

APPENDIX E—REPORT TO THE PRESIDENT ON URBAN TRANSPORTATION ORGANIZATION

(Prepared jointly by the Department of Housing and Urban Development
and the Department of Transportation, February 24, 1968)

INTRODUCTION

On March 2, 1966, when he proposed the establishment of a Department of Transportation, the President said:

"The Departments of Transportation and Housing and Urban Development must cooperate in decisions affecting urban transportation * * *. The future of urban transportation * * * depends upon * * * rational planning. If the Federal Government is to contribute to that planning it must speak with a coherent voice. The Department of Housing and Urban Development bears the principal responsibility for a unified Federal approach to urban problems. Yet it cannot perform this task without the counsel, support, and cooperation of the Department of Transportation."

The President at that time proposed no specific changes in Federal organization or programs for fostering the development of urban mass transportation. Rather, he announced that he would ask the two Secretaries to recommend within 1 year after the creation of a Department of Transportation "the means and procedures by which the cooperation can best be achieved—not only in principle, but in practical effect."

During the congressional hearings on the Department of Transportation bill, it was pointed out that—

"Mass transportation is a very new Federal interest. Program decisions have impacts on interstate transportation and on national transportation policy as well as on general urban planning and development. Some of the effects are only beginning to emerge. The Federal mass transit assistance program consists of complex and interrelated functions which should be identified and analyzed before decisions are made on their final assignment, whether individually or as an entity, to the Department of Housing and Urban Development or to the Department of Transportation."

The Congress endorsed this view and provided in the Department of Transportation Act for a joint study and report to the President, for submission to the Congress, on the "logical and efficient organization and location of urban mass transportation functions in the executive branch" (sec. 4(g) Public Law 89-670). Significantly, the Congress recognized the complex nature of urban transportation by indicating that the basic objectives of any policy and program changes should be the development of urban transportation systems that "most effectively serve both national transportation needs and the comprehensively planned development of urban areas."

Shortly after the activation of the Department of Transportation on April 1, 1967, we began the study called for by the President and the Congress. The Bureau of the Budget was advised periodically of the progress of the study. The report briefly summarizes the deliberations of officials of the two Departments over the past year.

FINDINGS AND RECOMMENDATIONS

We have, from the start, been in agreement on the guiding philosophy of the study. The approach has been to test each alternative by the public interest criteria laid down by the Congress in recognizing that any reorganization of Federal mass transit programs should contribute tangibly to the expectation of improvement in the economic and social circumstances in which all Americans live.

It was recognized that it is difficult to make distinctions between national transportation and urban transportation because transportation systems and operations are inextricably interrelated. Transcontinental rail and motor freight movements typically begin and end in city factories and warehouses. Intercity air