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NOMINATION OF ALAN S. BOYD TO BE  
SECRETARY OF TRANSPORTATION

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HEARING  
BEFORE THE  
COMMITTEE ON COMMERCE  
UNITED STATES SENATE  
NINETIETH CONGRESS

FIRST SESSION

ON

NOMINATION OF ALAN S. BOYD, OF FLORIDA, TO BE  
SECRETARY OF TRANSPORTATION

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## CONTENTS

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Biographical sketch-----	Page
Statement of-----	2
Holland, Hon. Spessard L., U.S. Senator from the State of Florida--	2
Smathers, Hon. George A., U.S. Senator from the State of Florida--	4
Boyd, Alan S., of Florida, nominee to be Secretary of Transportation--	6



## NOMINATION OF ALAN S. BOYD TO BE SECRETARY OF TRANSPORTATION

WEDNESDAY, JANUARY 11, 1967

U.S. SENATE,  
COMMITTEE ON COMMERCE,  
*Washington, D.C.*

The committee met at 9:40 a.m., in room 5110, New Senate Office Building, Hon. Warren G. Magnuson (chairman of the committee) presiding.

The CHAIRMAN. The committee will come to order.

The chairman first wants to, on behalf of all the members of the committee, welcome two distinguished Senators who have been appointed to membership on the Senate Committee on Commerce as of last night, I understand—the distinguished Senator from Utah, Mr. Moss, and Mr. Hollings, of South Carolina, who is on his way over here. We will give him a welcome when he gets here.

The Chair would also like to call to the attention of the members of the committee a very distinguished visitor we have with us today, Mr. Knut Hamarskjol, who is the Director General of IATA, which is, of course, the international organization in the field of commercial aviation. We are glad to have him here.

We hope he enjoys the committee session. [Applause.]

The Chair, of course, welcomes all the committee members to our first meeting of this Congress. Today the first hearing will be on the nomination of the first man to serve as Secretary of Transportation, Alan Boyd. President Johnson announced on November 6, 1966, that it was his intention to appoint Mr. Boyd to this post. The nomination was actually received by the Senate at noon yesterday.

Alan Boyd is no stranger to this committee or to the transportation world. Even though his biography will appear in the record in full, it should be noted that his Federal service began in 1959 when he was appointed as a member of the Civil Aeronautics Board. He became chairman of that agency in 1961, and on June 1, 1965, he was appointed Under Secretary of Commerce for Transportation. Thus, three Presidents—Eisenhower in 1959, Kennedy in 1961, and Johnson in 1965—have recognized his great abilities and appointed him to these high public offices in the field of transportation.

For the record, Alan Boyd has filed with the committee a financial statement that will be placed in the committee's files. Consistent with the rules of the committee, anyone who wishes to examine his financial statement can do so upon request. But we felt that we need not clutter the record with that statement. It is open, however, to the public or anyone who wishes to examine it.

NOTE.—Staff counsel assigned to this hearing, Gerald B. Grinstein and Stanton P. Sender.

We have with us the two Senators from Florida, Senator Holland and Senator Smathers, who will formally present the nominee.

I might say that Mr. Boyd in his biography, which we will put in the record in full, lists his residence as Florida. He was born in Florida on July 20, 1922. He completed his formal education at the University of Florida and at the University of Virginia, but did practice law for some time in Miami, his home State.

(The biography follows:)

#### BIOGRAPHY OF ALAN S. BOYD

Alan S. Boyd took the oath of office of Under Secretary of Commerce for Transportation on June 1, 1965.

Before his appointment to Under Secretary, Mr. Boyd had been serving as Chairman of the Civil Aeronautics Board. He was first named to membership on the CAB on November 16, 1959, and was reappointed by President Kennedy to a full six-year term beginning January 1, 1963. He served as Chairman of the CAB since 1961.

Mr. Boyd also is a former member of the Florida Railroad and Public Utilities Commission in Tallahassee. He was appointed to the Commission by the Governor of Florida in July 1955. In 1956 he ran for and was elected to a full term on the Commission and served as its Chairman in 1957-58.

