument in behalf of the proposal before this Committee is the low cost of the project. Assuming there is agreement that a National Visitors Center is a necessity, the comparative cost between demolishing an existing structure to make way for a new one and renovating an existing building to serve the purpose

leave little room for discussion. The latter course is far less expensive. Add to this the factor that the expense of renovation and upkeep will be recovered with a nominal charge to users and the taxpayer as well as the tourist is obtaining an excellent bargain.

Equally, significant, to my mind, is the contribution of the railroads to the renovation. It is a commendable gesture on the part of the Washington Terminal Company, and its parent organizations—the B&O–C&O and the Pennsylvania Railroad. But, it is also a fitting conclusion to a marriage of private and public funds that began with the building of the Station when the generous financing of Union Station by the railroads was applauded as "the finest example on record of a conscious and costly cooperation on the part of railroad companies to beautify a great city." Similar sentiments can be expressed today.

In conclusion, I earnestly hope that this Committee will act favorably upon this proposal. I believe such action by this Committee will not only preserve a historic landmark, but also alleviate the need for a pavilion to welcome the visitor to our Nation's Capital.

Mr. GRAY. Our next witness will be Mr. Thornton W. Owen, president of the Terminal Committee, Inc., Washington, D.C.

Mr. Owen, would you please come forward. We are delighted to see you this morning, and appreciate your patience and appreciate your coming.

STATEMENT OF THORNTON W. OWEN, PRESIDENT, TERMINAL COMMITTEE, INC., WASHINGTON, D.C.

Mr. OWEN. My name is Thornton W. Owen, and I am president of the Terminal Committee, Inc., a nonprofit civic organization established several years ago for the purpose of developing a permanent industrial exposition and transportation center in Washington.

May I say that we are most grateful for this opportunity to appear before your committee to compliment you, Mr. Chairman, and the members of your committee on the wise selection of the Union Station for the Visitors Center. Such a center fulfills a longfelt need in the Nation's Capital and is of great advantage not only to Washington but to the Nation as a whole.

We feel that this opportunity to appear is most timely as the civic groups represented here have long been working on a project which we believe is not only entirely compatible with the interest of H.R. 12603, but that both complement the other and that together they offer far more advantages to Washington.

On the easels are maps showing both the Union Station and the location of our project at Mount Vernon Square. We propose to build on the latter a permanent industrial exposition above ground and a transportation center below. The latter will consist of separate terminals for interstate and suburban buses, 3,500-car parking, direct underground connection to the subway at Eighth and G Streets, as well as connection by escalators to the local buses on the city streets. By all means we agree that school buses and chartered buses bringing groups of visitors to Washington should go to the Visitors Center. What we are planning is permanent underground terminals for the regularly scheduled bus lines. I believe that the representatives of the two major interstate lines, Continental Trailways and Greyhound, will confirm the difference between these two categories, as well as the urgent necessity of new terminals for their constantly increasing traffic volumes.

We have done much work, and at considerable expense, in developing the many phases of our project; we believe it is practical and of

material benefit not only to Washington but, as a permanent exhibit of our industrial resources, to the Nation as a whole. We have retained the nationally known firm of architects, Hellmuth, O'Bata & Kassabaum of St. Louis, for the purpose of assuring that this great complex will add to the beauty and dignity of the Nation's Capital.

The Terminal Committee has established a subcommittee composed of Col. W. H. Press, executive vice president of the board of trade; Gerald A. Siegel, vice president of the Washington Post, and John W. Thompson, vice president of the Star, as the nucleus of the organization that will coordinate with industry on their requirements for space.

We have studied H.R. 12603 carefully and are unable to find any points of conflict with the complex we propose. I wish to take this opportunity, Mr. Chairman, to congratulate you on the care and forethought which has been given to the Visitors Center, a most welcome addition to Washington. We need here, with our millions of annual visitors, the Visitors Center, as well as a permanent industrial exposition, with the most modern facilities for rail, bus, and plane.

We have tried to make this presentation as comprehensive but as short as possible in the hopes that we will have the opportunity to answering your questions.

Finally, Mr. Chairman, I would appreciate your courtesy in being permitted to comment briefly after the statements of the others prepared to testify.

Mr. GRAY. Yes, Mr. Owen, we would be delighted to either hear them orally or you can submit those statements for the record, whatever you choose to do, if we have the time.

I want to congratulate you on your statement; and, if I may ask you a few questions for the record:

First, this seems like a very ambitious program, and I wonder what it represents in the way of dollar investment. Have you placed any price tag on this proposal?

Mr. OWEN. The total investment would be about $200 million. It would be done by private enterprise, would not entail any Federal subsidy.

Mr. GRAY. What means would you use to raise this amount?

Mr. OWEN. We have been in contact with industry and also of course the transportation people are involved. We would raise the equity money, which we estimate to be necessary, around $20 million or $25 million. The balance would be financed through insurance companies, through a mortgage.

Mr. GRAY. How would you amortize this project?

Mr. OWEN. Be amortized through the rental.

Mr. GRAY. Through what?

Mr. OWEN. Amortized through the rental of the exposition space and the commercial revenues on the ground floor.

Mr. GRAY. How far would this be from Union Station?

Mr. OWEN. This project extends from H Street on the south, you know where Mount Vernon Square is, I am certain, and it extends from Mount Vernon Square, New York Avenue, Massachusetts Avenue on the north, southerly to H Street.

Mr. GRAY. About a mile away?

Mr. OWEN. About a half a mile away. Union Station is roughly at North Capitol Street, probably a block east of North Capitol. We

are six blocks west of North Capitol, so it is about seven or eight blocks.

Mr. GRAY. Where are you in your planning? Are you in the preliminary planning stages?

Mr. OWEN. We have had work sketched to general plans. In other words, plans outlining the areas involved, and we have appeared before the National Capital Park and Planning Commission; but because they envision all bus terminals, all air terminals being in the Union Station Visitor Complex, they have not as yet given us a nod to proceed, and have not included us in their 1985 plan. And they envision everything coming to Union Station, which we feel is impractical.

Mr. GRAY. I would think offhand that with 15 to 20 million visitors a year, that we might best need some place else for transportation, because we are going to generate an awful lot of traffic just for visitors.

Mr. OWEN. As you are probably well acquainted with the fact that there are two bus terminals, one at 11th and G, on New York Avenue, and one directly opposite, there is a bus terminal for Trailways, and between the two of them they have about 9 million people a year.

If you are there during the rush hour, it is quite a problem.

Mr. GRAY. One other question. Has this plan been submitted to the National Capital Planning Commission?

Mr. OWEN. Yes, it has.

Mr. GRAY. What is their feeling?

Mr. OWEN. Their feeling is that they have not included this type of thing in their 1985 plan; the feeling, as I mentioned earlier, that the buses and the airlines should all go into the Union Station complex.

Mr. GRAY. One center?

Mr. OWEN. That is right.

Mr. GRAY. Where does this put you now? I am not being critical. Would you be able to proceed if in fact the National Capital Planning Commission should not give their blessing?

Mr. OWEN. No, we would not. In order to put this project over, it involves about eight city squares, and in order to assemble it we would have to have the right of eminent domain, which would mean going through the Redevelopment Land Agency. We would have to present the plan to the District of Columbia Commissioners for a public hearing, and then the Redevelopment Land Agency would come in the picture and condemn the land, after which we would reimburse them for cost of the land, and the NCPPC has to give approval.

Mr. GRAY. I am not arguing for or against putting all this transportation complex in Union Station, but where you propose private enterprise to do it, it seems to me that National Capital Planning Commission may be proposing the Government do it.

Mr. OWEN. I would think so. If they went through their plan with Union Station, the Government would naturally be footing the bill for a transportation complex.

Mr. GRAY. All you would need for your private enterprise people to spend the $200 million would be the right of eminent domain?

Mr. OWEN. We would have to have the NCPPC approval, and of course we would have a public hearing before the District of Columbia Commissioners.

Mr. GRAY. I might say in that connection that it is my understanding that the National Capital Planning Commission has not really come to any resolution about where the National Capital transportation

complex should be, because this is one of the objections that was raised this week by the Bureau of the Budget, that the President had ordered such a study, but it had not been completed.

Mr. OWEN. That is correct. They have not made such a study as far as we can find out. They suggested that we move this south of H Street and west of Ninth Street. If you are acquainted with the area physically and dollarwise, it would be impossible to do it, being very expensive ground, this particular area is very blighted.

Mr. GRAY. Are there any questions?

Mr. SCHWENGEL. Yes.

Mr. GRAY. Mr. Schwengel.

Mr. SCHWENGEL. I have listened with avid interest to your testimony, and I did not frankly get all of it, so I hope you furnish us with a copy.

Mr. OWEN. We will do so.

Mr. SCHWENGEL. I would like to look at it in more detail.

I have been intrigued because you say you can, or did I understand you to say that you can raise $200 million?

Mr. OWEN. We can finance it. In other words, we can raise equity money and the next will be borrowed money.

Mr. SCHWENGEL. And this is going to be around H Street and——

Mr. OWEN. H Street on the north boundary, extending northerly to Massachusetts Avenue, Mount Vernon Square, and New York Avenue, Sixth Street on the east, and 10th Street on the west.

Mr. SCHWENGEL. How many acres, roughly?

Mr. OWEN. Roughly about 750,000 square feet in that site.

Mr. SCHWENGEL. And how many cars will that hold?

Mr. OWEN. This development will be three floors underground. The lower level would be the interstate buses. The second level would be the local suburban buses. The upper level would be a concourse.

There would be, in between these levels, parking for 3,500 cars.

Mr. SCHWENGEL. You, of course, realize that 3,500 cars is not anywhere near enough for the traveling public?

Mr. OWEN. We realize that, but it is a physical impossibility to put that many more in there.

Mr. SCHWENGEL. Also this is going to be a new bus terminal?

Mr. OWEN. Yes, sir.

Mr. SCHWENGEL. To take care of the regular bus business?

Mr. OWEN. That is correct.

Mr. SCHWENGEL. Plus the charter business or the buses that come in with groups, just to visit the Capital?

Mr. OWEN. Charter buses would not come in here. This would be strictly interstate buses on scheduled routes.

Mr. SCHWENGEL. And the chartered buses——

Mr. OWEN. Chartered buses who would bring passengers, school groups for instance, it is our understanding that they would continue to use the Union Station complex where the Visitor Center is.

Mr. SCHWENGEL. What are you asking for? You are not opposing the Union Station——

Mr. OWEN. We think we complement it.

Mr. SCHWENGEL. You would complement it?

Mr. OWEN. Yes, sir.

Mr. SCHWENGEL. This installation?

Mr. OWEN. We believe so.

Mr. SCHWENGEL. Let me suggest to you that you pursue your objective. I have a feeling that as time goes on and as we evolve and unfold and complete the program we have in mind, that some of us have in mind, that we are going to attract not 15 million but 20 or 25 million people a year to this complex. So we are going to need everything that you can produce through private enterprise.

Mr. OWEN. Thank you, sir.

We have visions that this will tie in with surface buses at Seventh and Ninth Streets, that will go through the complex, and likewise it will tie in with the subway system. We have been in communication with the Metropolitan Washington Transportation Authority, and that can be worked out.

Mr. SCHWENGEL. Mr. Chairman, I think this man has some good ideas, and I think he ought to be encouraged.

I think it ought to fit in with the total plan. I am aware, as you must be, that the Union Station will finally become not a major, but one of the majors at most, but it could be an important satellite to the total program for the Visitor Center in the future.

Mr. OWEN. As you mentioned, there will be other visitor centers throughout the Washington metropolitan area.

Mr. SCHWENGEL. Do you have any plans to furnish a headquarters for people who would come by bus, by your bus, to visit the District, to be oriented before they go on tour of the Capital, so you would not be adding to the problem of Union Station for instance?

Mr. OWEN. I believe such service would be available. In connection with the industrial exposition. We have planned auditoriums for that particular purpose, to educate the public who come to this city, and there are many of them, not only the public but the foreign visitors themselves, how the American industry works, and free enterprise system.

Mr. SCHWENGEL. Would you be willing— I am talking about the Visitors Committee—for this committee to become a permanent committee to deal with the problem of visitors, to fit into a total program as a part of the Visitors Center Committee program?

Mr. OWEN. We would certainly——

Mr. SCHWENGEL. Or Interior Department, whoever supervises it.

Mr. OWEN. We would certainly be able to cooperate.

Mr. SCHWENGEL. That would mean consulting with us on providing space for visitors, maybe an auditorium where they could see a movie before a tour.

Mr. OWEN. That could be worked out.

Mr. SCHWENGEL. And facilities where they could get transportation from that site.

Mr. OWEN. We have an auditorium planned for this particular contract.

Mr. SCHWENGEL. Thank you very much, Mr. Chairman. I want to thank you for coming here and giving us this idea. I had heard some rumors about some other plans, and I guess this must be because of the rumor I heard.

Mr. GRAY. Mr. McEwen.

Mr. MCEWEN. Mr. Owen the buildings that are in this area now, they would be removed?

Mr. OWEN. Yes, sir, they would be removed.

Mr. McEwen. Would there be anything above ground?
Mr. Owen. Yes, sir.
Mr. McEwen. How many stories?
Mr. Owen. About eight.
Mr. McEwen. About eight stories?
Mr. Owen. Yes, sir.
Mr. McEwen. Would this be office buildings or what?
Mr. Owen. This would be the industrial exposition space, which would be leased to industry.
Mr. McEwen. I see. What about your roads serving this center?
Mr. Owen. There would be one street in here which would be closed, that would be I Street. Seventh and Ninth Streets would go through the Center. There happens to be, if you are acquainted with the area, a difference in elevation between the north leg and the south leg of about 15 feet. So the present buses which are on those surface streets would go directly under the lane running out from the higher elevation, and emerge at the other end and connect with the subway and the interstate and suburban buses by escalator underneath.
Mr. McEwen. You envision this as serving the suburban buses coming into the city, the interstate buses——
Mr. Owen. And local buses.
Mr. McEwen. All of these buses would have to use city streets?
Mr. Owen. They do, except this would take the interstate and some of the suburban buses off of the streets. In other words, we will use the center leg access. In communication with the Bureau of Public Roads it is feasible to bring an underground connection from the center leg to the east boundary of our project.
Mr. McEwen. The center leg——
Mr. Owen. That is the red lines [indicating].
Mr. McEwen. Indicated red on your map?
Mr. Owen. Yes, sir, coming through I Street, running directly into the facility, which will not be on the surface at all, cut down the running time for these interstate buses for as much as 15 minutes between here and New York.
Mr. McEwen. I wanted to ask a question, will copies of this map be included in the record?
Mr. Gray. Do you have that on a smaller scale?
Mr. Owen. Yes. We have considerably more detailed presentation which we could have shown, but it will take about 40 minutes to do that, colored slides and so on.
Mr. Gray. Do you have this in, say, about 8 by 10 size?
Mr. Owen. Yes.
Mr. Gray. Without objection we will include it in the record at this point.
Mr. Owen. We will submit it to you.
(For Mr. Owen's extended remarks see p. 67.)
Mr. Gray. I think this would be very helpful.
Mr. McEwen. That will have the same designations and colors as this which we are referring to?
Mr. Owen. More detailed than that, sir.
Mr. Gray. Very fine.
Mr. Owen, I notice you are accompanied by Mr. L. A. Jennings, chairman of the Federal City Council, and Maj. Gen. Louis W. Prentiss, Federal City Council.

Would these gentlemen please come forward. We will take Mr. Jennings first.

STATEMENT OF LEWELLYN A. JENNINGS, CHAIRMAN, FEDERAL CITY COUNCIL

Mr. JENNINGS. Thank you, Mr. Chairman. Members of the subcommittee, my name is Lewellyn A. Jennings and I am chairman of the Federal City Council. As you may be aware, Mr. Chairman, our civic organization supports the major proposals which are of civic benefit to the Nation's Capital.

May I compliment you, Mr. Chairman, on the selection of the Union Station as the Visitors Center. It is one of the most beautiful buildings in Washington. Lying as it does at the end of one of our most impressive avenues, it is indeed a most fitting site for the millions of annual visitors to Washington. We therefore agree that such a Center as provided for in H.R. 12603, would prove to be a most advantageous addition to the city.

We have been strong supporters of the National Exposition and Transportation Center described by Mr. Owen. We agree with him that a National Exposition and Transportation Center, in conjunction with a nearby Visitors Center located in Union Station, would prove to be assets of great value to the Nation's Capital.

The site selected for the National Exposition and Transportation Center is one of the most dilapidated sections of downtown Washington's business district. Its revitalization through this project will have a most beneficial effect on the whole area. We know that a permanent industrial exposition is favored by national industry—and what better place than in the Capital of our great Nation. The complex lying as it does on both sides of the proposed Eighth Street Mall will add much to the beauty of the city, and in particular to the Pennsylvania Avenue project with which it is also entirely compatible.

From a practical standpoint, such a National Exposition, which will attract millions of annual visitors, requires a great transportation interchange. Otherwise, it would result in hopeless street congestion. There is not room to put such a National Exposition and Transportation Center in the Visitors Center, nor is such a major attraction planned as part of H.R. 12603. In fact, it would be most difficult to find space for the 3 million square feet required, yet such an exposition is certainly an equally attractive feature for the visitors to Washington.

I fully agree with Mr. Owen that these two great features, the Visitors Center and the National Exposition, are mutually compatible, that both are extremely beneficial in the development of the city and will materially add to the vitality of the Nation's Capital.

I wish to thank you, Mr. Chairman, for this opportunity to express the views of the Federal City Council on the advantages to Washington as set forth in H.R. 12603, and to what I believe is its companion project which we also completely endorse.

Mr. GRAY. Thank you very much, Mr. Jennings, for a very fine statement.

Did I understand you to testify just now that the proposed Industrial Exposition Center that you have outlined here, and Mr. Owen

has outlined this morning, will encompass something like 3 million square feet?

Mr. JENNINGS. Yes. As a matter of fact, I would say it is probably in excess of that, but on the conservative side it would be 3 million square feet.

Mr. GRAY. The Union Station is just in excess of 300,000?

Mr. JENNINGS. Yes, it is a large project.

Mr. GRAY. Very large project.

Mr. JENNINGS. Eight floors. I might say that we, at our own expense, have had some architects, possibly this will come out of statements made by my colleagues, but architects have done some preliminary work, and at one time, while it was considered it would be 5 million square feet, but this is a very large project.

(Extended remarks follow:)

EXTENDED REMARKS TO THE STATEMENT OF LLEWYLN A. JENNINGS, CHAIRMAN OF THE FEDERAL CITY COUNCIL

On behalf of the Federal City Council, I wish to thank the committee for the courtesy and interest given me during my testimony on September 13, 1967. I am most pleased to avail myself of their unanimous consent to extend my remarks, as follows:

The site selected for the Exposition and Transportation Center has a very small residential population and contains a considerable number of transients. In one of the blocks there is no occupied housing. In a very considerable portion of the site, houses have already been demolished and the land is used for surface parking. Since this is one of the older portions of Washington, the great percentage of remaining houses date from 1885 or earlier. Under such circumstances the relocation problem will be minimal. As the committee is aware, ordinarily this becomes a major factor when an area is rehabilitated by a major undertaking.

The areas adjacent to the site, particularly east and north, across Mt. Vernon Square, are low cost housing. The project will require several thousand employees. This will enable those living in these areas to walk to work, a matter of considerable importance to those with lower incomes.

At present, 7th Street near Mt. Vernon Square is considered unsafe, particularly after dark. The Exposition and Transportation Center will be ablaze with light and active until midnight. This will radically improve the whole area as well as the nearby business district.

The library at Mt. Vernon Square is a beautiful building. A new library is being built downtown and this one will be abandoned. It would be my hope that this building could be retained and possibly turned over to the Smithsonian, so that historical exhibits could be shown from time to time, in conjunction with special displays by various industries in the Exposition Center.

Mr. GRAY. I might say in that connection that I am very familiar with Hellmuth, O'Bata & Kassabaum, and they do very good work. They are designing the air museum here on the Mall, and they designed the maximum security Federal prison in my congressional district. They do very fine work.

All right. General Prentiss, we are glad to see you this morning. You may proceed in your own fashion.

STATEMENT OF MAJ. GEN. LOUIS W. PRENTISS, CHAIRMAN, PROJECT PLANNING COMMITTEE, FEDERAL CITY COUNCIL

General PRENTISS. Mr. Chairman, gentlemen, my name is Louis W. Prentiss and I am chairman of the Project Planning Committee of the Federal City Council. H.R. 12603, setting up a Visitors Center in Washington, is a great step forward and I can but confirm the

highly favorable comments of those who have preceded me today. I wish to compliment you, Mr. Chairman, on your excellent choice of a site at the Union Station and of your wise provision for adequate parking facilities. New terminal facilities for the forthcoming high-speed trains are further proof of the care and foresight which has gone into the provisions of this bill.

As you may know, in the early 1950's I was Engineer Commissioner of the District of Columbia and the experience I then acquired with the problems of Washington has given me a deep and lasting interest in the development of our Nation's Capital. In my opinion, the Visitors Center and the project endorsed by the civic groups and presented here today together give our city advantages possessed by no other nation's capital. These two prime improvements are wholly compatible and each augments the other.

I refer again to the maps discussed by Mr. Owen. The center leg which is now under construction, and the proposed underground terminals in the exposition transportation center, will afford an unusual opportunity to relieve traffic congestion and at the same time provide desparately needed new facilities for both interstate and suburban buses. The subway station at Eighth and G Streets and the one at the Visitors Center will be less than 5 minutes apart in traveling time, thereby providing convenient transportation facilities between the two projects.

While none of those who have so far testified have made mention of the growing needs of the airlines, I believe there is a definite probability that as our plans further develop it will be possible to utilize these terminals and the center leg for the future mass transportation of passengers to airfields to board the 500-passenger planes which today are still on the drawing boards.

The idea being they would be assembled there and transported directly in one move to the 500-passenger plane.

The center leg will be connected by underground accesses to the terminals under H and I Streets. This will remove virtually all the interstate buses from the city streets and at least 60 percent of the suburban buses. I know of no other solution to the downtown traffic congestion which could be half as effective.

I thank you, Mr. Chairman, and members of the committee, for the opportunity of testifying on H.R. 12603, the Visitors Center, and on this project which I am convinced is its natural concomitant.

Mr. GRAY. Thank you, General Prentiss. Your contribution as a member of the Board of Commissioners of the District is well known, and it is refreshing to see someone continue to have an interest in the Capital City. And we deeply appreciate your coming this morning. We appreciate your testimony.

Do I understand that you would support the airlifting of people from the Visitors Center to the outlying airports through scheduled helicopter service from Union Station?

General PRENTISS. That would be a detail that the engineers of your project would have to work out. I was mentioning the transportation of people by bus from the bus terminals to the airports for these 500-passenger planes.

Mr. GRAY. I misunderstood what you said. I knew you mentioned the lifting of people. I thought you meant, when you said lifting, vertical lifting.

General PRENTISS. No; I would like to say also that I am a native-born Washingtonian, and the only one who has ever been the Engineer Commissioner and native born, both.

My family has lived here since 1789, so I have roots around here.

(Extension remarks follow:)

EXTENDED REMARKS TO STATEMENT OF MAJOR GENERAL LOUIS W. PRENTISS USA (RET.)

I wish to thank the committee for the attention accorded me in my testimony of September 13, 1967. The unanimous consent granted to extend my remarks gives the opportunity for me to include the following suggestion.

I believe from the comments of the chairman and other members of the committee that the great advisability of separating two such great traffic generators, the Visitors Center, and the Exposition and Transportation Center, was given full recognition.

During the hearing there was discussion of the delay in our project which had resulted from the National Capital Planning Commission not having yet made a transportation study. This study was to be based on their concept of a unified transportation center at the Union Station. Inasmuch as separation of the Visitors Center and the Exposition and Transportation Center appears most logical for many reasons, including as a most important factor elimination of traffic congestion, may I suggest that the transportation study I refer to above could be materially curtailed.

All that is actually required now is assurance of practicality of vehicular access to the Visitors Center. Our traffic studies for our project which contemplate use of the Center Leg, are developed in principle and need but refinement of detail. For example, we have already been assured that the Center Leg will absorb without difficulty the additional traffic we will impose upon it.

Much time and very considerable government funds can be saved by such curtailment. It is my hope that the committee will give consideration to this suggestion

Mr. GRAY. Are there any questions of General Prentiss or any of his associates?

Thank you very much, all three of you gentlemen, for coming this morning.

The next witness will be Mr. Coon, assistant vice president of the Metropolitan Washington Board of Trade.

Mr. Coon, we are delighted to see you this morning. We appreciate having you here this morning. You may proceed.

STATEMENT OF CHARLES C. COON, ASSISTANT VICE PRESIDENT, METROPOLITAN WASHINGTON BOARD OF TRADE

Mr. COON. Thank you, Mr. Chairman and members of the committee.

I would like to express the sincere regrets of our president of the Metropolitan Washington Board of Trade, Leonard B. Doggett, Jr., for his inability to be with you this morning. He had every intention of being here, and asked me to be sure to record his regrets at this time.

If I may, I will proceed with his statement.

Mr. Chairman and members of the committee, you may be aware of the keen interest that the board has always had in the tourists and visitors coming to Washington. This is one of our main industries here and I am glad to say increases in volume each year.

We have long felt the need for a focal point for these welcome visitors and believe the Visitors Center at the Union Station, as contained in H.R. 12603, is a most necessary addition to Washington. May I add, Mr. Chairman, that we, as well as the others present, know of the time

and study you have given this matter and all of us wish to express our sincere appreciation for the practicality of your solution.

I also feel that the proposed exposition and transportation interchange, which we fully support, is entirely in accord with the Visitors Center as contained in the bill on which we are testifying.

We became extremely interested in this proposed exposition and transportation interchange when we confirmed the great interest of national industry in a permanent exposition in Washington. Several meetings were held with industrial leaders and it was established that they preferred a downtown location provided there was assurance of easy access by both private and public transportation. This exposition will not be a trade mart; it will be an exhibition of the latest in American ingenuity in modern methods and machinery. As such it will be a living example of the depth and strength of our country's industrial economy. This will be most impressive to the millions of our citizens, school children, and foreign visitors coming each year to Washington.

Our organization has always been interested in the acute parking problems in Washington. With 4,000 parking places at the Visitors Center, and 3,500 in this project, 7,500 off-street parking sites will relieve at least some of the present need. We are equally interested in business conditions downtown. There is no question that business is now drifting west, but the major retail establishments are all located immediately adjacent to this site. We know that this project will have a profound impact on the revitalization of this area. Of equal importance is the elimination of downtown street congestion which has already reached the saturation point. The removal of the interstate buses from the city streets, the replacement of the present inadequate terminal facilites, and the provision for the first time of modern commuter bus facilities will all combine to make a lasting and needed improvement to Washington.

One point I should like to bring to your attention is the close relation between this exposition and the Smithsonian Institute. The latter shows the development of American ingenuity from earliest times to the present. The exposition shows that this perfection of every type of mechanism still goes on; that America is a young, healthy, growing industrial nation and has lost none of its skill in providing better living and more employment for its citizens.

Mr. Chairman, I thank you for the opportunity of appearing before your committee on these two matters which mean so much to Washington, and I appreciate your accepting me in place of the president of the board of trade.

Mr. GRAY. Thank you very much for a very fine statement. On yesterday I announced that the tourists are spending on the average of $350 to $400 million a year here in Washington. I also announced for the record that the National Park Service in their studies show that the average tourists stays less than 2 days, primarily because of the frustration of no place to park, et cetera.

On that basis, if we were to consider that we could get the Visitors Center established and allow people to park their cars, they could see Washington in an orderly manner, and, say, if we could double their stay to an average of 4 days, this could mean an additional $400 million to the merchants and the people in the Washington area spent by tourists.

And just figuring the sales tax, entertainment tax, at least, let's say, across the board of 4 percent, this could conceivably bring into Washington an additional $16 million per year just in taxes. You can see that the annual rental payment would be only $2.9 million so I think that is very conceivable to agree that the additional taxes alone, brought into the Metropolitan Washington area would more than pay the lease arrangement for this Visitors Center.

Would you agree with that statement, Mr. Coon?

Mr. COON. This sounds reasonable to me, Mr. Chairman, although I am not an authority on the project at hand.

Mr. GRAY. I am talking in round figures.

Mr. COON. May I toss one comment in the hopper here, as long as you have touched on this. I spent a number of years traveling in the United States for the Chamber of Commerce of the United States and dealt with individual chambers of commerce around the country. And I am impressed by the fact that if any of these cities that I am familiar with had any opportunity at all to get hold of a project which promises $200 million worth of private investment, the agencies of the city and everyone interested would certainly do everything possible to get this kind of investment.

And I hope the committee will encourage this project on that basis, if none other, because its economic contribution to the District of Columbia at this time would be particularly apropos, I think.

Mr. GRAY. I might point out that the U.S. Travel Agency says that 10 tourists staying overnight every night, 365 nights, equals 100,000 people working in a factory, the payroll would be equivalent, just 10 people staying each night for a full year. You can see that, if we have the proper accommodations where a lot of people are coming here and are not disillusioned after a day or so and if we had the facilities of keeping them here, this could be untold millions of dollars in additional revenue, which would certainly be good for the business people and your people on the Washington Board of Trade.

Also, very important is the fact that last year our annual payment to Washington was over a hundred million dollars. This comes from all the taxpayers all over the Nation, and it is in lieu of taxes because of the large number of Government buildings we have here; so, if we bring in more taxes to the people in the District of Columbia, this means less money we have to take out of the Treasury to pay the District of Columbia, so I think the amount of rental here is infinitesimal, compared to the potential income in taxes to the District of Columbia through increased tourist trade.

This is substantiated by the U.S. Travel Agency.

Mr. COON. I think both of these opportunities are tremendous opportunities for the economic development of Washington. You will probably recall that the Board of Trade is thoroughly in support of lifting people from downtown Washington by helicopter to our airports.

Mr. GRAY. I might state in that connection that the CAB has far more applicants to start this service than we even dreamed possible. They have 13 applicants, including 11 major airlines. So I think our dream that we share is going to come true, that we will get this service. We hope so, very soon.

Thank you again, Mr. Coon.

Are there any questions at all of Mr. Coon of the Washington Board of Trade?

Thank you very much. We appreciate your help and we appreciate your coming this morning.

Our next witness will be Gen. James A. Mollison, chairman, Public Affairs Committee, Metropolitan Washington Board of Trade.

STATEMENT OF BRIG. GEN. JAMES A. MOLLISON, CHAIRMAN, PUBLIC AFFAIRS COMMITTEE, METROPOLITAN WASHINGTON BOARD OF TRADE

General MOLLISON. Mr. Chairman, members of the subcommittee, my name is James A. Mollison and I am chairman of the Public Affairs Committee of the Metropolitan Washington Board of Trade.

As have the previous witnesses, I thoroughly concur in the advantages that a Visitors Center will confer on Washington. This city is more than the Capital of the United States; it is in effect the capital of the free world. A Visitors Center housed as it will be in such a monumental building, in such attractive a setting is a most fitting and needed addition to Washington; therefore, Mr. Chairman, I can only add my support to such a concept as set forth in H.R. 12603.

For several years previously I have been chairman of the transportation committee of the board of trade. The growth of our city has been almost phenomenal and farmlands of but a few years ago are now not only individual houses but great apartment developments. The number of commuters pouring into the city daily is greatly increasing. Virtually all of this public transportation is by suburban buslines yet there is no terminal for such buses and their patrons must wait in the open in all weather. One terminal point is on Pennsylvania Avenue, another on 11th Street. Both these congest the traffic. With the completion of the new FBI building on the north side of the avenue, the Federal Triangle across from it, plus the number of others whose destination is downtown, a solution must be found for this transportation congestion and inconvenience to our citizens. The exposition transportation project of the civic groups provides modern terminals for commuters, and through the use of the center leg will take about 60 percent of these buses off the city streets as well as materially reducing their schedules.

The present subway plan provides ideal redistribution to all of downtown as well as to the Visitors Center. It might be said that as the subway expands in future years there will be less space required for suburban terminals. This is true and the space now planned for their use can be, from the studies that have been made, easily diverted to other uses. Washington is estimated to have a population of 4 to 5 million by the year 2000 and from studies we have made there will always be alternate uses available in the exposition transportation project.

May I thank you, Mr. Chairman, for this opportunity to have expressed my support for the Visitors Center. I also hope that is my remarks I have been able to at least indicate the close co-relation between it and that of the civic groups in Washington, D.C.

Mr. GRAY. Thank you, General Mollison; that was a very fine statement. We appreciate the support the Washington Board of Trade is giving this proposal.

Are these any questions from any of the members of the committee?

Mr. SCHWENGEL. I have an observation that I want to make. I am in complete sympathy about what all of you have said about the advantages of this Visitors Center to Washington, D.C., and to the people here. This is grand and fine, and I hope you all become millionaires as a result.

But I would hope all of you would say that you are doing this for the people who come here who need to learn about this great complex. I would like to have all of you reflect on your statements and add to that thought. I would not want the Nation to think that you people are all doing this for your own benefit. All of us, I think, should have the attitude we are doing this for the Nation's benefit and the people who come here, who need a place to park, who need to have a better opportunity to see the facilities, and the opportunity here to learn.

This I know is what you are thinking about, but you ought to say so.

General MOLLISON. I agree with you, sir. I think we should because if we can make this a pleasant place to visit, we will get more visitors.

Mr. SCHWENGEL. That is right. You do not have to talk about the advantages, the advantages will come with the service you give.

General MOLLISON. That is right.

(Extended remarks follow:)

EXTENDED REMARKS TO STATEMENT OF BRIG. GEN. JAMES A. MOLLISON (RETIRED)

I am very pleased with the attention given me in my testimony of September 13, and appreciate the opportunity which the unanimous consent of the committee gives me to extend my remarks. Many factors regarding traffic requirements have been given serious thought in the Exposition and Transportation Center project. There will be a car reservoir area inside the complex to prevent lines of cars on adjacent streets waiting entrance for parking, and thus congesting traffic. Likewise there will be sufficient exits in order that there will be no traffic stoppage in rush hours. Provision will be made for those buses, principally suburban, which wish to travel on the city streets instead of the Center leg. Facilities will be included for trucks servicing the exhibits, stores, and restaurants in the building.

Of importance is the planning of pedestrian movement, between levels, for the infirm or handicapped. I make reference to all of the above to assure the committee that we are including such features in our initial designs.

There is, however, one point regarding this complex that has not yet been mentioned. It will be, to my knowledge, the largest practical fall-out shelter in the country. While naturally it is hoped it will never be needed for this purpose, such shelters cannot be improvised in the threat of imminent attack, yet due to its design of three underground levels, it is particularly adaptable for such a purpose. Megaton H-bombs achieve maximum effect by air bursts, the optimum height depending on the size of the bomb. Ground bursts blast tremendous craters, far deeper than the lowest level we plan, but do not cause so widespread destruction. While an air burst through its fire ball, its lethal rays and the hurricane winds it causes, would be instantly fatal to anyone on the surface, these effects are minimized underground, even if the burst was directly overhead. This would be by sheer chance.

The Exposition and Transportation Center is within running distance of eighty to one hundred thousand people. Once inside, their chances of survival would be tremendously increased. The availability of access to the subway, or even the Center leg, if the latter can be cleared, would also offer an opportunity for evacuation after the attack.

The entire complex is to be built with commercial funds; the underground structure as a fall-out shelter would be at no cost to the government. We would be happy to work with the appropriate agencies so that emergency use could be made of the underground areas for this purpose.

EXTENDED REMARKS OF LEONARD B. DOGGETT, JR., PRESIDENT, THE METROPOLITAN WASHINGTON BOARD OF TRADE

The unanimous consent of the Committee to extend my remarks is genuinely appreciated. I would like to make reference to certain programs for the betterment of Washington in which our organization is taking the leadership.

We have made clear our support for the proposed "Exposition and Transportation Center" and the Visitors Center at Union Station. I would like to point out some very important additional benefits to our National Capital which will flow from the construction and operation of these facilities.

The Board of Trade is fully committed to programs designed to generate employment opportunities and strengthen the economic health of Metropolitan Washington based upon a dynamic and progressive central city.

We are deeply involved in developing ways to provide new job opportunities for all of our citizens. The Exposition and Transportation Center will provide several thousand such new opportunities. We believe the health of this city depends upon maintaining a mutually beneficial balance between private business development and the expanding needs of the United States Government in its Federal City. In view of the steadily growing federal establishment from a physical and land use point of view, the Board of Trade believes that a project with the potential of the Exposition and Transportation Center should be welcomed with open arms. The creation of jobs in large quantity without the use of federal funds is difficult to achieve in our non-industrial area and the Exposition and Transportation Center is, in our judgment, a tremendous opportunity to do just that. We want to emphasize that in the midst of a host of critical problems facing this urban area, we believe the prospect of several thousand new jobs, many of which would be open to our disadvantaged citizens, is a big "plus" factor that should not be overlooked.

Equally of importance is the great need to expand the tax base of the District of Columbia. The new District Government is faced with a host of critical problems and virtually every effort to solve them requires huge amounts of tax dollars. We understand the annual real estate tax alone on the Exposition and Transportation Center is estimated at $3,500,000 per year, a very substantial sum. For example, this figure is two and one-half times the 1966 tax revenue realized from the Southwest Urban Renewal Area, a federal urban renewal project begun in the District of Columbia in 1954. It is more than two and one-half times as much money as is being recommended for vocational education operations in D.C. in the 1968 budget. Therefore, in a city where about half the land area is not on the tax rolls and where the need for revenue is so urgent, the Board of Trade believes that every reasonable opportunity to generate tax dollars should be encouraged. The Exposition and Transportation Center represents, as far as we know, the largest single proposal for completely private development that has ever been made in the District of Columbia.

The Board of Trade has, throughout its 78-year history, recognized and supported the predominant federal interest in Washington. Both the Visitors' Center and the Exposition and Transportation Center will be facilities of national importance. This city belongs to all the citizens of the United States. The Visitors' Center and the Exposition and Transportation Center will be imaginative additions to Washington serving all the millions of people who will come to visit their National Capital. Indeed, if we do not provide adequate visitors' facilities and greatly improve the transportation system of our city, it may well be that within a few years the Nation's Capital will not be considered a convenient and attractive city to visit.

I appreciate the opportunity to present this additional testimony in support of the proposed Visitors' Center and the Exposition and Transportation Center. Thank you.

Mr. SCHWENGEL. All of you ought to speak more of this and think more of this.

Mr. GRAY. Very good point from the gentleman from Iowa.

The next witness is Mr. Claude A. Jessup, eastern chairman, Continental Trailways Bus Systems. I am delighted to see you, Mr. Jessup, and appreciate your coming this morning.

STATEMENT OF CLAUDE A. JESSUP, PRESIDENT, EASTERN CONTINENTAL TRAILWAYS BUS SYSTEMS

Mr. JESSUP. Thank you, Mr. Chairman and members of the subcommittee, my name is Claude A. Jessup, and I am president of the Eastern Continental Trailways Bus Systems. Our corporation and that of Greyhound Lines are the two major interstate buslines in the country. Beside our regularly scheduled operations we charter buses from all parts of the country to many groups for many purposes. A great number of these visit Washington and heretofore had had no destinations in the city save hotels or motels. I am completely in accord with the concept of a Visitors Center as proposed in H.R. 12603 and consider this will provide an excellent opportunity for these groups to secure full information upon their arrival in the city. While this is not specifically mentioned in the bill, I respectfully suggest that chartered buses, of all lines, debark at the Visitors Center upon their arrival. I do not believe that this would unduly congest the traffic situation on the station plaza, or the immediately adjacent streets. I feel for these reasons that H.R. 12603 will fill a long needed and necessary improvement to Washington.

Beside our chartered service we also have regularly scheduled bus service to all parts of the United States. We, and Greyhound, carry a tremendous number of passengers on these scheduled runs. Our annual number of passengers initiating, terminating, or passing through Washington amounts to 4 million. This requires an average of 360 individual buses arriving or departing daily from the city. Each of these buses is 8 feet by 32 feet in dimension, or 320 square feet. So many buses on the streets around the Union Station would absorb so much of the available street surface as to result in very heavy congestion. If added to this were the Greyhound buses, it becomes apparent why we also are in complete agreement with the transportation exposition project which has been endorsed by the civic groups of Washington as set forth here today.

Our buses require loading docks for both passengers and baggage. It is not unusual for a bus to dock for 30 minutes or more. Yet due to our growing volume of business our present terminal facilities in Washington are completely inadequate. We have a daily problem to find space for arrivals and departures and holidays but multiply our difficulties. The terminals planned for the project being presented to your committee will solve our constantly growing needs for many years in the future.

I am sure, Mr. Chairman, that you are aware of the history of the New York Port Authority bus terminal. As originally built, this was considered to be adequate for an indefinite period. Within a few years it became necessary, at more than the original cost, to rebuild it to more than double its original size. The Washington project has not made this mistake, and equally important has provided for direct access without street congestion.

Since buslines offer the lowest cost public transportation facilities between cities, our patrons generally use other public transportation to and from our terminal. Therefore, the transportation interchange concept to suburban buses, the subway, and local buses is of prime importance to us also because of the convenience it offers our customers.

In conclusion, Mr. Chairman and members of the committee, may I be permitted to congratulate you on the proposed Visitors Center and to express the hope that in my testimony I have been able to show that the terminal exposition project fits in with your determination to improve Washington and the growing need for better terminals, both rail and bus, in the Nation's Capital.

I wish to thank you, Mr. Chairman, for this opportunity to appear before the committee to repeat my support of the Visitors Center for the benefit of all the people who are coming to Washington.

Mr. GRAY. Thank you very much. That is a very fine statement and we appreciate it immensely.

We think they are compatible and can complement each other, the bus system and the need for serving the people who come here to visit the Nation's Capital.

(Extended remarks follow:)

EXTENDED REMARKS TO STATEMENT OF CLAUDE A. JESSUP OF SEPTEMBER 13, 1967, PRESIDENT, CONTINENTAL TRAILWAYS EASTERN LINES

I wish to thank the committee for the unanimous consent which permits me to extend my remarks and to express my appreciation for the consideration given me in my testimony of September 13, 1967.

It is my hope that between the representative of Greyhound and myself we have been able to show the volume of passengers the bus lines carry annually. We have become an integral part of the public transportation facilities of this country, and each year we are faced with further expansion to meet the demands of the public. No one knows better than we that every form of transportation, rail, plane, and private car, as well as buses, is also equally needed. We welcome the development of the high speed trains and the growth of the airlines. There is enough business for all of us, and there is more to come.

I consider the use of the Visitors Center for chartered buses and school buses a most excellent idea, and one that could be advantageously copied by the other centers of tourist attraction in the United States.

Both Greyhound and ourselves have had much experience with such specialized services, and if we can be of assistance in any respect in aiding the practical development of these facilities at the Visitors Center, I am sure Greyhound will join with us in making this experience available to you.

Mr. GRAY. Our next witness is Mr. Virgil T. McKibben, assistant regional manager, Greyhound Lines, Inc.

He will present testimony for Mr. H. Vance Greenslit, chairman of the board of Greyhound Lines, Inc.

Off the record.

(Discussion off the record.)

Mr. GRAY. Back on the record.

STATEMENT OF VIRGIL T. McKIBBEN, ASSISTANT REGIONAL MANAGER, EASTERN GREYHOUND LINES

Mr. MCKIBBEN. Mr. Chairman and members of the subcommittee, my name is Virgil T. McKibben, assistant regional manager, Eastern Greyhound Lines, Division of Greyhound Lines, Inc., and I am representing Mr. H. Vance Greenslit, chairman of the board of our corporation, who regrets his inability to be present, as he is out of the country.

As stated by Mr. Jessup of Continental Trailways, we also charter a large number of buses to groups. H.R. 12603, providing a central point where visitors can initiate their tours of such a landmark as

Washington, appears to us to provide an example which might well be imitated by other main tourist centers in the country. We respectfully suggest that buses handling such touring groups should be permitted to make the Visitors Center their first stopping place.

We are very much interested also in the proposal of the Washington civic groups for an exposition and transportation interchange on the site selected by them. From a transportation aspect, we feel that this offers a practical solution to our constant and increasing concern of inadequate terminal facilities here and the growing congestion of traffic on the downtown streets. Our buses are large; they have to be. We know we add to traffic congestion and this makes it worse for the citizens of Washington, as well as ourselves. It is somewhat defeating to arrive at the outskirts of the city on schedule, and be 30 minutes late by the time you reach our terminals. The use of the center leg, the consequent elimination of traffic congestion, and equally adequate terminal facilities will enable us to improve our service considerably. If the 5 million annual passengers per year we carry, plus the 420 individual buses to and from Washington, are added to the figures given by Mr. Jessup, this results in 9 million bus passengers annually and 780 total daily number of buses. Taking these off the city streets would be of great benefit both to the citizens of Washington, as well as ourselves.

