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U. S. DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY  
WASHINGTON, D. C. 20590

STATEMENT OF THE SECRETARY OF TRANSPORTATION,  
ALAN S. BOYD, ON THE ESTIMATES FOR THE OFFICE OF  
THE SECRETARY, BEFORE THE TRANSPORTATION SUB-  
COMMITTEE OF THE SENATE APPROPRIATIONS COMMITTEE,  
TUESDAY, AUGUST 1, 1967

Mr. Chairman and Members of the Committee:

In my prior statement and testimony I attempted to explain the task ahead for the Department, the approach which we are taking to the management of this very large and vital agency of the Government and the validity of our estimates for the 1968 fiscal year. The various heads of operating administrations and the Chairman of the National Transportation Safety Board will give you the details concerning the fiscal needs of their elements when they appear before you in subsequent sessions.

I would now like to say a few things on behalf of the estimates for the Office of the Secretary and the reasons why I must ask for a restoration of most of the reductions made by the House.

The bulk of the positions requested for the Office of the Secretary for the 1968 fiscal year are furnished from a new Salaries and Expenses appropriation for the Office of the Secretary. The budget request sought 515 positions and \$8.3 million. The House allowed 433 positions and \$6,985,100 -- a reduction of 82 positions and \$1,314,900. Ten of the positions eliminated, along with \$200,000, reflect a shift of funding of emergency transportation functions from the budget of the Department

to that of the Office of Emergency Planning. We are agreeable to this shift and will not appeal the House action. The remaining 72 positions and \$1,114,900 of the House reduction represent cuts which would gravely impair our capacity to move forward in 1968 in assuming the responsibilities lodged in the Secretary by the Department of Transportation Act. I must, therefore, ask for a restoration of both the positions and the money needed to support them.

The Department of Transportation Act charges the Secretary with many responsibilities which had not previously been provided for or which had been carried out on but a limited scale prior to the establishment of the Department. These include providing leadership, under the direction of the President, in transportation matters; the development of transportation policies and programs; the development, collection and dissemination of technological, statistical, economic and other transportation information; the promotion of industrial harmony and stable employment conditions in all modes of transportation; the promotion and undertaking of research and development, including noise abatement; consulting with the heads of other Executive Departments on Government transportation requirements; consulting and cooperating with State and local governments, the carriers and labor; and doing many other things in the interest of safe, efficient and economically healthy transportation systems for the United States.

To help me do these things and to assist me in the management of more than 92,000 employees, 3,000 field offices and \$5.5 billion in annual expenditures, I have attempted on an austere basis to design and staff an Office of the Secretary. This had to be a new office for, as I said in my earlier statement, there was no single predecessor agency to the Department of Transportation. As Under Secretary of Commerce for Transportation, I had but a handful of people engaged in policy, research and emergency transportation activities and a large percentage of this staff was doing what now is assigned to the Federal Railroad Administration.

Before I went to the Bureau of the Budget with the requirements of the Office of the Secretary, I conducted careful internal reviews and took into account the recommendations of task forces which helped plan for the activation of the Department. I decided to build the office carefully and to give the utmost attention to quality rather than quantity of staff. As you would expect, the Director of the Bureau of the Budget favored a conservative approach to the staffing of the Office of the Secretary and he agreed to the 515 positions funded from the Salaries and Expenses appropriation only after assuring himself that we had kept our staffing plans to the lowest level compatible with doing the most essential and urgent asks assigned the Secretary.

Even with the full number of positions in the estimate, I would be dubious as to our capacity to do in 1968 many things which will be expected of us were it not for the language in the appropriation bill that permits shifting of staff functions from the operating administrations when I determine that they can be performed more effectively and efficiently in the Office of the Secretary. I am pleased that the House has endorsed giving the Secretary this authority in 1968, for there is no question but that the establishment of the Department has opened the way to more efficient arrangements for the performance of common support and other staff functions.

I will now summarize for you briefly the functions and the staffing requirements of the Assistant Secretaries and General Counsel of the Department.

The Assistant Secretary for Public Affairs will be my main adviser on all matters concerning public information, legislative relations, Congressional liaison, relations with Federal agencies and State and local governments and business and labor organizations. We are requesting 54 positions in 1968 to perform these functions, which are clearly essential if the Department is to present a coherent, accurate expression of its views on transportation matters to the Congress, other Government agencies, and to the public.

We are requesting 72 positions for the Assistant Secretary for Policy Development. He will be my principal adviser on the Department's

overall policy objectives and will be actively engaged in the appraisal of transportation procedures and practices, and the development of programs that will assure a coordinated and effective transportation system. His functions span a broad range of activities which will be carried on by economists, systems analysts, and other professionals to assure that I have the best staff advice available on the adequacy of existing programs in the Department and on new proposals for solving transportation problems.