Born in Jacksonville, Florida, July 20, 1922, Mr. Boyd completed his formal education at the University of Florida and the University of Virginia. After receiving his LL.B degree in 1948 he practiced law in Miami.

He was appointed by Governor Collins in 1954 as Chairman of a civilian committee for the development of aviation in Florida. He also served as General Counsel for the Florida State Turnpike Authority in 1955.

Mr. Boyd was a pilot in the Troop Carrier Command in World War II from 1942-45, as well as in the Korean Conflict.

He is a member of the American Bar Association.

The CHAIRMAN. Senator Holland, we are glad to have you here. We will be glad to hear from you at this time.

#### STATEMENT OF HON. SPESSARD L. HOLLAND, U.S. SENATOR FROM THE STATE OF FLORIDA.

Senator HOLLAND. Thank you, Mr. Chairman, and members of the committee.

Mr. Chairman, it is a pleasure and honor, as one of my first activities in the 90th Congress, to appear before your distinguished committee to strongly recommend to you a Floridian who has distinguished himself in the public service at both the State and Federal levels.

My colleague, Senator Smathers, and I, and, I am sure, all other Floridians, are proud that the President has nominated Alan S. Boyd to be the first Secretary of Transportation and, incidentally, Florida's first member of the Cabinet of the United States of America.

Mr. Boyd was born in Jacksonville, Fla., on July 20, 1922; his family were residents of the little town of Macclenny, a short distance from Jacksonville, where he was raised and where he remained throughout his boyhood until his young manhood.

During the period 1942-45 he served as a pilot in the Troop Carrier Command in World War II and later served in the Korean conflict.

He attended the University of Florida from 1939 to 1941 and after military duty he completed his formal education at the University of Virginia, receiving his LL.B. degree in 1948, after which he practiced law in Miami.



Recognizing his ability, Governor Collins appointed Mr. Boyd chairman of a civilian committee for the development of aviation in Florida. He also served as general counsel for the Florida Turnpike Authority in 1955.

Mr. Boyd is also a former member of the Florida Railroad and Public Utilities Commission, to which he was appointed by the Governor in July 1955.

The CHAIRMAN. Senator Holland, at that point, for the record, because this becomes important sometimes in reviewing these matters of transportation: Is the Florida commission an elected commission?

Senator HOLLAND. It is an elective commission. He was appointed to a vacancy. My next statement says: Subsequently, in 1956, he ran statewide. He had no previous experience in politics but nevertheless was elected statewide to a full term on the commission, where he served as its chairman in 1957 and 1958.

His Federal service began when he was named by President Eisenhower to membership on the Civil Aeronautics Board on November 16, 1959. He was reappointed by President Kennedy to a full 6-year term beginning January 1, 1963. He served as Chairman of the Board beginning in 1961.

Subsequently, Mr. Boyd was named by President Johnson Under Secretary of Commerce for Transportation, taking the oath of office on June 1, 1965.

Mr. Chairman, Alan Boyd has made an outstanding record in his various capacities in the public service at both the State and Federal levels and I am firmly convinced that the knowledge and experience he has gained in these capacities qualifies him admirably for the new and high position for which he has been now nominated.

Mr. Chairman, my colleague, Senator Smathers, and I strongly endorse the nomination of Alan S. Boyd to be Secretary of Transportation.

Thank you, Mr. Chairman.

The CHAIRMAN. Let me ask another question. In Mr. Boyd's biography he mentions that he served as general counsel—I don't know whether you mentioned it or not—for the Florida State Turnpike Authority. Is that appointive or is that elective?

Senator HOLLAND. That is appointive. And that was to move ahead with Florida's first experience in the construction and operation of the turnpike. It was good experience, and it called for a very able man to guide our first turnpike authority in carrying out, successfully as he did, that first experience.

The CHAIRMAN. So at one time Mr. Boyd did divert somewhat from his great area of experience in aviation and aviation transportation to get into the beginnings of surface transportation; namely, roads?