From our national experience we can do nothing but applaud, Mr. Chairman, your Visitors Center as set forth in H.R. 12603. This will be a model for other cities to follow. So, also, will be the proposal of the Washington civic groups, and I hope in this brief statement I have been able at least to indicate the interrelationship between the two.

On behalf of Mr. Greenslit, myself, and our corporation, I wish to thank you for the opportunity to present our views.

Mr. GRAY. Thank you, Mr. McKibben. That was a very forthright and very fine statement. I noticed you testified to the fact that 9 million bus passengers come to Washington each year. Would you hesitate to guess about how many of those are through passengers and how many right stay here for a visit? I am talking about visitors versus the intrastate or interstate passengers.

Mr. MCKIBBEN. Of course Washington is quite a visiting center, as you know, and it would be a little difficult without checking the records. I would like to ask Mr. Jessup what percentage you think.

Mr. JESSUP. Washington is a destination city.

Mr. GRAY. You would say a majority of them would stay some time——

Mr. JESSUP. I would say 85 percent.

Mr. MCKIBBEN. I would say about 10 percent were through.

Mr. GRAY. Ten percent would go on through and 90 percent would stay. The reason I asked that question, we are thinking seriously of putting in at least eight ramps leading into the parking area, four in and four out, and making provisions for a very high ceiling on the ground level in order to accommodate a large number of buses, because we feel that with the escalator system that we would propose in the upper levels of the parking garage, it would be very easy for the private car owner to get out of his car and come down the escalator. We could carry large vehicles on the ground level, and it would be much better. I was trying to get some reading as to how many buses, and what per-

centage of people who come here by bus would be potential visitors. Do you think it would be a large number, those who come here by bus are probably coming to stay a short period, and would do some sightseeing?

Mr. McKIBBEN. Yes; that is true. Why I gave that figure, I believe our figure would be like 10 percent, Mr. Jessup said 15—we run a number of trips that bypass Washington on our New York-Florida service that circle around.

Mr. GRAY. Those that come here generally are coming to the city for a visit of some duration, otherwise he could have taken a through bus.

Mr. McKIBBEN. I did not put in our prepared statement the number of chartered buses we operate into this area, which would give you some idea of the number of people that come here. I took this from our 1966 records. We have to report our miles to the Utilities Commission in the District, and we operated 4,441 charter buses into Washington, in and out of Washington, last year.

Mr. GRAY. 4,400.

Mr. McKIBBEN. Which we reported to the District of Columbia Commission here.

Mr. GRAY. When you say we, are you referring to all of your affiliates all over the country?

Mr. McKIBBEN. No, we, Greyhound Lines, Inc.

Mr. GRAY. Let's say I have a school group in West Frankfort, Ill., my hometown, and they call the nearest affiliate and they charter a Greyhound bus and they come to Washington.

Mr. McKIBBEN. That's counted in there, those charters into Washington.

Mr. GRAY. What is your average bus capacity per bus?

Mr. McKIBBEN. The average would be 38.

Our bus seats from 37 to 43.

Mr. GRAY. Let's say, average of 40 and 4,400 buses——

Mr. McKIBBEN. That was chartered, you understand, special buses bringing groups into the District.

Mr. GRAY. That number probably increases each year, does it not?

Mr. McKIBBEN. One year it was down a little when we had the little disturbances, and it was anticipated at that time, but usually it is on the increase. Our business has been increasing each year.

Mr. GRAY. All the time.

An questions at all of Mr. McKibben?

We thank you very much. You have been very helpful to our deliberations.

Mr. McKIBBEN. Thank you.

(Extended remarks follow:)

EXTENDED REMARKS TO STATEMENT OF H. VANCE GREENSLIT, CHAIRMAN, GREYHOUND LINES, INC. (AS REPRESENTED BY VIRGIL T. McKIBBEN)

I am most pleased to have the opportunity to extend my remarks due to the unanimous consent of the Committee and appreciate the interest and courtesy already given me at the meeting on September 13, 1967.

Under the provisions of the Bill under consideration, the railroads are to build new terminals at the Visitors' Center site. Their present terminals were built in the early years of this century, and I am sure the railroads will make many changes to improve efficiency and convenience of their patrons.

The above equally applies to Continental Trailways and ourselves in the Exposition and Transportation Center. Not only are our present terminals in

Washington completely inadequate for our present volume of traffic, but they are also obsolete. We look forward to the opportunity of participating in the designing of these new terminals to provide the maximum in operation and comfort for our patrons. In fact, this is the objective of both interstate lines in order that these facilities may serve as a model for the other major cities of the country, and what better place than in the nation's capital.

I have been informed that Mr. Jessup has offered the experience of Continental Trailways in assisting in the design of the facilities for chartered buses at the Visitors' Center. We also will be glad to join with them, and if either or both of us can be of help, we would appreciate your calling on us.

Mr. GRAY. The next witness is Mr. Clarence Arata, executive director of the Washington Convention and Visitors Bureau, Washington, D.C.

Mr. Arata, we are certainly happy to have you this morning, and appreciate very much your coming.

STATEMENT OF CLARENCE A. ARATA, EXECUTIVE DIRECTOR, WASHINGTON CONVENTION AND VISITORS BUREAU

Mr. ARATA. Mr. Chairman and members of the subcommittee, my name is Clarence A. Arata, executive director of the Washington Convention and Visitors Bureau. The office of our organization is located at 1616 K Street NW., Washington, D.C.

The Washington Convention and Visitors Bureau has been in continuous operation since 1931 and is the only agency, public or private, primarily responsible for the promotion of the visitor and convention traffic into this area. The bureau is a nonprofit organization, supported financially by over 1,200 business firms in the metropolitan area which supply 90 percent of our funds, and the District of Columbia government, which furnishes the remaining 10 percent.

I am also first vice president of the National Association of Travel Organizations, a nationwide trade association acutely interested in furthering travel to and within the United States and the proper accommodation of those who do travel. A representative of this organization is also submitting a statement today in support of H.R. 12603.

Because of our very close relationship with visitors, either as tourists or as convention delegates, we are keenly aware of the need for a visitor information facility. Our bureau, therefore, has constantly urged and supported efforts to establish a visitor information center in the District of Columbia. While we make some efforts to furnish information to visitors, we know that most visitors to this area do not reecive a good indoctrination of the entire meaning of a trip to Washington and its many historic and currently meaningful points of interest.

Our bureau publishes and distributes millions of pieces of literature annually for the benefit of our visitors, and we have in circulation perhaps the finest film available on the Washington area. Not only are our literature and films available in English, but also in foregn languages in order to attract foreign visitors as well.

But we know that the big void in properly welcoming and indoctrinating our visitors is the lack of a central visitor center which could and should prepare the visitor for a memorable experience when coming to the great National Capital area.

Further, in the current concept of a truly "national" visitor information facility, the millions of visitors who come here could be intelligently informed by exhibits, films, and displays on the attractions

of every State, territory, and possession of the United States as well as the District of Columbia.

It is a recognized fact that travel stands third in this country as an industry. One needs only to look at the tremendous increase in pleasure visitor and convention traffic in the Washington area.

Prior to World War II, visitors here numbered between 1 and 2 million per year. In 1950, tourists and convention delegates numbered about 3,300,000. In 1960, this figure increased to 7⅓ million. In the last several years, we have had the large total of over 9.5 million pleasure and convention visitors.

Undoubtedly, this will increase to 15 and even 20 million within a relatively short time. These will be purely tourists and convention delegates. The pure business visitors, of course, increase these figures by additional millions.

This is more than purely commercial business. The opportunity presented by this city—to teach all our visitors the true fundamentals of democracy as exemplified by the shrines, memorials, and by the day-by-day democratic processes—is one we should not let pass.

Most often the visitor to Washington does not have more than a few days to spend here, particularly for sightseeing. Many of them go away without having had the chance to get the most meaningful results from their visit.

Only through a National Visitors Center equipped with literature of all types—with motion pictures and slides describing the major highlights of this area and of the entire country—with well-informed guides to properly orientate the inquisitive visitor—with panoramic visuals leading the visitor to his principal interests—with intelligently presented information to the hundreds of thousands of students—with dramatic displays and information to the ever-increasing number of visitors from overseas—only with this kind of service can the visitor be properly rewarded.

We assume from the language and the tenor of H.R. 12603 that the need for and the desirability of a visitor information center has already been established in Congress.

As this committee well knows, desirable locations for a visitor center in Washington are fast disappearing. H.R. 12603 grasps an existing structure which could be relocated over the vast railroad tract area adjacent to Union Station. A new station could be built which would be much more efficient and more adaptable to current and projected railroad passenger needs.

This would then release the present Union Station structure for such alterations as would be required to provide the vitally necessary Visitor Center.

In view of the fact that there are few desirable locations left for the Center, Union Station seems to offer the best site, assuming, of course, that the parking facilities and the access roadways suggested by Mr. Gray's bill are an integral part of the entire project.

Traffic in Washington, as in all major cities, is a real problem. Traffic patterns around the Union Station area should and must be thoroughly thought out and solutions reached by the best traffic experts available, not only for the present but for the long-term use of the proposed visitor facility.

With the traffic problems solved, and with the necessary structural changes made, the National Visitors Center will become a monument to this forward-thinking Congress.

I would like to add these final points in favor of the Union Station site:

1. Union Station is an already established landmark in Washington;
2. From an architectural standpoint, it is recognized as a magnificent structure;
3. It commands one of the most impressive views in the city by day and by night;
4. It would seem to provide an easy flow of traffic within the building;
5. It has good proximity to the major points of interest in Washington;
6. It has sufficient interior area to provide the necessary services to visitors;
7. It has good freeway accessibility;
8. It has good rapid transit accessibility;
9. It has superior railroad accessibility;
10. Bus transportation can be brought to it; and
11. It is convenient for air transportation facilities.

Mr. Chairman and gentlemen, we appreciate the opportunity to appear before you in support of H.R. 12603.

I again want to congratulate you on your forward-looking concept of this Visitor Center and appreciate the opportunity to appear before you today.

Mr. GRAY. Thank you, Mr. Arata. That was one of the most detailed and informative statements we have had in our hearings. It has special meaning since it comes from a representative of the Washington Convention and Visitors Bureau, who has been grappling with this problem for many years.

Let me ask you this: If the legislation that is proposed should become law and the National Park Service should take over the National Visitors Center, would it not still be feasible for the Washington Convention and Visitors Bureau to provide some of the literature which would speak directly for the people in Washington in such a Center?

In other words, we would hate to lose the service of this long-established group. Have you been handling this particular problem in Washington and do you foresee in this proposal, a place for the Washington Convention and Visitors Bureau?

Mr. ARATA. I certainly do, Mr. Chairman, and as a matter of fact, we are currently providing the National Park Service at their roadside information stands, of which they have several now, with the literature that is given to those people who stop by the roadside stands and inquire about points of interest in Washington.

Mr. GRAY. So you would not only expect to keep your interest but expand upon the work you have been doing and you conceive between the National Park Service running this and the Washington Convention and Visitors Bureau.

Mr. ARATA. None whatsoever. As a matter of fact, again we collaborate pretty fully with the Park Service and as you perhaps know, supply many, many Members of Congress for their own use several types of literature to give to their constituents who visit their office here.

Mr. GRAY. I am delighted to hear you say that because I certainly applaud the work you people have been doing with the meager means you have. You need a facility to gather all of these people together which your group, of course, has not had the responsibility to provide.

Mr. ARATA. I was interested in your statement before, Mr. Gray, about the tax returning directly to the District of Columbia from visitors' expense and the people in the District Building, the budget people, have given us information that just now our current $413 million, and it is that figure now, $413 million, are spent by tourists and convention delegates in this area, somewhere between $15 and $16 million now goes directly back to the District of Columbia in taxes.

Mr. GRAY. Fifteen to sixteen million?

Mr. ARATA. Yes.

Mr. GRAY. The round figures I used of $16 million were correct; $400 million and 4 percent tax which comes to about $16 million.

Mr. ARATA. Correct, sir.

Mr. GRAY. And that tends to be substantiated by the budget people in the District of Columbia?

Mr. ARATA. Just hotel room tax alone, which has now increased to 5 percent, the next fiscal year it is estimated to be about $2.5 or $3 million, the yield out of room tax which is, of course, basically largely made up of tourists and convention people.

Mr. GRAY. I am glad to hear that my guesstimate was that close. Are there any questions?

Mr. SCHWENGEL. Mr. Chairman.

Mr. GRAY. Mr. Schwengel of Iowa.

Mr. SCHWENGEL. Mr. Arata, I am very glad to see you here. You, of course, know of my interest in what you have been doing and the work you have done for a long time. Eight years ago, this year, some of your people—maybe you were in that group—sat down and talked about it, the advisability, the feasibility, of a Visitors Center at that time. Your people helped me draft the original bill introduced for this.

Mr. ARATA. Yes.

Mr. SCHWFNGEL. For this I want to say thank you, and commend you. I want you to really know that you and your people have been doing some planning and work. Also, those of us in this area, especially Congress, and the executive department, ought to be grateful for you for the service you have offered, limited though it is, necessarily, to people who come here. I know of the hundreds of thousands of pieces of literature you send out to be provided and ask for questions, suggestions, and in this you have been of invaluable help.

Mr. ARATA. Thank you.

Mr. SCHWENGEL. You have made a very fine contribution. I was very interested in your statement here, too. I want to commend you about the literature, the thoughts, the ideas you expounded here and the vision you have demonstrated in your statement.

Mr. ARATA. Thank you.

Mr. SCHWENGEL. The 24-member committee have talked about many of the things you have touched on here, and if we have this Visitor Center finally, you, and your group can take some credit for the initiation and the fine cooperation. I am glad to see you here and I hope you will continue your interest and I am sure you will.

And I hope, Mr. Chairman, when we have a Visitor Center, we can have a place where your group can be represented and extend your services to our Visitor Center, that will aid and abet the total program we have in mind for the people.

Mr. ARATA. Thank you.

Mr. SCHWENGEL. You have a very fine organization. You have been doing a great job.

Mr. GRAY. I want to associate myself with the remarks of the gentleman from Iowa, and that was the point I was making a moment ago. I hope you people will continue your great work and also expand upon it with the increasing number of visitors that are coming to Washington.

Mr. ARATA. We hope we can.

Mr. GRAY. Thank you very much. That was a very fine statement.

Without objection, I would like to submit for the record at this point, a statement from the Honorable Tom S. Kleppe, of North Dakota, in support of H.R. 12603, and a companion bill which he has introduced.

(The prepared statement of Hon. Tom S. Kleppe follows:)

STATEMENT OF HON. TOM S. KLEPPE

I am happy to lend my support to H.R. 12603 and related bills to establish a National Capital Visitors Center here in Washington, D.C. I have long been concerned with the growing congestion in the Metropolitan area, with the resulting inconvenience to both the residents of this city, and the millions of visitors that arrive every year at this mecca of America. I have looked forward with anticipation to the report of the commission that was set up to study the need for such a center, and am hopeful that the Congress will enact legislation making the plan a reality in the near future. To that end, I was pleased to introduce H.R. 12831 (which is similar to H.R. 12603), a bill to establish a National Capital Visitors Center to be located in the present Union Station.

As proposed, the National Capital Visitors Center would provide a better organized transportation system between the many historic sites in the area. It would also provide visitors with the ease and convenience of having at their disposal a focal point to plan their vacations in the Capital. Without some such focal point within the city, many visitors remember our Capital as a place where the monuments were too spread out; where ground transportation between points was insufficient; where what transportation there was, was congested and inconvenient; and where the parking and parking tickets were a problem. These problems will be minimized once the National Capital Visitors Center is in operation.

I have no doubt that once the National Capital Visitors Center becomes a reality, more visitors will come to Washington, their stay will be more enjoyable—and probably extended, and they will leave with only a heightened impression of the Nation's Capital—both as a national historical center, and as a modern and organized city.

Mr. GRAY. Since that concludes our list of witnesses, I understand Mr. Owen would like to come back and sort of recap some of the testimony made by his association.

Mr. OWEN. If I may, very briefly.

Mr. GRAY. We are happy to recognize again, Mr. Owen.

SUMMATION BY THORNTON W. OWEN—Resumed

Mr. OWEN. Mr. Chairman and members of the committee, in our testimony we have endeavored to give you as brief, yet as comprehensive a description of our project as possible. Needless to say, our studies into details have gone far further than this. In fact, we have a slide and taped presentation which we did not show in order to conserve your valuable time. The maps which we had prepared for this meeting were purposely designed to eliminate unnecessary details.

We are in the hopes that from our statements here we have been able to demonstrate how effectively and without duplication our project is the counterpart of the Visitor Center as contained in H.R. 12603. If we have, this will give us particular encouragement in our effort to modify the decision of the National Capital Planning Commission of October 13, 1966. At that time they advised us that their proposed 1985 comprehensive plan for Washington envisaged that the major transportation center, including interstate buses, be located in the immediate vicinity of the Union Station, and suggested we move the exposition and parking features south of H Street and west of Ninth Street.

Your Visitors' Center, as contained in H.R. 12603, does not envisage any unified transportation center at the Union Center. Moreover in the area they suggest, we would cause serious traffic congestion and no solution would be found for the interstate bus companies, or for any suburban terminal. The center leg is under construction and land has been acquired at least to Massachusetts Avenue. The use of the arterial freeway is an integral part of our plan.

Under these circumstances if your committee agrees with us that our project will be of benefit to Washington, we are prepared to return to the National Capital Planning Commission requesting a new hearing.

We are now prepared to answer the questions which we hope our presentation has aroused sufficient interest on your part for you to ask.

In line with what you mentioned earlier, Mr. Chairman, with regard to taxes, I might point out in our prepared statement we have estimated the increased real estate taxes from this project, over and above our current produced by the existing improvements in the area, would amount to $3.5 million per year, based upon the present basis of assessments and taxation.

Mr. GRAY. Even if you took off the tax base, some of the so-called substandard homes and business places in this area, the new construction and new investment would——

Mr. OWEN. This would be in addition to what is now produced.

Mr. GRAY. In addition to, or over and above what is paid now.

Mr. OWEN. Yes, sir.

Mr. GRAY. In the aggregate of $3.5 million.

Mr. OWEN. Not inclusive of any sales taxes, payroll taxes, and things of that type, employment taxes.

Mr. GRAY. Of course, this committee would not be in the position of supporting the plan without public hearings, and some expression of interest by the individual members. I will address your recommendation to the National Capital Planning Commission, and ask that

they complete their studies as soon as possible, those studies that were ordered by the President in February of this year, so they could come to some resolution as to whether or not they felt they wanted to recommend that this be done at Union Station or whether they want to leave it up to private enterprise—which I personally favor. By them coming to some resolution, would expedite your consideration, at least let you know where you are.

Because as I understand, you are pretty much in the dark now as to what the city planners want to do about proceeding with your private plan.

Mr. OWEN. As you know, most planners, if it is not their idea, it isn't any good. You may or may not know the Federal Aviation Agency was considering an airport terminal in downtown, which incidentally, would have been diagonally opposite where we planned. But, however, they would go in the residential area, meaning moving housing and we talked with their general counsel and they are perfectly willing to work with us and create an airport terminal here as well as on top of the building. And they also did this with Dulles and Friendship.

Mr. GRAY. You are referring to the ticket offices, are you not, the gathering portion?

Mr. OWEN. Ticket office as well as the gathering of the passengers to go to and from the terminal. It will go eventualy through the Federal system, by short connection and use of Washington Railroad tracks, they can get into Dulles and another connection from Pennsylvania Railroad, a short connection into Friendship, and eventually through the subway system as planned, the rapid transit, will go into National. There will be an interchange between the bus people, the cars and air transport.

Mr. GRAY. Right. We are figuring on advocating a heliport on top of Union Station for the airlifting of people who want to travel by air, but as you know, only about 17 percent of the people who travel go by air, so I don't think this would be in competition at all with the buslines and surface transportation, but one would complement the other and provide a more rounded service. So I don't think we would get into conflict.

Thank you very much, Mr. Owen. You and your group have been very helpful and we thank you very much for the great enlightenment you have brought to this subject and for your support we are indeed grateful.

Mr. OWEN. We appreciate an opportunity to appear.

(Extended remarks follow:)

EXTENDED REMARKS TO STATEMENT OF THORNTON W. OWEN

I greatly appreciate the courtesy of the subcommittee in their unanimous consent to allow me, and the officers of the other civic groups that accompanied me, to extend their remarks.

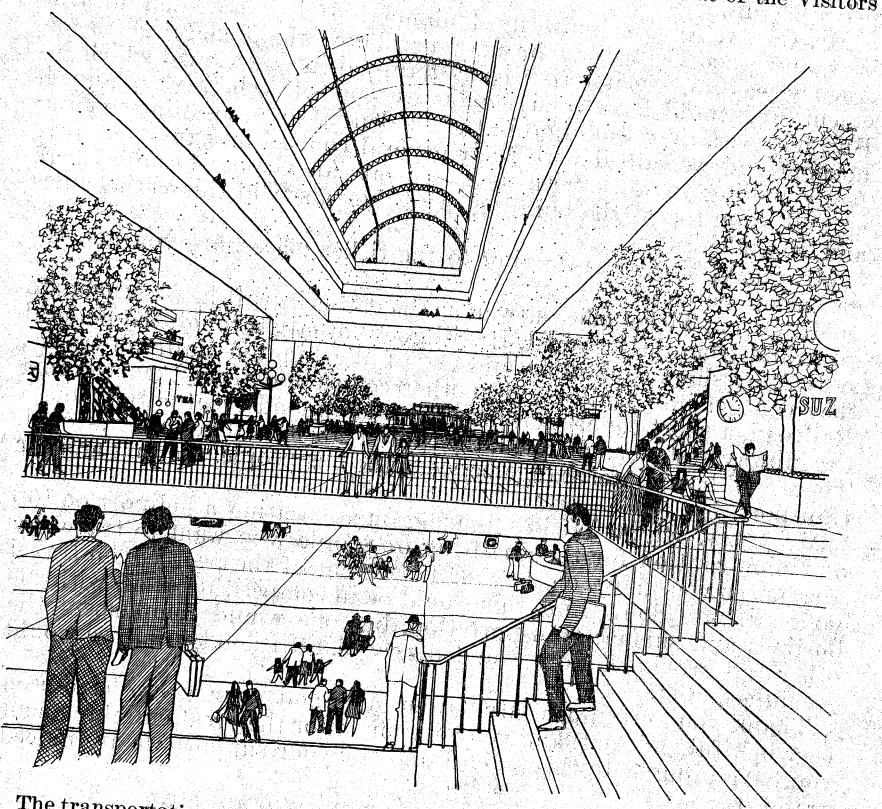
In accordance with the sage comments of the Hon. Fred Schwengel at the meeting on September 13, 1967, I wish to emphasize that the Exposition and Transportation Center we propose is, like the Visitors Center, for the nation as a whole rather than primarily for the benefit of the citizen of the Metropolitan Washington area.

The permanent industrial exposition will be national, the terminals and the parking areas serve the visitors to Washington. That we have been able to in-

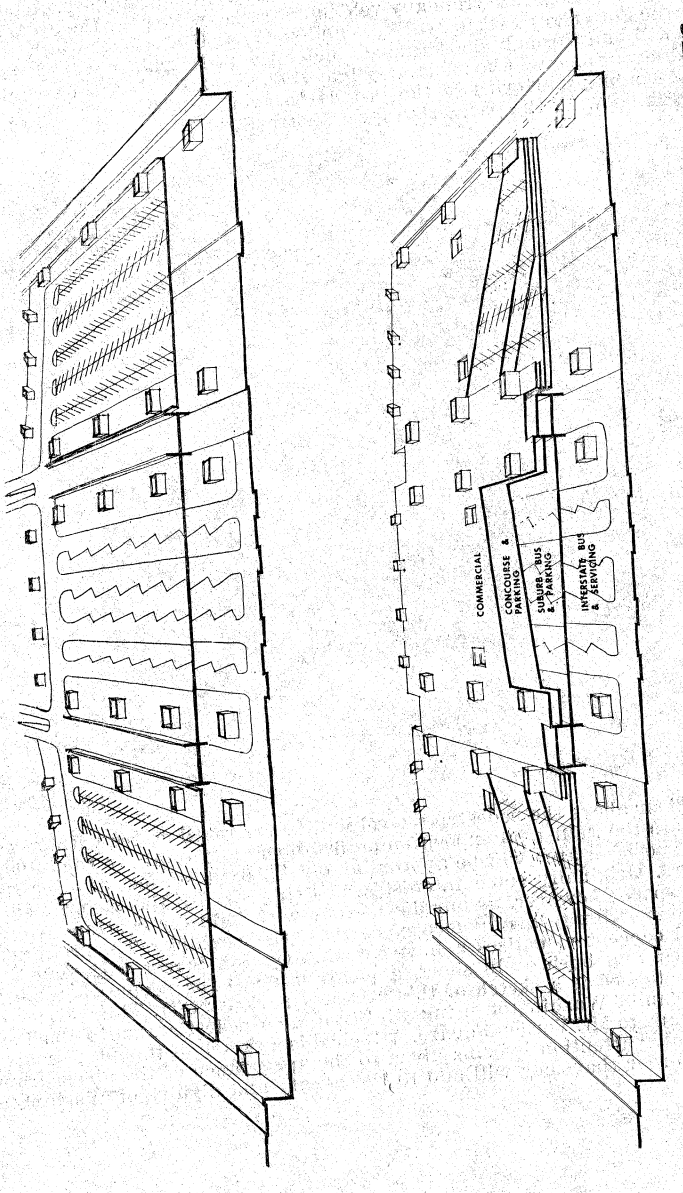
corporate material advantages to the city, in developing this project, is of great interest and gratification to the local civic groups who have endorsed and developed it.

To save the valuable time of the committee on September 13, 1967, I but briefly indicated the functions of our project without going into even the major details. I am pleased to have this opportunity to describe its main features more fully.

The complex lies directly south of Mt. Vernon Square and is bounded by H Street, Tenth Street, New York Avenue, Mt. Vernon Square, Massachuestts Avenue and Sixth Street, all of course North West. This comprises an area of eight blocks. It might at first be considered that the project is of undue size. From our studies of its functions actually it is just large enough to house the features it will contain. Attached is a map showing our location and that of the Visitors Center (marked "A").

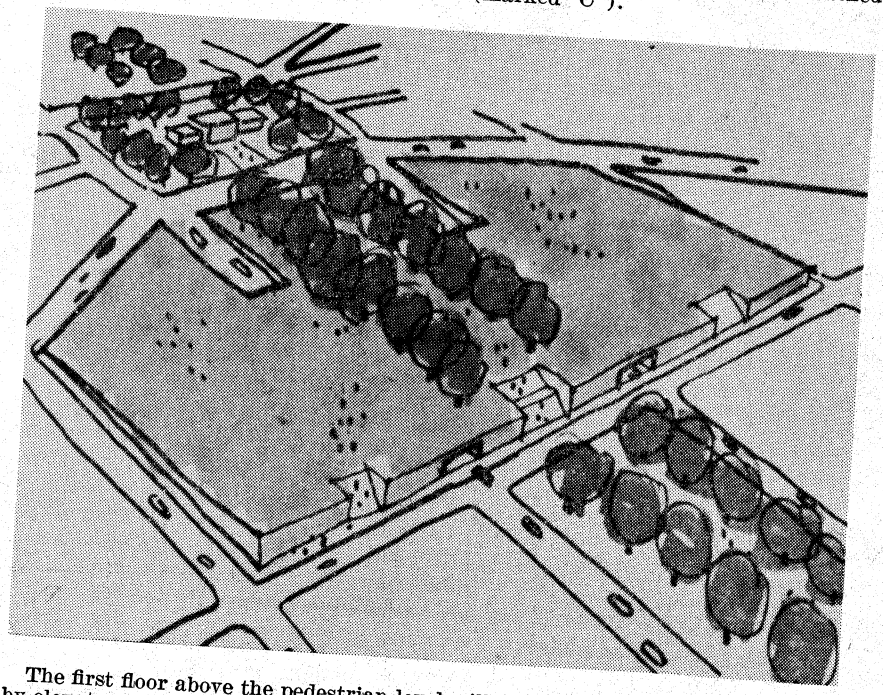


The transportation center is all below ground save for the local city buses which will be on 9th and 7th Streets. The underground area comprises three million square feet total on three equal-sized levels. The lowest level is for the interstate buses. The next is for the suburban buses and the first level underground is a pedestrian concourse. This connects by escalators and elevators to the lower levels and by an underground passageway under 8th Street to the subway station at 8th and G Streets. Equal access is provided to the street levels and to the pedestrian level above. Since parking facilities do not require as much head room, our architects have been able to fit four levels of parking into the three sub-levels described above. Attached is a sketch showing the underground area in cross section (marked "B").

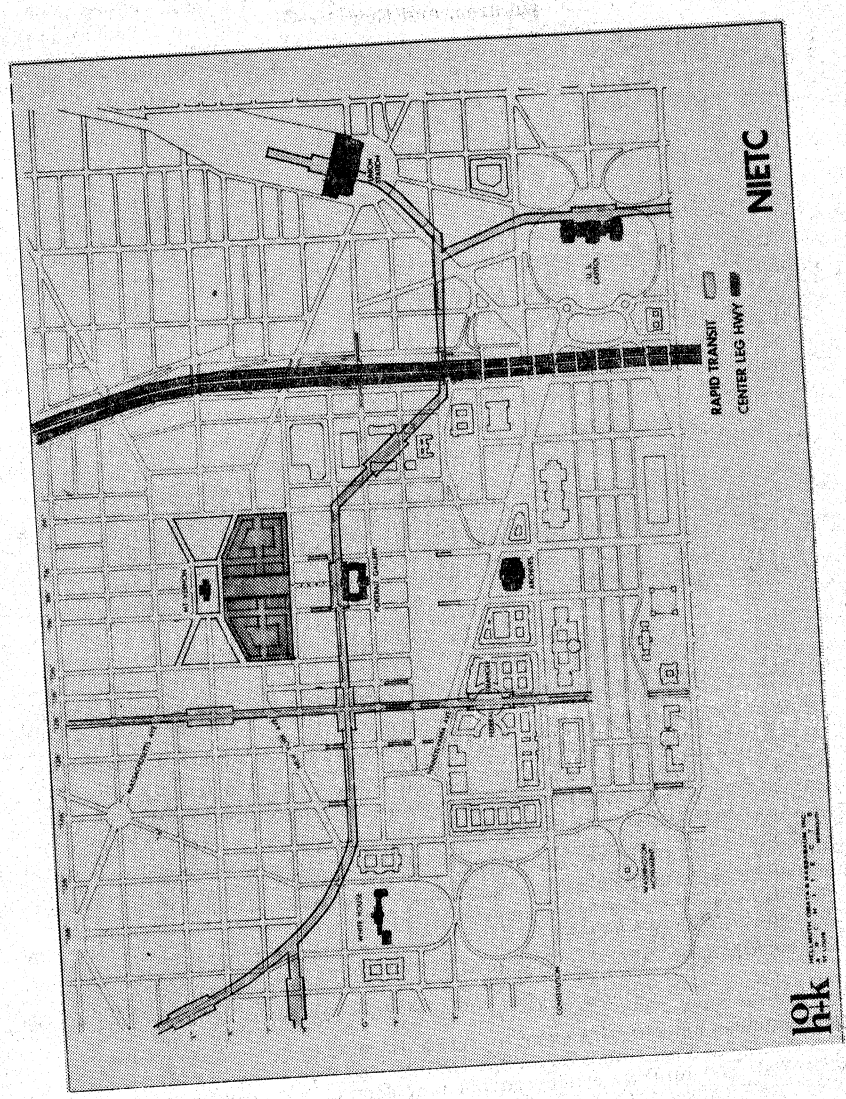

NIETC
COMMERCIAL
CONCOURSE & PARKING
SUBURBAN BUS & PARKING
INTERSTATE BUS & SERVICING

Both interstate bus, suburban bus, and parking levels connect with the center leg of the inner loop by tunnels under I Street.

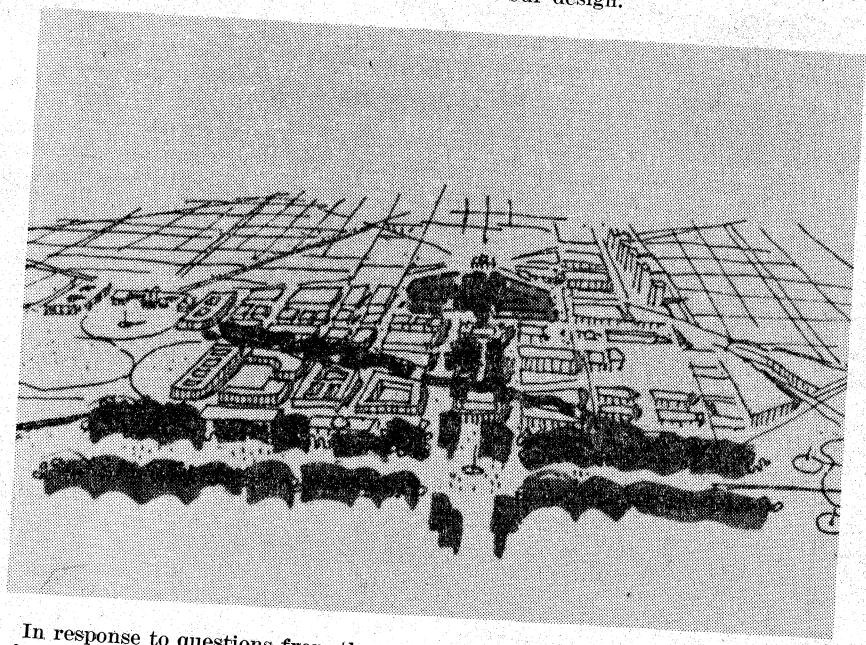
Above ground we have been able to take advantage of the land contour which is some fifteen feet lower at H Street than at Mt. Vernon Square. A pedestrian level, completely separate from any vehicular traffic, will cover the area, at street level at the Square, and with escalators and stairs at H Street. Seventh and Ninth Streets will run through short tunnels under the pedestrian level. These, due to the land elevations, will be short, daylight tunnels, and the local buses will have cut-back loading platforms in the project to avoid traffic congestion. Attached is a sketch showing the pedestrian level (marked "C").



The first floor above the pedestrian level will be for retail stores with accesses by elevators to the industrial exposition on five floors above. Above the 3,700,000 sq. feet of exposition area will be approximately 1,580,000 sq. feet of office space on two floors. Originally some interest was expressed by the government in leasing this space; however, as our discussions with industry continue, we find that they are most interested in office space above their exhibits. The preliminary architectural concept visualizes a huge arcade over 8th Street with fountains, grass, benches, and bushes—in short, a pleasant place for people to come for relaxation. Attached is a sketch of this arcade (marked "D"). This carries out the general plan of Washington using 8th Street as a pedestian mall from Pennsylvania Avenue to Mt. Vernon Square. Attached is a sketch of this plan (marked "E"). Particular attention is being given to the appearance of the above-ground structure in order that they will add to the beauty and dignity of Washington.


NIETC
RAPID TRANSIT
CENTER LEG HWY

In the accompanying illustrations it will be noted that we have not drawn any perspective of the total complex though we have several designs in various stages of development. This structure will have a profound effect upon the appearance of the downtown area, and therefore we wish to develop our plans further prior to completion of our drawings. The huge translucent arcade over 8th Street to which I refer above appears to have very considerable merit, and I hope that it will be an integral feature of our design.



In response to questions from the committee, the following is a recapitulation of the total square footage in the complex.

Gross square footage above ground

	Square feet
Ground floor	740,000
Exposition (2d to 6th floors inclusive)	3,700,000
Offices (7th and 8th floors)	1,580,000
Total gross	6,020,000

This results in net square footage of 4,500,000 sq. ft.

Gross square footage below ground

Each sublevel is 1,000,000 sq. ft. x 3=3,000,000 sq. ft.
This results in a net square footage of 2,375,000 sq. ft.
Therefore, the total area above and below ground is: Gross, 9,080,000 sq. ft. and Net, 6,875,000 sq. ft.

Two corporations are necessary, a commercial corporation to build and operate the entire complex, and a non-profit corporation composed of industry to set policies for the exposition areas, arrange for special displays, and, among many other matters, to issue a high grade quarterly brochure distributed nationally and internationally. This will include articles on the Visitors Center and the other points of interest to encourage visitors to come to Washington.

Our preliminary costs and revenue figures indicate that this great project can amortize over a reasonable term of years, pay operating expenses, and return

approximately $3,500,000 in additional real estate taxes alone, to say nothing of other taxes to the District and Federal government. It is obvious that rental figures must be comparable with those existing elsewhere in the country, or leases cannot be obtained. For this reason, the operating corporation cannot be unreasonable in its demands nor make an undue profit. As a living example of industry and commercial exterprise which has made our country so great, it is felt that the best example for this project would be private commercial financing; therefore there will be no request for Federal funds. We must, however, have the use of eminant domain to acquire so large a site. This requires the approval of the National Capital Planning Commission. Statutory authority now exists for such purposes and we will reimburse the agency for land acquisition.

Mr. GRAY. We originally had scheduled a very distinguished member of the 21-member Commission to study the need for a visitors center, Mrs. Jack Coopersmith, but she has been notified that Mr. Hummelsime, who is president of Colonial Williamsburg, would like to appear and since he also is a member of the Commission, she would defer this morning until the next hearing. She is here in the hearing room, but wants to appear later. We appreciate very much the consideration of both of the commissioners to come back.

I also want to announce at the conclusion of the hearing this morning that we will have departmental witnesses, and the 21-member Commission who studied the need for a visitors center will submit the written report. It is by law scheduled to be presented by the 15th of this month. It is at the printers now. As soon as it is printed and presented to Congress, the departmental witnesses will be able to come down and testify.

So we expect to adjourn the hearings now, and reconvene them, we hope, very soon.

Mr. SCHWENGEL. Mr. Chairman.

Mr. GRAY. Yes, Mr. Schwengel.

Mr. SCHWENGEL. If I may, first I want to commend the chairman for making the observation that different modes of transportation ought not to appear in competition with each other. I think they together have a responsibility and they do really compliment each other. So it was a very valid point.

Also, Mr. Chairman, I would like to ask the unanimous consent for any of those that appeared who may want to extend their remarks, may be able to do so.

Mr. GRAY. Yes; that is a very good suggestion.

Are there any other questions and comments of the committee members?

As we conclude the second day of hearings, I want to thank all of the subcommittee members for their fine attention and all of the witnesses and repeat that we thank you very much on behalf of the committee. With that, we stand adjourned, subject to the call of the Chair.

Mr. CRAMER. Mr. Chairman, it has been called to my attention that certain papers ought to be made a part of the record at this point for consideration by the members of this subcommittee and committee.

On October 25, 1965, articles of incorporation of the "National Industrial Exposition & Transportation Center, Inc." were filed with the Office of Superintendent of Corporations and duly certified by the Office of the Recorder of Deeds for the District of Columbia.

Among the board of directors of this corporation are the following individuals who testified before us today: Thornton W. Owen, who testified today as the president, Terminal Committee, Inc., Washington, D.C.; Llewyln A. Jennings, who testified today as the chairman, Federal City Council; Gen. James A. Mollison, who testified today as the chairman, Public Affairs Committee, Metropolitan Washington Board of Trade; Claude A. Jessup, who testified today as the president, Eastern Continental Trailways Bus System; and Gen. Louis W. Prentiss, who testified today as the chairman, Project Planning Committee, Federal City Council. There are five other members of the board of directors of this corporation.

The three incorporators of this corporation are L. A. Jennings, Thornton W. Owen, and Gen. Louis W. Prentiss.

Mr. Chairman, for the benefit of those who are interested in this legislation, I request that the articles of incorporation, and the certification thereof, for this corporation be made a part of the hearings at this point. The National Industrial Exposition & Transportation Center, Inc., is a stock corporation founded, among other things, with the objective of "promotion, construction, ownership, and operation of a permanent industrial exposition and transportation center."

(The certification and articles follow:)

OFFICE OF RECORDER OF DEEDS

CORPORATION DIVISION, WASHINGTON

This is to certify that the pages attached hereto constitute a full, true, and complete copy of Certificate and Articles of Incorporation of National Industrial Exposition & Transportation Center, Inc., as received and filed October 25, 1965, as the same appears of record in this office.

In Testimony Whereof, I have hereunto set my hand and caused the seal of this office to be affixed, this the 31st day of October A.D. 1967.

PETER S. RIDLEY,
Recorder of Deeds, D.C.
By NATHANIEL GROSMAN,
Assistant Superintendent of Corporations, D.C.

OFFICE OF RECORDER OF DEEDS

CERTIFICATE

This is to certify that all applicable provisions of the District of Columbia Business Corporations Act have been compiled with and accordingly this certificate of Incorporation in hereby issued to National Industrial Exposition & Transportation Center, Inc., as of October 25, 1965.

PETER S. RIDLEY,
Recorder of Deeds, D.C.
By ALFRED GOLDSTEIN,
Superintendent of Corporations.

OFFICE OF SUPERINTENDENT OF CORPORATIONS, DISTRICT OF COLUMBIA

Filing Fee, $20,000.
Indexing Fee, $2.00.
Initial License Fee, $10.00.

ARTICLES OF INCORPORATION OF NATIONAL INDUSTRIAL EXPOSITION & TRANSPORTATION CENTER, INC.

We, the undersigned natural persons of the age of twenty-one years or more, acting as incorporators of a corporation under the District of Columbia Business

Corporation Act, adopt the following Articles of Incorporation for such corporation:

FIRST: The name of the corporation is National Industrial Exposition & Transportation Center, Inc.

SECOND: The period of its duration is perpetual.

THIRD: The purpose or purposes for which the corporation is organized are:

To purchase, take, receive, lease or otherwise acquire, own, hold, use, develop, manage, invest in, improve and otherwise deal in and with, and sell, convey, mortgage, pledge, lease, exchange, transfer and otherwise dispose of lands, real estate, real property, chattels real, and estates, interests, rights and equities therein without limitation.

To build, purchase, take, receive, lease or otherwise acquire, own, hold, use, maintain, alter, repair and improve, manage and sell, convey, mortgagge, pledge, lease, exchange, transfer and otherwise dispose of buildings, structures, works and improvements of all kinds; to plan, establish, furnish, decorate, equip, improve, maintain, lease, sublease, sell, convey, exchange and transfer space, offices, rooms, suites and apartments; and to manufacture, purchase, or otherwise acquire, own, use, install, maintain, repair, operate and deal in and with, and sell, mortgage, pledge, lease or otherwise dispose of fixtures, improvements and furnishings of all kinds and any articles, materials, machinery, equipment and property used for or in connection with any business or property of the corporation.

To engage in the business of managing, supervising and operating real property, buildings and structures; to negotiate and consummate for itself or for others, leases and other contracts with respect to such property to enter into contracts, either as principal or as agent for the furnishing, maintenance, repair or improvement of any property managed, supervised or operated by the corporation; to furnish management, and other services and to engage in and conduct, or authorize, license or permit others to engage in and conduct, any business or activity incident, necessary, advisable or advantageous to the ownership of property, buildings, structures and facilities, managed, supervised or operated by the corporation, which includes, but it not limited to, the power to construct, establish, purchase, lease or otherwise acquire, and to own, hold, operate, provide and maintain, and to mortgage, sell, let, lease or otherwise dispose of exhibition facilities of all kinds and descriptions, business and cultural centers, theaters, halls, parking facilities, restaurants, transportation facilities, auditorium, buildings, plants, factories, workshops, studios, stages and offices necessary, useful or incidental to the establishment, promotion and maintenance of exhibtions, trade shows and expositions intended to stimulate industry, business and commerce, national and international.

In general, to carry on any other business connected with or incidental to the foregoing objects and purposes, and to have and exercise all the powers conferred by the laws of the District of Columbia upon corporations formed under the District of Columbia Business Corporation Act.

