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STATEMENT OF SECRETARY JOHN A. VOLPE BEFORE THE SUBCOMMITTEE ON LEGISLATION AND MILITARY OPERATIONS OF THE HOUSE COMMITTEE ON GOVERNMENT OPERATIONS REGARDING THE DEPARTMENT OF COMMUNITY DEVELOPMENT BILL (H.R. 6962), TUESDAY, NOVEMBER 9, 1971.

Mr. Chairman, I appreciate the opportunity to appear before your Committee this morning to present the views of the Department of Transportation on the President's Departmental Reorganization Program, and specifically on the proposed Department of Community Development, as proposed in H.R. 6962.

The Department of Transportation has a very deep and active interest in the President's Departmental Reorganization Program. Many of the officials and employees of the Department have participated in the studies and the preparation of the materials submitted to the Congress on the President's proposals. We believe that the Program presents a unique opportunity to make a substantial improvement in the operation of the domestic side of the Executive Branch of the Federal Government, and we support it wholeheartedly.

The disposition of Federal transportation functions under the President's Departmental Reorganization Program can best be understood by keeping in mind the overall purposes of the reorganization: to overcome the increasing fragmentation of related Federal programs among the various departments and agencies, and to organize these programs around their essential objectives and goals, so as to assure that the variety of means and resources we have for achieving major national goals are cohesively integrated into an effective force truly capable of achieving those goals.

Translating these purposes into the assignment of transportation programs under the reorganization means placing in the Department of Community Development those programs whose primary purposes most closely coincide with the overall purposes of that Department; as the bill states, "the development, through growth and renewal, of urban and rural communities which provide for all citizens wholesome living environments and responsive, equitable service to their varying needs".

We are confident that the proposed transfers, which I will discuss shortly, place transportation programs where they can most effectively contribute to the resolution of the serious problems facing our communities - both urban and rural - today.

To those who ask why, when only a short time ago we were urging the consolidation of transportation resources into a single department, we now urge their division, I would make three points:

- (1) The establishment of the Department of Transportation was a wise and necessary move, taking into account the dispersion of transportation programs and the departmental structure which prevailed in 1966. Even though the Department did not, and still does not, include all of the transportation agencies it should, it has made substantial gains in developing an intelligent and consistent Federal policy regarding all modes of transportation.
- (2) In recommending the division of the functions of the present Department, I am not advocating a return to the situation

that existed before the Department was established, when the functions were distributed among agencies and departments without any consistency or overall purpose. I am supporting a division of transportation functions essentially between two departments based on their primarily national versus predominantly local orientations. This is in marked contrast to the fragmentation of transportation functions among the five departments and three independent agencies which previously exercised the functions now vested in the Department of Transportation.

- (3) When the Department of Transportation was established the President's Departmental Reorganization Program, was not available. If it had been, I believe the consolidation and disposition of transportation functions would be essentially as we now recommend.

The creation of a broad-based Department of Community Development will make it possible to provide a more focused and integrated response to the full range of community development problems, such as the steady movement of people from rural to urban areas or from cities to suburbs, and the adverse effects of disorderly, costly, and undesirable land development and use. The Department of Community Development, by offering a broad range of programs - transportation, housing, and community facilities and services aimed at total community development needs - will move away from the narrow functional orientation which currently exists.

Two major elements of the Department of Transportation are deeply involved in community planning and development - the Federal Highway Administration, and the Urban Mass Transportation Administration.

Since the entire Urban Mass Transportation Administration is dedicated to the service of individual communities, especially in the capital grant area, it would be transferred to the Department of Community Development intact.

The Federal Highway Administration of the Department of Transportation has two main program areas - highways (including construction-related aspects of highway safety) and motor carrier safety. The highway programs include urban highway systems, primary and secondary highway systems, the Traffic Operations Program to Increase Capacity and Safety (TOPICS), the Interstate System, relocation assistance, and other transportation programs such as those concerned with preferential or exclusive bus lanes, fringe parking facilities, and passenger loading areas. All of these are very much involved in community planning and development and frequently support mass transportation systems. Streets and highways are every bit as essential to community development as are housing, water and sewer systems, and electrification, and it is tremendously important that these functions be planned together from their inception.

The Interstate Highway System, although nationwide in its scope and objectives, has its most significant impact on the transportation problems

and development of the communities served. It is logical and purposeful, therefore, to include programs relating to highway construction with the other community oriented elements in the Department of Community Development. This is particularly true since the knottiest problems of Interstate planning are in the urban areas.

Motor carrier safety is not involved to this extent in community life. Its major impact is on interstate transportation and its objectives relate to the safety of trucks and buses operating over a transportation system which is nationwide in scope. It is therefore more appropriate to include this function in the proposed Department of Economic Affairs along with other transportation safety programs having similar objectives.