Senator HOLLAND. He did indeed. And as a member and chairman of the Florida Public Utilities Commission, he had jurisdiction, and exercised it capably, over all forms of ground transportation in the State of Florida.

The CHAIRMAN. Thank you, Senator Holland.

Senator Smathers, do you want to add something?



STATEMENT OF HON. GEORGE A. SMATHERS, U.S. SENATOR  
FROM THE STATE OF FLORIDA

Senator SMATHERS. Thank you very much, Mr. Chairman.

There is very little that I can add except of a more personal nature. Before I do this I want to say what a great pleasure it is to be back before this very wonderful committee. I have made many resignations and dropped out of many things in the past 18 months and 2 years, but I think that which gave me the most regret, and that which I miss the most was the service on this very wonderful committee. There is not a better committee in the U.S. Senate. I am proud to be back before it. I wish I actually were back on it.

The CHAIRMAN. We missed your good advice on this committee. We were sorry to see you go.

Senator SMATHERS. My hindsight is better than my foresight, Mr. Chairman. And I wish that I had never gotten off the committee. [Laughter.]

I am delighted to be here.

The CHAIRMAN. I believe that you had the opportunity as a member of this committee to present Mr. Boyd to the committee when he first came here to be appointed to the Civil Aeronautics Board.

Senator SMATHERS. The Senator is correct. It has been a very happy privilege for me to have been associated in various ways with Alan Boyd since 1948, when he moved from his home area, which, as Senator Holland has pointed out, is north Florida, Macclenny, and Jacksonville, down to Miami.

I was happily involved with him in several political races in 1948. I must say that he is effective and knowledgeable in that field as well as in his more sophisticated transportation field.

As Senator Holland has pointed out to you, he was appointed to the Florida Public Utilities Commission and thereafter was elected to that statewide post, even though he served in Miami in the south end of the State, which up to that time had never had anybody on the Florida Public Utilities Commission. The commission, as you know, handles all surface transportation matters in Florida as well as the regulation of the rates of the public utility companies. Alan won a very splendid victory statewide and became its chairman and performed in a most efficient and able manner.

When a vacancy occurred in 1959 in the CAB, Senator Holland and I, and all Florida, for that matter, were very happy to recommend Alan Boyd. We felt he was particularly suited to that job for as the Senator has stated, he had a long history of interest in aviation, having been a pilot in the Korean war, and prior to that in C-47 operations.

I won't go into his record any more because it is great, it is good, and you know it. But the thing that makes me most proud about Alan Boyd is that ever since he has been up here we have heard nothing but the finest statements made about Alan Boyd, particularly as the Chairman of the CAB. At that time the aviation industry was making that great transition from prop operation to jet operation, and it was a very difficult and arduous time for the aviation industry. Alan was able to guide them through that transition with a minimum of difficulty and much efficiency, which redounded to the entire Nation.

He has a capacity to get to the point.

He has always been a man of complete frankness.



One of his major assets I think is the capacity to lay the facts out on the table quickly, succinctly, and clearly; to find out what is the problem, get to it and solve it. I don't believe that Florida has ever sent to Washington a more efficient administrator.

We were delighted when the President of the United States, looking over those possible candidates to fill this first office of Secretary of Transportation, quickly concluded that he wanted to have a man of this experience and this ability.

Alan is a man of great integrity, as I said. He has a lovely family. His wife is from Florida. He has a fine son. We are all very pleased that a man of his caliber can serve as the first Secretary of Transportation.

So I, along with Senator Holland and all Floridians, go on record, without reservation, in recommending this wonderful man for this very big and important job.

Thank you very much, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Smathers.

Any questions of the Senators from Florida?

If not, we appreciate you both being here.

Senator SMATHERS. May I put a formal statement in the record without objection?

The CHAIRMAN. Yes. Without objection it will be placed in the record in full.