FOURTH: The aggregate number of shares which the corporation is authorized to issue is 41,000, divided into two classes. The designation of each class, the number of shares of each class, and the par value, if any, of the shares of each class, or a statement that the shares of any class are without par value, are as follows:

Number of shares	Class	Series (if any)	Par value per share or statement that shares are without par value
1,000	A common		$1
40,000	B common		1

FIFTH: The preference, qualifications, limitations, restrictions and special or relative rights in respect of the shares of each class are:

No stockholder shall pledge, hypothecate, sell, assign, transfer, or otherwise dispose of any share or shares of stock of this corporation, nor shall the executor, administrator, trustee, assignee or other legal representative of a decreased stockholder pledge, hypothecate, sell, assign, transfer or otherwise

dispose of any share or shares of the stock of this corporation without first offering in writing addressed to this corporation by registered mail said share or shares of stock for sale to the corporation and the corporation shall have the right to purchase the same at any time within thirty (30) days after the receipt of written notice of said offer. If the corporation fails to purchase all of the shares so offered for sale, within such thirty (30) days, then the Secretary of the corporation shall notify the other stockholders of such class of stock of the corporation that all or the remainder of such stock, as the case may be, is available for purchase and the other stockholders of such class of stock of the corporation shall have the right to purchase ratably, in proportion to their respective holdings, all or the remainder of such stock, as the case may be, at any time within thirty (30) days after receipt of said notice from the Secretary of the corporation. If any stockholder of such class of stock fails to purchase his proportionate share of the shares of stock so offered within such thirty-day period, then the remaining stockholders of such class of stock shall have the right to purchase his proportionate share ratably, according to their respective holdings, at any time within an additional thirty (30) days from the close of the previous option period. If the corporation or the remaining stockholders of such class of stock shall fail to purchase all of said shares so offered for sale during the respective thirty (30) day periods, then the owner or holder thereof shall have the right to transfer such shares to whomsoever he determines, but at a price not less than the price to be paid by the corporation or the other stockholders as hereinafter provided. The purchase price of said share or shares, whether purchased by the corporation, the other stockholders, or partly by both, shall be equal to the book value of said share or shares as of the last day of the month next preceding the month during which said offer is made to the corporation. In computing the book value of the stock, no evaluation shall be given to the good will of the corporation or to any unrealized appreciation or depreciation of assets. Compliance with the terms and conditions herein set forth in regard to the sale, assignment, transfer or other disposition of the shares of stock of this corporation shall be a condition precedent to the transfer of such shares of stock on the books of this corporation.

SIXTH: The corporation will not commence business until at least One Thousand Dollars has been received by it as consideration for the issuance of shares.

SEVENTH: Provisions limiting or denying to shareholders the preemptive right to acquire additional shares of the corporation are:

The preemptive rights of shareholders to subscribe to additional issues of shares of stock of the corporation, whether now or hereafter authorized, are fully preserved and are not denied or limited in any way, and each shareholder of the corporation shall, upon the issue or sale of shares of authorized but unissued stock, whether now or hereafter authorized, have the right to subscribe to and purchase such shares in proportion to the number of shares owned by each.

EIGHTH: Provisions for the regulation of the internal affairs of the corporation are:

At each annual meeting for the election of directors, the holders of the Class A Common Stock, voting as a class shall be entitled to elect Class A Directors, and the holders of the Class B Common Stock, voting as a Class, shall be entitled to elect the Class B Directors as provided for in the By-Laws. The number of Class A Directors shall, at all times, constitute a majority of the total number of directors. In the event that a vacancy should occur in the Board of Directors, the vacancy shall be filled by the vote of the directors of the class of stock in which such vacancy occurred.

On any other corporate action requiring the vote of shareholders, approval by the affirmative vote of both Class A Common Stock and Class B Common Stock voting as separate classes shall be required.

In all other respects, the Class A Common Stock and the Class B Common Stock shall be equal, as though they constituted a single class of stock.

NINTH: The address, including street and number of the initial registered office of the corporation is 918 16th Street, N.W., C/o C. T. Corporation System, Washington, D.C., 20006, and the name of the initial registered agent at such address is C. T. Corporation System.

TENTH: The number of directors constituting the initial board of directors of the corporation is ten and the names and addresses, including street and num-

ber, of the persons who are to serve as directors until the first annual meeting of shareholders or until their successors are elected and shall qualify are:

Names and addresses (All Washington, D.C.):

Daniel W. Bell, 3816 Gramercy Street, N.W.
L. A. Jennings, 1503 Pennsylvania Avenue, N.W.
Thornton W. Owen, Suite 700, 1111 E Street, N.W.
General James A. Mollison, 5104 MacArthur Boulevard, N.W.
General Louis W. Prentiss, 525 School, S.W.
F. Elwood Davis, 800 17th Street, N.W.
Edward C. Baltz, 1111 E Street, N.W.
William H. Press, 1616 K Street, N.W.
James C. Wilkes, 1401 K Street, N.W.
being all class A Directors.

Name and address:
Claude A. Jessup, P.O. Box 951, Charlottesville, Virginia
being the Class B Director

ELEVENTH: The name and address, including street and number, of each incorporator is:

Name and address:
L. A. Jennings, 1503 Pennsylvania Avenue, N.W., Washington, D.C.
Thornton W. Owen, Suite 700, 1111 E Street, N.W., Washington, D.C.
General Louis W. Prentiss, 525 School Street, S.W., Washington, D.C.

Dated: October 22, 1965.

L. A. JENNINGS,
THORNTON W. OWEN,
Gen. LOUIS W. PRENTISS,
Incorporators.

(Whereupon, at 11:40 p.m., the hearing was adjourned.)

85-894—67——6

NATIONAL VISITOR CENTER ACT OF 1967

WEDNESDAY, OCTOBER 11, 1967

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON PUBLIC BUILDINGS
AND GROUNDS OF THE COMMITTEE ON PUBLIC WORKS,
Washington, D.C.

The subcommittee met at 10:09 a.m., in room 2167, Rayburn Building, Hon. Kenneth J. Gray (chairman) presiding.

Mr. GRAY. The committee will please come to order.

The House Subcommittee on Public Buildings and Grounds of the full Committee on Public Works is privileged to sit this morning in continuation of public hearing on H.R. 12603, by Mr. Gray.

Mr. GRAY. Last year the Chair had the privilege of sponsoring H.R. 14604, which became Public Law 89–790, which created a 21-member study commission to study the needs, sites and plans for a Visitor Center in the Nation's Capital.

I am proud to say that the Congress named the very outstanding and able Secretary of the Interior, the Honorable Stewart L. Udall, to head this 21-member Commission. The Commission deliberated for several months and reported back to the Congress on September 15, 1967, their findings and recommendations.

I am very pleased to announce that we are fortunate in having as our first witness this morning the very able and outstanding Secretary of the Interior, who will, on behalf of the 21-member Commission, report to the committee on the Commission's recommendations.

I understand the Secretary has a number of officials with him. At this time I would like to call the Secretary to come forward—and, Mr. Secretary, we are certainly delighted to have you with us this morning.

We deeply appreciate the time, energy, and intelligence you have displayed in this matter. I think you can tell from the large number of Congressmen on both sides of the aisle who have introduced this legislation that it is a vital subject, which is one of interest not only here in Congress but throughout the Nation.

I might say that we have had hundreds of letters and telegrams, and phone calls, from people who are really enthused about, finally, after all these long years, we are about to provide facilities to accommodate the millions of visitors who come to Washington each year. So I want to congratulate you on your fine work and recognize you now to proceed in your own fashion.

After your statement has been made, if you would like to introduce the other accompanying witnesses, we would be delighted to have you do so.

You may proceed.

STATEMENT OF STEWART L. UDALL, SECRETARY OF THE INTERIOR; ACCOMPANIED BY T. SUTTON JETT, REGIONAL DIRECTOR, PARK SERVICE; ROBERT L. PLAVNICK, AIP, URBAN PLANNING CONSULTANT, WASHINGTON, D.C.; SEYMOUR AUERBACH, OF COOPER & AUERBACH, AIA, ARCHITECTS, WASHINGTON, D.C.

Secretary UDALL. Thank you very much.

I have a prepared statement. I would like it to appear in the record, and I will summarize the main points of it, if I may.

Mr. GRAY. Yes, that will be fine.

(Prepared statement follows:)

STATEMENT OF SECRETARY OF THE INTERIOR STEWART L. UDALL

Mr. Chairman and Members of the Committee, the Department of the Interior recommends enactment of legislation which would authorize the establishment of Union Station as a National Visitor Center under the administration of this Department. Such action by the Congress would make possible the renovation of historic Union Station and the provision of facilities to assure the visitor a meaningful and inspired stay in his Nation's Capital. The use of Union Station for this purpose is consistent with its monumental character and its location. The McMillan Plan of 1901 envisioned the structure as a gateway to the Nation's Capital from which the visitor sees the historical dome of the United States Capitol Building as he enters the city.

The City of Washington offers an unrivaled variety of sights: the Capitol, White House, Supreme Court, monuments, museums, and parks. Excellent lodging, dining, shopping, entertainment and recreation facilities are offered. But above all, to our citizens Washington is the heart of the Nation, for here is located the seat of the Federal Government; here the Nation's leadership copes with the major problems; here significant decisions of national and international importance are made. To visit Washington is to sense the excitement of today and to see the lasting evidence of our heritage.

In November 1966, the Congress created a Study Commission to make a full and complete investigation and study of sites and plans to provide facilities and services for visitors and students coming to the Nation's Capital. I had the honor to serve as Chairman of this Study Commission. Serving with me on this Commission were six members of the House of Representatives, including the distinguished Chairman of your sub-committee, the Honorable Kenneth J. Gray; six members of the United States Senate; and a number of distinguished citizen representatives.

The Study Commission divided itself into three subcommittees. The Sub-Committee to Consider a Site or Sites, Chaired by Representative Gray of Illinois, studied a number of sites where such a Visitor Center might be located. It was the view of the subcommittee, and the full Commission, that the projected increase in visitation to this city over the next 15 years would require more than one facility to meet the demand of the millions of visitors from the United States and abroad. The Subcommittee on Information and Interpretive Programs, chaired by Representative Fred Schwengel of Iowa, and the Subcommittee on Transportation and Parking, chaired by Senator Joseph D. Tydings of Maryland, also gave much time and attention to these aspects of visitor accommodations and their reports to full Commission were also approved.

Information has been gained also from experiments conducted in recent years by the National Park Service of this Department. Kiosks were placed at strategic points in the monumental area to provide information for the visitor. Information stations were placed along major highways entering Washington for a six-week period to determine visitor use of such facilities and the types of information they requested. During the fall of 1966, a six-week experiment was conducted with an interpretive shuttle transportation service in the Mall area. A general orientation program on the Nation's Capital, the Washington Briefings for Young Americans, developed at the suggestion of the Vice President, were presented as pilot programs at the Departmental Auditorium. In each experiment, records were made of the type of questions asked, the information and service provided, and the reaction of the visitors.

Moreover, during 1966, we invited a group of business and civic leaders to work with us in improving the visitor experience in Washington. Information gained from interviews with these citizens and other authorities in Washington familiar with the problems of visitors, both from the point of view of seeing the many important places in the Nation's Capital and from the point of view of the interest of the business community, has also been utilized in assessing the Visitor Center question.

There were approximately ten million visitors in Washington in 1965 for education and pleasure. In 1976, attendance in excess of eighteen million may be expected. Daily attendance even now may vary from a low of 8,500 to a high of 65,000; however, during the busy April through August period, the daily attendance varies from a low of 30,000 to a high of 138,000, with holiday or special event peaks of approximately 150,000. Visitor center facilities of great magnitude are clearly needed.

Mr. Chairman, the National Visitor Center Study Commission has prepared to report to the Congress as required by the act of November 7, 1966. The report summarizes the studies already made of the need for a National Visitor Center in the Nation's Capital. Union Station was the choice of the full Commission for a major Visitor Center. In the long-range plan it offers an unusually favorable opportunity to launch a program to meet the critical need of providing better visitor service in the Capital City. The Commission has also employed a consulting firm to study improvements to the Union Station area which would make it suitable for a National Visitor Center and provide adjacent parking accommodations. These consultants are present and have with them architectural drawings showing how the Union Station might be treated to provide these services. The drawings also show the recommended parking structure which is to be located over the tracks to the north of Union Station.

Thank you very much.

Secretary UDALL. I would also point out, Mr. Chairman, that the Visitor Center Study Commission had a mandate to make a report to the Congress. We have done that and I am sure the committee, if it has not already done so, will want to make that official report a part of the record.

Mr. GRAY. Yes. Mr. Secretary, it will be printed in its entirety in the record.

Secretary UDALL. Mr. Chairman, I should like to, before beginning, commend in particular the chairman of this subcommittee, and also the gentleman sitting at his right, who is an old friend of mine, for their leadership and keen interest in the effort that not only made the legislation possible to set up the National Visitor Center Study Commission, but the very fine work that was done implementing this study.

I think all of us who live in Washington are aware of the fact that in terms of providing the right kind of facilities for the citizens of this country and the citizens of the world who come to this great Capital to see its public places, its monuments, its places of historic interest, many of us have commented how inadequate the present facilities are, how frustrating it often is for the visitor. And I think all of the members of the Study Commission had a very strong feeling that with the right kind of Visitor Center keyed in with a transportation system, shuttle bus or minibus, whatever you want to call it, that we could tackle this job and make visiting of this Nation's Capital a delight.

I think that seeing Washington should be fun; it shouldn't be frustrating. I think the American people who come here should be able to understand what they are seeing, because a Visitor Center is an educational endeavor if it is done right. We are not only explaining where things are, but we are interpreting them; we are helping people understand the history of their country and understanding the

meaning of the things they see, so that this has been a broad endeavor, tackling what has been, I think, one of the very serious lacks.

I personally think it ought to be as much fun to see Washington as it is to see Colonial Williamsburg or Disneyland or anything else. We ought to and we can construct a Visitors Center facility and a transportation system so that those Americans and people from abroad who come here can easily and readily, and with delight, see this Capital and the wonderful places here. So this is our beginning point, and I know the members of this committee share the Commission's desire to see this end result.

The Study Commission, Mr. Chairman, divided itself into three subcommittees, as you well know. We had a subcommittee to study a site or sites—I think this was the key subcommittee—and the chairman of this subcommittee presided over it. A number of sites were studied. It was the view of this subcommittee, and the full Commission concurred, that the projected increase in visitation to this city over the next 15 years would, in the long run, require more than one facility to meet the demands of the millions of visitors who will come here.

The Subcommittee on Information and Interpretative programs, chaired by Congressman Fred Schwengel of Iowa, and the Subcommittee on Transportation and Parking, chaired by Senator Joseph Tydings of Maryland, also gave much time and attention to these aspects of visitor accommodations, and we keyed these reports together into the final report of the full Commission.

The main conclusion of the Commission was that the logical place to build the first Information Center and large parking facility was the Union Station, which is of course located in a very convenient and appropriate place to serve as a Visitors Center.

Union Station was the unanimous choice of the Commission. We have, as part of our final study on this, retained consultants and I want them to make a presentation here in just a moment that will give the committee a very clear cut idea of what kind of Visitor Center we would have, what kind of facilities would be provided, how the whole thing would function. And I think this will be a very exciting and very promising beginning, and particularly when we key this in with a convenient parking facility and key it in with a minibus service that will run a constant path near the main monuments in the city, where we will have a service by which the city is interpreted to people not only in the Visitor Center itself, but in the transportation facilities which are provided.

I think this can make Washington really come alive to the visitor and make it an exciting experience for any American.

Mr. Chairman, in our official report, I would like to call the attention of the committee to two or three suggested amendments to the legislation. It is our feeling that in order to give us adequate flexibility for the future, the Secretary of the Interior should have authority to purchase and invest Federal money in the improvements as well as the authority to enter into a lease arrangement.

We just feel that it is better to have all the options available for the future.

We further suggest, concerning the figure of $2,935,000 annually as a lease figure, that rather than writing this in the legislation, we

would propose substitute language that would say, "the fair rental value of the property leased." This does not mean we have any argument at the present moment with the figure as being reasonable, but we think that this should be negotiated rather than written into the legislation.

Mr. GRAY. If I may interrupt you at this point, Mr. Secretary——

Secretary UDALL. Yes.

Mr. GRAY (continuing). Of course, as you know, in recommending a fixed figure, we were trying to give the Congress—who, I might say, is a little bit concerned about expenditures at this time—some idea of what this lease will cost.

Is it your feeling that the Department would be in a better position actually when they sit down and negotiate this lease if we merely put down a ceiling and leave the exact amount to negotiation?

Secretary UDALL. This is our common practice. Of course, we lease a lot of land, a lot of buildings, in my Department, and I think the general directive to us, or broad authority, is to pay whatever a fair rental is. This means we are going to have to negotiate it out. I would have no objection at all to the committee indicating, if that is its view, that the committee considers a figure of this kind a bargain and reasonable or whatever its view may be. But I think when we get down to determining it precisely, that this ought to be negotiated rather than be written into law.

Mr. GRAY. Yes; I agree.

Secretary UDALL. I am not saying we personally have any views it is too high or too low, either, but it is simply that from the standpoint of sound business procedure for the Government——

Mr. GRAY. What would be your feeling of leaving it up to the Secretary as to the amount, but putting a ceiling, say, of $3 million annually, which would give you some latitude when you negotiate?

Secretary UDALL. That would be another way to do it, and I would not have any serious objection to that.

Mr. GRAY. This was suggested by Mr. Knott, the General Services Administrator. He recommended we put a ceiling of $3 million annually, but leave the exact amount up to you.

Secretary UDALL. This would give the Congress some assurance of what it is buying and what this program would cost.

Mr. GRAY. When you actually sit down, if you get more than 4,000 parking places contemplated within the $3 million ceiling per year, you certainly would have that right, and I am sure would be interested in getting all you can.

So you would have no objection to writing in a ceiling, so long as we leave the negotiations up to the Department?

Secretary UDALL. That is correct.

Mr. GRAY. Fine. Thank you.

Secretary UDALL. Mr. Chairman——

Mr. GRAY. Mr. Secretary, I hate to keep interrupting, but we are trying to develop these points as we go along.

Mr. Schwengel, from Iowa.

Mr. SCHWENGEL. Mr. Chairman, I have several questions on that $3 million, or up to $3 million obligation. We would recover a good share of that from the services and rentals income from the establishments in that Center. Is that not true?

Secretary UDALL. Let me have Mr. Sutton Jett, who is the Regional Director of the Park Service, answer. I would rather have him put this on the record.

Mr. SCHWENGEL. The reason I asked this question, is that I do not think the impression ought to be left that this is necessarily going to cost taxpayers $3 million a year.

Mr. JETT. Mr. Chairman, at the present time, Washington Terminal Co. realizes $359,000 from its own concession operations in the Union Station. While we made no economic feasibility study of this proposal, if you assume we would have an average of 2,000 automobiles parked in a 3,000- to 4,000-car parking garage per day, this would develop $730,000 a year. If we should average 2,500 automobiles a day, it would amount to $920,000 a year, which would give you a total of $1,261,000 on the basis of the present use of Union Station, that is, so far as the concessions are concerned. And it would be expected, certainly, that the use of the Union Station would increase greatly if the Visitor Center were located there.

Mr. WRIGHT. Will the gentleman yield?

Mr. GRAY. The gentleman from Texas, Mr. Wright.

Mr. SCHWENGEL. Go ahead.

Mr. WRIGHT. I am not sure I understood the figures on which you predicated your assumption concerning parking. You said if we had 3,000 cars a day?

Mr. JETT. No, sir. If we had an average of 2,000 cars a day throughout the year, this would, at $1 a day——

Mr. WRIGHT. At $1 a day?

Mr. JETT. Yes, sir.

Mr. WRIGHT. That is the point I was trying to identify. I do not think we should charge a high price. I think $1 a day would be about right.

Mr. JETT. Yes, sir.

Mr. WRIGHT. We are not in business to make money off the tourists, really. One of the problems of Washington has been finding a place to park at less than excessive cost.

Mr. GRAY. Mr. Jett, do you not believe you are being a little conservative? If you have 4,000 parking places, a visitor comes in at 9 o'clock in the morning, visits the Capitol, he leaves; somebody else comes in in the afternoon. In all probability you will rent that space two or three times during a 24-hour period? This could be at least double or triple of your estimate.

Mr. JETT. Yes, sir. I think I am being conservative. It is anybody's guess how many, but at these levels this is what it would produce.

Mr. GRAY. Right.

Mr. Schwengel.

Mr. SCHWENGEL. On page 30 of this fine brochure that you produced is a floor plan of space. I have several questions about that.

First, let's call attention to the railroad storage shops, railroad facilities, that are made available, and the transit station. It seems to me that is a large percent of that area given over to the railroad company.

Now, is it envisioned that they will pay us rent, then, on this space?

Mr. JETT. This would not be contemplated, Congressman Schwengel. I think that, again, as the Secretary has indicated, these things would be the subject of negotiations, the spaces even, when you get down to the matter of developing a lease agreement.

Mr. GRAY. Will the gentleman yield on that point?

This represents air space that the railroads now own, so really they would not be pre-empting any of the 330,000 square feet that are encompassed in the existing monument, as we call it, the existing station at the present time?

Mr. SCHWENGEL. This is the basement plan.

Mr. JETT. I am sorry, I thought this was the basement.

Mr. SCHWENGEL. This is not air space; this is actual space here.

Mr. GRAY. The Commission in their long deliberations with Washington Terminal Co., had never taken into account the so-called tunnel and basement area. We were talking about the station from the ground up, which encompasses two floors, the ground-level floor, the concurse, the so-called waiting room, and the second floor space. But, of course, this is a matter that will be subject to negotiation certainly.

Secretary UDALL. I think the answer Congressman Schwengel wants, as you will find when the designers present their report in a moment, is that we do not, in terms of this first phase at least, contemplate needing this basement area, and therefore presumably this would be available if the railroad needs it during this first phase of the project.

Mr. SCHWENGEL. If the railroad uses it, then they would be paying us rent, some comparable fair rent, for the space.

Secretary UDALL. Well, it might be that that is the way you would work it out, or you would reduce the rent that we pay. I mean this would be something that you would neogtiate.

Mr. SCHWENGEL. Something negotiable?

Secretary UDALL. Yes.

Mr. SCHWENGEL. I raise the question because actually, as I understood when we were negotiating, the whole area, basement and all would be given to the Government—the question was raised at one point, what areas are involved. As I understand it, the answer I got was, of course, all of it in that area would be subject to our control.

Secretary UDALL. I would presume this is the way that we would want it, and that the railroad would want us, too, to have the entire present Union Station be under our control and management. But I mean we would work these details out. And I think you will see when the plan is presented how the whole thing would mesh together.

Mr. GRAY. You may proceed, sir.

Secretary UDALL. Mr. Chairman, I have one or two other points; I would like to get to the presentation, then take any further questions maybe after you have seen the presentation.

Our report does not take a specific stand with respect to the tax arrangements, and we defer to the views of the Commissioners of the District of Columbia on this matter.

We understand the District of Columbia Commissioners are opposed to the provisions that would exempt the improvement from taxation. That is another problem the committee has got to consider. I am simply saying we are not taking a position on that issue.

I would like to have Mr. Plavnick, who is our consultant, and his associate, Mr. Auerbach, make their presentation quickly, and then we can take any further questions at that time.

Mr. GRAY. Yes, Mr. Secretary.

Would you please state your name for the record?

Mr. PLAVNICK. Yes, sir. My name is Robert L. Plavnick, planning consultant, Washington, D.C.

Mr. Chairman, if I may take a moment to introduce the remainder of our consulting team, I would appreciate it.

Mr. GRAY. We would be delighted.

Mr. PLAVNICK. First is Mr. Clark Thomas, Mr. Robert Morris——

Mr. GRAY. Off the record.

(Discussion off the record.)

Mr. PLAVNICK. Mr. Seymour Auerbach, of Cooper & Auerbach.

I would just briefly like to make a couple of brief comments, and then Mr. Auerbach can explain the slides and we will hold the light for 1 second.

I believe in preparing this report, we had three objectives: first, to present the views of the various subcommittees and the committees; second, to provide the Commission with a design program which met the budget limitations that had been suggested by the Study Commission; and third, to provide you with an insight of the physical design that could be expected to make the Union Station into a viable and attractive Visitor Center.

If we may turn off the lights now, we can proceed into a brief session, if it is all right with you.

First, Mr. Chairman, just to orient everybody [slide] the Union Station is in the upper right corner. We here want to show the relationship to the Mall, to the proposed mass transit system, as you can see in the lines that cross through the area, and also to emphasize the Commission's recommendations as to why the Visitors Center was picked, the relationship of the Visitors Center to the transportation system, the historic quality of the building, the relationship to the places of interest at the Mall, the Capitol—and the second slide, please. [Slide.]

As we get a little more microscopic, you can see the relationship of the proposed garage and its size to the existing building.

The facility can easily be related to the proposed center leg freeway, which is now under construction, through the local street system, and a redesign of the Union Station Plaza.

I think one of the important points here is that we feel that the 4,000-car garage, approximately 4,000-car garage, can be adequately served by the street system without additional ramps to other local streets within the area. The entire circulation system can be off the front of the building.

I think we feel as a group that this works extremely well as a visitor center.

At this point, Mr. Chairman, with your permission, I would like Mr. Auerbach to proceed, explaining the steps we have gone through and the design scheme that we have in the brochure before you.

Mr. GRAY. Yes, will you please come forward.

State your full name for the record, please.

Mr. AUERBACH. My name is Seymour Auerbach, partner of Cooper & Auerbach, architects in Washington, D.C.

Mr. Chairman, is it possible for me to use the pointer at the screen?

Mr. GRAY. Yes. I am sure we can hear you.

Mr. AUERBACH. I guess the best way to explain the facilities that we have designed and the way they will be given is to sort of review

the problems that we saw, the opportunities we garnered from the various circumstances presented us and how they fit together. One of the first opportunities that presented itself was the fact that traffic survey indicated that we could approach the building from the front, rather than having some of the tourists from out of town coming in through some of the rather industrial sorts of streets that lie behind the station. We thought it would introduce them visually to the old landmark in quite a respectable manner.

Also in investigating the existing building, we found the architecture of the concourse, the portion at the rear of the building, which at the present time extends to this point [indicating], did not really match the basic building and some historical investigation indicated, and some consultation with various archeological experts, indicated to remove those ends of the concourse would not damage the building.

We were then presented with the fact all the people using the Visitor Center would now be entering it from the rear rather than the front, and this became sort of an inversion use of the building. [Slide.]

We then, from these points, decided by removing the ends of the concourse, we could keep all the ramps on our own property, on the railroad property, avoiding any complication with the District of Columbia Highway Department or Capitol Grounds, or what-have-you—right in one package. There will be service around to the back. And by removing the proposed 4,000-car garage from the building, we could create a rather broad esplanade, or garden, and introduce the visitors to the Visitor Center in a respectable, gracious manner. [Slide.]

This is a cross-section that cuts right through the building complex. You can see how the various elements relate one to another, including a railroad station.

We feel the railroad station will be generating visitors by excursion trains. People from the Northeast Corridor, rapid rail system, will be coming into Washington in increasing numbers. We feel that facility should be incorporated as carefully and as graciously as possible into the whole.

So we took the 4,000-car garage, we moved it 90 feet from the existing building, about the width of the typical District of Columbia street, and raised it up in the air 45 feet, to provide a shed for the new railroad station. In other words, the garage is way up in the air and it becomes a shed in a contemporary manner, somewhat reminiscent of the old railroad sheds of Europe.

The railroad station ticketing and passenger facilities are in the midlevel above the tracks and below the garage.

Other advantages besides the involvement of all elements of one entity is an economic one. We are able, for instance, to provide a roof for the railroad station by using the garage. [Slide.]

In the plan, this is the plaza in front of the existing landmark. We have taken off that much concourse from either side [indicating]. We have created the esplanade. The ramps come up to Union Station level at this point and this is the garage itself, being four levels covering that much of the track area [indicating]. [Slide.]

This is a side view of the model, which is on the table, and I think it is a way to introduce us to just sort of a trip through the building if we were a tourist coming to the city, coming off the Center Leg Free-

way, as I explained earlier, around the plaza, up the ramp on this side of the building, which is the east side——

Mr. GRAY. This would be a four-lane ramp?

Mr. AUERBACH. This is a four-lane ramp that divides into three that services the railroad station and three that receive parking instructions.

Mr. GRAY. One way in each direction?

Mr. AUERBACH. One way up on this side, one way down on the other.

Mr. GRAY. Fine.

Mr. AUERBACH. Coming up the ramp—if you were going by taxi or by private automobile to the railroad station, you would peel off at this point [indicating]. The tour buses would peel off at the next side turn, double-height section of the parking structure that will accommodate them. And then the private automobile would proceed up the ramp. Three other decks would service private cars.

[Slide.] Once up on deck, it becomes this rather massive parking area, which is typical of fourth- and third-floor parking. It handles 1,148 cars per level. Visitors would have to find their way to an escalator system at the center, which takes them down, eventually to the first level of parking, which has 690 cars and 116 buses. At that point there is a more spacious area left where visitors can collect there, before descending down the escalator past the railroad station level to the esplanade.

[Slide.] Now, this is somehow out of sequence, but this is a view of the railroad shed that would be created by raising the garage to a 45-foot level. This level here [indicating] is the ticketing area. You can see the expansion the more gracious aspect of the railroad station can achieve.

Mr. GRAY. The visitor at that point would not have to go through the train station; he would be able to go from the parking level directly down into the esplanade, and then into the tourist center?

Mr. AUERBACH. That is right. If I could back off again—[slide]—these escalators coming from the visitors parking area bypass the railroad station.

Mr. GRAY. This is the point.

Mr. AUERBACH. There is another escalator or stair which can take the person from the railroad station down to the esplanade.

Mr. GRAY. You would also have 1 or 2 escalators.

Mr. SCHWENGEL. I would like to ask a question.

Mr. GRAY. Mr. Schwengel.

Mr. SCHWENGEL. This bus area, where the buses go, the ceiling will necessarily have to be higher than where the cars go; is that not true?

Mr. AUERBACH. Yes, sir.

Mr. SCHWENGEL. Because of some figures that I have seen on the future bus traffic to this area, I think maybe it might be well for you to consider putting those buses on top so that you will have an expanding facility and you can reduce your total height maybe, and so you can make room for as many as you may need, for all the buses coming.

Mr. AUERBACH. That is certainly worth considering.

Mr. SCHWENGEL. I would suggest your rethinking this question on where you park the buses.

Mr. AUERBACH. Yes, sir.

Mr. SCHWENGEL. Also I think it would be easier to control the traffic with the groups and direct them from buses. They will be under a

supervisor and it would be accommodating people to come in a tourist car and have them in a favored position, rather than the people coming by bus, and without penalizing people who come by bus, too.

Mr. AUERBACH. I would like to point out in regard to buses, Congressman Schwengel, the 116 buses generate over 4,000 people, whereas the 3,000 cars generate between 6,000 and 9,000. The proportion of visitors that the bus deals with per square footage is quite a bit larger.

Mr. GRAY. Particularly as the trend is now for the double-decker, the larger buses.

Mr. WRIGHT. These 116 buses——

Mr. AUERBACH. Yes, sir.

Mr. WRIGHT (continuing). Will these be buses originating from various places, or will they be buses coming from out of town to bring those people here, or will they be essentially buses for the purpose of taking a visitor on a somewhat circular tour around the city?

Mr. AUERBACH. No, sir. This is bus parking for out-of-town excursion buses.

Mr. WRIGHT. Excursion buses? I see.

Mr. AUERBACH. Yes.

Mr. WRIGHT. I understand. These are charter buses, people having charters to come to Washington?

Mr. AUERBACH. That is right.

Mr. WRIGHT. All right, thank you.

Now, where will the buses be boarded that are planned for the purpose of taking people on a route that will permit their dropping off at certain key points of interest, scenic tourist interest?

Mr. AUERBACH. Those buses are out in front of the building. After the visitor comes from his parking point through the building and the facilities——

Mr. WRIGHT. But what you contemplate here for 116 buses is simply space for out-of-town buses that have come to Washington?

Mr. AUERBACH. That is right.

[Slide.] Here is a closer view of the model showing the esplanade and the escalators in which the visitor, having parked, will come off the parking area. That is a 44-foot-high elevator in this design and it is rather a key part of the orientation program in that for that period of travel on the escalator, the visitor is in a sense trapped. He cannot get off and he can be introduced, through radio, recording devices and graphic devices, as to what will be found in this building that will help him make his visit more pleasant, rather than causing him to go to a directory that might or might not be read. So this is a key link in the movement of the visitor into the city of Washington.

[Slide.] This is just simply another view of the esplanade, but with the garage having been removed to show the relationship of the escalator to the railroad platform, the railroad facilities.

[Slide.] Once down the escalator, the visitor lands in the esplanade under a vast cover, which is open to the weather but protected from precipitation, and he is proceeding at this time into the building through the concourse.

The concourse is a long, rather grand space that we felt should not have too much architectural junk put in it.

[Slide.] What we put in there is in keeping with the space as it is. Yet we should advertise what is in the concourse for the visitors' facilities. So we decided to put first a cyclorama under which the

visitor would walk in this general path [indicating], but he need not stop if he wishes to continue on and is disinterested in it. That cyclorama will probably show film of maybe 5 minutes' duration with constant cycling showing the visitor around Washington to the site of his interest, and also pointing out to him that there are other film orientations available in two pair of theaters to either side of the cyclorama in which would be historical films or films of various orientations, either on alternating starting times, to accommodate group capacities, or four different films.

Mr. GRAY. This area is to be on the concourse as we know it now, where we actually board the train?

Mr. AUERBACH. This is right. This is where the railroad gates presently stand [indicating].

Mr. GRAY. Right.

Mr. AUERBACH. [Slide.] This is a view of the cyclorama. Again it is enclosed in green glass, so the film that is being shown on the inside can be faintly visible from the outside, advertising itself, and also giving a lightness to the structure we put in there.

Mr. WRIGHT. When you get in this area, the area where presently you board the train, you leave the building and go out on the track?

Mr. AUERBACH. That is correct. Where these piles stand is the point presently at which you leave the cover of the building and go out onto the platform.

Mr. WRIGHT. The platforms are back this way [indicating]?

Mr. AUERBACH. The platforms are out this way [indicating].

Mr. WRIGHT. And it is in that area that the new station will be built, is that right? Parking garage?

Mr. AUERBACH. Sir, they are 90 feet over. In other words, from this line [indicating] over to a point 90 feet away is simply a garden giving air and light to the space between the parking structure, under which is the railroad station, and the new Visitor Center.

Mr. WRIGHT. I understand it. Thank you.

Mr. GRAY. You may proceed.

Mr. AUERBACH. On either side of this will be two pair of movie theaters, represented here, and shown as we conceive of them being transparent or gray glass, acoustically treated. But when you are walking on the outside, you can see some activity on the screen and be enticed to go in.

Mr. GRAY. While we are on that, there are two reasons for thinking of the glass in both theories, is that not correct? No. 1, it would be much cheaper just to enclose the theater with glass rather than have very high ceiling partitions? Second, to be able to keep this beautiful architecture that is now in this concourse area. Is this not the main reason for not altering or chopping up like partitions the exising concourse area?

Mr. AUERBACH. Yes, sir. With the other third, when the visitor comes into the concourse, he will see five screens at work and it becomes, you know, a vigorous cinemagraphic activity.

Mr. GRAY. It would be much more economical than trying to put partitions in and change this large high ceiling area?

Mr. AUERBACH. Yes, sir. We feel there should be as minimal architecture in this building as possible. The grand old building would stand on itself. We have to enclose a theater, obviously, and this is the most minimum way it could be done.

Mr. GRAY. I just wanted to point it out to my colleagues, because some of these have not seen the graphs before.

The gentleman from Texas, Mr. Wright.

Mr. Wright. I like this plan. What problems do you encounter, however, with respect to acoustics, the tone of the audio portion in connection with the theater?

Mr. AUERBACH. I have to admit that we have not gone through elaborate studies. In this rather preliminary conceptual stage, we have not gone through elaborate laboratory tests.

Mr. WRIGHT. You do not think it is going to pose any big problem?

Mr. AUERBACH. No. What we thought we would use is really "Twin-mill," a thermal insulating glass made of two sheets of glass, each light gray, which makes it even that much more opaque and better visually, and I think that would be enough to take care of the acoustics.

Up in the ceiling here you can see a very lightweight, what we call space frame, in which will be inserted acoustic panels that would also aid in muffling the sound.

Mr. WRIGHT. Very good. It just occurred to me high ceilings might conceivably create some acoustical freak situations; you might be standing over here and hearing the audio portion back yonder.

Mr. AUERBACH. The ceiling in this particular concourse is notorious for that. As a matter of fact, it is against the law to have a brass band or any loud noise in there now.

Mr. WRIGHT. But you think we can control this and keep it down?

Mr. AUERBACH. Yes, sir.

Mr. GRAY. You do not envision the ceiling for the theaters being anywhere near as high as the ceiling for the concourse, do you?

Mr. AUERBACH. No, sir. There would be a subceiling to take care of acoustics.

Mr. GRAY. That is the point I wanted to make.

Mr. Schwengel.

Mr. SCHWENGEL. On the matter of auditoriums, I am glad to note you have at least four auditoriums. Can you now tell us what the size of those auditoriums will be? Accommodating how many people?

Mr. AUERBACH. They each seat 500, sir, so that would take 2,000 people at a seating.

We had at one point considered one of them being 750 seats. We made a decision on our own, essentially, to reduce them all to 500.

Mr. GRAY. With a 15-minute film, 8,000 people an hour, 8 hours a day——

Secretary UDALL. Mr. Chairman, I would like to point out one thing, too, to members of the committee, that we can do in a very exciting way with these theaters. We will want to produce some films; we will want to do this in a very creative way. For example, we might have one film, let's say 15 minutes, that would be on the Capitol. It would show where the Congressmen's offices are located, what is in the Capitol, what they can see on the tour, and could explain in a very fine educational way not only where facilities are located, but the historical aspects.

In fact, you could have several different films explaining different things, and depending upon what a person was going to see that particular day, they could shop around and see film. And I think if we do our job right, and if you will give us a little money to do it at the

right time, we can come up with some films that will be absolutely first rate and will tell a real story and help educate the visitor, again sort of to make it easy for him to see the Capitol, for him to understand what he is going to see, for him to know where he wants to go, and make the experience much richer than it is.

With so many people today, they arrive, they do not know where they are going, they do not know what they are seeing, and they wander around, really lost most of the time.

Mr. GRAY. That is a very good point, Mr. Secretary, and it is certainly conceivable you might have three or four different subjects being shown simultaneously.

Secretary UDALL. That is right.

Mr. GRAY. For example, we are soon going to celebrate our 200th birthday. We might have a film just relating to that, the birth of our country and this sort of thing. It is conceivable, having four separate theatres, you could be showing different subjects and giving the visitor a choice. I think this could be very exciting for the visitors.

(Discussion off the record.)

Mr. SCHWENGEL. Gentlemen, before we finally agree on even the size of the auditorium, we ought to counsel with people who have had experience in this field. I am thinking now particularly of Williamsburg. Williamsburg has a lot of traffic down there, but they have nothing as compared to the kind of traffic we will have here.

I would like to suggest that four theaters that are going to show a lot of different film will not be anywhere near what we will finally need.

I suggest two things: that we not make up our mind now as to the size of the auditorium and, second, that when we finally design them, we take advantage of all experience that is available, and there is a lot of it—not only at Williamsburg, but those people who put on these theater shows, demonstrations in the world fairs. The Walt Disney outfit has tremendous experience we could benefit from, and I think we should try to do that.

Also there is an economic way to do this and an uneconomic way to do this. I think the auditoriums, two of them ought to go together and the other two auditoriums go together. Have one central area having all the films and pictures from there.

In Williamsburg, for instances, they have two auditoriums and they have what they call a central projection room operation.

So I hope we will benefit from all experience available.

Mr. AUERBACH. Yes, sir. In that line I would like to say at this point that each pair is coupled around one projection room, and we have had the delightful opportunity of meeting Mr. John Harper, from Williamsburg. He has been of great help. We have not gone into the capacities with any, you know, statistical analysis at this time, but the arrangement of the theaters and their operation are patterned after Williamsburg.

Secretary UDALL. Congressman, Mr. Jett tells me in most of their planning, that they are keying it to 1976, which is of course the year of our 200th anniversary. This will be a big year in Washington. We expect the visitation to go way up. We are trying to key most of the planning we see here today so we can take care of this very large influx that will come that year.

Of course, with the growth that occurs after that, we are going to need all the facilities that we can provide.

Mr. GRAY. Mr. Secretary, that is a very good point.

You may proceed, Mr. Auerbach.

Mr. AUERBACH. Thank you.

[Slide]

From the concourse, the visitor then proceeds through to what is now the main waiting room. We named it the main hall. Again it is a grand space designed by Mr. Burnham which we think should not be encumbered by foreign sort of architecture.

What we propose is that a screen be placed in the floor, and this will be a screen which is a moving map of the District and its environment. It can zoom in on Hains Point or the Capitol area, showing where Congressmen have their offices—most people think they have them in the Capitol Building. It can describe various interpretative tours around the city. It might evolve into a little helicopter ride around a particular area, to really show the visitor, as his last stop in the building before he goes out, let him avail himself of the various transportation facilities, that he is here and it is easy to get there, and again it is photographically done and should be exciting.

Again it is permissive; if someone wishes to avoid it, he can go around it. I think this is important.

Besides that, there are a variety of necessary information booths and tour booths, and whatnot, scattered around the building in the hall: lounge off to this end, a space which is presently the ticketing area, which will in the future be the link between this building and the D.C. Rapid Transit, which station will be at the end of the building [indicating].

Mr. GRAY. Mr. Wright of Texas.

Mr. WRIGHT. Mr. Chairman, what I am suggesting at this point gets into the next phase of the operation rather than planning. I think perhaps it is well to take this into consideration.

I believe it would be very useful to have a separate time or system of buses for these tourists, whether it is operated by Transit or the Interior Department, or by whom they are operated. Drivers of the buses should be importuned to be extremely patient, allowing the people who are using this to see the Capital. Sometimes visitors are utterly baffled, lost, and do not know where they are. I feel sure they would not get off at the right point.

Take the situation where buses are operated on a frequency of the transit system, where people do not get a transfer if they do not ask for it and drivers rather dislike to answer questions. I think we have to recognize that either they have a driver who is as patient as a school bus driver, or have a hostess aboard, or someone of this nature, who could take time and be patient with them, and not hurry them or give the impression they are stupid because they do not know where they are.

I just throw that out right now because I think it will come to that eventually.

Mr. SCHWENGEL. Mr. Wright, will the gentleman yield?

Mr. WRIGHT. Yes, sir.

Mr. SCHWENGEL. Here again we can benefit from Williamsburg where they have facilities to plan these trips ahead of time with school principals or instructors, or tour guides, or organizations.

I think the very valid point ought to be in the record here, this is a problem that we ought to recognize—and not only a problem but an opportunity. We ought to take this opportunity to give service here and help simplify their visits here. That is a very good point.

Mr. GRAY. A very forthright suggestion.

You may proceed. [Slide.]

Mr. AUERBACH. I think now we go very rapidly through a series of plans of the various floors of the building, the exisiting landmark, to see how the facilities are arranged.

The concourse with all its photographic theaters range here [indicating], the visitor coming through to the main hall. Around it are disposed rest facilities, cafeteria and restaurant, reception theater where groups from some State might meet with their Congressmen or might be connected by closed-circuit TV with the Capitol. This is a special reception room. There is a special student reception, students being probably the most numerous and important as groups; where they can come in and be given these special treatments similar to the USO for servicemen.

Incidentally, we have taken the men's and women's rooms to these locations [indicating]; they are here presently and we have moved them to the back of the building, so these windows could now be opened up and a view of the Capitol be gained across the park, Union Station Plaza and the Capitol.

Mr. GRAY. Before we leave that slide, how many people do you envision can get into this reception room at one time?

Mr. AUERBACH. About 250 or 300, sir, depending on whether it is fixed theatrical seating or what.

Mr. GRAY. Standing room would be much more than that?

Mr. AUERBACH. Yes, sir.

Mr. SCHWENGEL. Mr. Chairman.

Mr. GRAY. Mr. Schwengel.

Mr. SCHWENGEL. What provisions are made for foreigners to receive them? Do you have a special reception room where foreigners can come?

Mr. AUERBACH. One of these places will also be set out to accommodate them, probably a small one since it is really an office for interpreters.

Probably only one of the theaters need be equipped with multiple interpretation, because the foreigner can be guided to that theater and the whole building need not be centered for that.

Mr. GRAY. But you do envision, though, an interpretation service?

Mr. AUERBACH. Yes, sir.

Mr. GRAY. So that if a person comes here or even a large group comes here from a foreign country, visiting our people or our town, they could see a movie that would be translated for them?

Mr. AUERBACH. Yes, sir. That again would be part of the programing of the facilities over and beyond the design of the building.

Mr. GRAY. What I mean is they would call the Director of the Center and make arrangements? They would not just walk in and find this type of service?

Mr. AUERBACH. I would have to defer to Mr. Jett on that question, sir.

Mr. JETT. I think they could, Mr. Chairman. I think one of these theaters we will have equipped with earphones for translation of the

commentary. This was included in Congressman Schwengel's program in the committee's report, and we would expect to——

Mr. GRAY. This would be available at all times, then, without special arrangements?

Mr. JETT. Yes, sir.

Secretary UDALL. Mr. Chairman, I would like to express the hope, too, because I think we ought to be hospitable to people from other countries, I think we ought to make it just as pleasant for them. I am sure with the use of modern communication media, electronics and so on, that in 5 or 10 years from now, we have for people, let's say, who do not speak English at all, not only participation interpretative facilities, but maybe when they go on a tour bus, you could have the sort of thing they have in the National Gallery now, where you can put on a headset and you are told in your language what you are seeing as you go along.

