

with the interrogation that we direct our attention to those areas which are particularly of interest to the members of the committee. Without objection, we will proceed in that way.

I welcome you gentlemen, and appreciate your being here this morning. Mr. Hughes, will you proceed with your statement? It is a short statement but well prepared. It circumscribes the matter before us.

**STATEMENT OF HON. PHILLIP S. HUGHES, DEPUTY DIRECTOR,
BUREAU OF THE BUDGET**

Mr. HUGHES. We are pleased to be here jointly and to testify in support of Reorganization Plan No. 2.

As you have indicated, Mr. Chairman, the President transmitted the plan to Congress on February 26 of this year. The plan transfers to the Secretary of Transportation certain responsibilities of the Department and the Secretary of Housing and Urban Development for urban mass transportation programs and would establish an Urban Mass Transportation Administration within the Department of Transportation.

The major purpose of the reorganization plan is to unify in the Department of Transportation those basic Federal programs which involve urban transportation project assistance and related research and development activities. At the present time, State and local agencies must look to two Federal departments for support in this field—the Department of Transportation for programs affecting urban highways and urban airports and the Department of Housing and Urban Development for programs affecting urban mass transportation. This division of responsibility and authority also unnecessarily complicates Federal coordination.

There are certain to be increasing demands by urban residents for substantial improvements in their transportation facilities and services, and our response to those demands will have a great influence on the future quality of urban life. As the President stated in his message of transmittal:

Never before have residents of urban areas faced a clearer choice concerning urban transportation—shall it dominate and restrict enjoyment of all the values of urban living, or shall it be shaped to bring convenience and efficiency to our citizens in urban areas.

We must be sure that urban transportation systems are efficient and responsive to the needs of the traveler and at the same time contribute to the sound overall development of urban areas.

We know that many of the residents of our larger cities are already spending too much of their time traveling to and from their jobs. Reductions in the workweek gained by increased productivity can be lost if workdays are lengthened by inefficient and expensive urban travel. We have, or can develop, the transportation systems necessary to free the individual from countless hours of frustrating and wasteful intracity travel. We must also insure that those systems enhance our communities so they will become even better places to live.

The major program activities carried out under the Urban Mass Transportation Act of 1964 are: (1) transportation facility grants and loans to assist State and local agencies to acquire, construct, and improve capital facilities and equipment for mass transportation serv-