(Complete statement follows:)

Mr. Chairman and members of the committee, it is a distinct pleasure and privilege for me to come before you today in support of the nomination of my longtime friend, Alan Boyd, for the position of Secretary of the newly created Department of Transportation.

Mr. Chairman, I am sure that you and all members of your Committee are very familiar with Mr. Boyd's accomplishments since he was appointed to membership on the Civil Aeronautics Board in 1959. As you know, he was reappointed by President Kennedy to a full six-year term on the CAB on January 1, 1963. He served with distinction as Chairman of the Board from 1961 until 1965 when he was appointed Under Secretary of Commerce for Transportation. In both of these positions Mr. Boyd has rendered exemplary service, carrying out his duties with fairness and with a deep sense of responsibility as a public servant. Both Florida and the nation can be justly proud of his accomplishments.

I have known Alan personally for many years. He is a man of impeccable integrity and outstanding ability. With his vast background of experience, there is no question but that he is eminently qualified for the position of Secretary of the Department of Transportation. I am confident that he will continue to render invaluable service to the nation in this position of high public trust.

Without any reservation whatsoever, I commend Alan Boyd to you and your Committee and sincerely hope that his nomination will be reported favorably to the Senate without delay.

Senator HOLLAND. Mr. Chairman, I am due at the steering committee meeting in just a few minutes—3 minutes. I wonder if you would excuse me for that necessary duty, much as I would like to stay here for the remainder of the hearing.

The CHAIRMAN. We not only excuse you, we sympathize with you, knowing where you are going. [Laughter.]

As members of the committee know, this is a new Department, a new Cabinet post, established by law at the last session of Congress, which enveloped many other agencies handling transportation in the Federal Government, with the attempt to put them all under one Department.

Mr. Boyd, you have been acting down there now how long?



**STATEMENT OF ALAN S. BOYD, NOMINEE TO BE SECRETARY OF TRANSPORTATION**

Mr. BOYD. I have not been acting.

The CHAIRMAN. Let's put it this way: You have been surveying the possibilities under the law of this new Department for a few weeks, have you not?

Mr. BOYD. No, sir. Let me explain what I have been doing.

As you know, I am Under Secretary of Commerce for Transportation. What I have been doing, Mr. Chairman, for the past several weeks, in addition to trying to carry out the functions of the office which I now hold, is to develop through a number of working groups, composed of individuals from the agencies which will be a part of the Department, the type of organization, the administrative orders, the nuts and bolts of how we put a department together so that we can have some alternatives when the Department comes into being, and have some thought-out conclusions.

The CHAIRMAN. But they have submitted their suggestions. These are the parts of the other agencies that dealt with the transportation matters that are now, by law, under the Department of Transportation.

Mr. BOYD. Yes, sir.

The CHAIRMAN. And they have submitted some of their suggestions to you.

Mr. BOYD. Yes, sir.

The CHAIRMAN. The reason I ask this, we have here a chart—all members of the committee have it—of the proposed administrative setup of the Department of Transportation.

Have you seen it?

Mr. BOYD. I can't tell you. It looks familiar to me from this distance.

The CHAIRMAN. There is the Secretary at the top, to which you have been recommended by the President, and then directly under you is an Under Secretary. Under the Secretary and Under Secretary here is listed a General Counsel, Assistant Secretary for Administration, and four Assistant Secretaries.

Mr. BOYD. Yes, sir.

The CHAIRMAN. Could you enlighten the committee as to what field and what part of transportation they would be responsible for?

Mr. BOYD. Yes, sir.

The Assistant Secretaries, the four Assistant Secretaries, other than the Assistant Secretary—

The CHAIRMAN. There are five and the General Counsel. But obviously the Assistant Secretary for Administration would be the one handling the housekeeping.

Mr. BOYD. Yes, sir. The other four will have what we call functional responsibilities, Mr. Chairman. They will be responsible for looking at the total transportation system. They will not have line authority in that the operating agencies do not report to them or through them. They are not concerned with the promotion of aviation or inland waterways or truck lines or what not.

The CHAIRMAN. Let's define the four, first.