I think we ought to have this kind of care and pride in what we do so that the foreign visitor enjoys it just as much as the American.

Mr. GRAY. I agree with you implicitly.

Mr. AUERBACH. I would like to go up one floor. At this point we have a hostel. On the upper floors, on the mezzanine we have a nursery and infirmary, which would take care of short stays for the babies while mom and dad go to spend an hour in the Capitol and then come back, or maybe it could be expanded to broader service than that. But I think all of us who are fathers know that that could be an invaluable service.

Also the usual infirmary, taking care of those unfortunate victims of a fall or what-have-you.

On the upper floor, on the second floor we have the USO facilities, which are removed from their present location, but they are enlarged in the doing.

Mr. GRAY. Let me interrupt you at that point, if I may, because we do have a USO witness coming, and they are very much concerned. They will have, you say, more space than they have now?

Mr. AUERBACH. Yes, sir.

Mr. GRAY. I think that is a very vital part of our tourist facilities program. You know, a lot of our servicemen will be coming in by train. If we have the facilities there for them, I think this would be a very, very important part of our overall tourist service.

Mr. AUERBACH. Not only will it be larger, sir, but its entrance can be gained from the main hall at this point [indicating], rather than from the side entrance that is presently available to the USO.

Mr. GRAY. We can assure the witness who will appear later they will have improved facilities?

Mr. AUERBACH. Yes, sir.

Another point is that they will be adjacent on the second floor to such things as the Youth Hostel and short-stay hotel. The Short-stay Hotel is similar to the Air Wayte at the National Airport. That is a heck of a convenience to the serviceman. He may be able to catch a catnap after being on the train all night, or what have you.

I would like to point out at this time that the budget for reworking the building, in response to the $5 million limit that we were told, has left out the trains and rest facilities and the student hostel, and those things which would be handled on a different basis. I think Secretary Udall can go into that in more detail.

Mr. GRAY. I think this is a good point to make now as to why we should not tie the hands of the Secretary in negotiation, but merely put a maximum ceiling. In negotiating, maybe some of these additional facilities could be made available and still stay within the $3 million a year annual rental payment.

Mr. AUERBACH. Yes, sir. I am sure opportunities will present themselves. [Slide.]

Going up again, this is an extension on the third floor of a similar facility; on the west end, the employee and administrative facilities to run the Center. [Slide.]

And again we get down to the basement, which was the subject of discussion earlier.

Our understanding was the building was to be leased from the ground up. We have, however, felt the need for projection space for the film diarama, which is in the floor of the main hall. We also needed shops and maintenance space to care for exhibits of various sorts.

The railroads use this space [indicating] extensively, particularly for mail.

In the design and layout of this entire complex, we came to a rather tough item, because the mail handling is over on this side [indicating]. As you know, the U.S. post office is on that side, connected by an elaborate, expensive conveyor system, much of which is in this area [indicating]. And I think in the design of it, if that conveyor had to be moved to another location above and taken out of this basement, it would be a severe penalty on the budget. They are in there.

So we feel this is all the space that is necessary in the basement.

Mr. WRIGHT. The conveyor operation would go under the parkway, or would it be under the main station?

Mr. AUERBACH. It is in the basement, essentially the basement of the concourse. This is this space in here [indicating], and there are through tracks, as you well know, that go on south to Florida.

The conveyors come across above the street on this side [indicating], from the post office through the bridge, they then fall down through a variety of conveyor devices to this lower level, and they go across this way [indicating]; they go down into a tunnel that goes under the through tracks, they come back up on this side [indicating], and they feed into an elaborate conveyor switching mechanism that services something like 7 or 8 post office or mailtrucks and conveyors feed right into them.

Mr. WRIGHT. Physically they would be below the concourse?

Mr. AUERBACH. Yes, sir.

Mr. SCHWENGEL. On that point, I am amazed to be introduced to this new plan here. I thought all this area would be ours.

Now, another thought comes to me—I can see the necessity, of course; we have to keep up the operation of the mails facilities, we do not want to interfere—but this becomes an additional expense, these changes you are talking about become additional expense. I think they should not be charged to us. They are going to be an improvement for the railroad and for the Government, and they should not be charged to the Visitor Center.

Can you propose some other way to finance this?

Mr. AUERBACH. I am sorry, I find that a difficult question to answer at this time, except to say the way it is presently arranged, there is only one conveyor that need be moved. If the Post Office facilities and the railroad facilities were displaced from the basement, we would be involved in the moving of about four or five major conveyors.

Mr. SCHWENGEL. My point is I do not think we ought to ask the visitors who are going to pay for this in parking fees, and so forth, to have to pay for this facility, this change, this improvement. This will be for the Government and/or the railroad to handle; that finance should not be part of the expense of this total project.

Mr. GRAY. Let me propound this question: If we leave it as it now exists, will we be preempting any space that we might need? In other words, would we need that vacant space for the National Visitor Center? Why not just leave them as they are now and not disturb the basement at all?

Mr. AUERBACH. If I can go back to a previous plan and show you where it presently rests, I think you might see the problem. [Slide.]

At the moment the mail conveyor comes across from the post office on a bridge into this end of the concourse [indicating], and at that end of the concourse there is a great contrivance of chutes and belts. It then goes back this way and it goes along on the edge of the concourse above head to about this point [indicating]. At this point it falls down again to the chute system, through a conveyor that feeds out on this track. From that point on it then proceeds at a lower elevation, almost head high—just barely above head height—over to this area where all the parcel post is gathered, and then eventually down by ramps and chutes to the mailhandling facilities at the lower level.

If that were to be left, that would be a rather mechanistic, industrial sort of thing to have in the entrance of the Visitors Center. I think it has to be removed.

The railroads I understand are willing to give us this track as a mail handling track to facilitate this.

Mr. GRAY. I am referring to the usable space in the basement. Can you see any useful purpose for that space for the Visitor Center?

Mr. AUERBACH. No, sir.

Mr. GRAY. You are talking about the unsightliness of having these overhead conveyors. I am talking about the existing space in the basement.

If we were to say tomorrow we will move all this out, do you see any purpose for that space for the Visitor Center?

Mr. AUERBACH. No, sir.

Mr. GRAY. That is the point. I think these conveyors should be moved at the expense of someone other than the Department of the Interior. I am sure the Post Office and railroad will do that. [Slide.]

Mr. AUERBACH. Well, this is the exiting really from the Visitor Center after availing themselves of facilities, orienting themselves to the Center. The visitors will come out the splendid front of Mr. Burnham's Union Station, take several tour shuttles or various conveyances to various areas of the city. From this end of the building they can have direct access to the rapid transit system if they so choose. [Slide.]

I will leave this on in case there is any question.

Thank you.

Mr. GRAY. Are there any questions on my right?

Are there any questions on my left?

Well, thank you very much for a very fine presentation.

I certainly want to commend you for very outstanding work.

As you know, the basic legislation on the study only required the Department to report the preliminary sketches and preliminary drawings. I think you certainly have gone far beyond what we had expected, and we congratulate you for it.

Mr. AUERBACH. Thank you.

Mr. PLAVNICK. Thank you, sir.

Mr. GRAY. Mr. Secretary.

Secretary UDALL. Mr. Chairman, I am sure the members of the committee, after seeing the visual presentation here, have a much clearer idea of what the potential is, what a very fine facility this would be, what type of service we can provide for the people who come to this city. And I think the other real service that the Commission rendered, and particularly the subcommittee that the chairman chaired, was to show that if we did it as proposed, it would not be an enormously expensive public works project; that we can, through the type of arrangement that we hope can be worked out—and apparently can be worked out with the railroads—do this and do it right, and yet have the cost be modest, and that is the note I wanted to conclude my statement on.

Mr. GRAY. As usual, Mr. Secretary, you have outdone yourself; you have gone far beyond what I am sure all of us expected, and we again want to commend you and your subordinates, particularly Sutton Jett and his associates, in the National Park Service, and the consultants that you hired to assist you on what I might say was a very meager budget. Congress only allowed a paltry $10,000 to do all that you have seen presented here, which is a little bit ridiculous when you see the millions of dollars we spend on what I consider to be much less worthy causes. I think we have to salute the Secretary for doing this kind of job on the budget of $10,000, which is even a little ridiculous to have mentioned.

Secretary UDALL. We should thank the designers who have worked on it, because I suspect they have some time invested in this and we really owe them some special thanks.

Mr. GRAY. I agree with you.

Any questions on my right?

Any questions on my left?

Mr. Schwengel.

Mr. SCHWENGEL. Yes. First I want to comment and echo what the chairman has already said and say in addition that I am glad to see you again, Mr. Secretary.

You recall when we first met, it was in the 84th Congressional Club. It is wonderful to see you, a member of our club, in such a responsible commission.

Secretary UDALL. We have other members of that club here today, too.

Mr. SCHWENGEL. Right.

Mr. GRAY. If the gentleman will yield, I would say that is where the Secretary got his good training.

Mr. SCHWENGEL. So we of the 84th Club feel in some way we reflect in your glory and accomplishments. I want to commend you highly for them.

Secretary UDALL. I am glad, if I may say so, to see my colleagues of the 84th Club gravitating to positions of power and seniority in the Congress.

Mr. GRAY. Well, thank you again, Mr. Secretary, and all of you.

Mr. Schwengel.

Mr. SCHWENGEL. I have a question.

On the matter of the rental, had you given thought or do you consider it advisable maybe to have an option to buy under certain circumstances? Is that envisioned?

Secretary UDALL. This is proposed in an amendment which we have suggested, that that option should also be available to the Federal Government if at some future time this is in the public interest and we can work out an agreement that would be satisfactory to the Congress.

Mr. GRAY. In that connection, Mr. Secretary, I would like to make the record very clear; as you know, as I mentioned earlier, we do have serious budgetary problems from several quarters. It would not be your intention now certainly for us to go to the floor and ask for a lease arrangement with any view in mind in the very foreseeable future of actually using taxpayers' funds to purchase this facility? This is not your intent, to recommend we give you this authority?

This is not an attempt to get lease authority with the intention to buy?

Secretary UDALL. I think we should say for the record, make this very clear, this first phase that we envision with the presentation we made here today, that we think the lease arrangement is a very good arrangement and probably if the Government wants to consider outright purchase at all, this would be 10, 15, or 20 years away.

Mr. GRAY. I want to make that clear. I do not want someone on the floor saying, "Really you say lease here, but I am sure you intend to spend $25 or $50 million of taxpayers' money." This is not envisioned at all?

Secretary UDALL. This is not envisioned in the whole first phase.

Mr. GRAY. Fine. Thank you very much.

Mr. SCHWENGEL. One other question, Mr. Secretary. I want to comment first, I am happy that the Interior Department's people like you are in charge, more or less supervising and managing this operation.

In that connection, I would like to say, in addition, what the Interior Department and the Park Service have done, especially through Mission 66, has been a tremendous contribution to better understanding of our heritage. I do not know any better way to reveal this than through the park areas and recreation areas; they are part of the Government system.

It is having its influence in the States. They are following the same pattern. Right now Iowa is developing a project and studying something the Federal Government has done in Park Service. This is fine.

Now, on to a question: My experience indicates Members of the Congress have a tremendous interest far beyond anything I could imagine in the history of the heritage of our country, and I am wondering if you would have any objection to having a continuing committee from the Congress to work as sort of a board of consultants or advisers, so they cannot only help you in this way, but reflect the interest and experience of the Congressmen as it relates to the problems of the visitor? Would you have any objection to having that written in?

Secretary UDALL. I not only would have no objection, I would think this would be very useful to have a regular—I would say relatively small, do not get it too large so it is unwieldy, but oversight committee that would be Members of Congress who would particularly keep in touch with developments and would be constantly advising with us and making suggestions, and would be sort of the interpreters to the Congress of what we are doing. I think this might be very helpful.

Mr. GRAY. That is a very good suggestion.

Mr. SCHWENGEL. Thank you, Mr. Chairman.

Mr. GRAY. Again, Mr. Secretary, let us thank you tremendously for your wonderful work in this connection.

I might say, as you leave, that of the hundreds and hundreds of letters and witnesses that have appeared during these hearings, we have not had one single person appear or submit a statement in opposition to the Commission's recommendation, which I think is a great salute to the Commission.

Secretary UDALL. Fine. Thank you.

Mr. GRAY. Thank you very much.

The next witness will be Mr. William J. Powell, executive vice president and general counsel of the American Foundation for World Trade Studies, the U.S. Visitor Center Founding Corp., Washington, D.C.

Mr. Powell will be accompanied by Mr. Cameron Hartwell Pulley, chairman of the boards of directors of the American Foundation for World Trade Studies, Inc., and the U.S. Visitor Center Founding Corp.; Mr. John B. Funk, engineer and former director of the Maryland Roads Commission; Dr. Alvin C. Loewer and Mr. Warren Sargent, of the architect-engineering firm, Loewer, Sargent & Associates, of Kensington and Baltimore, Md.; and Mr. William J. Muth, director of public relations.

Will you just please come forward.

We appreciate your patience in waiting and certainly thank you very much for coming.

STATEMENT OF WILLIAM J. POWELL, EXECUTIVE VICE PRESIDENT AND GENERAL COUNSEL OF THE U.S. VISITOR CENTER FOUNDING CORP. AND THE AMERICAN FOUNDATION FOR WORLD TRADE STUDIES, INC., ACCOMPANIED BY CAMERON HARTWELL PULLEY, CHAIRMAN OF THE BOARDS OF DIRECTORS; DR. ALVIN C. LOEWER AND WARREN SARGENT, ARCHITECTS; JOHN B. FUNK, ENGINEER; AND WILLIAM J. MUTH, DIRECTOR OF PUBLIC RELATIONS

Mr. POWELL. Mr. Chairman and members of the subcommittee, I am pleased to appear before your subcommittee today to discuss H.R. 12603, a bill to supplement the purposes of the Public Buildings Act of 1959, by authorizing agreements and leases with respect to certain properties in the District of Columbia, for the purpose of a National Visitor Center, and for other purposes.

I have with me today Mr. Cameron Hartwell Pulley, chairman of the boards of directors of the American Foundation for World Trade Studies, Inc., and the U.S. Visitor Center Founding Corp.

I also have with me Dr. Alvin C. Loewer and Mr. Warren Sargent—this is Dr. Loewer and this Mr. Sargent——

Mr. GRAY. The gentlemen may have seats here if you care to. We may have questions. If you would like, you may sit up here at the table.

Mr. POWELL (continuing). Who are members of the architect-engineering firm, Loewer, Sargent & Associates of Kensington and Baltimore, Md.

With us also is Mr. William J. Muth, who has been very helpful to us in public relation matters, and Mr. John B. Funk, engineer, who was formerly the director of the Maryland Roads Commission. Mr. Funk will become vice president and administrative engineer of the U.S. Visitor Center Founding Corp., in which capacity he will have complete supervision and direction of all engineering and construction of the building complex which we propose as an addition to the National Visitor Center as conceived by Chairman Gray and expressed in his bill H.R. 12603.

I would like to say a word about Mr. Funk's background. He has accumulated some 30 years' experience in private and governmental engineering projects since graduating Phi Beta Kappa in civil engineering from Washington and Lee University. He has developed subway systems while working with the American Bridge Co., and then working with the H. K. Ferguson Co., of Cleveland. For 10 years he was a consulting engineer for a number of small cities until he became chief engineer of the State of Maryland, to supervise the designing and building of 90 public buildings, including schools, hospitals, sanitoriums, stadiums, and other functional buildings.

For 8 years he was director of public works for rapidly expanding Baltimore County, and for 8 years he was chairman-director of the Maryland State Roads Commission directing the building of $800 million of roads and freeways, including the Baltimore and Capital Beltways.

I might also say that Mr. Funk was one of the originators of the whole concept of freeway systems with interchanges, and so forth, and in fact design the first interchange in the east here.

Besides, he has served on or headed a number of important boards and commissions, including the Maryland State Planning Commission, Baltimore Regional Planning Commission, Greater Washington Transportation Board, a Joint Committee on Urban Transportation and chairman on the Committee on Organization and Administration of the Highway Research Board of the National Academy of Sciences.

Mr. Funk would approach this job under his original idea of an urban concept team, where he would have the experience and knowledge of all professionals—engineers, architects, and even psychologists—pooled together in order to make a freeway system, an urban community, or whatever project he might be working on—in this case an addition to the Visitor Center—more perfect.

Messrs. Funk, Loewer, and Sargent are available to answer technical questions from members of the committee.

Concrete solutions to such problems as how to adequately provide for the huge numbers of visitors pouring into the Nation's Capital today and how to adequately provide for the staggering geometric

increases of these visitors as each year passes, are solutions which are difficult to come by on a "nuts-and-bolts" basis.

The factors and interests involved are so diverse, complex, and multitudinous that great intelligence, imagination, perseverance, and compromise ability are required in order to finally formulate a practical and concrete solution which will satisfy all interests and at the same time provide for these large numbers of visitors not only the basic necessities and comforts but a truly memorable and meaningful visit to one of the world's greatest centers of government—their own.

In Chairman Kenneth Gray, these required characteristics abound, and the manner in which he has pursued a practical solution to the problem can only be admired and lauded.

He is faced with a problem of present urgency, a truly adequate solution to which would cost a huge sum of money, at a time when the costs of our Government are already astronomical. Yet he has been able to formulate, activate, and continue to forge a practical plan whereby the costs to our Government will be truly nominal, yet the result of which will be an admirable and concrete first step toward coping in a meaningful way with the rapidly increasing numbers of visitors.

It is our opinion that the proper site has been chosen for the Center with its already existing monumental structure designed as the "Gateway to the Capital" after the triumphal arches of Rome.

The American Foundation for World Trade Studies, Inc., comes here today with its subsidiary, the U.S. Visitors Center Founding Corp., to offer a plan which will supplement and complement the fine work of Chairman Gray, the chairman of the subcommittee, and the study commission as we have seen already outlined in the previous testimony.

The American Foundation for World Trade Studies, whose name is perhaps misleading in that its members quickly discovered at the outset, some 9 years ago, that to study trade is to study in depth the social, economic, and political institutions of geographical areas, and more important is to study ways and means of improving and developing educational systems, and having become intrigued with the possibilities attendant upon the idea of a National Visitor Center, began a year and a half ago to work out a comprehensive plan where it could make a significant contribution to such a center and at the same time implement its plans of long standing for the creation of an Electronic Education and Information Center.

To carry out the administration of the activities designed to aid in the building of supplemental Visitor Center facilities for the use of the Federal Government, we formed a second nonprofit corporation, the U.S. Visitor Center Founding Corp.

With completely private capital, and without one penny of congressionally appropriated money, the founding corporation would build an additional 7,000 parking spaces adjacent to and immediately behind the 3,000 to 4,000 parking spaces proposed to be built by the Washington Terminal Co., and beyond that the founding corporation would build a large building extending to L Street over the railroad tracks and on the vacant corner of L and First Streets.

The first floor of this large building would join the planned "esplanade," be reached therefrom by a number of escalators, and consists

of about 1,600,000 square feet of prime exhibit space with a high ceiling.

This floor would be the first level above the railroad tracks and would vastly extend the National Visitor Center as presently proposed, providing a continuous exhibit space from the front of the existing terminal building all the way back to L Street.

The immediate and complete use of this floor, of 1.6 million square feet gross, would be given to the National Visitor Center by the founding corporation, except possibly for a relatively small double-decked area of about 150,000 square feet on which would be built the new and modernized terminal facilities.

Our studies indicate, however, that the new railroad terminal facility could and perhaps should be constructed in the area shown on plate 3 in the printed statement, except one floor lower. This would be possible without infringing upon the Mail Handling Building area, since the roof of that building is at the same level as the floors of the concourse and esplanade.

This would allow the entire first floor to be used by the Department of Interior for the purposes of the National Visitor Center as a natural extension from the esplanade. It would also allow the omission of the "escalators to tracks" shown in plate 3 of this printed statement, since train passengers would be able to reach their train platforms on the same level as that of the terminal offices where they would have bought their tickets.

This plan would also allow enlargement of the esplanade area as indicated on plate 3. Moreover, the "ramp up" shown on plate 3 would be practically level with California Street from which it originates. Egress from the terminal facility for automobiles and buses could be either via a second "flat ramp" back to California Street, lanes of the same ramp enlarged, or via the first parking floor and the west ramp.

However designed and engineered, this proposal would bring about a much-needed redevelopment of this mail-handling building corner. The very old and delapidated building would be razed and rebuilt in the process of putting in foundations—with perhaps more efficient and additional mail-handling facilities for the Post Office Department, at no cost to the Government.

The addition of this 1,600,000 square feet of prime exhibit space to the National Visitor Center and the additional 7,000 parking spaces would allow the present accomplishment of stated objectives which could not be accomplished by the Center as presently conceived.

First, Public Law 89–790 calls for provision for "exhibits and displays"—and I am quoting—"by the individual States, territories, possessions, and the District of Columbia with respect to their history, resources, scenic attractions, and other appropriate matters." This large additional space would be ample for these individual displays and with a large amount of space remaining to provide for more thorough and instructive exhibits of the Federal Government and the Nation's Capital, as well as ample space for accommodating the large projected increases in numbers of visitors. Moreover, it is an understanding that the Smithsonian Institution has warehouses full of first-class Americana exhibit material which it has no place to show. Some of this space could be used to great advantage for selected exhibits from this source.

Second, the Study Commission report recommendations state, "At the earliest date, consideration should be given to expanding the park-

ing garage to its maximum capacity, as controlled by the access ramps from Union Station Plaza." The parking problem would be solved by our additional 7,000 spaces, especially in view of additional ramps which would be constructed in other sections of the new building in coordination with the District of Columbia and Federal road planners.

The 7,000 parking spaces would be arranged on eight floors, which would be directly behind the presently proposed four floors containing 3,000 to 4,000 spaces.

The new building beginning behind all parking and extending to L Street would have six floors in addition to the exhibit floor donated to the Visitor Center. Five of these would be leased out and the sixth would be occupied by the Electronic Education and Information Center. A brief statement of its functions is included herein—that is, in the printed statement—and without repeating it here, I will ask the chairman that it be printed in the record of these hearings.

Mr. GRAY. Without objection, so ordered.

Mr. POWELL. Suffice it to say here that this Center will have three functions: First, the creation and dissemination of educational and vocational training courses throughout the United States utilizing the most modern and efficient techniques and methods, both electronic and otherwise; second, the gathering, storing, retrieving, updating, and transmitting upon inquiry information which will be useful to business and government relative to the social, economic, political, governmental, and legal conditions and development existing in all countries of the world—this information will be stored in a computer system—and third, the conduct of research in both the hardware and software used in accomplishing the first two functions.

On the top floor of the new building we would establish a convention center and provide two large rooms of convention hall proportions—a facility badly needed in Washington. One of the large rental floors could be made available for chanceries of those foreign governments needing space, although we would be guided in this by the State Department's policy and wishes.

The American Foundation for World Trade Studies, Inc., would set up its outside information-gathering facilities immediately and begin its work for the Electronic Education and Information Center so that by the time the building is completed, in 3 years' time, the education and information programs will be ready for immediate implementation.

This entire program will be primarily financed by the issue of the 5-percent bonds of the U.S. Visitor Center Founding Corp. pursuant to a negotiated underwriting agreement with a large underwriting firm in New York. The firm with which we have discussed this matter advises us that this project is feasible from an underwriting standpoint under certain conditions.

We must make these bonds as attractive to investors as any municpal bond by having the interest we would pay on them made tax exempt to the purchaser thereof. This can only be achieved by Federal legislation, and we are asking that this bill be amended to include such a provision.

Mr. GRAY. Let me interrupt you there, Mr. Powell, if I may.

You are asking, then, if this venture goes forward, that you be treated as a municipality? You are going to provide a public service by making a large number of square footage of floor space available

for public use, that you require no taxpayers' funds, but you would need tax-exempt bonds the same as a municipality?

Mr. POWELL. I hesitate to say we want to be treated as a municipality, because it is a private, though nonprofit, corporation. I am just comparing the fact——

Mr. GRAY. Maybe the question is not clear.

Mr. POWELL. The fact the bonds would be exempt would be similar to bonds of municipalities that are issued to build similar projects for the public.

Mr. GRAY. This is what I had reference to; you want similar treatment as the municipalities is what I had reference to.

Mr. POWELL. Yes. Yes.

Such an exemption is completely justified when the following is considered:

First, the donation of the large additional space of 1,600,000 square feet to the National Visitor Center, a fair rental value of $10,520,000 per year.

Second, the provision of a critically needed additional 7,000 parking spaces to make a total onsite availability of 10,000 automobile spaces and parking for 116 buses. We will, however, have to have a nominal charge for parking in the 7,000-space area. We are anticipating a charge of $1.50 or less per car for all day parking.

Third, the principal activities in the new building will be a nonprofit education and information center and a nonprofit international club.

Fourth, the founding cooperation would pay real estate taxes to the District of Columbia government of $2,758,000 per year. This would amount to about $52,413,000 over the 23-year bond amortization period and should far more than pay for the road, freeway, and street rearrangement for easy ingress and egress to the National Visitor Center, as well as modernizing the depressing underpassess on H, K, and L streets.

Fifth, the new building complex would place a sizable wedge of redevelopment in an area in very urgent need of it embarrassingly close to the Capitol. This new building and its activities would undoubtedly cause a spate of further redevelopment in the surrounding area, including yet further additional parking, hotel facilities, and so forth.

Sixth, of the total number of square feet of building constructed, not counting parking, only about one-half would be devoted to the production of rental income. The other half would be utilized by the National Visitor Center and the Electronic Education and Information Center at no charge. Total area would be 10,539,400 square feet; total rental area would be 5,800,500 square feet and a rental rate of $6 per square foot is anticipated.

Seventh, the tax exemption of the bonds cannot be argued to cost the Government money, because without the exemption, there would be no bonds and no interest income at all, since this project cannot be done on this basis without the bonds being tax exempt. Moreover, it cannot be argued that investors would invest in taxable income-producing securities if they did not invest in these bonds, because the money which will be invested in these bonds most likely would be put into other tax-exempt municipals if it were not invested here.

I might also say that the total issue of bonds would be only three-tenths of 1 percent of the total issue of tax-exempt bonds now outstanding, which are about $1.5 billion.

Moreover, since the greatest part of the administrative budget—that is, our budget—is for salaries, the income taxes therefrom will generate a large new source of Federal revenue.

I would like to give a brief visual presentation at this point after which I will give a final justification for the bonds being treated as municipals.

Mr. GRAY. You may proceed.

Mr. POWELL. I have a few slides to show. You can get a better picture of what we are proposing.

Mr. SCHWENGEL. May I raise a question?

Mr. GRAY. He wants to show some slides, then we may ask questions.

Mr. SCHWENGEL. All right.

Mr. POWELL. Could I have the lights dimmed? [Slide.]

Here you can see a rough sketch of the cross section of the proposed addition. I should point out at the outset that this building is certainly not architected or engineered, although the vertical and horizontal information on these plates is accurate.

The present building is indicated by this blue-shaded area. The larger of the two domes is your main building; the smaller dome behind it is the long concourse.

Now the Study Commission proposes to build these additions, indicated by the yellow-shaded areas, and that includes the esplanade and the 4,000 parking spaces behind, plus the new terminal, which would be built in this area [indicating].

Our proposal is to add the parking spaces behind the 4,000 parking spaces and build the building there behind those parking spaces as seen running back 2,100 feet.

Of that new building, we would donate to the Visitor Center the red area floor [indicating]. It is drawn here with a 20-foot ceiling. In fact, the vertical information is a 30-foot ceiling above the trains might be able to be left, a 20-foot ceiling of this large exhibit floor, and the other floors 10 feet apart with two large floors here in the building itself, and of course a helicopter facility on top.

Now, the Study Commission plan at present has the escalators running from the esplanade up to the first floor parking. I do not want to confuse you by this plate. We have shown it here coming in a floor lower. [Slide.]

I might also point out these are very preliminary suggestions, of course, even more preliminary than the well-developed Study Commission's report.

Now, this shows a sketch of the area as it presently exists. This is the existing station, this is the long concourse here, and the tracks begin right behind the concourse [indicating].

Now, these tracks [indicating] would be moved, under the Study Commission plan, back to about the point of my pencil, and the esplanade would be built in here.

The ends of this concourse building, about 100 feet off of each end would be removed in order for the ramps to be built there. The yellow-shaded area shows the part of the concourse that would be removed.

The two ramps proposed in the Study Commission report are this ramp and this ramp [indicating]. This ramp would be for ingress and this ramp would be for egress. And of course these branches here indicate the Study Commission's traffic flow in front of the new terminal facility and out over here and out the outgoing ramp.

These are the connections to the Post Office Building, which is right across the street in this direction [indicating] and you can see here the mail-handling buildings, which is a building over which we would propose including part of this new building. The new building would come all the way out to here [indicating] and down to L Street, and over this property too, over the railroad tracks.

Since we would redevelop this entire corner, we think it might be better to have a ramp coming in from that side, which would allow an enlargement of the esplanade of the Study Commission in this area around this corner, since there would not be a ramp here [indicating], although this is a matter which could be studied with a new hypothesis of developing this corner. [Slide.]

This plate shows the floor built in. This is the esplanade planned by the Study Commission, and this shows how it could be extended around the corner here. These are the theater groupings here. This is the cyclorama and this is your planned floor screen for——

Mr. GRAY. Diorama.

Mr. POWELL. What do they call it?

Mr. GRAY. Diorama.

Mr. POWELL. Diorama.

The Study Commission plan calls for two escalators here [indicating]. I have drawn in three more here and three more here [indicating]. This is thought to be made necessary by the fact that we are giving this entire floor, running a large distance back, for an extension of the Visitor Center. There would probably have to be more means or ingress and egress to that area.

Mr. GRAY. Are you proposing the Government pay for these escalators or would that be part of your plan?

Mr. POWELL. That is all part of our plan. Any expense involved with the connecting of our facility to the Study Commission's facility would be paid by us, and of course the connection, the mode of connection would be subject to discussion and approval by the Planning Committee and the Fine Arts Commission, and so forth.

Now, this picture here shows the mail-handling building area, which is here [indicating], and shows a new terminal office space here [indicating] in the corner, which would not interrupt this large space behind the presently proposed Center.

Mr. GRAY. That plan has been changed, I understand, and they now plan to have the entire railroad facility underneath the parking facility.

Mr. POWELL. Oh, is that a fact?

Mr. GRAY. Yes.

Mr. POWELL. In that case there would be no problem. There would be no problem in any case.

Here the railroad terminal is shown on the same level as the Study Commission, with the escalators down, and one escalator leading down here to the lower track level.

Now, as I pointed out a little while ago, this facility could be placed one floor lower than it appears here inasmuch as the roof of this mail-handling building is at the same level as the ground of the esplanade and the floor of the concourse, and of course one floor lower than the track level in this area [indicating]; hence, if it were put one floor lower [slide] you would simply have that entire space as the first part of the addition to the Visitor Center which we are proposing.

Of course, it would be much larger than this. It would run all the way down to L Street and we would build this floor only after consultation and approval by the Secretary of the Interior and whoever would be setting up exhibits. Because oftentimes certain exhibits require changes in the height of the ceiling in various areas and so forth; so it would have to be——

Mr. GRAY. Please give for the record the number of square footage of floor space you would envision giving to the Visitor Center. Did you say 1.7 million?

Mr. POWELL. 1.6 million. That is gross, however. That has to be reduced.

Mr. GRAY. That would be a sizable area. The entire building we see there in the Union Station is only 330,000 square feet.

Mr. POWELL. That is correct. You would be able to have as much or more than 10,000 square feet of exhibits for each State, possession, and the District of Columbia, which would be spaces 100 feet by 100 feet, and still only use up a half million square feet of the 1.6 million.

Mr. GRAY. When you say give the space, are you envisioning any type of admission fee to get into this facility?

Mr. POWELL. No, sir. No admission fee at all.

I have a schedule of economic analysis of how the finances of it would work, so you can see that——

Mr. GRAY. I would like to have all that submitted for the record. We certainly do not have time to go into details concerning all of it today, but I would like to put it all in the record so all the members will have a chance to study the economic aspects of the proposal.

Mr. POWELL. I will ask, then, that that material in the printed statement simply be included in the record. It is all spelled out with cash flow.

Mr. GRAY. We will print your entire statement, including the economic justifications, in the record in full.

(The document follows:)

STATEMENT OF WILLIAM J. POWELL, EXECUTIVE VICE PRESIDENT AND GENERAL COUNSEL OF THE UNITED STATES VISITOR CENTER FOUNDING CORPORATION AND THE AMERICAN FOUNDATION FOR WORLD TRADE STUDIES, INC.

Mr. Chairman and Members of the Subcommittee, I am pleased to appear before your Subcommittee today to discuss H.R. 12603, a bill "To supplement the purposes of the Public Buildings Act of 1959 (73 Stat. 479), by authorizing agreements and leases with respect to certain properties in the District of Columbia, for the purpose of a national visitor center, and for other purposes."

I have with me Mr. Cameron Hartwell Pulley, Chairman of the Boards of Directors of the American Foundation for World Trade Studies, Incorporated and the United States Visitor Center Founding Corporation. I also have with me Dr. Alvin C. Loewer and Mr. Warren Sargent of the Architect Engineering Firm, Loewer, Sargent and Associates of Kensington and Baltimore, Maryland.

With us also is Mr. John B. Funk, Engineer and former Director of the Maryland Roads Commission. Mr. Funk will become Vice President and Administrative Engineer of the United States Visitor Center Founding Corporation, in which capacity he will have complete supervision and direction of all engineering and construction of the building complex which we propose as an addition to the National Visitor Center as conceived by Chairman Gray and expressed in his bill, H.R. 12603. Messrs. Funk, Loewer and Sargent are available to answer technical questions from members of the committee.

Concrete solutions to such problems as how to adequately provide for the huge numbers of visitors pouring into the nation's capital today and how to adequately provide for the staggering geometric increases of these visitors as each year passes, are solutions which are difficult to come by on a "nuts and bolts" basis.

The factors and interests involved are so diverse, complex and multitudinous that great intelligence, imagination, perseverance and compromise ability are required in order to finally formulate a practical and concrete solution which will satisfy all interests and at the same time provide for these large numbers of visitors not only the basic necessities and comforts but a truly memorable and meaningful visit to one of the world's greatest centers of government—their own.

He is faced with a problem of present urgency, a truly adequate solution to which would cost a huge sum of money, at a time when the costs of our government are already astronomical. Yet he has been able to formulate, activate and continue to forge a "nuts and bolts" plan whereby the costs to our government will be truly nominal yet the result of which will be an admirable and concrete first step toward coping in a meaningful way with the rapidly increasing numbers of visitors.

It is our opinion that the proper site has been chosen for the center with its already existing monumental structure designed as the "Gateway to the Capital" after the triumphal arches of Rome.

The American Foundation for World Trade Studies, Incorporated, comes here today with its subsidiary, the United States Visitor Center Founding Corporation to offer a plan which will supplement and complement the fine work of Chairman Gray and his Subcommittee and the Study Commission created by Public Law 89–790 to study possible visitor facilities.

The American Foundation for World Trade Studies, whose name is perhaps misleading in that its members quickly discovered at the outset, some nine years ago, that to study trade is to study in depth the social, economic, and political institutions of geographical areas, and more important is to study ways and means of improving and developing educational systems, and having become intrigued with the possibilities attendant upon the idea of a National Visitor Center, began a year and a half ago to work out a comprehensive plan whereby we could make a significant contribution to such a center and at the same time implement our plans of long standing for the creation of an Electronic Education and Information Center.

To carry out the administration of the activities designed to aid in the building of supplemental visitor center facilities for the use of the federal government, we formed a second non-profit corporation, the United States Visitor Center Founding Corporation.

With completely private capital, and without one penny of congressionally appropriated money the Founding Corporation would build an additional 7,000 parking spaces adjacent to and immediately behind the 3,000 to 4,000 parking spaces proposed to be built by the Washington Terminal Company, and beyond that the Founding Corporation would build a large building extending to "L" Street over the railroad tracks and on the vacant corner of "L" and First Streets.

The first floor of this large building would join the planned "esplanade", be reached therefrom by a number of escalators and would consist of about 1,600,000 square feet of prime exhibit space with a twenty foot ceiling. [See Plate 1 herein.]

This floor would be the first level above the railroad tracks and would vastly extend the National Visitor Center as presently proposed, providing a continuous exhibit space from the front of the existing terminal building all the way back to "L" Street.

The immediate and complete use of this floor would be given to the National Visitor Center by the Founding Corporation, except possibly for a relatively small double-deck area of about 150,000 square feet on which would be built the new and modernized terminal facilities. [See Plate 3 herein.]

Our studies indicate, however, that the new railroad terminal facility could and perhaps should be constructed in the area shown on Plate 3 *except one floor lower*. This would be possible without infringing upon the Mail Handling Building area, since the *roof* of that building is at the same level as the *floors* of the concourse and Esplanade.

This would allow the entire first floor to be used by the Department of Interior for the purposes of the National Visitor Center as a natural extension from the Esplanade. It would also allow the omission of the "escalator tracks" shown in Plate 3, since train passengers would be able to reach their train platforms on the same level as that of the terminal offices where they would have bought their tickets.

This plan would also allow enlargement of the Esplanade area as indicated on Plate 3. Moreover, the "Ramp up" shown on Plate 3 would be practically level with California Street from which it originates. Egress from the terminal facility for automobiles and buses could be either via a second "flat ramp" back to California Street, lanes of the same ramp enlarged or via the first parking floor and the West Ramp.

However designed and engineered, this proposal would bring about a much-needed redevelopment of this Mail Handling Building Corner (the very old and delapidated building would be razed and rebuilt) with perhaps more efficient and additional mail handling facilities for the Post Office Department, at no cost to the government.

The addition of this 1,600,000 square feet of prime exhibit space to the National Visitor Center and the additional 7,000 parking spaces would allow the present accomplishment of stated objectives which could not be accomplished by the center as presently conceived.

1. Public Law 89–790 calls for provision for "exhibits and displays by the individual States, territories, possessions and the District of Columbia with respect to their history, resources, scenic attractions, and other appropriate matters." This large additional space would be ample for these individual displays and with a large amount of space remaining to provide for more thorough and instructive exhibits of the Federal Government and the Nation's Capital, as well as ample space for accommodating the large projected increases in numbers of visitors. Moreover, it is an understanding that the Smithsonian Institution has warehouses full of first class Americana exhibit material which it has no place to show. Some of this space could be used to great advantage for selected exhibits from this source.

2. The Study Commission Report recommendations state, "at the earliest date, consideration should be given to expanding the parking garage to its maximum capacity, as controlled by the access ramps from Union Station Plaza." The parking problem would be solved by our additional 7,000 spaces, especially in view of additional ramps which would be constructed in other sections of the new building in coordination with the D.C. and Federal road planners.

The 7,000 parking spaces would be arranged on eight floors, four floors of which would be directly behind the presently proposed four floors containing 3,000 to 4,000 spaces.

The new building beginning behind all parking and extending to "L" Street would have six floors in addition to the exhibit floor donated to the Visitor Center. Five of these would be leased out and the sixth would be occupied by the Electronic Education and Information Center. A brief statement of its functions is included herein, and without repeating it here, I will ask the Chairman that it be printed in the record of these hearings. Suffice it to say here that this center will have three functions: (1) the creation and dissemination of educational and vocational training courses throughout the United States utilizing the most modern and efficient techniques and methods, both electronic and otherwise; (2) the gathering, storing, retrieving, updating, and transmitting upon inquiry, information which will be useful to business and government relative to the social, economic, political, governmental and legal conditions and development existing in all countries of the world; and (3) the conduct of research in both the hardware and software used in accomplishing the first two functions.

On the top floor of the new building we would establish an International Club with memberships available on a completely non-discriminatory basis and provide two large rooms of convention hall proportions, a facility badly needed in Washington. Memberships would be made available to Ambassadors and their staffs at no charge.

One of the large rental floors could be made available for chanceries of those foreign governments needing space, although we would be guided in this by the State Department's policy and wishes.

The American Foundation for World Trade Studies, Inc. would set up its outside information-gathering facilities immediately and begin its work for the Electronic Education and Information Center so that by the time the building is completed (in three years time), the education and information programs will be ready for immediate implementation.

This entire program will be primarily financed by the issue of the 5% bonds of the United States Visitor Center Founding Corporation pursuant to a negotiated underwriting agreement with a large underwriting firm in New York. The firm with which we have discussed this matter advises us that this project is feasible from an underwriting standpoint under certain conditions.

We must make these bonds as attractive to investors as any municipal bond by having the interest we would pay on them made tax exempt to the purchaser thereof. This can only be achieved by federal legislation, and we are asking that this bill be amended to include such a provision.

Such an exemption is completely justified when the following is considered:

1. The donation of the large additional space (1,600,00 square feet) to the National Visitor Center, a fair rental value of $10,520,000 per year.

2. The provision of a critically-needed additional 7,000 parking spaces to make a total on site availability of 10,000 automobile spaces and parking for 116 busses. We will, however, have to make a nominal charge for parking in the 7,000 spaces area. We are anticipating a charge of $1.43 per car for all-day parking.

3. The principal activities in the new building will be a nonprofit education and information center and a non-profit International Club.

4. The Founding Corporation would pay real estate taxes to the District of Columbia government of $2,758,604 per year. This would amount to about $52,413,476 over the 23-year bond amortization period and should far more than pay for road, freeway, and street rearrangement for easy ingress and egress to the National Visitor Center, as well as modernizing the depressing underpasses on "H", "K" and "L" Streets.

5. The new building complex would place a sizeable wedge of redevelopment in an area in very urgent need of it embarrassingly close to the Capitol. This new building and its activities would undoubtedly cause a spate of further redevelopment in the surrounding area, including yet further additional parking, hotel facilities, etc.

6. Of the total number of square feet of building constructed, not counting parking, only about one-half would be devoted to the production of rental income. The other half would be utilized by the National Visitor Center and the Electronic Education and Information Center at no charge. [Total area: 10,539,400 square feet; total rental area: 5,800,500 square feet] A rental rate of $6.00 per square foot is anticipated.

7. The tax exemption of the bonds cannot be argued to cost the government money, because without the exemption there would be no bonds and no interest income at all, since this project cannot be done on this basis without the bonds being tax-exempt. Moreover, it cannot be argued that investors would invest in taxable income-producing securities if they did not invest in these bonds, because the money which will be invested in these bonds would be put into other tax-exempt municipals if it were not invested here.

I would like to give a brief visual presentation at this point after which I will give a final justification for our bonds being treated as municipals.

[Visual Presentation]
[1. Plates]
[2. Budgets]

Mr. Chairman and gentlemen, the final reason I would give for making the interest on the bonds of the Founding Corporation tax-exempt is that *we propose to give this entire building and parking spaces together with all fixtures and maintenance equipment to the United States Government* when the bonds have been amortized, which should be 19 years from the completion date.

Along with the building we would also be giving to the United States Government a built-in annual net income of $22,633,063 plus whatever rent we would

pay on the Electronic Education and Information Center and International Club floor. And within two years from that time the Government would have more than enough money from this new source alone to purchase the remaining Union Station property.

The benefits our proposal would bring to the Washington Terminal Company and the railroad companies would be as follows:

1. We would pay $5,000,000 to the Washington Terminal Company for the air rights and other rights necessary in order to accomplish the proposed construction.

2. We would pay $136,500 (at $15 per square foot) for the corner property at "K" Street presently occupied by a gasoline service station.

3. We would be willing to have our contractors build the new terminal to the Washington Terminal Company's specifications for the projected $3,500,000, as well as the spaces for 3,036 cars and 116 busses and ramps for the projected $11,000,000. This would virtually guarantee the ability to presently fix the rental rate at some figure between the projected $2,900,000 and $3,000,000. If these cost estimates turn out to be too low, the difference can easily be absorbed by us due to the size of our program.

4. We would completely rebuild the building presently leased to the Railway Express Company by the Washington Terminal Company at no charge, thereby substituting modernized facilities for a very outdated building.

5. In the process of incorporating the power plan in the new building, we would modernize that facility at no charge. If it would be feasible to convert the source of energy in that plant from coal to either natural gas or oil, the immense brick smoke stack could be eliminated.

6. If excavation is required for foundations, then we would elevate all of the track platforms when they were replaced. This work would be done in a staggered manner so as not to seriously interfere with terminal operations.

Mr. Chairman and gentlemen, I want to thank you for this opportunity to be heard, and, if there are no questions, this concludes my statement.

PROPOSED AMENDMENTS TO H.R. 12603

A BILL To supplement the purposes of the Public Building Act of 1959 (73 Stat. 479), by authorizing agreements and leases with respect to certain properties in the District of Columbia, for the purpose of a national visitor center, and for other purposes

Page 1, line 8. After the word, "with," insert, "(1)"

Page 2, line 2. After the word, "Station," insert, "and (2) the United States Visitor Center Founding Corporation, a non-profit corporation organized under the laws of the State of Delaware, and, by a contract to purchase, the owner of certain air rights above the Union Station property, * * *"

Page 2, line 3, Strike the word, "property," and insert the word, "properties"

Page 2, line 4. After the word, "therewith," add, "and for other purposes."