For the Assistant Secretary for International Affairs and Special Programs, we are requesting 50 positions in 1968. This is 10 positions less than our original request and assumes that these 10 positions which were for emergency transportation functions will be funded in 1968 by OEP. He will have the responsibility for advising me on all transportation matters that have international implications.

This responsibility will include the development of solutions to oil spillage and other maritime pollution problems; the development of U. S. positions on international transportation matters (in consultation with other interested government agencies) and the promotion of programs to eliminate impediments hindering the international movement of goods and people. He will also be responsible for important special programs such as the development of more effective uses of telecommunications in relation to transportation and emergency transportation planning to cope with National defense emergencies and situations arising from natural catastrophes such as earthquakes and floods.

The basic responsibility of the Assistant Secretary for Research and Technology is to provide me with advice and assistance on all matters involving the application of research and technology to the improvement of the Nation's transportation system. One of his important assignments

will be to review and provide advice on the improvement of the transportation research programs now being conducted in each of the administrations. He will also be responsible for insuring that the Department's programs for regulating the transportation of hazardous materials are effective and for conducting necessary related research. In addition, he will provide Departmental level leadership in the development of programs to abate noise caused by transportation systems, particularly aviation. For these functions, 50 positions are requested.

For the General Counsel, 33 positions are proposed for 1968. He serves as the Department's chief legal officer and as my principal adviser on all legal matters arising within or referred to the Department and coordinates and reviews the legal work of the operating elements of the Department. He and his staff will represent the Department in all proceedings before the regulatory agencies.

The Assistant Secretary for Administration is responsible for providing staff advice on all matters of organization and management in the Department. His offices also provide direct administrative support to the Office of the Secretary. Moreover, in the interests of efficiency, certain personnel, administrative and other management services will be provided to the National Transportation Safety Board and the Federal Railroad Administration, organizations which are not large enough to

efficiently establish a full cadre of support personnel. For these Departmental management policy and direct support functions, we are requesting a total of 196 jobs in 1968.

Finally, the budget includes 50 positions for my immediate offices, the offices of the Under Secretary and Deputy Under Secretary, a Contract Appeals Board, and an Executive Secretariat.

That, generally, describes the way in which I am assigning functions and plan to deploy staffing in the interest of the effective management of the Department.

I would like now to discuss briefly the rationale given in the House report for the reductions made in our Salaries and Expenses request.

The report states that the reductions were based on three premises.

The first was that "... the number of positions requested appears to be excessive when compared with similar organizations in other Federal departments." We do not believe that this, in fact, is the case. Before preparing our budget we did examine the staffing and funding patterns of corresponding offices in other Departments. We found such wide differences in financing arrangements, modes of operation, and scope of responsibilities that direct comparisons were virtually impossible to make. In our view, when differences between Departmental practices are taken into account, our estimate was conservative and compares favorably with the staffing of other large Executive Departments.

The second premise of the House Committee was that the Office of the Secretary "... should not attempt to enlarge its staff too rapidly." We

agree completely with this position. In fact, despite the urgent need to provide basic staffing for the Department's headquarters, a conscious policy has been followed to proceed cautiously in the interest of obtaining the best qualified people. We do not believe, however, that staffing to a level of 505 employees over the next 11 months would require imprudently hasty hiring. The funding provided for the positions in the budget contemplated a deliberate rate of hiring during the entire fiscal year, namely, an average of only 12 new employees per month.

The third and final premise of the Committee was the expectation that the creation of a new Departmental management structure would provide opportunities for certain staff activities previously performed in the Administrations to be moved to the Office of the Secretary. We completely agree with this view, and it has been taken into account in all of our organizational and staffing planning to date. Studies are already under way in certain areas to determine whether duplication exists and, if it does, to eliminate it. Moreover, the appropriation bill includes language authorizing transfers of functions which the Secretary determines may be performed more efficiently and effectively at the Secretarial level. We intend to pursue these reviews and to make indicated adjustments as rapidly as staff resources will allow.

We firmly believe that the estimate of 505 positions and \$8,100,000 represents our minimum personnel and funding requirements to perform



essential functions at the Secretarial level. In addition, we believe that our planned staffing level can be attained on an orderly basis with only highly qualified persons being selected.

Finally, with respect to our Transportation Research appropriations, we are not appealing the House reduction of \$2,150,000 from the budget estimate of \$8.1 million. This appropriation is used under my direction and finances a wide range of studies and research projects designed to give us a fuller knowledge of existing and future transportation needs. We believe our original request for this appropriation was sound, but we can have an effective research program at the level approved by the House.

That concludes my statement and I and my associates will be glad to answer any questions you might have.