Mr. BOYD. All right, sir. I don't want to get pinned down on this, because—

The CHAIRMAN. In a general way. Are you going to segregate them as to aviation?



Mr. BOYD. I am working toward this. I am trying to get to it. One of the four will have responsibilities for intergovernment relations, including public affairs. We have a very major problem in this Government, as I am sure you know, with our relationships with the States and local communities and various regional organizations which have been set up in terms of the difficulties in carrying out, supervising and administering grant programs and things of that nature.

There needs to be some simplification; there needs to be some communication. One Assistant Secretary will have that major responsibility in addition to the normal public information, congressional relations, and general transportation liaison.

The CHAIRMAN. That will be one?

Mr. BOYD. That will be one, yes, sir. He will also have possibly additional duties in the area of conservation and beautification.

Another will have the responsibility for policy development—transportation policy development. He is the one who will be concerned with receiving the inputs from the operating agencies, from industry, from wherever, in an attempt to outline what it is that transportation, the Federal part of transportation, is supposed to accomplish for the public of the United States. He will be concerned with how does one relate the economics of transportation to the social environment, noise, air pollution, the impact on tax revenues of expressways through cities, things of that nature. What are the social costs and benefits that are related to transportation, as well as the economic costs of benefit?

Where is it the Federal Government feels it should go in order to respond to the requirements of the public for an improved transportation system?

These are the things that the Assistant Secretary for Policy Development will be working on. And this will be a major job, a major part of his department.

Third will be—and these are not in any order of priority or ranking—

The CHAIRMAN. I understand that. And by experience they might be subject to some change?

Mr. BOYD. Oh, I am sure they will be, Senator. I am convinced that we have got to organize in order to reorganize; find out what isn't working.

The next one will have responsibilities for international transportation. He will have to deal with the problems which will be created through the highway safety legislation, motor vehicle standards, which have impact on foreign car imports and foreign manufacturers. He will be concerned with the policy aspects—these are policy items that he is concerned with now, not the details—concerned with the relationships of the United States to other governments through the activities of ICAO—air navigation, water navigation for the Coast Guard, safety of life at sea, and things of this nature, as to which the Department has the responsibility.

He will have, in addition, the requirement of supervising the activities of what I hope is a rather greatly expanded office of emergency transportation.

He will also have the responsibilities for dealing with telecommunications management policy. The Department of Transportation, as



you undoubtedly know, next to the Air Force, will be the largest user of communications facilities in the Government. There will be some competition within the Department as between the Coast Guard and the FAA, for example, on radio frequencies, the whole pattern of telecommunications management, which will include dealing with other governments in terms of international navigation facilities.

The other political Assistant Secretary will be an Assistant Secretary for Research and Technology. He will have the responsibility for outlining the areas of technical research primarily, where we are dealing with an intermodal problem or interface, such as, for example, how does one improve the efficiency of moving goods over the dock. Here you have a situation where you are dealing with ocean vessels on the one hand, trucks and rail on the other.

The CHAIRMAN. International air cargo?

Mr. BOYD. International air cargo. One of the major costs in what we call ocean shipping is actually moving goods over the docks—loading and unloading. This is an intermodal proposition. The Assistant Secretary for Research and Technology will have responsibility for outlining what sort of research can reasonably be expected to accomplish something in this area, and then contracting it out. We do not anticipate any substantial in-house research and technology capability.

The CHAIRMAN. I will ask you later about that. I assume that in that department of the Department of Transportation he would also be involved in the research on high-speed ground transportation?

Mr. BOYD. Yes, he will be. He is going to be interested, Mr. Chairman, in all of the research which is carried on in the Department, whether it be through the operating agencies—as much of it will be—or whether it be through some separate entity, which the high-speed ground transportation is today, and may continue to be.

The CHAIRMAN. That, then, in a general way—I appreciate this is general—defines the duties and responsibilities under your proposed organization of the General Counsel, the Assistant Secretary for Administration, and the four Assistant Secretaries.