Page 3, lines 1 and 2. Strike all after the word, "terminal," and add, "in an area other than the existing terminal building, to be mutually agreed upon; and * * *"

Page 3, line 7. After the word, "Act," insert, "with the Washington Terminal Company"

Page 3, between lines 9 and 10. Insert, "(c) The agreements authorized to be negotiated and entered into by Section 2 of this Act with the United States Visitor Center Founding Corporation shall be subject to the following terms and conditions:

(1) The United States Visitor Center Founding Corporation shall agree to undertake at its own cost and expense the planning, financing, constructing, owning, and managing of a building complex within the areas and spaces for the purchase of which it has contracted with the Washington Terminal Company, as well as on the property on the corner of "L" and First Streets, Northeast, which the Federal Redevelopment Land Agency is hereby directed to sell to the United States Visitor Center Founding Corporation at a price not to exceed $15.00 per square foot.

(2) The United States Visitor Center Founding Corporation is authorized to extend its building across that part of "K" Street bordered by the rail-

road tracks on the east and the north-south building line on the east side of First Street, Northeast, at its own cost and expense.

(3) The United States Visitor Center Founding Corporation is authorized to issue bonds or other evidences of indebtedness, in such amounts, and with such provisions, and to be issued, redeemed, re-issued, used, donated, exchanged, or sold at private or public sales, and with such due dates or callable periods, and for such purposes, as the directors may, from time to time, determine to be in the best interests of the corporation and to be necessary or desirable to achieve the objectives and to carry out the purposes of such agreements and the purposes of the corporation,—

(a) with total amounts outstanding at any one time of not to exceed Three Hundred Fifty Million Dollars, and

(b) with interest at the rate or rates of not to exceed five per centum per annum, tax exempt, payable annually; provided that, during the first five years after the first issue of such bonds or other evidences of indebtedness, such interest may be deferred and accumulated, or may be paid currently out of principal and reimbursement to principal be made thereafter out of earnings; and

(c) such bonds or other evidences of indebtedness shall be registered.

(4) The Secretary of the Treasury is authorized to purchase such bonds or other evidences of indebtedness of the corporation out of any trust funds or accounts or other moneys not appropriated, under his jurisdiction. In like manner, any trust funds, accounts or moneys, not appropriated, under the jurisdiction of any Federal Department or Agency may be used to purchase such bonds or other evidences of indebtedness of the United States Visitor Center Founding Corporation.

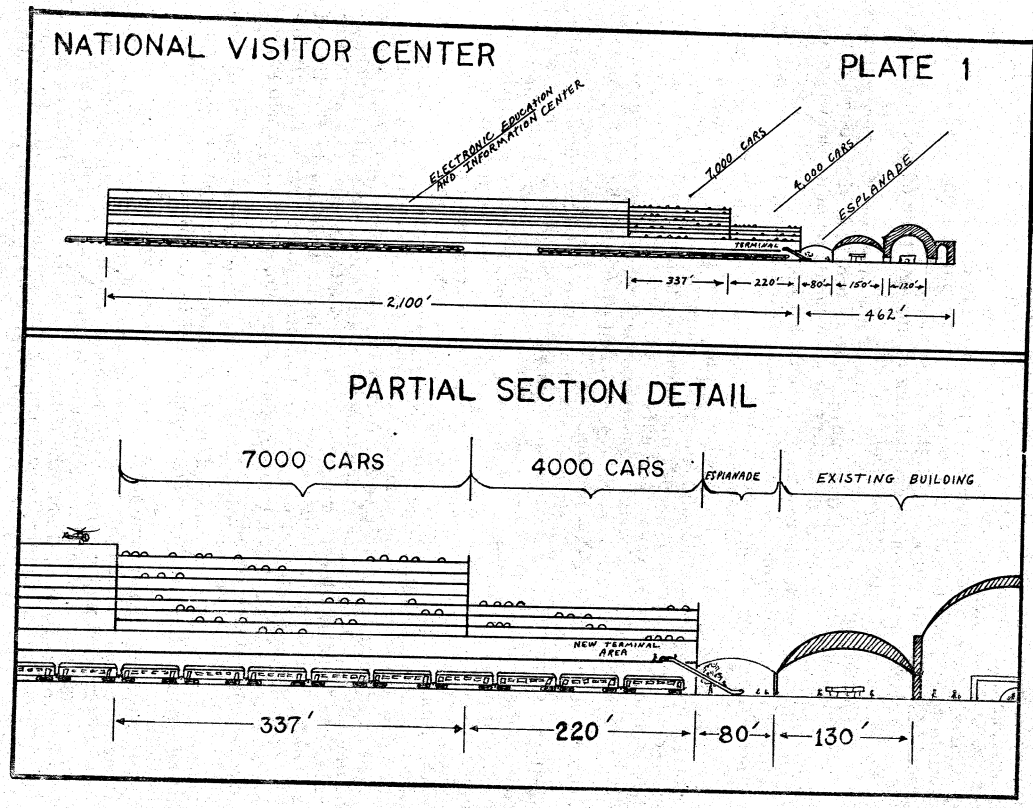
(5) The United States Visitor Center Founding Corporation shall make available to the United States Government the entire floor, which shall consist of at least 750,000 square feet, on the floor level next above the level of the railroad tracks, within its building complex, for exhibit purposes or other purposes, without cost or expense to the United States Government, except for cleaning maintenance and electrical power, for a period of thirty years from its completion within the building complex, and the United States Government shall administer this property in accordance with statutory authority available for the administration of the national park system.

(6) At the end of the thirty-year period from the completion and opening of the building complex, or at the time when all funded or bonded indebtedness is fully paid, whichever occurs first, the United States Visitor Center Founding Corporation shall convey in fee simple absolute to the United States Government all real property it then owns, consisting of land, buildings, fixtures, air rights, and improvements thereto, all of which will constitute the said building complex.

(7) The United States Visitor Center Founding Corporation shall provide within its building complex at least 7,000 parking spaces which shall be adjacent to the parking spaces constructed by the Washington Terminal Company.

(8) Although the income of the United States Visitor Center Founding Corporation, as a charitable non-profit corporation, is not taxed by the Federal Government under existing provisions of the law exempting such non-profit corporations, should a question arise with regard to the taxability of any part of its income, it shall be determined to be exempt from such tax. The United States Visitor Center Founding Corporation shall also be exempt from all District of Columbia personal property tax and sales tax, but it shall pay all assessed real property taxes.

(9) The United States Visitor Center Founding Corporation shall transmit to the President and to the Congress annually and at such other times as it deems desirable a comprehensive and detailed report of its operations, activities and accomplishments under such agreements and the provisions of this Act.


NATIONAL VISITOR CENTER
PLATE 1
ELECTRONIC EDUCATION AND INFORMATION CENTER
7,000 CARS
4,000 CARS
ESPLANADE
TERMINAL
337'
220'
80'
150'
120'
2,100'
462'
PARTIAL SECTION DETAIL
7000 CARS
4000 CARS
ESPLANADE
EXISTING BUILDING
NEW TERMINAL AREA
337'
220'
80'
130'

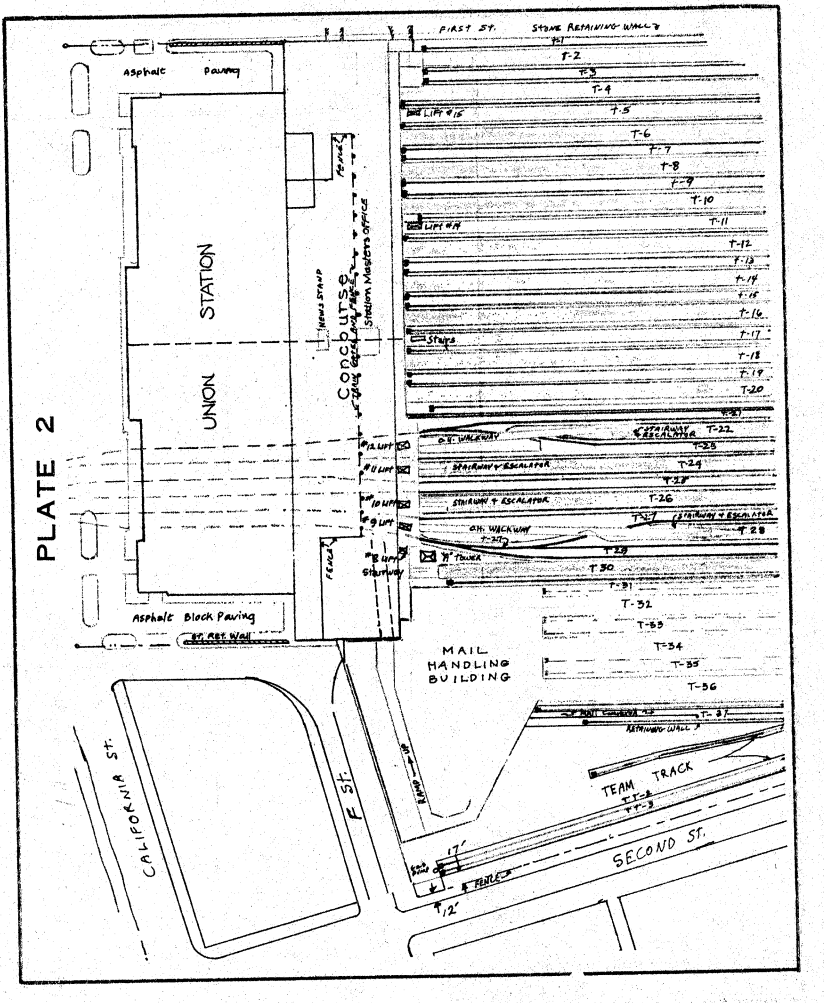


PLATE 2
FIRST ST.
STONE RETAINING WALL
Asphalt Paving
UNION STATION
NEWS STAND
CONCOURSE
STATION MASTER'S OFFICE
FENCE
STEPS
Asphalt Block Paving
RET. WALL
MAIL HANDLING BUILDING
TEAM TRACK
CALIFORNIA ST.
F ST.
SECOND ST.
FENCE
17'
12'

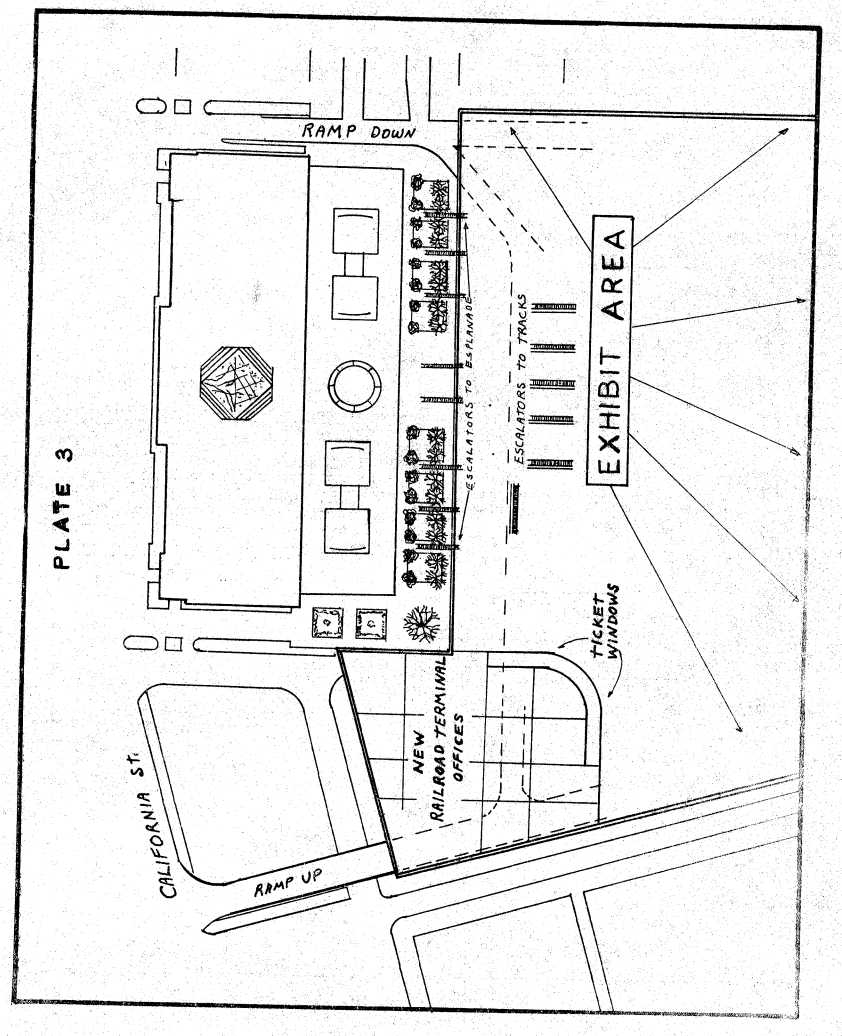


PLATE 3
RAMP DOWN
ESCALATORS TO BALCONY
ESCALATORS TO TRACKS
EXHIBIT AREA
TICKET WINDOWS
NEW RAILROAD TERMINAL OFFICES
CALIFORNIA ST.
RAMP UP

U.S. VISITOR CENTER

Economic analysis

Annual operating income after 4th Year: [1]	
(a) Rental from 5½ levels (no rental from Electronic Education and Information Center or National Visitor Center) 80 percent of 5,381,300 square feet at $6 per square foot (10 percent vacancy rate)	$25, 275, 000
(b) Electronic Education and Information Center operations	10, 000, 000
(c) Parking (space for 7,000 cars; $11,111,111 at $1.43 each)	11, 111, 111
(d) International Club dues	1, 875, 000
Total annual income	48, 261, 111
Annual operating expenses:	
(a) Founding Corporation administrative	6, 550, 000
(b) Electronic Education and Information Center	1, 650, 000
(c) Parking	4, 444, 444
(d) District of Columbia real estate taxes	2, 758, 604
(e) Bond interest	[2] 17, 500, 000
Total annual operating expenses	32, 903, 048
Net annual income before charges	15, 358, 063
Bonds are to be retired as follows:	
10th year	100, 000, 000
20th year	130, 000, 000
23d year	120, 000, 000
Total issued	350, 000, 000

[1] Additional income from donations, concessions, accumulated earnings, International Club.
[2] Interest becomes less as bonds are amortized.

Estimated costs (3 years)

1. For 7½ floors, including foundation; consisting of 10,539,400 square feet:	
Total structure	$221, 327, 400
A. & E., legal (8 percent)	17, 706, 192
Total construction costs	239, 033, 592
2. Purchase of air rights over tracks	5, 000, 000
3. Purchase of K St. corner from Washington Terminal Co., and L St. corner from Federal Redevelopment Land Agency	1, 572, 000
4. Electronic Education and Information Center, 3 years	17, 950, 000
5. American Foundation for World Trade Studies, Inc.	24, 580, 000
6. U.S. Visitor Center Founding Corporation, administrative	10, 200, 000
7. Public relations	3, 000, 000
8. Interest on bonds, 2 years	15, 000, 000
9. Underwriting	7, 000, 000
Total estimated costs for 1st 3 years	323, 335, 592

Cash flow

Year 1:	
Income:	
Bond issue	$100, 000, 000
Total 1st year income	100, 000, 000

Cash flow—Continued

Year 1—Continued	
Expense authorizations:	
(a) Founding corporation:	
A. & E. legal	$8,853,096
Administrative	3,400,000
Purchase of air rights and land	6,572,000
Total	19,825,096
(b) Electronic education and information center:	
Administrative	1,650,000
R. & D.	1,000,000
Equipment	1,000,000
Total	3,650,000
(c) American Foundation for World Trade Studies, Inc.:	
Facilities and administrative	5,010,000
Equipment	4,150,000
Projects	1,800,000
Total	10,960,000
(d) Public relations	1,000,000
(e) Underwriting	2,000,000
Total 1st year expenses	37,435,096
Cash on hand beginning of 2d year	62,465,914
Year 2:	
Income:	
Bond issue	130,000,000
Total 2d year income	130,000,000
Total	192,564,914
Expense authorizations:	
(a) Founding corporation:	
A. & E. legal (½)	8,853,096
Administrative	3,400,000
½ construction (total of $221,327,400)	110,663,700
Total	122,916,796
(b) Electronic education and information center:	
Administrative	1,650,000
R. & D.	1,000,000
Equipment	10,000,000
Total	12,650,000
(c) American Foundation for World Trade Studies, Inc.:	
Facilities and adminstrative	5,010,000
Projects	1,800,000
Total	6,810,000
(d) Public relations	1,000,000
(e) Interest on bonds	5,000,000
(f) Underwriting	2,600,000
Total 2d year expenses	150,976,769
Cash on hand beginning of 3d year	41,588,118

Cash flow—Continued

Year 3:	
Income:	
Bond issue	$120,000,000
Total 3d year income	120,000,000
Total	161,588,118
Expense authorizations:	
(a) Founding corporation:	
Administrative	3,400,000
½ construction costs	110,663,700
Total	114,063,700
(b) Electronic education and information center: administrative	1,650,000
(c) American Foundation for World Trade Studies, Inc.:	
Facilities and administrative	5,010,000
Projects	1,800,000
Total	6,810,000
(d) Public relations	1,000,000
(e) Interest on bonds	11,500,000
(f) Underwriting	2,400,000
Total 3d year expenses	137,423,700
Cash on hand beginning of 4th year	24,164,418
Year 4:	
Income—Partial Operations—1st year open:	
(a) Rents (75 percent full)	18,956,250
(b) Electronic education and information center	10,000,000
(c) Parking	11,111,111
Total 4th year income [1]	40,067,361
Total	64,231,779
Expenses:	
(a) Founding corporation: administrative	6,550,000
(b) Electronic educationa and information center	1,650,000
(c) American Foundation for World Trade Studies, Inc.	6,810,000
(d) Parking	4,444,444
(e) Interest on bonds	17,500,000
Total 4th year expenses	36,954,444
Cash on hand beginning of 5th year	27,277,335
Year 5:	
Income:	
(a) Rental 5½ levels (see economic analysis)	25, 275, 000
(b) Electronic education and information center	10, 000, 000
(c) Parking (see economic analysis)	11, 111, 111
(d) International club dues	1, 875, 000
Total 5th year income	48, 261, 111
Total	75, 538, 446

[1] This figure would be increased by $15,000,000 of International Club Membership fees (7,500 memberships at $2,000 per membership).

Cash flow—Continued

Year 5—Continued	
Expenses:	
(a) Founding corporation	$6,550,000
(b) Electronic education and information center	1,650,000
(c) Parking	4,444,444
(d) D.C. real estate taxes	2,758,604
(e) Interest on bonds	17,500,000
Total 5th year expenses	32,903,408
Cash on hand beginning of 6th year	42,635,398
Years 6–10 inclusive:	
Income	241,305,555
Expenses	—164,515,240
Net income years 6–10	76,790,315
Total	119,425,713
Retire 1st bond issue of $100,000,000	—100,000,000
Cash on hand beginning of 11th year	19,425,713
Years 11–20 inclusive:	
Income	482,611,110
Expenses [2]	—279,030,480
Net income years 11–20	203,580,630
Total	223,006,343
Retire 2d bond issue of $130,000,000	—130,000,000
Cash on hand beginning of 21st year	93,006,343
Years 21–23 inclusive:	
Income	144,783,333
Expenses [3]	—64,209,144
Net income years 21–23	80,574,189
Total	173,580,532
Retire 3d bond issue of $120,000,000	—120,000,000
Cash on hand beginning of 24th year	53,580,532
All Bonded indebtedness retired:	
Annual income	36,386,111
Annual expenses	—13,753,048
Annual net income	22,633,063

[2] Expenses are decreased by the interest on the 1st bond issue of $5,000,000 per year.
[3] Expenses are further decreased by the interest on the 2d bond issue of $6,500,000 per year.

AMERICAN FOUNDATION FOR WORLD TRADE STUDIES, INC.

Annual budget

Physical equipment:	
Office furniture, equipment, etc	$150,000
Library equipment, stacks, microfilm facilities, video equipment, etc	500,000
Books, records, manuscripts, maps, etc	1,000,000
Electronic equipment: data storage and retrieval equipment, computers, and other hardware	2,500,000
Total for physical equipment	4,150,000

Annual budget—Continued

Annual expenses:	
Rental for branch office facilities	$350,000
Salaries	
Officers, directors and assistants	360,000
Accountants (3)	50,000
Secretaries—10 at $10,000 each, 5 at $5,000 each	150,000
Interpreters, translators	250,000
Total	810,000
Foreign operations:	
Foreign information operating staff:	
2 British Commonwealth	
2 E.E.C. (Common Market)	
2 E.F.T.A.	
2 Eastern Europe	
2 U.S.S.R.	
2 Near East	
2 Africa	
2 Far East & South Asia	
2 Latin America	
2 U.S.A.	
20 at $17,500 each	350,000
Foreign offices—9 at $60,000 each	540,000
Total	890,000
Subtotal	2,050,000
Software (contracted programs, salaried systems analysts and programmers, including research and development contracts on optical scanners and other needed hardware)	1,860,000
Projects (country by country socio-economic studies and development of long-range planning for world trade and development of underdeveloped countries—60 countries per year, with annual up-dating. To be coordinated with foreign information operating staff)	1,800,000
Office supplies	100,000
Publications, subscriptions, reports, surveys, studies, etc	200,000
Telephone and telegraph	50,000
Travel (U.S. and foreign)	600,000
Insurance (2 percent on $5,000,000)	100,000
Maintenance on equipment (1 percent on $5,000,000)	50,000
Total, annual expenses	6,810,000

ELECTRONIC EDUCATION AND INFORMATION CENTER OF THE AMERICAN FOUNDATION FOR WORLD TRADE STUDIES, INCORPORATED

This center will have three functions: (1) the creation and dissemination of educational and vocational training courses throughout the United States utilizing the most modern and efficient techniques and methods, both electronic and otherwise; (2) the gathering, storing, retrieving, updating and transmitting upon inquiry, information which will be useful to business and government relative to the social, economic, political, governmental and legal conditions and development existing in all countries of the world; and (3) the conduct of research in both the hardware and software used in accomplishing the first two functions.

As a part of the Electronic Education and Information Center there will be established a central "registrar" for a nationwide network of facilities at more than 100 accredited universities and some 800 junior colleges (both public and private).

With these facilities at their disposal, manufacturers, merchants, and technical, professional and trade associations, will be provided with "custom-built" training programs of the highest academic standards:

(1) for their own personnel, and

(2) for the personnel of their distributors, retailers and customers.

This will make training programs available for all industries, to develop essential skills and abilities in any business function:

(1) for any number of students,
(2) on flexible weekly schedules (instruction after hours),
(3) in virtually every important U.S. city, and
(4) at low per capita costs.

More Americans had jobs in July, 1967, than in any other month in history. A record 76.2 million persons were working—1.6 million more than a year ago. All major sections of the economy show the recent pickup. Government and other economists are encouraged—particularly with respect to prospective ability of the labor market to absorb *3.6 million young people.*

Enter the man in the "gray collar".

It is a new term to differentiate *service* workers from blue-collar *production* workers and white-collar *office* workers.

There are 25 million "gray-collars" in the growing service industries in the U.S.

By 1975, economists predict that the total number of jobs will increase by 18%.

Here is their forecast of the needs:

	percent
Professional-technical workers	up 54
Clerical workers	up 37
Service workers	up 35

Of the children born in 1944:

19% left school before the 11th grade,
30% did not finish high school,
35% entered college, but only
7% were graduated with a bachelor's degree.

This means that 8 of every 10 boys and girls were available to fill jobs which did not require a college degree. Only *1 out of the 8 received any occupational training in the public schools.*

Moreover, 70% of today's 23-year-olds had no job training in school and have not completed a college education.

Yet nearly 80% of all jobs available in the U.S. require some vocational or technical skill.

Only now are public schools acknowledging that they were wrong to overemphasize academics at the expense of vocational education. To make up for the past neglect, schools across the country are today putting in equipment, upgrading vocational faculties, giving more vocational guidance to good students, and beginning to work more closely with advisory teams from labor, business and industry on the local level.

For example, "schooling for skills:"

(1) *Allentown, Pennsylvania High Schools,* George N. Edison, Director specialized in vocational education

(2) *J. M. Wright Technical School*—Stamford, Connecticut, John Kerpchar, Director—a comprehensive high school—is one of fourteen area vocational-technical schools

(3) *Milwaukee Vocational, Technical and Adult Schools,* Dr. George A. Parkinson, Director since 1932—35,000 students—1,800 courses—51 Advisory Committees to assure jobs—132 programs

"Considered the finest in the land."

We are indebted for much of the above material to Cynthia Parsons of the Christian Science Monitor, who visited around the U.S. in the preparation of 10 articles on vocational education, which appeared in the Monitor recently—the 10th on August 15, 1967.

How do we tackle and solve this problem nationwide?

We are convinced that the major part of the problem is *local administration.* There are known to be some 2,000 different organizations, of all types and of varying degrees of competence turning out "programs" by the hundreds all over the U.S. A few, a very few, are the work of competent educators and businessmen with the new idea of "business in education". But we know of no other "program" than this one of ours which would make available training programs with the highest academic standards for *all* industries to develop essential skills and abilities in any business function:

(1) for any member of students,
(2) on flexible weekly schedules (instruction after hours),
(3) in virtually every important U.S. and one Canadian city, and
(4) at low per capita costs.

Here are some examples of problems met using the same techniques we would use, and the results:

1. Leaders of progressive railroads conclude that their executives should have a keener appreciation of community affairs and be better equipped to participate in them. The problem is given to this Foundation. Launched for 350 railroad executives through 16 universities is a training program to accomplish this objective.

Result: By preparing their executives to participate in community affairs, this program has better equipped them to perform the essential job of selling.

2. An alert group of manufacturers, disturbed lest they were fast losing position in a shifting market, realized that their distributors needed better familiarity with certain new business practices. They asked for help. Instructional materials were prepared and a "pilot" course was started in New York. Yet, even before the pilot course was completed, urgency of the situation demanded that the training be initiated across the Nation. As far as proven instruction techniques and training aids were developed in New York, they were rushed to instructors in participating universities.

Result: Within a matter of weeks trained personnel of 278 distributor organizations were better serving old customers and eagerly finding new ones.

3. Leaders of the hardware industry determined that hardware retailers needed to know better store management and how to sell more effectively. A special course in hardware retailing was set up. Selected personnel from wholesalers and retailers were enrolled.

Result: Today, 251 better equipped and better informed hardware merchants meet the demands of the Nation's hardware industry.

4. The bankers concluded that many of their customers, proprietors of small businesses, could profit from instruction in management, in marketing and in finance, and that the *local* banks' sponsorship of such courses would be beneficial. Courses to meet this need were scheduled widely by participating universities. Hundreds were enrolled.

Result: The Nation's banks contributed significantly to better management of hundreds of small businesses, while the banks themselves accrued benefits of greatly strengthened customer relations.

It is not enough to pass laws and make rules and regulations to solve such problems as "schooling for skills", and then to neglect to create uniform and consistent programs and actually implement them on *local* levels, but rather to expect that the problem will be solved by paying out large sums of money to scattered and uncoordinated groups, and by providing manual training only, without also providing some basic schooling in reading, writing and arithmetic.

It is not enough to work up "*welfare-operated training programs*" in the hope that such operated programs will remove the poor from relief rolls. Moreover, work-relief or welfare-operated training programs are not proving very effective, as reported by Eve Edstrom in the Washington Post, September 4, 1967, page 4. A study, prepared for Senator Clark's Poverty Subcommittee was made by Sar A. Levitan of the George Washington University, who is also a consultant for the Ford Foundation in this general field of "war on poverty programs", points out that 3 of every 4 enrollees never completed their assigned courses of training, which seems to suggest that "participants placed little value in the training they received" and that welfare agencies are ill-equipped to train and place workers in jobs. These welfare agencies seem to have "trouble in getting people into training, in keeping people in training, and in finding jobs for them at the end of training."

These welfare-operated programs seem to deteriorate "into old-fashioned work-relief projects which did give the poor money to eat on, but did not equip them with skills to become self-sufficient."

"Official data from the Welfare Administration", Levitan reported, "revealed that only 1 out of every 4 enrollees received formal vocational education and that only one-third of former participants received adult basic education or high school equivalency training." He reports further that:

"It would appear, moreover, that in many cases the quality of the training or education was of doubtful merit . . . There is little reason to believe that (the program) has improved the employability of a significant proportion of the first 150,000 persons enrolled."

Levitan concluded that the fact that only 1 in every 4 participants completed training suggests that the enrollees were insufficiently motivated or found the training worthless. It is not surprising, he adds, that persons choose a "safe" relief check over training, particularly when that training is likely to lead to a job that would provide no more income than the relief check provided.

These training programs, it appears, are not based on adequate course materials or high academic standards. They are not taught by properly trained and qualified teachers, and they are not taught in accredited schools. "Schooling for skills" will never be effective until these conditions are corrected.

The American Foundation for World Trade Studies, Inc., through its development of the Electronic Education and Information Center, proposes to correct these conditions by the professional development of uniform and coordinated course materials of the highest academic standards to be taught to students at local levels throughout the United States by qualified professional teachers at hundreds of schools, colleges and universities throughout the United States utilizing the very latest and most efficient electronic devices and the most effective teaching aids. Such courses would not only supply a great amount of practical manual knowledge, but would also include in the mix, discrete amounts of basic schooling in reading, writing and arithmetic, all presented in such a way as to stimulate interest and create motivation with an eye to *keeping a student in the course*, however slowly he might progress.

It is anticipated that the courses will have a great amount of built-in professional presentation which, when added to the professionalism of trained high school teachers, business school teachers, junior college and university professors and instructors, will bring about the desired result. The hundreds of school-based facilities are outlets, or arms, so to speak, reaching out to virtually every important U.S. city and to all students who wish to take vocational training. There are some 3.6 million young people coming into the labor market annually who need some kind of "schooling for skills" to prepare them for good jobs at good pay.

It is true that a much greater attention is now being paid to this educational situation than was the case a few years ago. Today there are some 5,430,611 students (Office of Education preliminary 1966 figures) taking some kind of vocational training under some kind of Federal assistance, reported state by state as follows:

Alabama	107,080	Nevada	11,723
Alaska	3,058	New Hampshire	7,322
Arizona	38,013	New Jersey	65,950
Arkansas	97,898	New York	461,113
California	451,792	North Carolina	200,027
Colorado	60,320	North Dakota	18,870
Connecticut	33,723	Ohio	209,420
Delaware	9,232	Oklahoma	76,523
District of Columbia	10,118	Oregon	44,805
Florida	277,018	Pennsylvania	187,243
Georgia	193,879	Rhode Island	8,374
Hawaii	17,529	South Carolina	126,668
Idaho	19,501	South Dakota	17,311
Illinois	150,383	Tennessee	107,314
Indiana	79,121	Texas	466,045
Iowa	76,594	Utah	51,043
Kansas	48,785	Vermont	18,151
Kentucky	80,592	Virginia	189,178
Louisiana	103,778	Washington	143,987
Maine	21,791	West Virginia	37,121
Maryland	120,166	Wisconsin	173,826
Massachusetts	72,023	Wyoming	6,608
Michigan	196,733	Guam	1,464
Minnesota	178,519	Puerto Rico	92,210
Mississippi	100,857	Virgin Islands	10,121
Missouri	81,485		
Montana	12,430	Total	5,430,611
Nebraska	35,713		

This is good as far as it goes, but it does not go far enough to meet the ever-growing urgency in this educational field—these 3.6 million boys and girls coming into the labor market annually deserve a better chance than they now have to prepare themselves for a better and more rewarding life here in this Nation, which generally has reached a pinnacle never before attained in the history of the world.

These programs will become a principal product of the Electronic Education and Information Center in Washington. The other *two* products of which will be Information and Research. All three will be produced in a well-equipped center

where there will be radically new ways to retrieve it and to make it available to people—a new world of electronic conveniences in books and information through remote inquiry and automatic catalogue search.

It will be an electronic and computerized information center, providing services to:

1. Educational Institutions
2. Business
3. Trade
4. Research organizations
5. Professional and educational organizations
6. Banks
7. Chambers of Commerce
8. Libraries
9. Governmental Agencies, Federal and State
10. Individuals and the public at large.

The services of the "E & I" Center will help significantly to serve the Nation's growing needs for education and information facilities.

Mr. POWELL. Yes, sir.

Now, the only revenues we would develop, and out of which we would pay off the bonds and the interest, would be a nominal charge for parking of $1.50 or less per car for all-day parking for the 7,000 spaces, plus we plan to have more parking spaces, probably underground, at the L Street end of this.

Mr. GRAY. Since we are talking about 4,000 spaces primarily for visitors, you possibly would envision some of this space being used by the Government employees who work in the proximity of this area?

Mr. POWELL. Oh, yes. Anyone who wants to come park there.

Mr. GRAY. How would your $1 to $1.50 compare, say, with the parking lots downtown that are privately operated?

Mr. POWELL. It would be much, much less expensive. Parking lots downtown run anywhere from $37 to $50 a month on a monthly basis, and for all-day parking well over $2.

Mr. GRAY. So if a Government employee parks 5 days a week for 4 weeks, he would only pay $25 to $30 here to park in your facility, compared to more than $37 he is paying now on a monthly basis downtown?

Mr. POWELL. That is correct. That is correct.

Mr. GRAY. Of course, holidays and other things off would be subtracted from it.

Mr. POWELL. Yes, sir.

And of course the only reason charges are made at all is we do have to generate enough revenue to pay off the bonds and the interest for having built this project.

Mr. GRAY. What other charges besides the parking lot would you envision?

Mr. POWELL. The only other charge would be a rental of the several floors above this floor.

Mr. GRAY. You do not envision any individual charge to visitors who might want to go in and see exhibit space?

Mr. POWELL. None whatever. We would have nothing to do with that.

Mr. GRAY. Now, I, for one, would certainly not want to see any kind of attraction adjacent to this Visitor Center that would gouge the visitor. This is one of the complaints we have now, visitors come to Washington, they plan to stay a week, but stay only 2 days on the average because they find it so expensive; one has to pay $3 or $4 a day to

park his car if he can find a place. This is one of the reasons we are trying to provide this facility, in order that we can show our great Capital here not only to domestic but foreign visitors, without them being overcharged. They can come here, park their car, see free exhibits, and we even hope some parts of this shuttle service can be free to the Capitol; so we are trying to move in the direction of less cost with more to see and learn.

I want to make it clear for the record you do not envision admission fees, et cetera, for the first floor.

Mr. POWELL. We anticipate absolutely no admission fees or any other charge to any visitor of any kind or nature whatsoever.

Mr. GRAY. You are talking about the income to amortize your bonds from corporations that might want to display their goods and services here, or that might want to rent office space and this type of thing?

Mr. POWELL. That is true. The rental and also any attraction. For example, if we did want to set up on one floor a trade exhibit, and so forth, we would expect to have to get approval of that from the Secretary of the Interior, because we realize that you do not want any parallel attraction which may disrupt or in any way detract from the Visitor Center itself.

Mr. GRAY. What do you envision, Mr. Powell, as the total cost of this proposal that you are making?

Mr. POWELL. The total cost—I have a sheet here which will show that very clearly.

Mr. GRAY. We will look at that. We are running a little late in time. (Slide.)

Mr. POWELL. Your 7½ floors, including the foundations, would be a total number of square feet of 10,539,000, which would be $239 million. The purchase of the air rights over the tracks we have at $5 million. That figure was arrived at by making it in direct proportion to the cost in New York City of the square footage over the railroad tracks in Manhattan there.

Now, it is adjusted because of the fact that in Manhattan, they could build over that space about 24 floors of building, whereas here we have to keep our height down. The present zoning that part of Washington is 90 feet, so we cannot get the same vertical developments that they could in New York. So we took a proportion, approximate proportion of the price paid for this type of square footage, air rights, that was paid in New York City.

Mr. GRAY. We are talking about a total package of $323,335,592?

Mr. POWELL. That is right.

Mr. GRAY. And you feel that just from renting office space and not more than $1.50 for parking would amortize that type of project?

Mr. POWELL. Yes. I have that analysis here—(slide)—which shows the annual operating income after the fourth year; that would be when it would be completed.

The rental from 5½ levels would be $25,275,000 a year at $6 per square foot.

Now, of course, the total gross square footage of 10.5 million has been reduced by 80 percent to allow for elevators, escalators, hallways, skylights, and so forth. And then we have taken a 10 percent reduction of the rental rate applied to that figure as a continuing vacancy rate and come up with $25,275,000 income from rental.

Mr. GRAY. How does your proposed rental per square foot for office space compare with the average new building around Washington?

Mr. POWELL. I would say it is very favorable. I know from my own office space we are paying well over $7 a square foot, but of course that is good space. But I would say that you will not find good office space for anything under $5.

Mr. GRAY. Have you had any research group or any detailed study as to what the potential would be for filling up this facility?

Mr. POWELL. We have had and we find that there are so many variables in it, you cannot come up with an explicit prediction that you can expect to turn out exactly as predicted. However, the space would be prime. It would be located in a very central location. It would have the benefit of parking right outside the door. It would also have the benefits of public transportation right on the premises. And all of these factors we feel would enable us to rent the space without much trouble at all, especially when you consider the demand for space, the increasing demands for rented space in Washington.

Mr. GRAY. What is this, a 25-year amortization?

Mr. POWELL. We have a 23-year amortization period.

Mr. GRAY. 23-year?

You envision paying the District of Columbia approximately $50 million in taxes alone?

Mr. POWELL. Around $52 million. That was based on taking the cost of the building and applying a 65 percent rate to that, and then 2¼ percent taxes. I believe that is the way real estate taxes are figured.

Mr. GRAY. You are not asking for any type of moratorium on real estate taxes for the public?

Mr. POWELL. None whatever. None whatever. It would produce enough money for the District to certainly—well, more than do its share in any street rearrangement to accommodate ramps, and so forth.

There will be other income items.

Mr. SCHWENGEL. Will the gentleman yield?

Mr. GRAY. Yes; the gentleman from Iowa, Mr. Schwengel.

Mr. SCHWENGEL. I realize what you say, you want to pay for the expenses, the cost of rearranging streets, and so forth. Then that does not help the District any at all in handling some of their problems. Their problems would be increased with this kind of installation. I want to say, parenthetically, I am not against what you are trying to do; I just want to raise some questions here.

Mr. POWELL. Yes.

Mr. SCHWENGEL. Because I know how starved this District is and how much it needs money for schools and a lot of other things. It seems to me you are asking for special consideration as far as property tax is concerned.

Mr. POWELL. Asking what?

Mr. SCHWENGEL. Special consideration as far as property tax. You are giving the District enough money to pay for the extra cost of building roads and facilities in connection with this for this operation, and not contributing anything to the District general tax funds; is that right?

Mr. POWELL. Congressman Schwengel, I beg to correct you on that statement.

We, first of all, except and have computed in our construction costs the cost of the entire building ramps, reconstruction of the underpasses at H, K, and L Streets, under our construction costs.

When I make the point that the $52 million or the $2.7 million a year would be more than ample, I mean more by hundreds of percents.

Mr. GRAY. Let's put it another way. How much do you envision will be the cost to the District of Columbia for widening streets and accommodating 7,000 cars to be brought in?

Mr. POWELL. Yes. Whatever rearrangements might have to be made completely outside of this construction of ramps and access and all that, we would pay for all of that. So the $52 million is not considered a budget which is expected to be fully expended, or anywhere near it, because of this project being built. In fact, the $52 million is thought of as a contribution to the general revenues of the District of Columbia and for the purpose of education and schools and whatever else the District needs the money for.

Mr. GRAY. You feel this would be a great benefit to the District of Columbia?

Mr. POWELL. Oh, absolutely.

Mr. GRAY. In the way of funds?

Mr. POWELL. We also have about a $19 million contingency fund within the allowable issuable bonds to take up additional costs which might—as you know, they frequently occur in projects of this nature.

Mr. GRAY. Let me ask you a frank question. Do you think you could get the financial interests, the bonding people to underwrite such an undertaking as this?

Mr. POWELL. We are told that we have that. All we need is an exemption on the bonds and we will get the financing. This has all been discussed.

Mr. GRAY. So the financiers feel that there is some merit to this proposal?

Mr. POWELL. Who does?

Mr. GRAY. The financiers who will underwrite this feel there is some merit to the plan?

Mr. POWELL. Yes.

Mr. GRAY. You have studied it in depth to know this is not some wild scheme?

Mr. POWELL. Absolutely. We have conferenced in New York with large underwriting firms, and particularly one, and they advise us that under certain conditions, that this is very feasible, and they are anxious to help do a syndicating of the underwriting for these bonds.

They tell us that they would like to see us, during the 3 years the building is being built, begin to get contingent lease contracts and do everything that we can in order to help them in placing the bonds.

Now, these bonds would, in all likelihood, be placed in large blocks, with insurance companies and other large institutions. They would probably not be sold to the public at large, though they might be. It would be up to the underwriting syndicate how they would be placed or sold. But the arrangements have already been made for that.

Mr. GRAY. For the record, let me ask you a question. If this plan were not found to be feasible or economically justified after it went in, who would lose?

Mr. POWELL. I did not quite catch that.

Mr. GRAY. I said if this plan were to be implemented and your revenues were not sufficient to amortize the bonds, who would lose, the bondholders?

Mr. POWELL. We do not envision anyone losing for the simple reason if we got into a situation like that, we would simply——

Mr. GRAY. Stretch out?

Mr. POWELL. No, refinance and issue an additional issue of bonds to take up the slack in revenues.

Mr. GRAY. What about stretching out the repayment period?

Mr. POWELL. Or possibly stretching out the repayment period on the bonds already issued.

You see, these bonds are contemplated, the first issue of $100 million would only be for a 10-year maturity; the second issue—and they would not necessarily be issued in exactly these amounts, but for planning purposes they are broken up into three basic groups.

Mr. GRAY. You can understand what I am getting at I am sure. No one on this committee of Congress wants to be any part of a so-called "white elephant."

Mr. POWELL. Absolutely not.

Mr. GRAY. Before we would want to even consider a plan of this magnitude, we would want to have some assurance that this is workable and it is a private enterprise, and it would not in any way effect the visitor who comes here in the way of charges and it would be a benefit, not a detriment. I think these are legitimate questions to put on the record.

Mr. POWELL. Absolutely.

Mr. GRAY. Mr. Schwengel.

Mr. SCHWENGEL. Mr. Powell, what kind of interest would you have to pay for this money?

Mr. POWELL. Up to 5 percent, not to exceed 5 percent.

Mr. SCHWENGEL. How would you answer criticism that is bound to come that the bonds you sell for this operation, which is a free-enterprise venture, would be tax exempt, while the operation just below, the railroad company and all their institutions, have been paying full property tax and have not had bonds tax exempt?

Mr. POWELL. The principal answer to that is as soon as the bonds are amortized, we would deed this whole building and the property over to the U.S. Government.

Mr. GRAY. At the end of the 23-year period?

Mr. POWELL. At the end of the 23-year period, or if we had to stretch out the payment of the bonds for another 3 or 5 years, then whenever the last bonds would be amortized, we would turn over this—I have forgotten the figure—$292 million property to the U.S. Government.

Mr. GRAY. What assurance could we have of that, Mr. Powell?

Mr. POWELL. Well, our suggested amendment to your bill would simply—it is not really an amendment, it is an addition, clauses to effectuate this plan; it contains a clause which specifies in the law that that shall be done.

Now, if the mechanics would be preferred of having us deed to an escrow agent at the very outset the building, we would be very happy to do that.

But the thing that justifies the tax exemption on the bonds is, No. 1, the immediate use; first of all, the fact that not a penny of congressional appropriated money will be used to build the building; secondly, we would be giving——

Mr. GRAY. What liabilities would the Federal Government have, being a so-called partner to this type thing, accepting it at the end of the amortization period? Would there be any contingent liabilities on the part of the Federal Government in any way in case the bonds are defaulted?

Mr. POWELL. In no way whatsoever. In fact, the Federal Government would not be a partner; it would be a donee, and it would be donated the free use, without any rental charge, of the large floor immediately as an immediate extension of the Visitor Center.

Mr. GRAY. So this could be somewhat similar to what we are doing on the Mall for Mr. Hirshhorn; we are putting up a facility and he is giving the Government a contract. If we provide housing, he will give us $25 million to $50 million worth of art and sculpture.

Would this be similar, by Congress giving authority for issuance of tax-free bonds for this concession, at the end of the amortization period, you, a nonprofit corporation, will give to the Government the entire property once it is paid off?

Mr. POWELL. Yes, we would. And then our interest, which would be the Electronic Education and Information Center on one of the floors, we would then begin to pay rent to the Federal Government.

Not only would the Government receive the entire building the ownership of the building; along with it, the Government would receive a built-in annual net revenue of $22 million a year.

