

We believe also that there should be a comprehensive analysis of the interrelation of the auto casualty underwriting business and the investment and financial community. Here, both the Treasury Department and the Securities and Exchange Commission would have substantial involvement. Inquiry into auto insurance advertising and promotion would concern the Federal Trade Commission, and use of the postal system for these purposes would require review by the Post Office Department. These are areas which also suggest the necessity of evaluating state and local counterpart institutions such as state securities and fair business practice agencies.

In certain areas the skill, experience and resources of other agencies of the government exceed those of the Department of Transportation. Our ability to effectively lead the study would depend on a clear Congressional expression directing us to provide such leadership. Further, it would be necessary for the Congress to provide adequate funds to staff the study.

Our limited funds available for policy support research are already allocated for contract research in areas of transportation, including the important area of transportation safety, established as priorities by the Department of Transportation Act or its legislative history. Recognizing the importance of the study you suggest, diversion of these funds to an automobile insurance study would severely limit our ability to undertake the studies we consider to be primary to the mission Congress has assigned the Department.

For these reasons we would be reluctant to undertake a comprehensive study of the automobile insurance problem without legislation authorizing the Department to conduct such a study with appropriate assistance from other departments and agencies of the Federal government. Such legislation should provide the Secretary of Transportation with investigative authority, including the power to issue subpoenas, necessary to insure that all relevant data can be obtained, and authorize funds sufficient to adequately staff the study.

We will work with you and your staff and, if legislation is enacted, the Department of Transportation will be pleased to conduct the study and will vigorously pursue it to a successful conclusion in the public interest.

Sincerely,

ALAN S. BOYD, *Secretary.*

CONGRESS OF THE UNITED STATES,
Washington, D.C., July 20, 1967.

HON. ALAN S. BOYD,
Secretary of Transportation,
Department of Transportation,
Washington, D.C.

DEAR MR. SECRETARY: We are, of course, pleased that you share our concern over the grave defects which have appeared in our automobile compensation system and that you are willing to undertake an investigation of such system if Congress will provide you with the necessary tools.

We recognize that you will need augmented resources to carry out an investigatory task of such prime significance, and we will make every effort to see that those resources are placed at your disposal.

We note that you will soon appear before the Transportation Appropriations Subcommittee, on which Senator Magnuson serves, on July 27. At that time, we hope that you will have a detailed estimate of the funds necessary to get the investigation promptly underway.

We are confident that you will enjoy the full cooperation of those agencies whose competencies can contribute to this task. We are also confident that you will receive the full cooperation of the automobile insurance industry, State and local regulatory bodies and the academic community. Should you subsequently find, however, that you are barred from obtaining any assistance or information which you deem essential, we will then consider such legislative authority as you may need.

Sincerely yours,

JOHN E. MOSS, *Member of Congress.*
WARREN G. MAGNUSON, *U.S. Senator.*