Mr. BOYD. As we see it today; yes, sir.

Mr. CHAIRMAN. Senator Morton has to go to a meeting of the Republican steering committee. He would like to ask a question.

Senator MORTON. Thank you, Mr. Chairman.

I have one question.

This new Department is in no way affected by the shotgun wedding that we have heard about last night, the merger of Commerce and Labor?

Mr. BOYD. As I understand it, Senator, there was little, if anything, in the state of the Union message last night that pertained to the activities of the Department of Transportation.

Senator MORTON. The Department is off to a very good start. My best wishes, Mr. Secretary. [Laughter.]

Senator SCOTT. Mr. Chairman, I have to attend the same meeting. I have no question except to note that the Senator from Kansas—

The CHAIRMAN. What kind of a meeting is this?

Senator PEARSON. It is a Republican meeting.

Senator SCOTT. We are responding to the summons of the lady from Maine.

May I simply note for the record my desire to concur in the favorable recommendation of Mr. Boyd as Secretary of Transportation,



and comment further that the Senator from Kansas, Mr. Pearson, the Secretary, and the Senator from Pennsylvania, all attended the university, which in itself speaks very highly for his qualifications. [Laughter.]

Mr. BOYD. Thank you, Senator.

The CHAIRMAN. Thank you, Senator Scott.

Senator Pearson, do you have to leave, also?

Senator PEARSON. I apologize to the chairman.

Mr. Boyd, I knew we had something in common, but I didn't know we had also spent a lot of time in the C-47. We had a private conversation on the way up that I think might be well to put in the record, and that is that there is a great deal of publicity now, and a great deal of awareness of the airport facilities and traffic problems, particularly with the SST on its way, apparently. I would inquire as to whether or not your Department has in the mill recommendations for legislation dealing with the facilities as well as airport construction and so forth. You answered me privately. I think we probably ought to make that part of the record.

Mr. BOYD. Yes, sir; I will be glad to make a statement on the record.

There is a major activity underway in the administration now in an effort to deal with this precise subject which you brought up, Senator Pearson. I have great hopes that we will be able to come forward with recommendations to the Congress within a very few months.

Senator PEARSON. The Chairman and many of us for so many years have worked on the boxcar shortage, and we did enact legislation last year. Everybody understood it was a very small step in the solution of a very great problem. I would also hope that the boxcar shortage—which is not seasonal, is not sectional, and pertains to no particular industry—would receive some very serious and penetrating study on the part of your Department, because we haven't solved it yet. I don't know your relationship with the ICC—I have forgotten now, from the transportation bill—but you are, of course, aware of it.

Mr. BOYD. Yes, sir. We are currently engaged in conversations with the ICC and the American Association of Railroads in an effort to outline areas of study, research, where we can be of assistance without getting ourselves in the area of the legal jurisdiction which has been retained by the ICC as a result of the action by the Congress. We hope to provide a good-offices approach to this.

Senator PEARSON. Thank you.

Senator COTTON. I am going to stay with you, even though I should go to this meeting. When my last 2 years come to an end, I will be a statesman instead of a Republican. [Laughter.]

The CHAIRMAN. Thank you, Senator.

Mr. Secretary, you have outlined what you envision would be the roles of the Assistant Secretaries.

Then, as part of the proposed organization, you have what is called the operating agencies. One would be the Coast Guard.

Mr. BOYD. Yes, sir.

The CHAIRMAN. Do you envision that the Coast Guard will have the same type of autonomous operation as they had under the Treasury Department?

Mr. BOYD. Yes, sir.



The CHAIRMAN. And then the next one is the Federal Aviation Administration, which will be headed by an administrator?

Mr. BOYD. Yes, sir.

The CHAIRMAN. Can you tell us generally what you envision the role of the FAA in the Department of Transportation will be? Does it restrict its previous authority in the whole field of aviation; does it enlarge it; or it is going to be the same?

Mr. BOYD. I don't think any one of those is exactly what is going to happen, Mr. Chairman.