Mr. GRAY. I want to be frank in stating, this sounds so good that it seems almost impossible to be true.

What is the real motive? Is your group trying to establish this type of facility to make sure that there is adequate space for viewing exhibits and additional office space? What is the real motive behind it?

Mr. POWELL. The real motive is that of the American Foundation for World Trade Studies, who feels that by working hand in hand with Government in this project, to, in effect, help give a supplemental and additional facility to the Visitor Center, can within the same financing finance its own nonprofit educational project, which is the preparation of educational courses on a computerized and electronic basis for dissemination throughout the United States through a network of more than 800 junior colleges and 100 universities and other facilities, where these vocational courses and other educational courses could be given.

Mr. GRAY. You feel there is a lack of this kind of activity?

Mr. POWELL. There is no question, there is not only a lack, there is a dire need for these courses as any casual research will reveal.

The educators with whom we have spoken concerning this project are most excited about the possibilities of it. This is our interest.

We want within this financing picture to come up with enough money to put together the two-pronged interest of ours, which is an educational program and an informational program. We also want to

work with Mr. Ryan, and the World Peace Through Law group, who is now planning to put all of the laws of all of the nations into computers. This is the type of information gathering and storage which we do on the information side. We would also put into the data storage system not only all the laws of the nations, working with other groups in the same field so there would not be a conflict or duplication of effort; we would put administrative regulations, Supreme Court decisions, economic data on every foreign country and the United States, into this computer and make it available on a nominal per inquiry charge, which would be part of the revenues shown there under Electronic Education and Information Center.

Mr. GRAY. Let me ask this, Mr. Powell—we would certainly not want to dilute or take from the National Visitor Center what we propose in the legislation before us—would you or your group have any objection whatsoever if the committee saw fit to add this amendment that you propose on the tax-free bonds, would you have any objection at all that plans on this building would be submitted to the Secretary of the Interior for his approval, since it is so close to the Government's proposed center?

Mr. POWELL. We not only would have no objection, we would see no other way than to do so.

We expect the building, first of all, to be architected by top architects. We would expect this building naturally to have to be completely approved and endorsed in design and function by not only the Secretary of the Interior, but also the National Capital Planning Commission and by the Fine Arts Commission and the Congress.

Mr. GRAY. It should be compatible, being this close to the existing facility.

Mr. POWELL. Absolutely. And it certainly can be made compatible, because this property, this area slopes off behind the main building so that you will not have a height detraction from the existing building on the front—with a building——

Mr. GRAY. You are talking now about exclusive air rights? You are not talking about any buildings on the surface at all; you are talking about air rights over the tracks behind the station?

Mr. POWELL. That is all. Only the air rights.

Mr. GRAY. What assurance do you have that the railroads will give you these air rights?

Mr. POWELL. We do not have an indication they will. We will work on the matter if it appears we can get the tax exemption on the bonds.

Mr. GRAY. I would strongly suggest you have negotiations with them, because it would be an exercise in futility for this committee to consider such an amendment and then only find that the railroads were not interested in selling these air rights.

There would be no purpose whatsoever. So I suggest between now and——

Mr. POWELL. Let me put it this way, the railroad would be willing, probably—I am surmising that the railroad would certainly be willing to sell the air rights if they knew that we would get the bond, the tax exemption provision on the bonds, and that this thing was going to be a real project rather than a planned one.

Mr. GRAY. I think we would need some indication from them they would be agreeable if the amendment were adopted, you see.

Mr. POWELL. Yes. It is just a matter of negotiating between the parties to determine the interest.

Mr. GRAY. Mr. Schwengel.

Mr. SCHWENGEL. I have several questions and comments.

First, I am thrilled with the idea and prospect here. I am glad you came before us with this idea for us to consider. But I see some questions that need to be raised.

One, I think we need to study to see whether or not, with this extra parking space and extra traffic generated to that area with the facilities we are envisioning for the visitors, these are going to be adequate to take care of the extra people it is going to draw in there.

It seems to me we are going to tax the facilities to the limit with what we have, what we are generating now.

So I have two questions: One is, you will have to establish and show we can handle in the cyclorama, and so forth, emanating from the Visitor Center going out over the area into the capital area, TV area, that it is not going to crowd the situation and complicate things.

I think that is one thing we need to be sure about before we move, and I think we do not have those studies. We certainly ought to have the studies and some assurances we can handle the crowd in those facilities that will come as a result of this extra traffic that you are going to generate there for visitors.

Now, the other—I presume you are not ready to answer that question.

Mr. POWELL. I would like to have Mr. Funk give the answer to that.

Mr. GRAY. Mr. Funk.

Mr. FUNK. If you do not mind, Congressmen, with regard to the Visitor Center, I happen to be—and I have talked to many people all over this country with regard to this general concept, and there is great enthusiasm concerning a Visitor Center for Washington.

Washington today is looked upon not only as the capital of the United States, but as the capital of the world. There is a great interest in all of the various monuments and the monumental things that people see in Washington, so people want to see these things. But I think Washington has been derelict in providing a method by which they can see them.

Now, it is true we have a National Airport, which is overcrowded; we have the Dulles Airport, which is way out in the boondocks at present; we have Friendship Airport, which is sort of away, too. We have railroads, which are rapidly growing rusty you might say, the rails are growing rusty. And we have the highway system, which takes care of maybe two out of three or three out of four of the visitors who come to Washington. But these highways are crowded. This freeway access into Washington is a very difficult thing at present, so that people just do not seem to want to come to a place where they are having all these harassments insofar as accessibility is concerned.

So our proposal is that we provide this accessibility along with the Center when they get there, and the accessibility is a two- or three-pronged affair. It provides for not only the great Interstate System, which the Congress has built, but it also provides for the parking facility when they get here, and it provides for the courteous type of treatment which people should have when they get here.

Mr. SCHWENGEL. Mr. Chairman, I think Mr. Funk is missing my point completely.

I am greatly in favor of this Visitor Center. I have been a promoter of it. You do not have to sell me on the Visitor Center.

My only point is this, with the addition you are proposing, can we, with planned facilities, handle the extra crowd? That is my question. I do not need a lecture on whether or not we need a Visitor Center.

Mr. FUNK. Well——

Mr. SCHWENGEL. We sure do need it. I suggested it 8 years ago.

Mr. FUNK. I beg your pardon if I missed your point. But my point is this, that we are now starting to experiment with the rapid rail system, which comes into Union Station, which will bring a great amount of people. This comes into this particular point.

Our freeway system is being tied in close to this point, so the freeway accessibility is becoming available. This will provide heliport services from the various airports, which will come into ths particular point. So that all of the various transportation facilities are being tied into the Union Station area.

Mr. GRAY. Mr. Funk——

Mr. SCHWENGEL. I am sorry, Mr. Funk, you are still missing it.

Mr. POWELL. I think if I may——

Mr. SCHWENGEL. All I am saying is you are going to bring 7,000 more cars.

Mr. FUNK. You mean getting them out?

Mr. GRAY. What about the ingress and egress into the facility for the 7,000 parking areas?

Mr. SCHWENGEL. That is one thing I had in mind. But also can we, I think, with what we now have, the 4,000 cars coming in there a day or room for 4,000 cars—we may not be able to handle all the people in the four auditoriums we have planned.

Mr. GRAY. You will have an answer later?

Mr. FUNK. There will have to be a complete traffic study made and this study will have to be not only a present study, but a continuous study, to determine as the—well, let's say the glamour of this rapid rail system picks up as we hope it will, as the subway system picks up its customers, and as we pick up the various types of improvements in air service, how this builds into it, this will have to be a continuous thing. So that as people find that the accessibility becomes better and better, then we have no fear about this Visitor Center becoming more popular and more popular.

Mr. SCHWENGEL. I have no question. My only point is, can we handle the crowd that comes there and give them the kind of treatment that I think they ought to have before they start visiting the monuments around?

Mr. POWELL. If I may say at that point, pointing to the picture on the wall (slide) you see the large area, which I will overlay with blue here, is the area of that one floor of 20-foot high ceilings, or however high they want it. That would be donated immediately upon the completion of this building to the Visitor Center.

Our founding corporation would pay all the costs of heat, air conditioning—we would probably separately meter the electricity, since there might be a great number of exhibits there, and we would expect the Department of the Interior, who would take it over, to completely furnish the cleaning and that sort of maintenance. Otherwise it would be completely donated space.

Now, this is 1.6 million square feet. We do not envision 1.6 million square feet of just exhibits. You would probably want to have film theaters, maybe a restaurant—or restaurants.

We also envision at this end of the building [indicating] a whole separate ramp system, which would come out onto L Street, possibly K, or possibly H Street here.

Mr. GRAY. If I could interrupt you here, this would take care of people concerned with the regular traffic. There would be the additional automobiles generated by 11,000 automobiles, 7,000 in your facility and 4,000 in ours.

Do you envision this could be built coming in from back ramps?

In other words, you would envision helping the situation and not causing additional congestion by the construction of your own ingress and egress ramps, is that not true?

Mr. POWELL. That is true, that that would have to be worked out.

We have not made a complete traffic circulation study of how these ramps would be.

Mr. GRAY. What I am getting at, if you come in from the front with these four main ramps and park in our Government-owned parking facility that we hope will accommodate 4,000 vehicles, there is no way you could get from there on up to your other parking area.

Mr. POWELL. Let me just interject, sir, to say there would be, we certainly do plan ramps all the way from L Street here running back to these 7,000 parking spaces.

Mr. GRAY. I am talking about the front plaza of Union Station into the Government-owned parking facility, you would not have ramps leading into your parking facility; is that not true? You would have a separate entrance entirely, which would come off either K or L Street in the back?

Mr. POWELL. We could do it that way if it was desired to be done that way.

Mr. GRAY. The reason I mentioned that, Mr. Plavnick and some of the others have indicated the present traffic studies indicate that about 5,000 vehicles a day is all that we can carry in front of the Union Station Plaza.

Mr. POWELL. I understand.

Mr. GRAY. So our concern, the concern of the gentleman from Iowa and myself, would be if you build 7,000 parking places, you have 4,000 Government-owned, that is 11,000; the existing streets in front of Union Station would not accommodate those.

Mr. POWELL. This is true.

Mr. GRAY. So the point I am making is you would not envision compounding that problem, but merely go the backside of K or L Street with your own entrances for your separate facility?

Mr. POWELL. Absolutely. However, under whatever plan the Secretary of the Interior might come up with, we would like to make the 7,000 spaces available in some way, whether from the back or front or both, to the visitors. Because our whole project here is geared toward making a significant contribution to the Visitor Center as an addition to the facilities already conceived by yourself and your Commission.

Mr. GRAY. Out of the $300 million plan, do you have any idea how much you have allowed for ramp access, ingress and egress?

Mr. POWELL. We have done this——

Mr. GRAY. For example, if I can interrupt you there, we have allowed $1 million in our estimates for 4,000 parking spaces for ramps. Do you have any idea what has been estimated to be the cost of your ramps?

Mr. POWELL. Yes. We have approximately a $25 million authorization, budget authorization, for the construction of ramps. And other contingencies.

Mr. GRAY. The reason I mention this, do you feel that you have adequately allowed enough to take care of this problem that is going to be created by your venture?

Mr. POWELL. We feel that we have not only adequately allowed for the ramps, but also for the complete renovating of the tunnels by way of creating a foundation for the building.

Mr. GRAY. I might mention in February of this year, the President ordered the National Capital Planning Commission to make a complete transportation study. I would suggest you have someone in your group be the liaison officer and consult with these people and find out if the studies have progressed far enough to give you any idea as to what they envision is going to be the need in this whole area 10 or 20 years from now. This has been ordered by the President personally. I would think certainly you could get valuable information from that source and maybe let them know what you are contemplating, so this could be added into their projections.

Mr. POWELL. This whole project, Mr. Chairman—I would describe it as a private corporation with public accountability. We, of course, would have to coordinate and create liaison with all interested agencies of both the District of Columbia government and a Federal government. This is a preliminary outline to show what we except the costs would be, to show what we feel we can do for the Visitor Center, and at the same time help our educational program. Once we generate the interest in this type of operation between our private foundation and the government via this committee, then of course we would be willing, having generated interest, to begin to spend money on elaborate studies of the traffic flow and the rest of the entire project.

But since we are in a preliminary posture, we have come up with a preliminary plan. We do not have thousands of dollars to go out and spend with absolutely no indication that you want to do this with us.

Mr. SCHWENGEL. Mr. Chairman.

Mr. GRAY. Mr. Schwengel.

Mr. SCHWENGEL. Have you checked with the people who have been working on the details of this parking for this Visitor Center—namely, the Park Service people here—on your plan? Have you checked with them at all?

Mr. POWELL. We have not checked with them. As I say, we are even preliminary to that. We knew we had to get a tax exemption on the bonds in order to get the thing underwritten. So we thought the first place to come was here.

We do know whom to contact in these various agencies, however, and we certainly would be in immediate contact with them by way of coordinating the entire project once we have generated interest from you.

Mr. GRAY. I would suggest you do that, though.

Mr. SCHWENGEL. Also when you come back, come back with some solid studies, if you have a chance to come back—and I hope I can hear more about this—on what your installation is going to do to the accommodations for visitors who come here who want to visit the capital city, TA.

So I think we can say we are glad to have this idea, these plans, this discussion, which stimulates more than casual interest I would say. I think you are not at any stage with your plan where we can say "OK." I think we need to probe this and consider it, and you need to coordinate your thinking and your ideas with the Park Service in particular.

Then I think before we can seriously consider it, we would have to have definite assurances you do have the kind of money this calls for. This is an amazing figure. I find it hard to believe right now it is going to be very readily available.

Mr. GRAY. Mr. Powell, let me say you have been a very thorough witness and have a very forthright proposal here, and certainly one that should demand our attention. I assure you it will.

We have several meetings going today and some of the subcommittee members could not be here, but I assure you, with the entire statement and proposal in the record, it will be read with interest, and I assure you and your associates we are interested and we will consider this matter very thoroughly before making any final decision.

I might also point out publicly that we are in a big hurry to get this legislation out in order that the Park Service and the Terminal Co. can get busy with the plans. I assure you as the subcommittee chairman, we can give this matter thorough airing as a separate bill, and if it is not added to the present bill, we certainly will give you your day in court to be heard further. I think certainly all of us encourage private enterprise to come in and to develop these facilities instead of using the taxpayers' funds wherever possible and wherever feasible. So we do thank you and your associates very much for coming.

We do have a quorum call on the floor. That is why I have had to cut you a little short. We have a rollcall going on and we have to recess the committee very shortly. But we would be glad to hear any comments from any of your associates before we recess and will be glad to hear them very briefly.

Mr. MUTH. I have a question I would like to ask the Chair.

Mr. POWELL. All right, Mr. Muth.

Mr. GRAY. Would you state your name for the record, sir.

Mr. MUTH. William J. Muth, M-u-t-h.

Mr. GRAY. Yes.

Mr. MUTH. Mr. Chairman, I would like to address this question to the Chair, if I may be so privileged, sir.

How much time do we have to bring to this honorable committee the documentation which the gentleman has suggested you would require, such as the documentation of a letter of intent on the financing?

I am sure that we could not get a better or more qualified traffic man than John Funk, the former director of State Roads Commission of Maryland.

Mr. GRAY. It would be a very difficult question to answer. So long as Congress is in session and so long as the committee has time, we could call a meeting at any time. There certainly would be no time limit.

My point is we are in a hurry to get out basic legislation because we are anxious to proceed with this matter that we have had under consideration since last year.

Mr. POWELL. Let me say this, we certainly would not want to interpose any complicating factor to getting the present first phase underway. I certainly appreciate the chairman's point of view on that.

Perhaps it would possibly be a better plan to get the first phase underway and continue our work on this proposed addition, because it is an addition.

Mr. GRAY. The Chair and the committee will be receptive to any further communications from your nonprofit organization.

Mr. POWELL. Thank you very much, Mr. Chairman.

Mr. GRAY. Thank you very much.

Does anybody have any further questions?

Thank you very much, gentlemen, for your very forthright testimony.

I want to publicly announce that we had originally scheduled Mr. George A. Avery.

Is Mr. Avery here?

Mr. AVERY. Yes, sir.

Mr. GRAY. Mr. Avery, we can follow one of two courses. We can have you submit a statement for the record, or we will be glad to hear you as the first witness tomorrow if you would like to come back. It is up to you.

Mr. AVERY. I would like to come back tomorrow, Mr. Chairman. I wonder if I could ask, instead of the first witness, if I could be one of the later witnesses? We have a hearing at 10 o'clock, at the Transit Commission.

Mr. GRAY. We would be glad to accommodate you on that.

Mr. AVERY. I will be up about 11 o'clock. Any time after that.

Mr. GRAY. I would suggest if you would come a little earlier—we would hope to conclude with public witnesses by 11 and go into executive session tomorrow before the meeting of the House by 12. Say between 10:30 and 10:45?

Mr. AVERY. Either I will be here or I will ask somebody else to come.

Mr. GRAY. I deeply appreciate your accommodating us. We are trying to hear everyone, but we do have these time problems.

With that, the subcommittee will stand adjourned until 10 a.m., on tomorrow.

(Whereupon, at 12:40 p.m., the subcommittee was recessed, to reconvene at 10 a.m., Thursday, October 12, 1967.)

NATIONAL VISITOR CENTER ACT OF 1967

THURSDAY, OCTOBER 12, 1967

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON PUBLIC BUILDINGS AND GROUNDS
OF THE COMMITTEE ON PUBLIC WORKS,
Washington, D.C.

The subcommittee met at 10:16 a.m., in room 2167, Rayburn Building, Hon. Kenneth T. Gray (chairman) presiding.

Mr. GRAY. The Subcommittee on Public Buildings and Grounds will please come to order.

The subcommittee is in open hearings this morning in consideration of H.R. 12603, and related bills, to supplement the purposes of the Public Buildings Act of 1959 by authorizing agreements and leases with respect to certain properties in the District of Columbia for the purpose of a National Visitor Center and for other purposes. If enacted into law, it will be known as the National Visitor Center Act of 1967.

This is the fourth day of hearings.

I notice in the room this morning we have one of our very distinguished and able colleagues from Illinois, Congressman Erlenborn.

We will be delighted to hear you first this morning. Let me on behalf of the subcommittee welcome you and thank you very much for coming.

STATEMENT OF HON. JOHN N. ERLENBORN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS

Mr. ERLENBORN. Thank you, Mr. Chairman.

I have copies of my statement here.

Mr. GRAY. Thank you. We will be glad to pass them out.

Mr. ERLENBORN. Mr. Chairman and members of the committee, I would like to file my statement for the record and I will just summarize very briefly.

Mr. GRAY. You may proceed in any manner you so choose.

(The prepared statement follows:)

STATEMENT OF HON. JOHN N. ERLENBORN

Thank you, Mr. Chairman and members of the committee, for the opportunity to appear before you in support of H.R. 12603 and the several identical bills, including my bill, H.R. 12825, to be cited as the "National Visitor Center Act of 1967."

It is anticipated that 15 million tourists will visit our Nation's Capital during 1967—an average of more than 40,000 a day!

They come—Americans and visitors from foreign countries alike—to gain the inspiration we have felt in viewing our country's memorials to Lincoln,

Washington, and Jefferson; to see our government at work; to seek a better understanding of the meaning of the American dream, of what makes America. And I think most experience what they seek; but along with it, they experience a nightmare of frustrations: Where to park? Where to get a sandwich on Capitol Hill? How to make the most of their limited funds and time and still see all there is to see? Hardly a visitor to my office—and some days it seems that all 40,000 of our Capital City's visitors stop at my office—fails to utter these frustrations in one way or another.

I don't blame them. For most, it is a once-in-a-lifetime event, a family affair planned months in advance, with a breathless countdown to the day of arriving here. They find a beautiful city, built to be the seat of our national government; and I suspect that many have contemplated, as have you and I, that the men who planned it and who have seen it grow during the past 18 decades must have had prophetic vision of the greatness which was to come to these United States; but how sad that so few along the way had the foresight to envision the 20th century invasion (which I highly recommend) of American families and visitors from afar intent upon seeing our Nation's Capital. From almost my first day in Congress, it has been a source of embarrassment and a thorn in my side that we allow the enthusiasm of our guests to be dimmed and thwarted by what are sheer frustrations and not mere petty annoyances.

I was heartened last year when Congress wisely enacted legislation creating a Commission to study the need for a National Capital Visitor's Center. The findings of that study are embodied in the legislation being considered today. Enactment of this legislation will go a long way toward eliminating these frustrations and making a visit to Washington the memorable experience it should be.

With enactment of the National Visitor Center Act of 1967, the conveniently located Union Station will be converted by its owners, the Washington Terminal Company, into a visitor's center which will be leased to the Administrator of the General Services Administration and the Secretary of the Interior on behalf of the United States. The Center will contain needed restaurant facilities. It will contain movie theaters where our visitors will be able to view a documentary film that will assist them in planning to see the sights in an orderly, comfortable, all-inclusive fashion.

The Washington Terminal Company will provide 4,000 parking places. These, combined with a bus service from the Center to the Capitol and around the mall, will solve the where-to-park dilemma of our visitors and relieve the traffic congestion that affects us all, be we visitors, residents, or commuters.

The railroad terminal of Union Station will be replaced by the WTC with a rapid rail train station to be constructed underneath the new garage.

Thus we see this plan serving many worthwhile purposes: It will bring to our visitors the service they deserve, the welcome feeling we want them to know. It will bring millions of dollars more income to our Capital City. It will reduce the amount of our Federal payment to the city. It will do all this and yet it will NOT add to the already strained budget of our Federal government—No Federal funds are involved in the 19½ million dollars estimated cost for the renovation of the Union Station and the construction of facilities in the Center, the 4,000 parking space garage, and the new train and rapid rail station under the garage. The 19½ million dollars will be spent by the Washington Terminal Company, and the lease payment of 2.9 million dollars the U.S. Government will make to the WTC will be recouped from parking fees and the sale of services and goods.

I am convinced that H.R. 12603 is a necessary, sound, and realistic approach for meeting our responsibility to the millions of people who we want to know the wonder and marvel of our Nation's Capital. I believe this Committee and the Congress will agree.

Thank you.

Mr. ERLENBORN. Thank you.

I thank you for the opportunity to appear before you today in support of H.R. 12603 and the several identical bills, including my bill, H.R. 12825, to be cited as the "National Visitor Center Act of 1967."

It is anticipated that 15 million tourists will visit our Nation's Capital during 1967, an average of more than 40,000 a day. We all know that they come from all parts of this country and from all over the world. They experience great frustration. I think that all of us

have heard the comments of visitors who come into our office as to their problems of finding a place to park, a restaurant to get their meals, and the other frustrations that they face because of the lack of proper facilities for visitors here in our Nation's Capital. I think with the passage of the bill now pending before this subcommittee, these frustrations will be brought to an end.

I think that the work of the committee that led to the drafting of this bill is to be complimented, because they have fashioned an answer to this problem of the visitors to our Nations' Capital that will not have a great impact on our Nation's budget, which is of course being strained to its utmost.

I think that the agreement contemplated herein between the owners of the Union Station and the U.S. Government for the construction of the Visitor Center and its operations will provide the necessary facilities without great expenditure of our national budget funds.

I trust this subcommittee will give due consideration to this bill. I hope it will pass and I hope as a result of this, in the near future, we will have happy constituents in our offices thanking us for the facilities that we furnish them.

Thank you.

Mr. GRAY. Well, thank you very much for a very fine statement, and I certainly want to thank my distinguished friend and colleague from Illinois for introducing his bill on this subject.

I might say that we certainly have bipartisan support for this legislation, not only in this committee and in the House, but also in the other body. We have had several Members of the Senate introduce identical bills. This is a bipartisan measure and I hope we can move to passage in this spirit of cooperation. It is a very serious problem, as you so ably pointed out in your statement.

Are there any comments on my right? On my left?

Mr. WRIGHT. I join my chairman in complimenting our distinguished colleague. We appreciate your coming.

Mr. ERLENBORN. Thank you.

Mr. GRAY. Thank you very much.

At the conclusion of the hearings on yesterday, there was one witness remaining that had not been heard, Mr. Avery.

I am wondering how your time schedule is, sir? We have one other witness, if you do not mind, we would like to run ahead. Are you pushing for any——

Mr. AVERY. Mr. Chairman, I have a room full of lawyers waiting for me back at the Transit Commission. We are starting the D.C. Transit case today.

Mr. GRAY. Fine. Well, go right ahead. We will take you, sir. You were so patient, I would not want to further impose on you.

Mr. AVERY. I would be willing to wait all day, but I feel badly about the people back at the Commission.

Mr. GRAY. Fine.

We have Mr. George A. Avery, Chairman of the Washington Metropolitan Area Transit Commission.

Mr. Avery, again on behalf of the committee, I want to say how thankful we are for your patience yesterday. The Secretary of the Interior, you know, took more than an hour and we ran a little behind. We had you scheduled for testimony on yesterday. But I do appreciate

so much you coming back and we deeply appreciate your consideration in appearing here before this committee.

You may proceed in your own fashion.

STATEMENT OF GEORGE A. AVERY, CHAIRMAN, WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

Mr. AVERY. Thank you, Mr. Chairman.

I would like to thank you for the opportunity to be able to appear.

It was a pleasure to sit and listen yesterday to the fine plans that have been made by the Commission and by the Secretary for the Center.

I am the Chairman of the District of Columbia Public Service Commission, and also Chairman of the Washington Metropolitan Area Transit Commission, and it is in this latter capacity that I appear before you today.

I would like first to give you some background facts concerning the Transit Commission and concerning some previous Commission actions which involve the subject matter of the bills in question.

The Transit Commission is an agency of the District of Columbia, the State of Maryland, and the Commonwealth of Virginia, created when the three jurisdictions entered into an interstate compact, the Washington metropolitan area transit regulation compact. Congress gave its approval to the District of Columbia to enter into this compact and consented thereto by Public Law 86–794, enacted in 1960.

The purpose of the compact was to concentrate in one agency the regulation of transportation of persons for hire in the Washington metropolitan area.

Succinctly stated, under the provisions of the compact, no person, with certain exceptions which will be discussed later, may engage in transportation for hire in the District of Columbia and its surrounding suburban area, without first obtaining a certificate of convenience and necessity from the Commission and without being subject to the regulation of the Commission with regard to its rates and services.

The primary objective of the legislation you are considering today is to authorize designated representatives of the United States to lease Union Station for the purpose of converting it into a National Visitors Center, with attendant facilities. Our interest and concern with the bills does not involve those sections thereof which concern the Visitors Center, although as a citizen and a resident of the area, I heartily express my own personal approval of the concept. In my official capacity, however, I am concerned only with section 5 of the bills, which contains certain language concerning transportation.

Section 5 does not concern itself solely with the Visitor Center but with the transportation of visitors in the Mall area of the District. Such transportation has been the subject of much discussion and litigation in recent months and you cannot understand the import of section 5 without some knowledge of that litigation. So, I should like to take a few minutes to explain it to you.

In March of this year, the Interior Department entered into a contract with a private concessionaire and to provide transportation on the Mall and instructed their concessionaire that it would not be necessary to obtain a certificate of convenience and necessity from the Commission.

The Commission had previously informed the Interior Department of its conviction that the concessionaire's operation was covered by the compact. To settle the question, the Commission brought an action in the U.S. District Court for the District of Columbia in which it asserted that the Interior Department's concessionaire must obtain a certificate from the Commission. The end result of that litigation was a decision by the court of appeals that, while the Interior Department could enter into a contractual arrangement with a concessionaire, that concessionaire must comply with the provisions of the compact. Thus, the court rejected the Interior Department's position that it had exclusive jurisdiction over transportation on the Mall and held, instead, that dual jurisdiction existed. In so ruling, the court rejected the Interior Department's argument that transportation by Interior's concessionaire was transportation "by the United States" and thus within the specific exemption in the compact, which exempts transportation by the Federal Government and by the other signatory governments.

With this background I believe you can now see the problems raised by section 5 of H.R. 12686 and its related bills. Section 4 fully empowers the Secretary of the Interior to enter into any concession arrangements necessary to administer the Visitors Center. Section 5 may seek to go beyond that.

If the language is enacted, the argument might be made that the rulings in the litigation on the Mall shuttle, which I have just described, had been overruled by this bill. It might be said either, No. 1, that this language provides a new basis for an assertion of exclusive jurisdiction by the Secretary of the Interior; or, No. 2, that this language brings Interior's concessionaire within the exemption in this compact of transportation "by the Federal Government." If the Department is seeking, under section 5, to reverse the holding of the court of appeals in the *Mall shuttle* case, certain problems are raised which you should consider.

First, there is serious question whether enactment of this section would accomplish that objective. As the committee is undoubtedly aware, the Commission's jurisdiction is vested, not solely through an act of Congress but by means of an interstate agreement between the Legislatures of Maryland and Virginia, as well as by the Congress, on behalf of the District of Columbia. It is doubtful that the jurisdiction conferred by the compact as approved by Congress could be divested through the unilateral act of one of these legislative bodies. Since the impact of this bill on existing provisions of the compact would be unclear, enactment of this section might only lead to further litigation and serious delay.

There is, of course, a much more important question than the somewhat legalistic matter I have just discussed. Assuming that the purpose and effect of section 5 is to exempt transportation on the Mall from our jurisdiction and transportation between the Mall and Union Station from the jurisdiction of the Transit Commission, it is the Commission's view that this would be a very unwise policy to adopt. It would, of course, completely reverse a policy adopted by Congress just 6 years ago. Thus, the very purpose of the compact, when it was first enacted, was to unify the regulation of transportation of persons for hire in the Washington metropolitan area under one regulatory agency.

Indeed, in the preamble of the congressional consent to the compact it is stated "Divided regulatory responsibility is not conducive to the development of an adequate system of mass transit for the entire metropolitan area, which is in fact a single integrated, urban community."

Nor would the transportation thus exempted be a minor exemption. It is perfectly obvious that the transportation encompassed within the language of section 5 could become a very substantial factor in the overall transportation picture in this area. In the litigation concerning the Mall shuttle, it was established that the Mall currently is visited by about 12 million people annually—and the Congressman who just preceded me stated Washington will be visited this year by about 15 million visitors, and we know that the number will increase substantially in future years.

I do not know how many visitors annually are projected for the Visitors Center.

I should make it very clear at this point that the Commission is not objecting to the kind of transportation envisaged by section 5. Rather, it is asserting only that such transportation should be subject to the same jurisdiction as all other transportation in the metropolitan area. Nor do we assert exclusive jurisdiction. We recognize, as we recognized in the litigation concerning the Mall shuttle, that the Secretary of the Interior has statutory power to enter into contracts with concessionaires and to impose contractual obligations upon such concessionaires. It is our position only that such concessionaires are, and should continue to be, also subject to the obligations imposed upon them by the compact.

Of course, if the transportation is performed by the Federal Government itself, it would be exempt from the jurisdiction of the Commission by reason of the express provisions of the compact to which I previously referred. If this is what section 5 of the bill is intended to authorize, we respectfully suggest that the language should be clarified to make this explicit.

In summary, we have sought to express our views here because of the possibility that, upon enactment of section 5 of the bills before you, it would be argued that Congress had overthrown the holding of the court of appeals in the *Mall shuttle* case as to the Commission's jurisdiction over concessionaires of the Interior Department. It is our belief that if this is the purpose of the legislation, it would not accomplish that result since unilateral amendment of the compact is impossible. It is further our belief that it would be unwise to seek to accomplish that result.

Accordingly, we would hope that the language of section 5 would be deleted. Alternatively, if you feel that it is appropriate to include in the legislation some language authorizing transportation by concessionaires on the Mall, and between the Mall and the Visitors Center, we would hope that you leave no doubt that such transportation is subject to the provisions of the compact.

Thank you very much, Mr. Chairman.

Mr. GRAY. Well, thank you, Mr. Avery, for a very clear statement.

As you know and as you point out, this is a complex problem and it was not the intent of the Chair certainly to circumvent the powers of the Commission in introducing this legislation containing section 5.

What we have here is a unique situation where the Secretary of the Interior contends that he has authority, statutory authority, to enter into a contract with a concessionaire for transportation around the Mall. However, as you know, Congress is a separate entity entirely and he has not claimed and certainly knows he does not have the authority to grant a concessionaire to run around the Capitol. All of us know that one of the first places people are going to go when they leave this Visitor Center at Union Station is the Capitol. So what we really were seeking to do in section 5 was to give the Secretary authority not only around the Mall, but also on the Capitol Grounds.

Now, frankly, I am going to confess my ignorance. I did not realize, since this was Government property, that any concessionaire would have to obtain permission from the Commission. It is only 6 years old and it is not something we have been dealing with every day. For that omission and oversight I apologize.

What we are really seeking to do here is not to circumvent, as I said, your authority, or even the courts, in setting out this route, but to give the Secretary clear power that he would need in order to properly operate the shuttle service. Because to bring 5,000 to 6,000 vehicles in every day to the Visitor Center and give them an incentive to get out of their car, which is what we are trying to do to avoid congestion, we definitely need public transportation fast and dependable.

Now, whether it is interpretive shuttle service by this concessionaire that Mr. Udall has entered into an agreement with or whether it is the existing company here in Washington, D.C. Transit, this committee is not interested in that particular question or argument. We are merely interested in seeing that the Secretary has the power to provide this type of shuttle service.

Because it is an integral part of the Visitor Center, I think you will agree that for every busload of 80 people that we can put in a bus, we are eliminating 20 to 30 vehicles off the streets. This is good for everybody. This is good for commerce and trade here in the District by allowing more people to come in that can park and want to shop. It will eliminate the congestion of the tourists, who certainly are clogging the streets and who have no place to park. It would allow tourists to enjoy their visits to our historical places of interest.

Our constituents often call us; their cars have been hauled off when they parked on the streets where parking was prohibited.

So I am sure you will agree it is desirable and imperative to have public transportation around the Mall to all these facilities. The question is what is the best way to approach it.

There is a strong feeling on this committee, that I certainly share, that we ought to, if we charge for parking at the Visitor Center, give free bus service as far as the Capitol. So if we follow your suggestion here and require a concessionaire to come to your Commission and ask for free bus service, I am wondering if this would not set a more dangerous precedent with other people who are appearing before your Commission for certificates of convenience and necessity? I wonder if this would not make more of a dangerous precedent than for Congress just to exempt the Commission from any authority relating to this specific need for strict service to go to the Capitol and around the Mall.

Mr. AVERY. I really do not think it would be a dangerous precedent,

Mr. Chairman. For one thing, what you are discussing is a very unique situation. There is, after all, only one Capitol and one Visitor Center, and I think everybody recognizes and we certainly recognize, as I tried to indicate in my statement, that the transportation you envisage here is a very good thing and should be provided. If it were provided as free transportation between the Visitor Center and the Mall, I would not regard it as raising any serious problem as precedent for the Commission as for the very uniqueness of the situation that you are dealing with here.

What we are worried about——

Mr. GRAY. On page 3 of your testimony, you say:

> While the Interior Department could enter into a contractual arrangement with a concessionaire, that concessionaire must comply with the provisions of the Compact.

So I am looking downstream thinking, well, if we give authority to the Secretary to enter into a contract with the concessionaire and we all feel that we should have free bus service from the Center as far as the Capitol, and then the concessionaire goes to the Commission and asks for that authority, then according to your own statement here, they must comply with the provisions of the compact. The compact may not have any provision for any type of free bus service. Then we run into the situation where Congress has spoken, we feel this is what we should do, give free bus service to the Capitol; and then you come back and make a ruling, we are sympathetic but we feel that this would be setting a precedent where somebody in Alexandria might say, "Well, I think we ought to give free bus service from the courthouse up to some other place in Alexandria, and Congress did it so why can't we do it?

So I am looking at this from your standpoint as doing a good job with the Commission, that this might set a more dangerous precedent than if we just exempt this particular route from any consideration of the Commission, which certainly would not then set any precedent because Congress is speaking for a specific problem and a specific location, which, as you point out, is unique. We only have one Capitol and we only have one Visitor Center per se.

Mr. AVERY. Well, if I could say two things to that: First of all, if it was strictly free transportation, if there was a separate line going say from the Visitor Center to the Capitol, buses just running on that route and it was free, in the first place, that would not be subject to our jurisdiction, that particular line; because the compact says only that we have jurisdiction over transportation for hire. Of course, if it is free, it is not transportation for hire.

Mr. GRAY. What we have been thinking, frankly, as an incentive to get people out of their cars, was to take a portion of the parking fee and subsidize this leg of the journey. In other words, if we charge, say, $1 to park for a 24-hour period at the Visitor Center, they can take the stub for that parking ticket and that would be admission to the free bus service. This could be used even for the Capitol employees and other Government workers. If we have off periods and someone here could not find a place to park and wanted to park his car, he could get a free bus ride to work. So we felt that actually it would be really subsidized service.

It just would not make a lot of sense to have a bus which could hold 80 passengers haul 40 free and have another bus with 40 on it coming up here for hire. This would be an uneconomical thing to do. They should all ride on the same bus. The question is, How are we going to collect it? My thought was we could take a portion of the parking fee and pay for that particular part of the service that was going to be provided free.

So this is why it is such a unique situation and so complex that I am wondering if the provision of the compact would even be able to take care of this type of situation. And that is the thing we are fearful of, if we go ahead and authorize this Center—the railroad has put up $19.5 million of their money to build this, then we get into a hassle such as the one now in court between your Commission and the Secretary of the Interior, and as a result we would be stymied and would have no transportation. That is the thing we are trying to avoid.

We are not trying to circumvent any of your authority whatsoever, but it is a unique situation and I think the public interest here must be served first. With all due respect to the compact and with all due respect to the Commission, the public interest I think is paramount and these other matters are secondary.

Mr. AVERY. Well, that really touches on the second point that I wanted to make, and that is if you enacted legislation along the lines you are discussing indicating that what you want is the Secretary to provide free transportation to the Capitol, and if the concessionaire then came to the Commission for the necessary authority to do that, frankly it is inconceivable to me that the Commission would ignore specific language enacted by the Congress expressing the desire to have this. So frankly I cannot——

Mr. GRAY. It is inconceivable? You have to admit you are in litigation now with the Secretary of the Interior and he quoted certain statutory authority that he had, and the Commission was not willing to accept that authority that he had, so it is just conceivable if you ignore the Secretary, you could ignore Congress if it was in a gray area. I am not saying you would do it deliberately; but if your authority was not clear, or our authority is not clear, then conceivably it could be a gray area that is subject to litigation.

Mr. AVERY. That is true if it were a gray area.

There was a disagreement between us and the Secretary, between his jurisdiction and our jurisdiction, and the court in fact ended up saying we are right, so that I am forced to agree if the matter were left gray, we might get into a dispute. But if you enact this language that made clear your intent, there would not be any gray area.

Mr. GRAY. That was the point I was getting at. Why would the Commission object if we wrote into the act exempting just this, and not the general transportation at all but just exempt this particular one from the Commission's jurisdiction, since it is a compact between the District, Maryland, and Virginia. The purpose, as I understand it—and I voted for it in 1960—was to give you the authority to coordinate transportation needs of all these areas. But I do not think that Congress intended in setting up this compact that we would not have jurisdiction here on our own Government property.

I yield to the gentleman from Texas, then I will get to you, Mr. Denney.

Mr. WRIGHT. I am just a little curious, what was the basis of your action against the Interior Department? Was it simply that you felt the Department had failed to comply with the law that you are charged with administering by refusing to come and ask you for a certificate of convenience and necessity?

Mr. AVERY. Yes.

Mr. WRIGHT. Is this all that was involved? Or did you have some more pronounced objection to their operating this little shuttle?

Mr. AVERY. No, Mr. Wright. Of course I cannot now and we have never taken a position publicly on what we would say about the desirability of the service. That is a matter which I cannot comment on, because it has got to come before the full Commission. But what we were saying, what we said to the Interior Department was that the concessionaire was a person engaged in transportation for hire in the Washington metropolitan district and, therefore, we had no choice but to take the position that the compact applied to it.

Now, the Secretary had two arguments. He referred first to certain statutory provisions which gave him exclusive jurisdiction over the Mall area of the District of Columbia, and he referred to the exemption in our compact of transportation by the Federal Government.

We carefully considered his arguments and we thought that his position on the law was not so clear that we felt we should accept it.

So that in order to clarify the law, we brought an action in the court and tried to expedite it as quickly as we could to get the question settled.

Now, the court, as it turned out, agreed with our interpretations of the acts investing the Secretary with jurisdiction over the park areas and with our interpretation of the exemption, and held: Yes, this was transportation for hire by a person in the Washington metropolitan district, and therefore the compact had to be complied with.

Mr. WRIGHT. I believe that you raised an interesting point and have served the Commission well by bringing this to our attention in order that we may determine what we wish the legislation to do—whether expressly to subject this to your jurisdiction, or expressly to exempt it.

If it were subjected to your jurisdiction, what would be the questions you would want to have answered from a concessionaire? What will be the area of your determination?

Mr. AVERY. Well, in the first instance, Mr. Wright, the first question that comes up is in the proceeding for a certificate of convenience and necessity. The question in that proceeding is: Is there a need for the service? Would the public convenience and necessity be usefully served by the institution of this service?

Mr. WRIGHT. Now, if the Congress directs in legislation that service of this type be provided, would this still confer upon you, in your judgment, a need to make a determination that there is a public convenience and necessity to be served? Would you be obliged to hold a judicial inquiry to find out whether or not it should be done if Congress has directed that it be done?

Mr. AVERY. Well, I have thought about that question, Mr. Wright, and I would like to express my own personal opinion on it. I cannot bind the Commission, because there are three members of the Commission and our decisions go by majority vote. But my own preliminary thinking on that question is that I find it inconceivable if the Congress had directed that such transportation be provided, I find it inconceivable for the Commission to make a finding that it is not in the public interest and it suits the public convenience and necessity. In other words, I would think that that question would be practically foreclosed by a congressional enactment directing that the service be instituted.

Mr. WRIGHT. What about the Interior Department?

Mr. AVERY. There was no congressional enactment directing the Secretary of the Interior to provide transportation on the Mall.

Mr. WRIGHT. Would it not have been a simple thing for your Commission to have had a hearing and issued a certificate of convenience and necessity to the Secretary?

Mr. AVERY. Yes, that would have been very simple. But the Interior Department directed their concessionaire not to come to us. We never had a chance to. The Secretary took the position that they did not have to come to us, so they were just about to start their operation without ever having to come to us at all.

Mr. WRIGHT. You cannot give a certificate without an application for a certificate?

Mr. AVERY. That is right, and they refused to apply.

Mr. WRIGHT. I do not want to get us into a jurisdictional squabble and I think maybe it is useful that you have come.

Now let me say what I hope this legislation will do. I hope it will direct the creation of such a system of limited transportation—limited not in numbers of people it would carry, but limited in the places it can go—not competitive with, but supplementary to the existing public transportation of the area.

I hope that it will be distinguishable from the existing public transportation in the area. Whether or not the concessionaire might be appropriately the present D.C. Transit Co., if it wants to become a concessionaire—I can see it might be the best one—but I would hope that these buses would be distinguishable from the company's regular buses; that they would operate on a precise and specific run for the convenience of tourists and visitors to our town.

I think this service would be different in essential character from that which is provided so efficiently by the existing transportation facilities; that which presently exists is primarily for the benefit of people who live here and work here and shop here on a regular basis. They know what bus they want to catch. They know where to go, on what corner to stand, in order to catch the bus that goes to a certain location. But a visitor does not know this.

I would hope that a separate and distinct form of transportation would be provided for these visitors, so that they might pay once and be entitled to make a circle, let us say, getting off wherever they wish, getting back on, and continuing on the circle.

I would envision it as being similar, in effect, to that which exists at Williamsburg—similar perhaps to that which exists at the world's fair at Montreal or other places. So that these visitors, for a nominal fee, would be able to ride to the various points of particular interest, such as the Smithsonian, the Capitol, the Monument, perhaps the Elipse behind the White House, and back.

I would like it possible for those people to ask questions. I would like for someone to be on that bus to answer their questions. I would be very, very much opposed to anyone's operating the bus who would be impatient with their questions.

Now, of course you say you cannot speak for the Commission. I would like to see this done, and I would like to see it done cheaply, inexpensively for visitors.

Now, before I decide as a member of the committee whether I would desire to make this system subject to the jurisdiction of your Commission, I think I would like to know the attitude of your Commission with regard to that concept.

Mr. AVERY. Well, let me say this, Mr. Wright, first of all, what you describe sounds very much like the interpretive shuttle service the Secretary wants to start on the Mall. Practically every characteristic of it you described is practically what the Secretary had in his contract to provide the service on the Mall.

I do not think anybody listening to you could reach any conclusion other than this would be a very desirable thing to have.

The Commission, my colleagues on the Commission, and I hope myself, are very devoted to the public interest and trying to see to it that the public is adequately served.