As you know, the proposal for establishing the Department of Community Development as originally submitted provided for the inclusion of the highway traffic safety grants programs of the National Highway Traffic Safety Administration in the Department of Community Development. After careful reexamination we became convinced that it would be better to keep the motor vehicle safety and highway traffic safety functions now administered by NHTSA together in a single department. A number of considerations persuaded us. In the broader sense, the motor vehicle and the driver are an inseparable combination whose actions and reactions to the highway and traffic environment are the cause of highway accidents. Accident investigation covers both the human and the mechanical factors. Separating these two parts by placing them in different departments would run counter to the purposes of the reorganization. By the same token, research and development in traffic

safety must consider both factors. It is also true that the traffic safety functions concerned here - that is, those not associated with the construction and maintenance of highways - do not require coordination with community planning and development agencies. In other words land use and environmental impact are not involved in these highway traffic safety programs. Finally, we believe that our proposal to modify the program by keeping the highway traffic safety and motor vehicle safety programs together is consistent with the intent of Congress as expressed in the Highway Safety Act of 1970. Briefly, these are the reasons why the Administration is recommending this amendment in the original bill.

The two community-oriented elements of the Department of Transportation - the Urban Mass Transportation Administration and the Federal Highway Administration (less motor carrier safety) - would comprise the Community Transportation Administration, one of three major administrations in the new department. The essentials for comprehensive community-oriented planning and program execution - Urban and Rural Development, Housing, and Community Transportation - thus are embodied in a single department.

In our study of the means for implementing the reorganization proposal most effectively, a great deal of thought was given to the ramifications involved in the creation of two transportation administrations, one in the Department of Community Development and one in the Department of Economic Affairs. Our concern was that this could generate problems for State and local governments and other private and public agencies concerned with transportation. Consequently, in the development of the new department's

organizational concept, great care is being taken to preserve the effective delivery systems currently existing. The State Highway Departments, for instance, will continue to conduct their business with the Division Engineers in their States as at present. Similarly, only one Federal agency will be concerned with mass transit grants. I am confident that the clientele groups and planning agencies will find their tasks facilitated by the new organization, since the community planning and development agencies will also be in the same single department.

We have developed a concept for a field organization. As I mentioned earlier, the Department of Community Development is envisioned as a community-oriented agency. This concept dictates that a high degree of decentralization and delegation of program authority be effected. It further dictates that the departmental regional director have comprehensive line authority over functional field officials who, at the regional level, should act either in a subordinate line or a staff capacity to the regional director.

The field organizations of the Department of Transportation elements transferring to the Department of Community Development under this plan will remain essentially intact so as to assure continuing service and will adapt to the above organization readily.

The Federal Highway Administration field organization presently consists of nine regional administrators in regions corresponding very closely to the ten standard regions. Subordinate to the regional administrator is a division engineer in each State capital to whom most program authority has been delegated. The Division Engineer reviews the State highway plans

for adherence to Federal standards and is the principal advisor and point of contact with the State in the administration of Highway Trust Fund programs. An excellent working relationship exists between the State highway departments and the division engineers. This relationship and the program authority delegation must be retained. Coordination with other Department of Community Development programs will be facilitated by the proposed establishment of the Department of Community Development field offices at the State level.

Two workable options exist for the placement of the present regional highway administrator: (1) as a staff assistant to the regional director or (2) in a line position under the regional director. I am inclined to believe the latter would be the most satisfactory arrangement, at least in the initial stages.

The Urban Mass Transportation Administration has not yet established a field organization. However, Congress has authorized a number of positions, and a start on developing field representation is now underway. Under the Department of Community Development the Urban Mass Transportation Administration regional director would become a staff assistant to the Departmental Regional Director and a member of the team serving the urban communities.

In conclusion, the establishment of the Department of Community Development, incorporating the community-oriented elements of the Department of Transportation in the Community Transportation Administration, is a logical

next step in shaping transportation resources to be most responsive to the needs of modern society. The establishment of the Department of Transportation in 1967 facilitates the implementation of this plan. The existing and projected field organizations of the elements of the Department of Transportation being transferred to the Department of Community Development will be adapted to the projected field structure and organizational philosophy without adverse impact or interruption of services. At the same time the transportation elements included in the Department of Community Development will be more able to provide integrated, coordinated and balanced community transportation systems serving all segments of the public.

Mr. Chairman, I believe that the establishment of the Department of Community Development would enable the Federal Government to mount a much more effective and efficient drive against the problems of our deteriorating urban and neglected rural areas than can be done under the present fragmented organization. I, therefore, urge that this Committee take favorable action on H.R. 6962.

This concludes my prepared statement. I will be happy to answer any questions you may have.