The CHAIRMAN. That is what we want to have in the record.

Mr. BOYD. The operating activities of the Federal Aviation Administration I expect to be exactly as they are today. As you recall, by law, the safety activities of the FAA are retained, delegated by statute to the administrator. The Department of Transportation law provides, among other things, that the Secretary shall have the responsibility now in the FAA for the development and construction of the supersonic transport.

My thinking at the moment is that at some stage of the game there has got to be a separation of the SST activities from the Federal Aviation Administration, because I think that this becomes rather critical at some stage to have the same agency certificating the aircraft which it is trying to build. So I think you can anticipate some sort of a shift here at some time in the future, which will depend on the progress of the project.

The CHAIRMAN. Of course, you are looking ahead. I would agree with you. Of course, as of now, and sometime in the near future we are still in the research and development period prior to any flying or certification of the aircraft.

What would be the role—as Senator Pearson mentioned—for instance, of the grants-in-aid to airports? Where does that stand now?

Mr. BOYD. For the moment, so far as I know or have any thinking, there is no change. But, in response to Senator Pearson, my comment was that the administration is currently working on a major project in this area of airport access, airport development, and so forth, which could lead to some changes.

The CHAIRMAN. Congress passed and renewed, as you know, over a period of years, the Federal Aid to Airports Act, and we appropriated certain sums of money for aid to the local airports, city, State, county, or whatever they may be. Who now will determine those grants?

Mr. BOYD. There is no plan to change that from the Federal Aviation Agency at the moment.

The CHAIRMAN. So that their operation in that field will be the same under the new Department as it was under the FAA?

Mr. BOYD. As things now stand; yes, sir.

Mr. CHAIRMAN. And then, of course, the whole matter of air safety remains the same?

Mr. BOYD. Yes, sir.

The CHAIRMAN. Any questions on the FAA matter?

Senator MONRONEY?

Senator MONRONEY. Airports only?

The CHAIRMAN. Yes.

Senator COTTON. I want to get into the SST a little bit more.

Senator MONRONEY. I am interested in the safety features more than I am the airports.



Mr. CHAIRMAN. We will get back to the safety features.

The next administration within the Department will be the Federal Highway Administration?

Mr. BOYD. Yes, sir.

The CHAIRMAN. There will be an administrator there?

Mr. BOYD. Yes, sir.

The CHAIRMAN. Could you tell us generally about the role of the Bureau of Public Roads in the Department of Transportation, as compared to what it was in the Department of Commerce?

Mr. BOYD. Let me start out with where the Bureau of Public Roads operates today in the Department of Commerce. The Bureau of Public Roads has the responsibility for the highway trust fund. It makes grants based on allocations which have been established by the Congress for the Interstate System, the ABC system of highways in this country and urban extensions. It also has jurisdiction over public lands highways and forest trails highways. It has the responsibility for research and development in highways and traffic operation, and some safety responsibilities.

It also has the normal research responsibilities in testing materials and things of that nature, and traffic engineering.

The Bureau of Public Roads administrator today reports to the Department of Commerce. In the Department of Transportation the Bureau of Public Roads will report to the highway administrator. The Bureau of Public Roads will continue its full functions with the highway trust fund. It will engage, I believe, in expanded activities in various areas of research. In some areas of research in which it has been involved in the past in the safety area, that may be transferred to the highway safety operation, which was established through the action of this committee last year.

The CHAIRMAN. The Bureau of Public Roads now has an administrator, Mr. Whitton?

Mr. BOYD. He retired as of the 31st of December.

The CHAIRMAN. So it is coming over intact. Is that correct?

Mr. BOYD. Yes, sir.

The CHAIRMAN. Then the next one, and I am doing this generally so that the committee can then ask specific questions on the different proposed administrations—the next one is the Federal Railroad Administration, in which there will be an administrator. Tell us about that so that we can get that in perspective.