It seems to me the kind of reasons you just stated and kind of service which you just described, which sounds very attractive and very persuasive, it seems to me that if that kind of proposal were made to the Commission, I cannot see any basis on which the Commission would say no, this is not in the public interest, or this does not suit the public convenience and necessity.

Now, that is just my own personal off-the-cuff opinion and I cannot now give you an answer as precisely what the Commission would do; but I am giving you my personal reaction to the kind of thing you are describing and I am suggesting the members of the Commission are sworn to uphold the public interest. And if this is so obviously in the public interest, it seems to me not too difficult to figure out what the Commission would do.

It would be the end result of a proceeding in which there would be adversary parties involved, and you cannot in advance of that hearing give any kind of absolute assurance as to what the Commission would finally determine.

Mr. WRIGHT. I appreciate your elucidation of that.

Mr. AVERY. We just were never given a chance on the *Mall* case, because they chose to try to go around us.

Now, in fact, one of the things we said in our brief in the court of appeals, that you might be interested in knowing, was that in determining the question of whether the public interest and necessity re-

quired the institution of a service like the Mall shuttle, it seemed inconceivable that the opinion of the Secretary of the Interior, who was charged with administering the Mall and making it attractive to visitors, would not weigh extremely heavy with the Commission. So if the Secretary came in to us, or his representative came in to us, and testified, "I administer the Mall and I have made a determination that this is what is required," it just seems to me that the regulatory process being what it is, that would weigh very heavily with the Commission.

Mr. WRIGHT. I think it may be quite useful—this obviously needs clarification by Congress.

I do disagree with what appears to be one of your summary conclusions wherein you say, referring to the possibility of exempting this particular type of transportation from the compact authority:

> It is our belief that if this is the purpose of the legislation, it would not accomplish that result since unilateral amendment of the compact is impossible.

Of course, you recognize that the Congress making the determination in this specific area, from the compact and subsequent legislation which created the compact, would come under the doctrine of preemption and we could very well do that if we wanted to?

Mr. AVERY. I think an administrator like myself, if he had a recurring nightmare, it would be the nightmare to have to come before Congress and tell them maybe they cannot do something. But, frankly, I have to say, as a lawyer, that I think there is a real question as to whether you can do it unilaterally.

The compact is an agreement between three parties like any other compact.

Mr. WRIGHT. One of them being the District of Columbia, one of them being the State of Maryland, and one of them being——

Mr. AVERY. One of them being Virginia. And all three legislatures of those entities—the legislature of the District being Congress—have agreed to that.

I am not sure one party can change it unilaterally.

Mr. WRIGHT. I am not proposing one of the three parties change it; I am proposing the Congress of the United States, under whose authority the compact was initially agreed——

Mr. GRAY. If we decided to pull out the District of Columbia, which is a Federal city, you would have Maryland and Virginia left. You would not have a leg to stand on if Congress wanted to undo what it did 6 years ago, or any portion of it.

As the gentleman from Texas said, if we wanted to amend what we did 6 years ago, Congress would certainly have authority. Without Congress authority, you would not have a compact. That is what a compact means and as for, getting together and working out common interests.

Mr. AVERY. Mr. Chairman, suppose the Legislature of Maryland passed an act saying that they are going to exempt from our jurisdiction transportation between Rockville and Silver Spring. I just do not know whether that would effect that result or not. I think it is a difficult question.

Mr. GRAY. That is a different matter entirely. I am sure you would not contend the Congress of the United States would not supersede any particular action of an individual State. If you are arguing when we pass a Federal law, any States could get together and any legislature undo that law, we would not have too much national legislation if that could happen—you know, in some States in particular.

Mr. AVERY. What I am suggesting is an interstate compact may be different. I hope I never have to pass on the question. I see a problem as a lawyer. Maybe it would accomplish that result, but I think that somebody could raise a question as to whether it does or not.

Mr. WRIGHT. Under the Articles of Federation you are right, but——

Mr. AVERY. I think a compact is different from ordinary legislation. It is kind of like a contract between the United States and two States. Maybe one party can withdraw from that contract unilaterally, but I am not sure.

Mr. GRAY. I do not think anyone questions, even with the liberal views of the Supreme Court, I do not think they would rule Congress could not have a right to legislate on Federal property. I do not think anybody would say that.

I yield to Mr. Denney.

Mr. DENNEY. Mr. Chairman, we are talking about abstract matters here. I would like to ask the witness, do you have a copy of the compact in your office or here?

Mr. AVERY. I have my own copy with me and my General Counsel, Mr. Cunningham, has got one.

Mr. DENNEY. Do you have a copy of the memo opinion, if there was one, from the appeals court?

Mr. AVERY. Yes, sir. I think we have 50 copies of that that Mr. Cunningham could distribute.

Mr. DENNY. Mr. Chairman, I would like to suggest, and ask unanimous consent, that the compact and the memo opinion be inserted in the record at this point.

We have counsel on this subcommittee and we also have attorneys here, and we are talking about an interpretation of an agreement and opinion by this witness. I think we should have the benefit of the foundation and we may be able to work out some language that definitely would preserve in the U.S. Government control over its own property, which I think is something Mr. Wright is bringing out.

Mr. GRAY. I think it is a very good suggestion. Without objection, we will leave the record open if you would like to submit a copy.

Mr. AVERY. We have it. I thought you would like that, Mr. Chairman, and we brought the material with us and we will make it available right now.

(The material follow:)

UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT

SEPTEMBER TERM, 1966

CIVIL No. 793–67 (FILED JUNE 30, 1967)

No. 20,975

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION, APPELLANT

No. 20,976

WASHINGTON SIGHTSEEING TOURS, INC., APPELLANT

No. 20,977

BLUE LINES, INC., AND WHITE HOUSE SIGHTSEEING CORP., APPELLANTS

No. 20,978

D.C. TRANSIT SYSTEM, INC., APPELLANT

v.

UNIVERSAL INTERPRETIVE SHUTTLE CORPORATION, (A CALIFORNIA CORPORATION), APPELLEE

Before: FAHY, Senior Circuit Judge, and DANAHER and ROBINSON, Circuit Judges, in Chambers

ORDER

Whereas a majority of the court are of the opinion that the various relevant statutory provisions, construed in relation one to the other, especially in view of the physical location of the Mall in the Metropolitan area of the District of Columbia, do not afford authority to the appellee Universal Interpretive Shuttle Corporation validly to engage in such transportation for hire in the Mall area as is contemplated by the contract between the Secretary of the Interior and appellee dated March 17, 1967, more fully described in the complaint, without a certificate of public convenience and necessity issued by the Washington Metropolitan Area Transit Commission authorizing such transportation, and

Whereas it is deemed that the interests of the parties and of the public would be better served by this prompt disposition of the appeals rather than to delay decision pending the formulation and issuance of elaborating opinions, though each member of the court reserves the right to file later, in opinion or statement form, his more detailed reasons for his position,

The order of the District Court of the 1st day of May, 1967, dismissing the complaint and denying the petition for injunction and declaratory relief is reversed, and the cause is remanded so that appropriate further proceedings and relief consistent with this order may be granted.

It is so ordered.

Circuit Judge Robinson, being of opinion the order of the District Court should be affirmed, dissents.

Mr. GRAY. That is a very good point.

Mr. SCHWENGEL. Mr. Avery, you have given very interesting testimony here.

I also followed the controversy in the newspapers. I can appreciate the fact that you, as Chairman of the Commission, certainly are obligated and dedicated to uphold the public interest. I am keenly aware of that. But here we have the Secretary of the Interior, through the Park Service, who wants to promote the public interest.

My question to you is this now: How would the objective the Secretary wanted to attain with promotion of this service be improved or enhanced by his coming to you with his proposition?

Mr. AVERY. Well, before the whole controversy got started, when we first read of what the Secretary was planning to do, we went to the Secretary—actually to one of his assistants—and pointed out the problem, pointed out to him that there was this Compact that we had taken an oath to uphold, and we felt an obligation to pursue our responsibilities under the compact and suggested that the best thing to do would be to discuss a way in which to expedite a proceeding before the Commission where the requisite determinations of the compact would be made.

The Secretary's representatives just did not—well, to put it bluntly, I think they thought I was crazy. They just said, "Well, that is absolutely ridiculous. You cannot possibly have any jurisdiction here. This is national park ground and we have complete jurisdiction over it." And I said, "Well, I am very sorry, you know, I just cannot accept that idea, and so now let's talk about how to get a determination of it in court on an expedited basis as fast as we can."

The last thing I wanted to do was to find the Commission in the position of blocking the institution of the Service.

Mr. SCHWENGEL. That was the result temporarily?

Mr. AVERY. Unfortunately that was the result. And then the court—you know, you always start to wonder whether you are crazy or not—and the court finally said no, you are right; you, the Commission, are right. That is the way the law is. The law is that the compact applies to this service.

It was just recently that was decided by a three-judge panel.

The Interior Department asked the full nine-panel bench of the superior court to reconsider that and they refused. So the entire nine-panel bench has held what we said was the law was in fact the law.

Mr. SCHWENGEL. In the meantime, they have not been able to accommodate the visitors?

Mr. AVERY. Unfortunately the service never got implemented, because the Secretary chose to pursue the court case and the court service could not be instituted.

Mr. SCHWENGEL. So you actually blocked public service? That was the effect of your interference?

Mr. AVERY. To my great chagrin, the answer to that is "Yes."

Mr. SCHWENGEL. Now let me ask you this: Based upon the record, how long does it take your Commission to respond to applications? On the average.

Mr. AVERY. Well, I think a certification proceeding could be completed in—well, I do not know, 60 days. I would say 60 days. That is giving everybody a chance to be heard and giving the Commission time to write its opinion.

Under our rules we have to give 25 days' notice before the hearing can start. That is the one fixed time period. But even that, we could shorten that time. But that is the one fixed time period, 25 days. Then we could have the hearing, whatever length of time that would last, and then whatever brief period of time it takes to get out an opinion.

Mr. SCHWENGEL. I think what the Secretary—I have not talked to him about it, I just follow the newspapers, I might say with some disgust on the part of people involved in Government who do not sense properly the public interest that you say you must uphold.

Here is a great, great capital area that people just are hungry to visit, and we have done through the years such a poor job of accommodating them, making it easy and interesting. Here we have a department of the Government, of which you are a part, conscientious, dedicated I am sure, that is handicapping an opportunity to serve these people.

It would seem to me that you could have assured the Secretary, "Look, we will cooperate with you completely, get something going now and then make some adjustments," instead of holding it up 60 days.

Mr. AVERY. Mr. Schwengel, first of all, the thoughts you have expressed are precisely the very thoughts that went through my own mind. It was the most undesirable position I could possibly find myself in, throwing a roadblock in that service. What you suggested I say to the Department of the Interior is precisely what I did say.

I went down there and pleaded with them to get together with us and cooperate with us in trying to expedite whatever proceedings would be necessary for the Commission, so that compliance with the compact would not provide any roadblock to the institution of this service.

The Secretary of the Interior is the one that refused to even come to us. He instructed his concessionaire to have nothing to do with us.

Mr. SCHWENGEL. I think he was very conscientious in his approach to the problems of the Park Service. He has a great desire to serve the public interest. I know some of the pressures he is under. I know some of the pressures I receive in Congress from people who are coming here, who are almost frantic. So here is a man who wants to promote the public interest within the law—and he is not circumventing anything that I can see or doing something that is circumventing the law as I see it, basically, or doing something that is not in the public interest.

Mr. DENNY. Will the gentleman yield?

Mr. SCHWENGEL. And I would hope that somebody would sense the problem here and have a little better spirit of cooperation to reach the goal that must be attained.

Mr. AVERY. I can assure you, Mr. Congressman, that the Commission, if it ever does get involved in proceedings relating to this directly, will expedite it to the maximum extent possible.

We feel very badly about the delay that has occurred already and we certainly are interested in expediting to the maximum extent possible whatever proceedings are necessary before our Commission relating to this service.

Mr. DENNEY. Will the gentleman yield?

Mr. SCHWENGEL. Yes.

Mr. DENNEY. Mr. Avery, I see on page 7 of the compact that any signatory may withdraw from the compact upon 1 year's written notice to that effect to the other signatories. In the event of a withdrawal of one of the signatories from the compact, the compact shall be terminated.

It would be simple for us to just write in this law the District of Columbia would wish to withdraw, and maybe we would get an amendment to this compact that we could take care of our own property.

Do you not think that might be the answer to the thing?

Mr. AVERY. I am glad you pointed that language out. I had intended to point it out when the chairman was questioning me about Congress power to withdraw. There is the language in there as to how the Compact could be terminated. I frankly would hate to see——

Mr. DENNEY. I do not see any problem; if we cannot get together with the Commission, there is an out, is that not true?

Mr. AVERY. There is an out you say?

Mr. DENNEY. There is an out for the District?

Mr. AVERY. Oh, yes. All of the parties can withdraw on a year's notice.

Mr. DENNEY. This is not a question of personalities or jurisdiction. We have a problem; we want to accomplish a result. We can go to the Commission and say this is what we want, or we can go to Virginia and Maryland and say this is what we want to do. We can draw an amendment to that, get it approved, and put it right in the bill; can we not?

Mr. AVERY. No question about that.

There is one problem, and that is that the Maryland and Virginia Legislatures will not be in session until 1968 now.

Mr. DENNEY. Do they have continuing authority under this compact? I think they do.

They gave their different agencies authority to amend. There is an amendment provision in here.

I think, Mr. Chairman, we are just talking about something we will talk about when we mark up the bill and settle it that way.

Mr. GRAY. Any other questions?

Mr. SCHWENGEL. One further operational question. I think what the Secretary is going to do here in this District is what people at Williamsburg do. They have a bus service there. As I understand it, they have a very comparable operation, the type of operation the Secretary wanted, with the exception of the Virginia law requiring they have to have safe equipment.

I do not think the Virginia Commission has any jurisdiction at Williamsburg.

Mr. AVERY. I could not answer that, Mr. Schwengel. I do not know how Virginia works.

Mr. SCHWENGEL. I think this is true. This is a comparable situation. The Secretary saw the need, and based upon the record of your Commission, he wanted to avoid delay and get something moving and going.

Mr. AVERY. You say based upon our record—not our record as a delayer I hope. I think we have expedited a great number of matters before our Commission. I think there would not have been any problem of delay if they had come before us and accepted our theory of jurisdiction. I think that service probably would have been instituted long ago.

If I may just make one final point, I firmly believe that it would be unwise to have a transportation system in the heart of the city,

transporting millions of people annually, that is completely outside the entire regulatory scheme for the rest of the city. That is the reason why I would hope, whatever you do, you do not completely exempt it from our jurisdiction.

I think there is one further point on that that when I look ahead disturbs me, and that is the precedent of this.

You spoke about the precedent, Mr. Chairman.

If we decide that the Secretary of the Interior needs to have an exemption so that he can run a service with a private contract—I would like to emphasize that—we have no jurisdiction when the Government itself is providing the service, but what you are talking about here is another private operator who is running up and down the streets of this city picking up anybody who wants to get on.

If the Secretary of the Interior can decide he needs a service like that to fit his purposes, similarly, the Secretary of Defense might come in here one day and say, "I need service between the Pentagon and such and such a place, and I would like to have an exemption from the Commission to provide that service."

Mr. GRAY. The difference is he owns the buses.

Mr. AVERY. If he owns the buses, it is exempt from our jurisdiction. Also you can only ride on that bus if you are an employee of the Department of Defense. But I see a route opening up here whereby you could emasculate the existing transportation system and leave my Commission, the Transit Commission—which is charged with the responsibility of having a rational, unified, well-working transportation system for the whole city—unable to carry out its responsibility because so much has been carved away.

Mr. GRAY. Have you thought of this, 78 percent of the visitors who come here come by automobile? And did you ever stop to realize if these people parked their automobiles, we are really going to be aiding and helping the public transportation system? This is what we are trying to do.

If we get them out of their automobiles down at Union Station—78 percent, keep this in mind, come by car—then you still have to subtract the number that come by train and by air, so this leaves an infinitesimal amount of people that come by bus, so to speak. So if we get these people to park their cars and they come up to the Capitol, let's say on free bus service, and then they pay, to go on down to Washington Monument, and they get into the downtown area, then they are going to take public transportation in all probability. So I think this is going to be tremendously helpful to the people you regulate.

Mr. AVERY. I agree, Mr. Chairman, we do not oppose the service you talk about. I think that is a good idea.

Mr. GRAY. I got the impression you felt if we had a separate service for the shuttle, it would jeopardize——

Mr. AVERY. No, I did not say a separate service would jeopardize it. I said a separate service not subject to our jurisdiction would jeopardize it.

Mr. GRAY. What the gentleman from Texas is pointing out, and with which I agree, if we do have a shuttle service, provided by D.C. Transit or whoever provides it, if we have separate colored buses and this sort of thing, if a person is in the Smithsonian and is looking for that shuttle service, he does not get on a bus going out to Wheaton, Md.

Mr. AVERY. I do not oppose that concept. I think witnesses from D.C. Transit are appearing and they may oppose that concept.

We took this position repeatedly throughout the *Mall shuttle* case in court: We are not asserting here that any particular person should have the right to do this. All we are asserting is that whoever has that right, whether it be somebody separate—and I think a lot of reasons have been stated here this morning why it should be somebody separate —whatever it is should be subject to our jurisdiction so that a major segment of the total transportation in this city is not completely outside of the jurisdiction of the Commission.

This is the problem we got into in the *Mall shuttle* case. We were regarded and many of the papers wrote it up as though we were opposing the proposal of the Secretary. We have never opposed the proposal of the Secretary; we have said it has got to be subject to our jurisdiction.

Mr. SCHWENGEL. But net effect is it has been held up 60 days?

Mr. AVERY. It has been held up longer than 60 days. They wanted to start it around the first of June and it has never gone in. That was not because of any proceeding before the Commission; it was because of the Secretary's refusal to have his concessionaire come to the Commission and the necessity therefor of going into court.

I might say that we—my general counsel, Mr. Cunningham, who is accompanying me today—repeatedly told the court and told all the other parties in that proceeding that we would expedite that case to the maximum extent possible and we wrote and filed our brief in the shortest possible time and we scheduled the oral arguments in the shortest possible times, in an effort to expedite that court case because I felt very keenly the sentiments that you have expressed, that here was the Commission charged with upholding the public interest and seeing to it that transportation is adequate, holding up a service that certainly appears to be very desirable.

Mr. SCHWENGEL. I think it would have been better to let them go ahead and then work out the difficulty later.

Mr. GROVER. Will the gentleman yield?

My question, do you have a procedure for a temporary certification pending final certification?

Mr. AVERY. Yes, sir.

Mr. GROVER. Did the Secretary apply for temporary certification?

Mr. AVERY. He did not come to us at all. It could have been done under temporary authority probably; I never looked into that, because he never applied. But we do have authority under our compact to issue a temporary certificate immediately, and then look into the matter more fully within a specified number of days and issue a permanent certificate.

We never had the opportunity to do it.

Mr. GRAY. Since the Secretary is not here. I think he feels that Congress had given him the authority in the National Park Act and that if he did allow this concessionaire to come to the Commission, he would be setting a precedent that could be used in court in all national parks throughout the country, so I think this was more than just this particular case per se.

Mr. AVERY. I think that is exactly right, Mr. Chairman. The Park Service saw more in it than this particular problem.

Mr. GROVER. Mr. Chairman, may I make a further remark?

Mr. GRAY. Yes, you may.

Mr. GROVER. And observation.

At the present time I think we are greeting 50,000 visitors per day. Now, if all those visitors went to the Visitor Center to get on these buses you would have, if you got 50 people on a bus, you would have 1,000 buses—and that is a lot of buses. So I think the gentleman's arguments are not totally without merit; this would have a tremendous impact on the traffic situation in the city.

Mr. AVERY. One thing more I would like to say. I think you alluded to it, Mr. Chairman. You suggested if you had the parking over there and free service to the Capitol, some of the employees here might use it. This is a point I think that you ought to keep in mind also about that service and about the Mall shuttle service. The way that it is going to be set up is you do not have to prove you are a visitor to Washington to get on it; anybody who wants to drop money in the fare box can get on it.

I think it is very possible that many, many people who are residents of the city of Washington will be using both the Mall shuttle service, if that goes in, and this service that is talked about here between the Mall and Union Station. And again, this to me is an argument——

Mr. GRAY. Would this not be an alleviation of automobile congestion on the streets? Or are you just interested in buses?

Mr. AVERY. No, sir; we——

Mr. GRAY. Are you interested in the orderly flow of traffic?

Mr. AVERY. Yes, sir.

Mr. GRAY. You are supposed to be interested in all facets of transportation problems.

Mr. AVERY. Yes, sir.

Mr. GRAY. What we are trying to do, my friend, is get rid of thousands of vehicles cluttering up the streets by visitors.

Have you ever come across the Fourteenth Street Bridge at 7 or 8 o'clock in the morning? Have you ever tried to get on Pennsylvania Avenue during rush hour? This is what we are trying to alleviate.

Let's not just talk about buses; let's talk about the common interest and what is good for the city and all the people.

Mr. AVERY. I agree absolutely.

Mr. GRAY. If we can get 20 Capitol Hill people to park their cars and get in one bus, we are eliminating 15 to 20 cars.

Mr. AVERY. I think it is a great idea. I am not opposing that. I am not saying do not let only visitors ride; I think that is fine. Let anybody who wants to get on it get on it. But what I am saying is it has a very close tie-in with the transportation system that we do have the responsibility to regulate, and it makes no sense to me to have this system entirely outside our regulation. It seems to me it would emasculate our powers.

Mr. GRAY. I am certainly not against regulatory bodies, but the Secretary wanted to provide this year a shuttle service, and because of being in court with you people, the public has suffered. This is the thing I am trying to avoid. I am not interested in these other side effects.

I do not want this committee, and I am sure I speak for most or all members, to pass this kind of legislation that is going to end up in

a legal hassle that might taken 10 years to resolve and, in the meantime, we are sitting here with a big visitors facility and no way to carry the visitors.

Mr. AVERY. I have the same concern. You ought to be sure all legislation you pass should not be subject to that.

I might add, it is not just the Commission that is involved there; there are any number of parties who could bring that litigation. D.C. Transit could start that litigation and the Commission could find itself in the middle of it willy-nilly. You might say, you, the Commission, understands what we want to do and therefore you had better not start any litigation; but that would not solve the problem. Anybody that would be adversely affected could probably think of a way to start the litigation.

I am sure D.C. Transit could think of a way to start the litigation.

Mr. GRAY. They have a financial interest and your Commission should have the public interest.

Mr. AVERY. Yes, sir.

Mr. GRAY. There may be a big difference between a financial interest and public interest.

Mr. AVERY. What I am suggesting is if you are not careful in just how you draft it, you may find yourself in the position of what you talked about.

Litigation is over now. The issue is settled. I hope the Secretary will now come to us and apply for a certificate for the Mall service and the problem is over and we can get going on it.

Mr. GRAY. I certainly want to commend you for your interest in defending your Commission, I think it is admirable, although I cannot agree with all of your statement. I think the public interest is paramount to some of the statements you made here about regulation, but we certainly want to commend you for coming and for taking this interest in behalf of your people. It is very admirable.

Mr. AVERY. Thank you very much.

Mr. GRAY. Any other questions or comments?

Thank you very much, Mr. Avery.

Mr. AVERY. Thank you, Mr. Chairman. I appreciate the opportunity to appear before you.

Mr. GRAY. Our next two witnesses are very distinguished attorneys in the District of Columbia, Mr. Manuel J. Davis and Mr. Donald S. Dawson.

Will you please come forward.

Mr. Dawson is special counsel for the D.C. Transit System, Inc., representing Mr. O. Roy Chalk, president of the D.C. Transit System, Inc., and Mr. Davis is counsel of the D.C. Transit System, Inc.

I want to apologize profusely to both of you gentlemen for being tardy in getting you on. I know you both had commitments early this morning and we appreciate very much your patience. But we hope maybe the colloquies that have taken place just preceding your testimony may be a little enlightening to you gentlemen—I did not say "agreeable"; I said "enlightening."

We are delighted to see both of you here. You may proceed in your own fashion.

STATEMENT OF DONALD S. DAWSON, ESQ., SPECIAL COUNSEL, ON BEHALF OF O. ROY CHALK, PRESIDENT, D.C. TRANSIT SYSTEM, INC.; ACCOMPANIED BY MANUEL J. DAVIS, ESQ., COUNSEL

Mr. DAWSON. Mr. Chairman and members of the committee, my name is Donald S. Dawson. I am special counsel for the D.C. Transit System and I am appearing here at the request of Mr. O. Roy Chalk, the president of the company, who wanted to be here but unfortunately, because of the illness of his wife, was prevented from doing so.

Mr. Manuel J. Davis, counsel for the company, is at my left.

Mr. GRAY. Let me state, Mr. Chalk has sent two very able representatives.

The committee knows Mr. Dawson was an assistant at the White House during the Truman administration and is held in very high regard.

We are delighted to see both of you.

Mr. DAWSON. Thank you, Mr. Chairman.

I have a prepared statement that I would like to ask permission to insert in the record and I will paraphrase it.

Mr. GRAY. Without objection, it will be included in full.

(The prepared statement follows:)

STATEMENT OF DONALD S. DAWSON, SPECIAL COUNSEL FOR D.C. TRANSIT SYSTEMS, INC.

Mr. Chairman and members of the subcommittee, my name is Donald S. Dawson. I am Special Counsel for D.C. Trasit System, Inc. and I am appearing at the request of Mr. O. Roy Chalk, President of the Company, who was planning to be here but is unable to do so.

I appreciate the opportunity to appear before you this morning to testify on H.R. 12686, the "National Visitor Center Act of 1967".

Let me make it clear at the outset that D.C. Transit is in favor of the general purpose of this legislation. Each year millions of visitors come to our capital city to view its numerous national buildings, monuments, memorials, and museums. According to the estimates of the National Park Service some 15 million visitors are expected this year, a figure which is expected to grow to 35 million by 1980. These visitors are in dire need of a place to go for information on sightseeing, rooms, and restaurants, for parking cars, and for temporary rest from the rigors of traveling.

Any sightseer who has ever tried to park his car in the Mall area, the chief tourist attraction, will wholeheartedly support the proposed construction of a parking facility adjacent to the visitors center. As operator of the primary public transportation system in the Capital, Mr. Chalk desires that I assure you that a special minibus shuttle service or any other needed service, offering frequent departures, will be provided by D.C. Transit from such parking facility to the Mall area to encourage visitors to leave their cars at the National Visitor Center, thereby reducing the growing traffic congestion in downtown Washington.

D.C. Transit is deeply concerned about Section 5 of this bill, however. This section has no direct bearing on the general purpose of H.R. 12686 of authorizing the construction of a National Visitor Center and a parking facility adjacent thereto. This section seemingly is an attempt to circumvent a recent decision of the United States Court of Appeals for the District of Columbia, a recent executive memorandum, and a congressionally-approved transportation compact. Additionally, this section may well result in an infringement of D.C. Transit's congressionally-approved Franchise, depriving the Company of sorely needed revenues.

In *Washington Metropolitan Area Transit Commission, et al.* vs. *Universal Interpretive Shuttle Corporation*, Cases Nos. 20,975–8, the Court of Appeals considered, among other things, the authority of the Secretary of the Interior under

the Act of May 26, 1930, 46 Stat. 382, which is cited in Section 5 of H.R. 12686 (page 3, line 18). This Act authorizes the Secretary to contract for services provided the public in the national parks. The Secretary had contracted with Universal for the provision of a for-hire shuttle service on the Mall, a part of the national park system under the Secretary's jurisdiction. It was contended by the Secretary that such operation does not require certification by the Washington Metropolitan Area Transit Commission pursuant to the requirements of the Washington Metropolitan Area Transit Regulation Compact, approved by Act of September 15, 1960, 74 Stat. 1031. Such contention consisted of three premises: The first, that the Compact does not apply to any national park areas under the Secretary's jurisdiction; the second, that the proposed service will actually be operated by the Federal Government which is specifically excepted from the Compact; the third, that the Secretary has statutory authority to operate a for-hire transportation service.

By a decision of June 30, 1967, the Court of Appeals rejected such premises, holding that Universal's operation could not validly be conducted without a certificate from the Transit Commission. A petition for rehearing *en banc* was denied on October 3, 1967. I have copies of this decision with me should the members of the Subcommittee desire them. This decision makes it clear that the Transit Commission has paramount regulatory jurisdiction over for-hire motor carriage of passengers performed anywhere within the Washington Metropolitan Area.

The language of Section 5 appears to attempt a circumvention of the Court of Appeals decision to which I have just referred by directing the Secretary, when he deems it advisable, to "utilize the authority in the Act of May 26, 1930 * * * to provide transportation of visitors *by the United States* * * *." Such language, if enacted, might well be construed by the Courts as constituting a Congressional authorization for the Secretary to operate, through contractual arrangements, for-hire transportation services on and to Federal enclaves under his jurisdiction in the District of Columbia. Such construction would exempt these services from the application of the Compact and the jurisdiction of the Transit Commission.

The effect of such exemption would be in derogation of the basic purpose for which the Compact was enacted. As noted on pages 2–3 of Senate Report No. 1906 of the 86th Congress accompanying H.J. Res. 402,

The compact accomplishes a very simple and basic objective, but a most important one. In effect, the compact centralizes to a great degree in a single agency * * * the regulatory powers of private transit now shared by four regulatory agencies. It will make possible the regulation of such transit within the metropolitan area without regard to the boundaries of political jurisdiction * * *. The compact is directed to the improvement of privately owned transit, not only through centralization of regulation, but also by creating machinery for the consideration on a regional basis of traffic problems related to transit service.

As a practical matter, the ability of the Transit Commission to regulate transit service and alleviate traffic congestion will be substantially impaired if it has no control over passenger operations on the Mall and to the contemplated National Visitor Center at Union Station. The same compartmentalized regulation will exist that the Compact was intended to replace.

Section 5 of H.R. 12686 will also contravene the administrative guidelines established by the Presidential Memorandum of March 3, 1966 and the accompanying Budget Bureau Circular No. A–76 to determine when the Government should provide services for its own use. I have prepared copies of these documents for the convenience of the Subcommittee and, with the Chairman's permission, will hand them out now. As noted in paragraph number 2 of the Circular, the guidelines are "in furtherance of the Government's general policy of relying on the private enterprise system to supply its needs". Several instances are specified under paragraph number 5 on pages 2–6 of the Circular as justifying a departure from such general policy. None of these instances is applicable to the provision of public transportation on the Mall and to the visitor center.

In this connection, Mr. Chalk desires to assure the Subcommittee that D.C. Transit stands ready, willing and able to provide any transportation services needed by the Secretary for the accommodation of visitors to the Capital. There is simply no reason for the Secretary to be directed by the Congress to disregard the mandate of the President expressed in his Memo of March 3, 1966 and Budget Bureau Circular No. A–76 of the same date.

Section 5 of H.R. 12686 will also result in an infringement of D.C. Transit's Congressional Franchise, Act of July 24, 1956, 70 Stat. 598. Section 3 of the Franchise protects the Company against unnecessary competition from any source, public as well as private. Accordingly, if the Secretary, without first obtaining a certificate of public convenience and necessity as required by Section 3, provides transportation service on the Mall or to the visitor center at Union Station over a given route on a fixed schedule, he would be violating D.C. Transit's Franchise.

Independent of all the legal reasons that D.C. Transit has offered you for its opposition to Section 5 of H.R. 12686, there is a very practical reason for such opposition. If the Secretary is directed to provide public transportation services in the Mall area and to the National Visitor Center at Union Station, D.C. Transit will be deprived of substantial revenues—fares which it would have collected had it not been for the competitive service of the Secretary. I tell you gentlemen in all sincerity that D.C. Transit cannot afford to lose these or any other revenues. Management of the Company, notwithstanding every effort for economy and efficiency, has found it necessary to apply for three separate fare increases in the last two years to meet rising costs. The third such application was just filed this past September 1, 1967. An income statement accompanying such application indicates that for the 12 months ended May 31, 1967 the Company earned only a 2.05% rate of return on operating revenues of approximately 34 million dollars. The Company cannot survive for long without financial relief in the form of either higher fares or government subsidy. Under these circumstances it would be most damaging to the financial plight of the Company to have any of its existing traffic siphoned off by the Secretary.

Some idea of the extent of the revenues that D.C. Transit would stand to lose by enactment of H.R. 12686 can be found in the Court of Appeals case to which I referred earlier. An exhibit in this case indicated that the proposed shuttle operations on the Mall under contract with the Secretary would cost the Company over a million dollars in annual revenues.

It should also be realized in passing that to the extent the financial soundness of D.C. Transit's mass transportation operations is allowed to be impaired through the performance of competitive services by the Secretary, the ability of the Company to provide effective "feeder" lines for the forthcoming subway system is correspondingly affected.

There is one other matter that I want to comment upon. The second sentence of Section 5 directs the Secretary to provide transportation "to the National Visitor Center." There is no geographical limitation upon the scope of the Secretary's operation *to* the visitor center. He could conceivably operate between Union Station and any point or as many points in the District as he desired, whether or not such points were part of the national park system under the Secretary's jurisdiction.

For all of the reasons I have just discussed D.C. Transit opposes Section 5 of H.R. 12686 and recommends that it be deleted from the bill in its entirety.

I want to thank you again in the behalf of D.C. Transit System, Inc. for this opportunity to appear before you today.

United States Court of Appeals

FOR THE DISTRICT OF COLUMBIA CIRCUIT

No. 20,975 September Term, 1966
Civil 793-67

Washington Metropolitan Area
Transit Commission,
Appellant

No. 20,976
Washington Sightseeing Tours, Inc.,
Appellant

No. 20,977
Blue Lines, Inc., and White
House Sightseeing Corp.,
Appellants

No. 20,978
D.C. Transit System, Inc.,
Appellant

v.

Universal Interpretive Shuttle
Corporation, (a California
corporation),
Appellee

United States Court of Appeals
for the District of Columbia Circuit

FILED JUN 8 1967

Nathan J. Paulson
CLERK

Before: Fahy, Senior Circuit Judge, and Danaher and Robinson, Circuit Judges, in Chambers.

ORDER

Whereas a majority of the court are of the opinion that the various relevant statutory provisions, construed in relation one to the other, especially in view of the physical location of the Mall in the Metropolitan area of the District of Columbia, do not afford authority to the appellee Universal Interpretive Shuttle Corporation validly to engage in such transportation for hire in the Mall area as is contemplated by the contract between the Secretary of the Interior and appellee dated March 17, 1967, more fully described in the complaint, without a certificate of public convenience and necessity issued by the Washington Metropolitan Area Transit Commission authorizing such transportation, and

United States Court of Appeals

FOR THE DISTRICT OF COLUMBIA CIRCUIT

No. 20,975
20,976
20,977
20,978

September Term, 1966
Civil 793-67

Whereas it is deemed that the interests of the parties and of the public would be better served by this prompt disposition of the appeals rather than to delay decision pending the formulation and issuance of elaborating opinions, though each member of the court reserves the right to file later, in opinion or statement form, his more detailed reasons for his position,

The order of the District Court of the 1st day of May, 1967, dismissing the complaint and denying the petition for injunction and declaratory relief is reversed, and the cause is remanded so that appropriate further proceedings and relief consistent with this order may be granted.

It is so ordered.

C.J.

Circuit Judge Robinson, being of opinion the order of the District Court should be affirmed, dissents.

IMMEDIATE RELEASE

Office of the White House Press Secretary
THE WHITE HOUSE

MARCH 3, 1966

MEMORANDUM FROM THE PRESIDENT
TO HEADS OF DEPARTMENTS AND AGENCIES

Each of you is aware of my determination that this Administration achieve maximum effectiveness in the conduct of day-to-day operations of the Government.

We must seek in every feasible way to reduce the cost of carrying out governmental programs. But we must remember that our budgetary costs -- our current out-of-pocket expenditures -- do not always provide a true measure of the cost of Government activities. This is often true when the Government undertakes to provide for itself a product or a service which is obtainable from commercial sources.

At the same time, it is desirable, or even necessary, in some instances for the Government to produce directly certain products or services for its own use. This action may be dictated by program requirements, or by lack of an acceptable commercial source, or because significant dollar savings may result.

Decisions which involve the question of whether the Government provides directly products or services for its own use must be exercised under uniform guidelines and principles. This is necessary in order --

- to conduct the affairs of the Government on an orderly basis;
- to limit budgetary costs; and
- to maintain the Government's policy of reliance upon private enterprise.

At my direction the Director of the Bureau of the Budget is issuing detailed guidelines to determine when the Government should provide products and services for its own use. These guidelines are the result of long study, based on experience over the past six years since the current guidelines were issued.

Each of you is requested to designate an assistant secretary or other official of comparable rank to --

- review new proposals for the agency to provide its own supplies or services before they are included in the agency's budget;
- review experience under the new guidelines; and
- suggest any significant changes to the guidelines which experience may indicate to be desirable.

I do not wish to impose rigid or burdensome reporting requirements on each agency with respect to the new guidelines. However these guidelines will require that appropriate records be maintained relative to agency commercial or industrial activities. I am also requesting the Budget Director to report to me from time to time on how the new directives are being carried out, and whether experience suggests changes in the guidelines or in agency reporting requirements.

/s/ Lyndon B. Johnson

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

March 3, 1966 CIRCULAR NO. A-76

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Policies for acquiring commercial or industrial products and services for Government use

1. Purpose. This Circular replaces the statement of policy which was set forth in Bureau of the Budget Bulletin No. 60-2 dated September 21, 1959. It restates the guidelines and procedures to be applied by executive agencies in determining whether commercial and industrial products and services used by the Government are to be provided by private suppliers or by the Government itself. It is issued pursuant to the President's memorandum of March 3, 1966, to the heads of departments and agencies.

2. Policy. The guidelines in this Circular are in furtherance of the Government's general policy of relying on the private enterprise system to supply its needs.

In some instances, however, it is in the national interest for the Government to provide directly the products and services it uses. These circumstances are set forth in paragraph 5 of this Circular.

No executive agency will initiate a "new start" or continue the operation of an existing "Government commercial or industrial activity" except as specifically required by law or as provided in this Circular.

3. Definitions. For purposes of this Circular:

a. A "new start" is a newly established Government commercial or industrial activity or a reactivation, expansion, modernization or replacement of such an activity involving additional capital investment of $25,000 or more or additional annual costs of production of $50,000 or more. Consolidation of two or more activities without increasing the overall total amount of products or services provided is not a "new start."

b. A Government commercial or industrial activity is one which is operated and managed by an executive agency and which provides for the Government's own use a product or service that is obtainable from a private source.

c. A private commercial source is a private business concern which provides a commercial or industrial product or service required by

agencies and which is located in the United States, its territories and possessions, the District of Columbia, or the Commonwealth of Puerto Rico.

4. Scope. This Circular is applicable to commercial and industrial products and services used by executive agencies, except that it

a. Will not be used as authority to enter into contracts if such authority does not otherwise exist nor will it be used to justify departure from any law or regulation, including regulations of the Civil Service Commission or other appropriate authority, nor will it be used for the purpose of avoiding established salary or personnel limitations.

b. Does not alter the existing requirement that executive agencies will perform for themselves those basic functions of management which they must perform in order to retain essential control over the conduct of their programs. These functions include selection and direction of Government employees, assignment of organizational responsibilities, planning of programs, establishment of performance goals and priorities, and evaluation of performance.

c. Does not apply to professional staff and managerial advisory services such as those normally provided by an office of general counsel, a management and organization staff, or a systems analysis unit. Advisory assistance in areas such as these may be provided either by Government staff organizations or from private sources as deemed appropriate by executive agencies.

d. Does not apply to products or services which are provided to the public. (But an executive agency which provides a product or service to the public should apply the provisions of this Circular with respect to any commercial or industrial products or services which it uses.)

e. Does not apply to products or services obtained from other Federal agencies which are authorized or required by law to furnish them.

f. Should not be applied when its application would be inconsistent with the terms of any treaty or international agreement.

5. Circumstances under which the Government may provide a commercial or industrial product or service for its own use. A Government commercial or industrial activity may be authorized only under one or more of the following conditions:

a. Procurement of a product or service from a commercial source would disrupt or materially delay an agency's program. The fact that a commercial or industrial activity is classified or is related to an agency's basic program is not an adequate reason for starting or continuing a Government activity, but a Government agency may provide a product or

service for its own use if a review conducted and documented as provided in paragraph 7 establishes that reliance upon a commercial source will disrupt or materially delay the successful accomplishment of its program.

b. It is necessary for the Government to conduct a commercial or industrial activity for purposes of combat support or for individual and unit retraining of military personnel or to maintain or strengthen mobilization readiness.

c. A satisfactory commercial source is not available and cannot be developed in time to provide a product or service when it is needed. Agencies' efforts to find satisfactory commercial sources should be supplemented as appropriate by obtaining assistance from the General Services and Small Business Administrations or the Business and Defense Services Administration. Urgency of a requirement is not an adequate reason for starting or continuing a Government commercial or industrial activity unless there is evidence that commercial sources are not able and the Government is able to provide a product or service when needed.

d. The product or service is available from another Federal agency. Excess property available from other Federal agencies should be used in preference to new procurement as provided by the Federal Property and Administrative Services Act of 1949, and related regulations.

Property which has not been reported excess also may be provided by other Federal agencies and unused plant and production capacity of other agencies may be utilized. In such instances, the agency supplying a product or service to another agency is responsible for compliance with this Circular. The fact that a product or service is being provided to another agency does not by itself justify a Government commercial or industrial activity.

e. Procurement of the product or service from a commercial source will result in higher cost to the Government. A Government commercial activity may be authorized if a comparative cost analysis prepared as provided in this Circular indicates that the Government can provide or is providing a product or service at a cost lower than if the product or service were obtained from commercial sources.

However, disadvantages of starting or continuing Government activities must be carefully weighed. Government ownership and operation of facilities usually involve removal or withholding of property from tax rolls, reduction of revenues from income and other taxes, and diversion of management attention from the Government's primary program objectives. Losses also may occur due to such factors as obsolescence of plant and equipment and unanticipated reductions in the Government's requirements for a product or service. Government commercial activities should not be started or continued for reasons involving comparative costs unless savings are sufficient to justify the assumption of these and similar risks and uncertainties.

(No. A-76)

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6. Cost comparisons. A decision to rely upon a Government activity for reasons involving relative costs must be supported by a comparative cost analysis which will disclose as accurately as possible the difference between the costs which the Government is incurring or will incur under each alternative.

Commercial sources should be relied upon without incurring the delay and expense of conducting cost comparison studies for products or services estimated to cost the Government less than $50,000 per year. However, if there is reason to believe that inadequate competition or other factors are causing commercial prices to be unreasonable, a cost comparison study will be directed by the agency head or by his designee even if it is estimated that the Government will spend less than $50,000 per year for the product or service. A Government activity should not be authorized on the basis of such a comparison study, however, unless reasonable efforts to obtain satisfactory prices from existing commercial sources or to develop other commercial sources are unsuccessful.

Cost comparison studies also should be made before deciding to rely upon a commercial source when terms of contracts will cause the Government to finance directly or indirectly more than $50,000 for costs of facilities and equipment to be constructed to Government specifications.

a. Costs of obtaining products or services from commercial sources should include amounts paid directly to suppliers, transportation charges, and expenses of preparing bid invitations, evaluating bids, and negotiating, awarding, and managing contracts. Costs of materials furnished by the Government to contractors, appropriate charges for Government owned equipment and facilities used by contractors and costs due to incentive or premium provisions in contracts also should be included. If discontinuance of a Government commercial or industrial activity will cause a facility being retained by the Government for mobilization or other reasons to be placed in a standby status, the costs of preparing and maintaining the facility as standby also should be included. Costs of obtaining products or services from commercial sources should be documented and organized for comparison with costs of obtaining the product or service from a Government activity.

b. Costs of obtaining products or services from Government activities should include all costs which would be incurred if a product or service were provided by the Government and which would not be incurred if the product or service were obtained from a commercial source. Under this general principle, the following costs should be included, considering the circumstances of each case:

(1) Personal services and benefits. Include costs of all elements of compensation and allowances for both military and civilian personnel, including costs of retirement for uniformed personnel, contributions to civilian retirement funds, (or for Social Security taxes where

applicable), employees' insurance, health, and medical plans, (including services available from Government military or civilian medical facilities), living allowances, uniforms, leave, termination and separation allowances, travel and moving expenses, and claims paid through the Bureau of Employees' Compensation.

(2) Materials, supplies, and utilities services. Include costs of supplies and materials used in providing a product or service and costs of transportation, storage, handling, custody, and protection of property, and costs of electric power, gas, water, and communications services.

(3) Maintenance and repair. Include costs of maintaining and repairing structures and equipment which are used in providing a product or service.

(4) Damage or loss of property. Include costs of uninsured losses due to fire or other hazard, costs of insurance premiums and costs of settling loss and damage claims.

(5) Federal taxes. Include income and other Federal tax revenues (except Social Security taxes) received from corporations or other business entities (but not from individual stockholders) if a product or service is obtained through commercial channels. Estimates of corporate incomes for these purposes should be based upon the earnings experience of the industry, if available, but if such data are not available, The Quarterly Financial Report of Manufacturing Corporations, published by the Federal Trade Commission and the Securities and Exchange Commission may be consulted. Assistance of the appropriate Government regulatory agencies may be obtained in estimating taxes for regulated industries.

(6) Depreciation. Compute depreciation as a cost for any new or additional facilities or equipment which will be required if a Government activity is started or continued. Depreciation will not be allocated for facilities and equipment acquired by the Government before the cost comparison study is started. However, if reliance upon a commercial source will cause Government owned equipment or facilities to become available for other Federal use or for disposal as surplus, the cost comparison analysis should include as a cost of the Government activity, an appropriate amount based upon the estimated current market value of such equipment or facilities. The Internal Revenue Service publication, Depreciation; Guidelines and Rules may be used in computing depreciation. However, rates contained in this publication are maximums to be used only for reference purposes and only when more specific depreciation data are not available. Accelerated depreciation rates permitted in some instances by the Internal Revenue Service will not be used.

(7) Interest. Compute interest for any new or additional capital to be invested based upon the current rate for long-term Treasury

obligations for capital items having a useful life of 15 years or more and upon the average rate of return on Treasury obligations for items having a useful life of less than 15 years. Yield rates reported in the current issue of the Treasury Bulletin will be used in these computations regardless of any rates of interest which may be used by the agency for other purposes.

(8) Indirect costs. Include any additional indirect costs incurred by the agency resulting from a Government activity for such activities as management and supervision, budgeting, accounting, personnel, legal and other applicable services.

7. Administering the policy.

a. Inventory. Each agency will compile and maintain an inventory of its commercial or industrial activities having an annual output of products or services costing $50,000 or more or a capital investment of $25,000 or more. In addition to such general descriptive information as may be appropriate, the inventory should include for each activity the amount of the Government's capital investment, the amount paid annually for the products or services involved, and the basis upon which the activity is being continued under the provisions of this Circular. The general descriptive information needed for identifying each activity should be included in the inventory by June 30, 1966. Other information needed to complete the inventory should be added as reviews required in paragraphs 7b and c are completed.

b. "New starts."

(1) A "new start" should not be initiated until possibilities of obtaining the product or service from commercial sources have been explored and not until it is approved by the agency head or by an assistant secretary or official of equivalent rank on the basis of factual justification for establishing the activity under the provisions of this Circular.

(2) If statutory authority and funds for construction are required before a "new start" can be initiated, the actions to be taken under this Circular should be completed before the agency's budget request is submitted to the Bureau of the Budget. Instructions concerning data to be submitted in support of such budget requests will be included in annual revisions of Bureau of the Budget Circular No. A-11.

(3) A "new start" should not be proposed for reasons involving comparative costs unless savings are sufficient to outweigh uncertainties and risks of unanticipated losses involved in Government activities.

The amount of savings required as justification for a "new start" will vary depending on individual circumstances. Substantial savings should be required as justification if a large new or additional

capital investment is involved or if there are possibilities of early obsolescence or uncertainties regarding maintenance and production costs, prices and future Government requirements. Justification may be based on smaller anticipated savings if little or no capital investment is involved, if chances for obsolescence are minimal, and if reliable information is available concerning production costs, commercial prices and Government requirements. While no precise standard is prescribed in view of these varying circumstances a "new start" ordinarily should not be approved unless costs of a Government activity will be at least 10 percent less than costs of obtaining the product or service from commercial sources.

A decision to reject a proposed "new start" for comparative cost reasons should be reconsidered if actual bids or proposals indicate that commercial prices will be higher than were estimated in the cost comparison study.

(4) When a "new start" begins to operate it should be included in an agency's inventory of commercial and industrial activities.

c. Existing Government activities.

(1) A systematic review of existing commercial or industrial activities (including previously approved "new starts" which have been in operation for at least 18 months) should be maintained in each agency under the direction of the agency head or the person designated by him as provided in paragraph 8. The agency head or his designee may exempt designated activities if he decides that such reviews are not warranted in specific instances. Activities not so exempted should be reviewed at least once before June 30, 1968. More frequent reviews of selected activities should be scheduled as deemed advisable. Activities remaining in the inventory after June 30, 1968, should be scheduled for at least one additional follow-up review during each three-year period but this requirement may be waived by the agency head or his designee if he concludes that such further review is not warranted.

(2) Reviews should be organized in such a manner as to ascertain whether continued operation of Government commercial activities is in accordance with the provisions of this Circular. Reviews should include information concerning availability from commercial sources of products or services involved and feasibility of using commercial sources in lieu of existing Government activities.

(3) An activity should be continued for reasons of comparative costs only if a comparative cost analysis indicates that savings resulting from continuation of the activity are at least sufficient to outweigh the disadvantages of Government commercial and industrial activities. No specific standard or guideline is prescribed for deciding whether savings

are sufficient to justify continuation of an existing Government commercial activity and each activity should be evaluated on the basis of the applicable circumstances.

(4) A report of each review should be prepared. A decision to continue an activity should be approved by an assistant secretary or official of equivalent rank and the basis for the decision should appear in the inventory record for the activity. Activities not so approved should be discontinued. Reasonable adjustments in the timing of such actions may be made, however, in order to alleviate economic dislocations and personal hardships to affected career personnel.

8. Implementation. Each agency is responsible for making the provisions of this Circular effective by issuing appropriate implementing instructions and by providing adequate management support and procedures for review and follow-up to assure that the instructions are placed in effect.

If overall responsibility for these actions is delegated by the agency head, it should be assigned to a senior official reporting directly to the agency head.

If legislation is needed in order to carry out the purposes of this Circular, agencies should prepare necessary legislative proposals for review in accordance with Bureau of the Budget Circular No. A-19.

9. Effective date. This Circular is effective on March 31, 1966.

CHARLES L. SCHULTZE
Director

(No. A-76)

Public Law 757 - 84th Congress
Chapter 669 - 2d Session
S. 3073

AN ACT

All 70 Stat. 598.

To grant a franchise to D. C. Transit System, Inc., and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

D. C. Transit System, Inc. Franchise.

TITLE I

PART 1.—FRANCHISE PROVISIONS

SECTION 1. (a) There is hereby granted to D. C. Transit System, Inc., a corporation of the District of Columbia (referred to in this part as the "Corporation") a franchise to operate a mass transportation system of passengers for hire within the District of Columbia and between the District of Columbia and points within the area (referred to in this part as the "Washington Metropolitan Area") comprising all of the District of Columbia, the cities of Alexandria and Falls Church, and the counties of Arlington and Fairfax in the Commonwealth of Virginia and the counties of Montgomery and Prince Georges in the State of Maryland, subject, however, to the rights to render service within the Washington Metropolitan Area possessed, at the time this section takes effect, by other common carriers of passengers: *Provided*, That nothing in this section shall be construed to exempt the Corporation from any law or ordinance of the Commonwealth of Virginia or the State of Maryland or any political subdivision of such Commonwealth or State, or of any rule, regulation, or order issued under the authority of any such law or ordinance, or from applicable provisions of the Interstate Commerce Act and rules and regulations prescribed thereunder.

49 USC 27 and note.

(b) Wherever reference is made in this part to "D. C. Transit System, Inc." or to the "Corporation", such refererce shall include the successors and assigns of D. C. Transit System, Inc.

Definitions.

(c) As used in this part the term "franchise" means all the provisions of this part 1.

SEC. 2. (a) This franchise is granted for a term of twenty years: *Provided, however*, That Congress reserves the right to repeal this franchise at any time for its non-use.

Term.

(b) In the event of cancellation of this franchise by Congress after seven years from the date this franchise takes effect for any reason other than non-use, the Corporation waives its claim for any damages for loss of franchise.

SEC. 3. No competitive street railway or bus line, that is, bus or railway line for the transportation of passengers of the character which runs over a given route on a fixed schedule, shall be established to operate in the District of Columbia without the prior issuance of a certificate by the Public Utilities Commission of the District of Columbia (referred to in this part as the "Commission") to the effect that the competitive line is necessary for the convenience of the public.

PUC certificate for competitive line.

SEC. 4. It is hereby declared as a matter of legislative policy that in order to assure the Washington Metropolitan Area of an adequate transportation system operating as a private enterprise, the Corporation, in accordance with standards and rules prescribed by the Commission, should be afforded the opportunity of earning such return as to make the Corporation an attractive investment to private investors. As an incident thereto the Congress finds that the opportunity to earn a return of at least 6½ per centum net after all taxes properly chargeable to transportation operations, including but not limited to income

Legislative policy.

taxes, on either the system rate base or on gross operating revenues would not be unreasonable, and that the Commission should encourage and facilitate the shifting to such gross operating revenue base as promptly as possible and as conditions warrant; and if conditions warrant not later than August 15, 1958. It is further declared as a matter of legislative policy that if the Corporation does provide the Washington Metropolitan Area with a good public transportation system, with reasonable rates, the Congress will maintain a continuing interest in the welfare of the Corporation and its investors.

Rates.

SEC. 5. The initial schedule of rates which shall be effective within the District of Columbia upon commencement of operations by the Corporation shall be the same as that effective for service by Capital Transit Company approved by the Commissioners of the District of Columbia pursuant to the Act of August 14, 1955 (Public Law No. 389, 84th Congress; 69 Stat. 724), in effect on the date of the enactment of this Act, and shall continue in effect until August 15, 1957, and thereafter until superseded by a schedule of rates which becomes effective under this section. Whenever on or after August 15, 1957, the Corporation files with the Commission a new schedule of rates, such new schedule shall become effective on the tenth day after the date of such filing, unless the Commission prescribes a lesser time within which such new schedule shall go into effect, or unless prior to such tenth day the Commission suspends the operation of such new schedule. Such suspension shall be for a period of not to exceed one hundred twenty days from the date such new schedule is filed. If the Commission suspends such new schedule it shall immediately give notice of a hearing upon the matter and, after such hearing and within such suspension period, shall determine and by order fix the schedule of rates to be charged by the Corporation. If the Commission does not enter an order, to take effect at or prior to the end of the period of suspension, fixing the schedule of rates to be charged by the Corporation, the suspended schedule filed by the Corporation may be put into effect by the end of such period, and shall remain in effect until the Commission has issued an appropriate order based on such proceeding.

Charter and sightseeing services.

SEC. 6. The Corporation is hereby authorized and empowered to engage in special charter or sightseeing services subject to compliance with applicable laws, rules and regulations of the District of Columbia and of the municipalities or political subdivisions of the States in which such service is to be performed, and with applicable provisions of the Interstate Commerce Act and rules and regulations prescribed thereunder.

Conversion to bus operation.

SEC. 7. The Corporation shall be obligated to initiate and carry out a plan of gradual conversion of its street railway operations to bus operations within seven years from the date of the enactment of this Act upon terms and conditions prescribed by the Commission, with such regard as is reasonably possible when appropriate to the highway development plans of the District of Columbia and the economies implicit in coordinating the Corporation's track removal program with such plans; except that upon good and sufficient cause shown the Commission may in its discretion extend beyond seven years, the period for carrying out such conversion. All of the provisions of the full paragraph of the District of Columbia Appropriation Act, 1942 (55 Stat. 499, 533), under the title "HIGHWAY FUND, GASOLINE TAX AND MOTOR VEHICLE FEES", subtitle "STREET IMPROVEMENTS", relating to the removal of abandoned tracks, regrading of track areas, and paving abandoned track areas, shall be applicable to the Corporation.

Track removal.

Taxes.

SEC. 8. (a) As of August 15, 1956, paragraph numbered 5 of section 6 of the Act entitled "An Act making appropriations to provide for the expenses of the Government of the District of Columbia for the fiscal

year ending June thirtieth, nineteen hundred and three, and for other purposes", approved July 1, 1902, as amended (D. C. Code, sec. 47–1701), is amended by striking out the third and fourth sentences and inserting in lieu thereof the following: "Each gas, electric-lighting, and telephone company shall pay, in addition to the taxes herein mentioned, the franchise tax imposed by the District of Columbia Income and Franchise Tax Act of 1947, and the tax imposed upon stock in trade of dealers in general merchandise under paragraph numbered 2 of section 6 of said Act approved July 1, 1902, as amended." 68 Stat. 118. 61 Stat. 328. D. C. Code 47-1207.

(b) Notwithstanding subsection (a) of this section, the Corporation shall be exempt from the following taxes: Exemptions.

(1) The gross sales tax levied under the District of Columbia Sales Tax Act; 63 Stat. 112. D. C. Code 47-2601 to 47-2629.

(2) The compensating use tax levied under the District of Columbia Use Tax Act; 63 Stat. 124. D. C. Code 47-2701 to 47-2714.

(3) The excise tax upon the issuance of titles to motor vehicles and trailers levied under subsection (j) of section 6 of the District of Columbia Traffic Act of 1925, as amended (D. C. Code, sec. 40–603 (j) (4)); 63 Stat. 128.

(4) The taxes imposed on tangible personal property, to the same extent that the Capital Transit Company was exempt from such taxes immediately prior to the effective date of this section under the provisions of the Act of July 1, 1902, as amended; and

(5) The mileage tax imposed by subparagraph (b) of paragraph 31 of section 7 of the Act approved July 1, 1902, as amended (D. C. Code, sec. 47–2331 (b)). 47 Stat. 555; 68 Stat. 119.

SEC. 9. (a) Except as hereinafter provided, the Corporation shall not, with respect to motor fuel purchased on or after September 1, 1956, pay any part of the motor vehicle fuel tax levied under the Act entitled "An Act to provide for a tax on motor vehicle fuels sold within the District of Columbia, and for other purposes", approved April 23, 1924, as amended (D. C. Code, title 47, chapter 19). Motor vehicle fuel tax. 43 Stat. 106. D. C. Code 47-1901 to 47-1919.

(b) For the purposes of this section— Definitions.

(1) the term "a 6½ per centum rate of return" means a 6½ per centum rate of return net after all taxes properly chargeable to transportation operations, including but not limited to income taxes, on the system rate base of the Corporation, except that with respect to any period for which the Commission utilizes the operating ratio method to fix the rates of the Corporation, such term shall mean a return of 6½ per centum net after all taxes properly chargeable to transportation operations, including but not limited to income taxes, based on gross operating revenues; and

(2) the term "full amount of the Federal income taxes and the District of Columbia franchise tax levied upon corporate income" means the amount which would have been payable in the absence of write-offs in connection with the retirement of street railway property as contemplated by section 7 of this part, but only to the extent that such write-offs are not included as an operating expense in determining net earnings for rate-making purposes.

(c) As soon as practicable after the twelve-month period ending on August 31, 1957, and as soon as practicable after the end of each subsequent twelve-month period ending on August 31, the Commission shall determine the Corporation's net operating income for such twelve-month period and the amount in dollars by which it exceeds or is less than a 6½ per centum rate of return for such twelve-month period. In such determination the Commission shall include as an operating expense the full amount of the motor vehicle fuel tax which would be due but for the provisions of this section on the motor fuel purchased by the Corporation during the twelve-month period, and Determination of tax by operating ratio.

the full amount of the Federal income taxes and the District of Columbia franchise tax levied upon corporate income. The Commission shall certify its determination to the Commissioners of the District of Columbia or their designated agent. If the net operating income so certified by the Commission equals or is more than a 6½ per centum rate of return, the Corporation shall be required to pay to such Commissioners, or their designated agent, the full amount of the motor vehicle fuel taxes due on the purchases of motor fuel made by the Corporation during such twelve-month period. If the net operating income so certified is less than a 6½ per centum rate of return, the Corporation shall pay to such Commissioners, or their designated agent, in full satisfaction of the motor vehicle fuel tax for such period an amount, if any, equal to the full amount of said motor vehicle fuel tax reduced by the amount necessary to raise the Corporation's rate of return to 6½ per centum for such period, after taking into account the effect of such reduction on the amount of the Federal income taxes and the District of Columbia franchise tax levied upon corporate income payable by the Corporation for such period. Within thirty days after being notified by the said Commissioners or their designated agent of the amount of the motor vehicle fuel tax due under this section, the Corporation shall pay such amount to the said Commissioners or their designated agent.

Collection. Penalties.

(d) If not paid within the period specified in subsection (c), the motor vehicle fuel tax payable under this section and the penalties thereon may be collected by the Commissioners of the District of Columbia or their designated agent in the manner provided by law for the collection of taxes due the District of Columbia on personal property in force at the time of such collection; and liens for the motor vehicle fuel tax payable under subsection (c) and penalties thereon may be acquired in the same manner that liens for personal property taxes are acquired.

Interest.

(e) Where the amount of the motor vehicle fuel tax payable under subsection (c), or any part of such amount, is not paid on or before the time specified therein for such payment, there shall be collected, as part of the tax, interest upon such unpaid amount at the rate of one-half of 1 per centum per month or portion of a month.

Exemption certificates.

(f) The Commissioners of the District of Columbia or their designated agent are hereby authorized and directed to issue to the Corporation such certificates as may be necessary to exempt it from paying any importer the motor vehicle fuel tax imposed by such Act of April 23, 1924, as amended, or as hereafter amended.

43 Stat. 106. D. C. Code 47-1901 to 47-1919.

Real estate taxes.

(g) (1) From and after the time fixed in paragraph (2) of this subsection the Corporation shall not be required to pay real estate taxes upon any real estate owned by it in the District of Columbia and used and useful for the conduct of its public transportation operations to the extent that the Commission has determined under such rules and regulations as it may issue that the Corporation's net operating income in the previous year was insufficient, after giving effect to the tax relief provided in the preceding subsections, to afford it a 6½ per centum rate of return.

Effective date.

(2) This subsection shall take effect upon the completion of the program contemplated in section 7 of this part, as certified by the Commission to the Commissioners of the District of Columbia, or at such earlier time as the Commission may find that the said program has been so substantially completed that the taking effect of this subsection would be appropriate in the public interest and shall so certify to the Commissioners of the District of Columbia.

Snow removal, etc.

SEC. 10. (a) The Corporation shall not be charged any part of the expense of removing, sanding, salting, treating, or handling snow on

the streets of the District of Columbia, except that the Corporation shall sweep snow from the streetcar tracks at its own expense so long as such tracks are in use by the Corporation.

(b) The paragraph which begins "Hereafter every street railway company" which appears under the heading "STREETS" in the Act entitled "An Act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June thirtieth, nineteen hundred and thirteen, and for other purposes", approved June 26, 1912 (D. C. Code, sec. 7-614), is hereby repealed.

Merger or consolidation.

SEC. 11. The provisions of law set forth in Title 43, sections 501 through 503 of the District of Columbia code shall not be deemed to restrict any merger or consolidation of the Corporation with any other company or companies engaged in mass transportation in the District of Columbia or the Washington Metropolitan Area: *Provided, however*, That any such merger or consolidation shall be subject to the approval of the Commission.

Future transfer to another agency.

SEC. 12. Nothing in this part shall prevent the transfer, by or under the authority of any other Act of Congress, to any other agency of any of the functions which are by this part granted to or imposed upon the Commission.

Securities.

SEC. 13. (a) The Corporation is hereby authorized to issue or create loans, mortgages, deeds of trust, notes or other securities to any banking or other institution or institutions and to Capital Transit Company, with respect to the acquisition of assets of Capital Transit Company (including any corporation controlled by Capital Transit Company), provided that the interest rate thereon shall not exceed 5 per centum per annum, but the aggregate principal shall not exceed the cost of acquiring the assets of Capital Transit Company.

Interest rate.

54 Stat. 905.
49 USC 5.

(b) (1) Section 5 of the Interstate Commerce Act shall not be construed to require the approval or authorization of the Interstate Commerce Commission of any transaction within the scope of paragraph (2) of such section 5 if the only parties to such transaction are the Corporation (including any corporation wholly controlled by the Corporation) and the Capital Transit Company (including any corporation wholly controlled by the Capital Transit Company). The issuance or creation of any securities provided for in subsection (a) shall not be subject to the provisions of section 20a of the Interstate Commerce Act.

41 Stat. 494.
49 USC 20a.

(2) No approval of the acquisition of assets referred to in subsection (a), or of the issuance or creation of any securities provided for in subsection (a) in connection with such acquisition, shall be required from any District of Columbia agency or commission.

(c) This section shall not apply to any issuance of securities constituting a public offering to which the Securities Act of 1933 applies.

48 Stat. 74.
15 USC 77a.

(d) Notwithstanding the provisions of section 409 (a) of the Civil Aeronautics Act of 1938—

52 Stat. 1002.
49 USC 489.

Officers and directors.

(1) no air carrier shall be required (because of the fact that a person becomes or remains an officer, director, member or stockholder holding a controlling interest of the Corporation, or of any common carrier controlled by the Corporation which is engaged in mass transportation of passengers for hire in the Washington Metropolitan Area, or is elected or reelected as an officer or director) to secure the authorization or approval of the Civil Aeronautics Board in order to have and retain such person as an officer or director, or both, of such air carrier if such person is an officer or director of such air carrier at the time this section takes effect; and

(2) no person who, at the time this section takes effect, is an officer or director of an air carrier shall be required to secure the approval of the Civil Aeronautics Board in order to hold the position of officer, director, member or stockholder holding a controlling interest of the Corporation or of any common carrier controlled by the Corporation which is engaged in mass transportation of passengers for hire in the Washington Metropolitan Area.

"Air carrier". 49 USC 489.

As used in this subsection, the term "air carrier" has the same meaning as when used in section 409 (a) of the Civil Aeronautics Act of 1938.

41 Stat. 496. 49 USC 20a.

(e) Notwithstanding section 20a (12) of the Interstate Commerce Act, authorization or approval of the Interstate Commerce Commission shall not be required in order to permit a person who is an officer or director of the Corporation to be also an officer or director, or both, of any common carrier controlled by the Corporation which is engaged in mass transportation of passengers for hire in the Washington Metropolitan Area.

Capital Transit Company, liabilities.

SEC. 14. The Corporation, at the time it acquires the assets of Capital Transit Company, shall become subject to, and responsible for, all liabilities of Capital Transit Company of whatever kind or nature, known or unknown, in existence at the time of such acquisition, and shall submit to suit therefor as though it had been originally liable, and the creditors of Capital Transit Company shall have as to the Corporation all rights and remedies which they would otherwise have had as to Capital Transit Company: *Provided, however*, That the Corporation shall not be liable to any dissenting stockholder of Capital Transit Company for the fair value of the stock of any such stockholder who shall qualify to be entitled to receive payment of such fair value. No action or proceeding in law or in equity, or before any Federal or District of Columbia agency or commission, shall abate in consequence of the provisions of this section, but such action or proceeding may be continued in the name of the party by or against which it was begun, except that in the discretion of the court, agency, or commission the Corporation may be substituted for the Capital Transit Company. In any and all such actions or proceedings, the Corporation shall have, and be entitled to assert, any and all defenses of every kind and nature which are or would be available to Capital Transit Company or which Capital Transit Company would be entitled to assert.

PART 2.—MISCELLANEOUS PROVISIONS

SEC. 21. (a) Section 14 of the joint resolution entitled "Joint resolution to authorize the merger of street-railway corporations operating in the District of Columbia, and for other purposes", approved January 14, 1933 (47 Stat. 752), as amended (Public Law 389, Eighty-fourth Congress), is hereby repealed to the extent that such section repeals the charter of Capital Transit Company, without thereby affecting the termination of its franchise.

69 Stat. 724.

(b) Upon the taking effect of part 1 of this title, Capital Transit Company shall not be authorized to engage in business as owner or operator of electric railway, passenger motor bus, public transportation of passengers, or common carrier of passengers within, to, or from, the Washington Metropolitan Area.

(c) Capital Transit Company shall continue to exist as a corporation incorporated under the provisions of subchapter 4 of chapter 18 of the Act entitled "An Act to establish a code of laws for the District of Columbia", approved March 3, 1901, as amended (D. C. Code, title 29, ch. 2), under its certificate of incorporation, as amended, and Capital Transit Company may amend its charter in any manner provided under the laws of the District of Columbia and may avail itself of the provisions of the District of Columbia Business Corporations Act in respect to a change of its name and may become incorporated or reincorporated thereunder in any manner as therein provided. Nothing referred to in this title, or the sale and vesting of the assets of Capital Transit Company, referred to therein, shall cause or require the corporate dissolution of Capital Transit Company. 31 Stat. 1284. 70 Stat. 603. 70 Stat. 604.

SEC. 22. Nothing in this title shall be deemed to extend the franchise of Capital Transit Company beyond August 14, 1956, or, except as otherwise provided in this section, to relieve Capital Transit Company of any obligation to remove from the streets and highways at its own expense all of its property and facilities and to restore the streets and highways in accordance with the provisions of the District of Columbia Appropriation Act, 1942 (55 Stat. 499, 533) in the event the Corporation fails to acquire the assets of Capital Transit Company. If part 1 of this title takes effect, Capital Transit Company shall thereupon be relieved of all liability to remove from the streets and highways of the District of Columbia all of its properties and facilities and to restore such streets and highways.

SEC. 23. The powers and jurisdiction of the Public Utilities Commission of the District of Columbia with respect to Capital Transit Company shall cease and be at an end upon the taking effect of part 1 of this title.

TITLE II

SEC. 201. (a) Part 1 of title I shall take effect on August 15, 1956, but only if prior thereto D. C. Transit System, Inc. (referred to in this title as the "Corporation") has acquired the assets of Capital Transit Company and has notified the Commissioners of the District of Columbia in writing that it will engage in the transportation of passengers within the District of Columbia beginning on August 15, 1956. If the Corporation has not acquired the assets of Capital Transit Company prior to August 15, 1956, but does thereafter acquire such assets, the Corporation shall, on the date of such acquisition, give written notice thereof to the Commissioners, and part 1 of title I shall take effect upon such date of acquisition. Effective dates.

(b) Part 2 of title I, and this title, shall take effect upon the date of the enactment of this Act.

SEC. 202. If it is determined by the Commissioners of the District of Columbia that, due to any act or omission on the part of the Corporation, the Corporation has not acquired the assets of Capital Transit Company and if such Commissioners approve a valid contract, ratified and approved by the required number of stockholders of Capital Transit Company, between Capital Transit Company and some other corporation providing for the acquisition of such assets and if such other corporation is also approved by such Commissioners as capable of performing the operation contemplated by the franchise provisions of part 1 of title I, then the terms "D. C. Transit System, Inc." and "Corporation" as used in this Act shall be deemed to mean such other corporation for all purposes of this Act.

Pub. Law 757
All 70 Stat. 604.

Temporary transit system.

SEC. 203. If part 1 of title I of this Act does not take effect on August 15, 1956, the Commissioners of the District of Columbia may authorize (including authorization of such contractual agreements as may be necessary) such mass transportation of passengers within the District of Columbia, beginning on and after August 15, 1956, and until such date as part 1 of title I of this Act takes effect, as may be necessary for the convenience of the public. Such transportation shall be furnished to the public at such rates and under such terms and regulations as may be recommended by the Public Utilities Commission and approved by the Commissioners of the District of Columbia.

Approved July 24, 1956.

GPO 71139

United States Court of Appeals

FOR THE DISTRICT OF COLUMBIA CIRCUIT

No. 20,975 **September Term, 1967**

Washington Metropolitan Area Transit Commission,
Appellant,
v.
Universal Interpretive Shuttle Corp.,
Appellee.

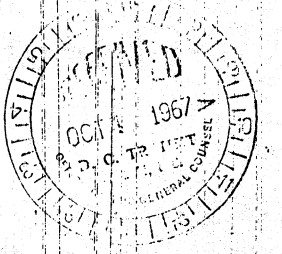
Civil 793-67

No. 20,976
Washington Sightseeing Tours, Inc.,
Appellant,
v.
Universal Interpretive Shuttle Corporation,
Appellee.

No. 20,977
Blue Lines, Inc., and White House Sightseeing Corporation,
Appellant,
v.
Universal Interpretive Shuttle Corp.,
Appellee.

No. 20,978
D.C. Transit System, Inc.,
Appellant,
v.
Universal Interpretive Shuttle Corp.,
Appellee.

United States Court of Appeals
for the District of Columbia Circuit
FILED OCT 3 1967
Nathan J. Paulson
CLERK



Before: Bazelon, Chief Judge; and Danaher, Burger, Wright, McGowan, Tamm, Leventhal and Robinson, Circuit Judges, in Chambers.

ORDER

On consideration of appellee's petition for rehearing en banc and of the responsive pleadings filed with respect thereto, and there not being a majority of the circuit judges of this circuit in favor of a rehearing of the above-entitled cases by the court en banc, the petition for rehearing en banc is hereby denied.

For the Court:

Acting Chief Judge.

Circuit Judges Wright and Robinson would grant appellee's aforesaid petition.

Circuit Judge Leventhal did not participate in the foregoing order.

Washington Metropolitan Area Transit Regulation Compact

Public Law 86-794
86th Congress, H. J. Res. 402
September 15, 1960

JOINT RESOLUTION

Granting the consent and approval of Congress for the States of Virginia and Maryland and the District of Columbia to enter into a compact related to the regulation of mass transit in the Washington, District of Columbia metropolitan area, and for other purposes.

Whereas the regulation of mass transit service in the metropolitan area of Washington, District of Columbia, is divided among the public utility regulatory agencies of the States of Virginia, Maryland, and the District of Columbia and the Interstate Commerce Commission; and

Whereas such divided regulatory responsibility is not conducive to the development of an adequate system of mass transit for the entire metropolitan area, which is in fact a single integrated, urban community; and

Whereas the Legislatures of Virginia and Maryland and the Board of Commissioners of the District of Columbia in 1954 created a Joint Commission to study, among other things, whether joint action by Maryland, Virginia, and the District of Columbia is necessary or desirable in connection with the regulation of passenger carrier facilities operating in such areas and the provision of adequate, non-discriminatory and uniform service therein; and

Whereas said Joint Commission has actively participated in the mass transit study authorized by the Congress (Public Law 24 and Public Law 573, Eighty-fourth Congress), and in furtherance thereof said Joint Commission has negotiated the Washington Metropolitan Area Transit Regulation Compact, set forth in full below, providing for the establishment of a single organization as the common agency of the signatories to regulate transit and alleviate traffic congestion, which compact has been en-

85-894 O - 67 - 13

acted by Virginia (ch. 627, 1958 Act of Assembly) and in substantially the same language by Maryland (ch. 613, Acts of General Assembly 1959); and

Whereas said compact adequately protects the national interest in mass transit service in the metropolitan area of the Nation's Capital and properly accommodates the National and State interests in and obligations toward mass transit in the metropolitan area: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the consent and approval of Congress is hereby given to the States of Virginia and Maryland and to the District of Columbia to enter into a compact, substantially as follows, for the regulation and improvement of mass transit in the Washington metropolitan area, which compact, known as the Washington Metropolitan Area Transit Regulation Compact, has been negotiated by representatives of the States and the District of Columbia and has been adopted by the State of Virginia (ch. 627, 1958 Acts of General Assembly), and in substance by the State of Maryland:

"The States of Maryland and Virginia and the District of Columbia, hereinafter referred to as signatories, do hereby covenant and agree as follows:

CONSENT LEGISLATION

SEC. 2. The Commissioners of the District of Columbia are authorized and directed to enter into and execute on behalf of the United States for the District of Columbia a compact substantially as set forth above with the States of Virginia and Maryland and are further authorized and directed to carry out and effectuate the terms and provisions of said compact, and there are hereby authorized to be appropriated such funds as are necessary to carry out the obligations of the District of Columbia in accordance with the terms of the said compact: *Provided,* That the said Commissioners shall not adopt any amendment to the said compact for the District of Columbia under the provisions of section 1 of article IX of the Compact unless the said amendment has had the consent or approval of the Congress.

SEC. 3. That, upon the effective date of the compact and so long thereafter as the compact remains effective, the applicability of the laws of the United States, and the rules, regulations, and orders promulgated thereunder, relating to or affecting transportation under the compact and to the persons engaged therein, including those provisions of section 6(e) of the District of Columbia Traffic Act, 1925, as amended by the Act approved February 27, 1931 (46 Stat. 1426; Sec. 40-603(e), D.C. Code, 1951 edition), relating to the powers of the Public Utilities Commission of the District of Columbia and the Joint Board created under such section, is suspended, except as otherwise specified in the compact, to the extent that such laws, rules, regulations, and orders are inconsistent with or in duplication of the provisions of the compact: *Provided,* That upon the termination of the compact, the suspension of such laws, rules, regulations, and orders, if not theretofore repealed, shall terminate and such laws, rules, regulations, and orders shall thereupon again become applicable and legally effective without further legislative or administrative action: *Provided further,* That nothing in this Act or in the compact shall effect the normal and ordinary police powers of

the signatories and of the political subdivisions thereof and of the Director of the National Park Service with respect to the regulation of vehicles, control of traffic and use of streets, highways, and other vehicular facilities: *Provided further,* That nothing in this Act or in the compact consented to and approved hereby shall impair or affect the rights, duties, and obligations created by the Act of July 24, 1956 (ch. 669, 70 Stat. 598), granting a franchise to D.C. Transit System, Inc.: *Provided further,* That the term "public interest" as used in section 12(b) of article XII, title 11 of the Compact shall be deemed to include, among other things, the interest of the carrier employees affected: *And provided further,* That nothing herein shall be deemed to render inapplicable any laws of the United States providing benefits for the employees of any carrier subject to this compact or relating to the wages, hours, and working conditions of employees of any carrier, or to collective bargaining between the carriers of said employees, or to the rights to self-organization, including, but not limited to, the Labor-Management Relations Act, 1947, as amended, and the Fair Labor Standards Act, as amended. Notwithstanding any provision of this section to the contrary, the jurisdiction of the Public Utilities Commission of the District of Columbia and of the Interstate Commerce Commission over all carriers and persons subject to the provisions of the Washington Metropolitan Area Transit Regulation Compact are hereby transferred, as and to the extent provided therein, to the Washington Metropolitan Area Transit Commission.

SEC. 4. The consent and approval of Congress set forth in in the first section of this Act is given on the express condition that sections 4(d) (3) and 12(d) of article XII of such Compact shall not be used to break a lawful strike by the employees of any carrier authorized to provide service pursuant to such Compact.

SEC. 5. The consent of Congress is granted upon the condition that, within three years from the date of this enactment, section 1(a) (4) of article XII of the Compact be amended as set forth below, and, in the event the Compact

is not so amended within such specified time, the suspension of the applicability of the laws of the United States, and the rules, regulations or orders promulgated thereunder shall terminate with respect to the transportation specified below and any carrier whose only transportation over a regular route within the Metropolitan District is such transportation shall not be deemed a carrier subject to the Compact:

> "(4) transportation performed in the course of an operation over a regular route between a point in the Metropolitan District and a point outside the Metropolitan District, including transportation between points on such regular route within the Metropolitan District, if authorized by certificate of public convenience and necessity or permit issued by the Interstate Commerce Commission, as to interstate and foreign commerce, and any carrier whose only transportation within the Metropolitan District is within this exemption shall not be deemed to be a carrier subject to the Compact."

SEC. 6. Jurisdiction is hereby conferred (1) upon the United States Court of Appeals for the Fourth Circuit and the United States Court of Appeals for the District of Columbia Circuit, respectively, to review orders of the Washington Metropolitan Area Transit Commission as provided by section 17, article XII, title II, of the Washington Metropolitan Area Transit Regulation Compact, and (2) upon the United States district courts to enforce the provisions of said title II as provided in section 18, article XII, title II, of said Compact.

SEC. 7. (a) The right to alter, amend, or repeal this Act is hereby expressly reserved.

(b) The Washington Metropolitan Area Transit Commission shall submit to Congress copies of all periodic reports made by that Commission to the Governors, the Commissioners of the District of Columbia and/or the Legislatures of the compacting States.

(c) The Congress or any committee thereof shall have the right to require the disclosure and furnishing of such information by the Washington Metropolitan Area Transit Commission as is deemed appropriate by the Congress or any of its committees. Further, Congress or any of its committees shall have access to all books, records and papers of the Washington Metropolitan Area Transit Commission as well as the right of inspection of any facility use, owned, leased, regulated or under the control of said Commission.

Approved September 15, 1960.

WASHINGTON METROPOLITAN AREA TRANSIT REGULATION COMPACT

As Amended

WHEREAS, the Commonwealth of Virginia (Ch. 627, 1958 Acts of Assembly), the State of Maryland (Ch. 613, Acts of General Assembly, 1959), and the Commissioners of the District of Columbia (Resolution of the Board of Commissioners December 22, 1960) have heretofore on December 22, 1960, entered into and executed the Washington Metropolitan Area Transit Regulation Compact; and

WHEREAS, the Congress of the United States has, by joint resolution approved October 9, 1962 (Public Law 87-767; 76 Stat. 764) given its consent to the State of Maryland and the Commonwealth of Virginia to effectuate certain clarifying amendments to said Compact as set forth in such joint resolution approved October 9, 1962, and has authorized and directed the Commissioners of the District of Columbia to effectuate said amendments on behalf of the United States for the District of Columbia; and

WHEREAS, The Commonwealth of Virginia (Ch. 67, 1962 Acts of Assembly), the State of Maryland (Ch. 114, Acts of General Assembly, 1962), and the Commissioners of the District of Columbia (Resolution of the Board of Commissioners adopted on March 19, 1963) have adopted said clarifying amendments to said Compact:

NOW, THEREFORE, the States of Maryland and Virginia and the District of Columbia, hereinafter referred to as signatories, do hereby covenant and agree as follows:

TITLE I

General Compact Provisions

ARTICLE I

There is hereby created the Washington Metropolitan Area Transit District, hereinafter referred to as Metropolitan District, which shall embrace the District of Columbia, the cities of Alexandria and Falls Church, the counties of Arlington and Fairfax, and political subdivisions of the State of Virginia located within those counties and that portion of Loudoun County, Virginia, occupied by the Dulles

International Airport and the counties of Montgomery and Prince Georges, in the State of Maryland and political subdivisions of the State of Maryland located within said counties, and all other cities now or hereafter existing in Maryland or Virginia within the geographic area bounded by the outer boundaries of the combined area of said counties, cities and airport.

ARTICLE II

The signatories hereby create the "Washington Metropolitan Area Transit Commission", hereinafter called the Commission, which shall be an instrumentality of the District of Columbia, the Commonwealth of Virginia and the State of Maryland, and shall have the powers and duties set forth in this compact and such additional powers and duties as may be conferred upon it by subsequent action of the signatories. The Commission shall have jurisdiction coextensive with the Metropolitan District for the regulation and improvement of transit and the alleviation of traffic congestion within the Metropolitan District on a coordinated basis, without regard to political boundaries within the Metropolitan District, as set forth herein.

ARTICLE III

1. The Commission shall be composed of three members, one member each to be appointed by the Governors of Virginia and Maryland and by the Board of Commissioners of the District of Columbia, from that agency of each signatory having jurisdiction over the regulation of mass transit within each such jurisdiction. The member so appointed shall serve for a term coincident with the term of that member on such agency of the signatory and any Commissioner may be removed or suspended from office as provided by the law of the signatory from which he shall be appointed. Vacancies shall be filled for an unexpired term in the same manner as an original appointment.

2. No person in the employment of or holding any official relation to any person or company subject to the jurisdiction of the Commission or having any interest of any nature in

any such person or company or affiliate or associate thereof, shall be eligible to hold the office of Commissioner or to serve as an employee of the Commission or to have any power or duty or to receive any compensation in relation thereto.

3. The Commission shall select a chairman from its membership annually. Such chairman is vested with the responsibility for the discharge of the Commission's work and to that end he is empowered with all usual powers to discharge his duties.

4. Each signatory hereto may pay the Commissioner therefrom such salary or expenses, if any, as it deems appropriate.

5. The Commission may employ such engineering, technical, legal, clerical, and other personnel on a regular, part-time, or consulting basis as in its judgment may be necessary for the discharge of its functions. The Commission shall not be bound by any statute or regulation of any signatory in the employment or discharge of any officer or employee of the Commission, except as such may be contained in this compact.

6. The Commission shall establish its office for the conduct of its affairs at a location to be determined by the Commission within the Metropolitan District and shall publish rules and regulations governing the conduct of its operations.

ARTICLE IV

1. The expenses of the Commission shall be borne by the signatories in the manner hereinafter set forth. The Commission shall submit to the Governor of Virginia, the Governor of Maryland and the Board of Commissioners of the District of Columbia, at such time or times as shall be requested, a budget of its requirements for such period as may be required by the laws of the signatories for presentation to the legislature thereof. The expenses of the Commission shall be allocated among the signatories in the proportion that the population of each signatory within the Metropolitan District bears to the total population of the Metropolitan District. The allocation shall be made by the Commission and approved by the Governors of the two states and the Board of Commissioners of the District of Columbia, and shall be based on the latest available population statistics of the Bureau of the Census; provided, however, that if current population data are not available, the Commission may, upon the request of

any signatory, employ estimates of population prepared in a manner approved by the Commission and by the signatory making such request.

2. The signatories agree to appropriate for the expenses of the Commission their proper proportion of the budget determined in the manner set forth herein and to pay such appropriation to the Commission. There shall not be included in the budget of the Commission or in the appropriations therefor any sums for the payment of salaries or expenses of the Commissioners or members of the Traffic and Highway Board created by Article V of this Title I and payments to such persons, if any, shall be within the discretion of each signatory. The provisions of § 2-27 of the Code of Virginia shall not apply to any official or employee of the Commonwealth of Virginia acting or performing services under this Act.

3. The expenses allocable to a signatory shall be reduced in an amount to be determined by the Commission if a signatory, upon request of the Commission, makes available personnel, services or material to the Commission which the Commission would otherwise have to employ or purchase. If such services in kind are rendered, the Commission shall return to such signatory an amount equivalent to the savings to the Commission represented by the contribution in kind.

4. The Commission shall keep accurate books of account, showing in full its receipts and disbursements, and said books of account shall be open at any reasonable time for inspection by such representatives of the respective signatories as may be duly constituted for that purpose.

ARTICLE V

1. There is hereby created, in addition to the Commission, a Traffic and Highway Board, hereinafter referred to as Board. This Board shall be composed of the Chairman of the Commission created by Article II, who shall be chairman of this Board, and the heads of the traffic and highway departments of each of the signatories and of the counties and cities encompassed within the Metropolitan District, a represent-

ative of the National Capital Planning Commission, a representative of the National Capital Regional Planning Council, and a representative of each local and regional planning commission within the District. The representatives of the various planning commissions shall be designated by each such commission. The official in charge of the traffic and highway department of each of the signatories may appoint a member of his staff to serve in his stead with full voting powers.

2. The Board shall make recommendations to the Commission with respect to traffic engineering, including the selection and use of streets for transit routing, the requirements for transit service throughout the Metropolitan District, and related matters. The Board shall also consider problems referred to it by the Commission and shall continuously study means and methods of shortening transit travel time, formulate plans with respect thereto, and keep the Compact Commission fully advised of its plans and conclusions.

3. The Board shall serve the Commission solely in an advisory capacity. The Commission shall not direct or compel the Board or its members to take any particular action with respect to effectuating changes in traffic engineering and related matters, but the members of the Board in their capacity as officials of local government agencies shall use their best efforts to effectuate the recommendations and objectives of the Commission.

4. The members of the Board shall serve with or without additional compensation, as determined by their respective signatories.

ARTICLE VI

No action by the Commission shall be of effect unless a majority of the members concur therein; provided, that any order entered by the Commission pursuant to the provisions of Title II hereof, relating to or which affect operations or matters solely intrastate or solely within the District of Columbia, shall not be effective unless the Commissioner from the signatory affected concurs therein. Two members of the Commission shall constitute a quorum.

ARTICLE VII

Nothing herein shall be construed to amend, alter, or in any wise affect the power of the signatories and the political subdivisions thereof to levy and collect taxes on the property or income of any person or company subject to this Act or upon any material, equipment or supplies purchased by such person or companies or to levy, assess and collect franchise or other similar taxes, or fees for the licensing of vehicles and the operation thereof.

ARTICLE VIII

This compact shall be adopted by the signatories in the manner provided by law therefor. This compact shall become effective ninety (90) days after its adoption by the signatories and consent thereto by the Congress of the United States, including the enactment by the Congress of such legislation, if any, as it may deem necessary to grant this Commission jurisdiction over transportation in the District of Columbia and between the signatories and over the persons engaged therein, to suspend the applicability of the Interstate Commerce Act, the laws of the District of Columbia, and any other laws of the United States, to the persons, companies and activities which are subject to this Act, to the extent that such laws are inconsistent with, or in duplication of, the jurisdiction of the Commission or any provision of this Act, or any rule, regulation or order lawfully prescribed or issued under this Act, and to make effective the enforcement and review provisions of this Act.

ARTICLE IX

1. This compact may be amended from time to time without the prior consent or approval of the Congress and any such amendment shall be effective unless, within one year thereof, the Congress disapproves such an amendment. No amendment shall be effective unless adopted by each of the signatories hereto.