Mr. BOYD. The Federal Railroad Administrator will have, among other things, the responsibility for the Washington end of the operation of the Alaska Railroad, which is being transferred from the Department of the Interior, and I would like to say in passing that my understanding is the Alaska Railroad operates very effectively without being bothered by people from Washington, and except for occasional rides in the summer to inspect the efficiency of the operation, we don't expect to change that. [Laughter.]

It will have the responsibility for the rail and pipeline safety activities which are being transferred from the Interstate Commerce Commission. It will have the responsibility for some or all aspects of the high-speed ground transportation program. This is an area which is completely up in the air at the moment. All I can tell you is that there are alternatives all over the place as to where the high-speed ground transportation program should logically be located.



It will have responsibility for dealing—

The CHAIRMAN. The members of this committee passed a bill in which we authorized the research and technological aspects of high-speed ground transportation. That would be under the Assistant Secretary, would it not?

Mr. BOYD. Very probably. The thing we have got to work out—

The CHAIRMAN. What I am trying to get at is that the Federal Railroad Administrator and Administration would be primarily concerned with existing surface rail transportation.

Mr. BOYD. No necessarily.

The CHAIRMAN. No?

Mr. BOYD. Not necessarily, Mr. Chairman, because I think among other things the Railroad Administrator may have a very important role to play in conjunction with the Department of Housing and Urban Development on rail mass transit in cities.

The CHAIRMAN. You will recall that when we had those many, many conferences, and even in the hearings on the bill itself—the Department of Transportation Act—no one had yet come to a definite conclusion as to just how Housing and Urban Development and the transportation problems of the cities was going to work in the Department of Transportation, and we agreed to set that somewhat temporarily aside, which leads to my next question. Will there be more meetings, more conferences and more discussions as to how the two new Cabinet posts would coordinate their efforts in this field?

Mr. BOYD. Yes, sir.

The CHAIRMAN. Both in highway and rail?

Mr. BOYD. That is quite right. I was just responding to your question that the Railroad Administrator deals primarily with existing operations.

The CHAIRMAN. And you are going to have a joint study?

Mr. BOYD. Yes, sir.

The CHAIRMAN. Let's get this clear in the record. Is that study underway?

Mr. BOYD. Secretary Weaver and I have discussed this, and we are setting up a group to do the work.

The CHAIRMAN. To see how you are going to work this out?

Mr. BOYD. Yes, sir.

The CHAIRMAN. In all of these areas—Aviation, Highway, and Railroad Administration—the safety functions in each one of these modes of transportation have all transferred over to the Department of Transportation intact, is that correct?

Mr. BOYD. They have been transferred to the Department and delegated by statute to the various agencies. That is to say, the Federal Aviation Administration has the full legal authority to deal with safety as it did.

The CHAIRMAN. And highway safety?

Mr. BOYD. Highway safety is not delegated to the Highway Administrator.

The CHAIRMAN. Where is it?

Mr. BOYD. It is a function of the Department of Transportation therefore the Secretary has the authority insofar as the highway safety activities are concerned.

The CHAIRMAN. I am not only speaking of the Motor Vehicle Safety Act; I am talking about other phases of highway safety.

The act, of course, primarily applies to the building of automobiles. But the coordination with the States——

Mr. BOYD. That is in the Secretary of Transportation.

The CHAIRMAN. But it is not with the Highway Administrator?

Mr. BOYD. No, sir. But as a practical matter, he is going to have the major responsibility for it, because he has the program responsibility.

The CHAIRMAN. The Bureau of Locomotive Safety and Railroad Safety, explain where that is.

Mr. BOYD. That is by law in the Railroad Administrator.

The CHAIRMAN. In the Federal Railroad Administration?

Mr. BOYD. Yes, sir.

The CHAIRMAN. And the last one you have listed, of course, is a separate item: the St. Lawrence Seaway Development Corporation.

Mr. BOYD. Yes, sir.

The CHAIRMAN. That is now run, as I recall, by an administrator and a commission, is that right?

Mr. BOYD. It is run by an administrator, Mr. Chairman. There is an advisory committee.

The CHAIRMAN. We can come back to that later.

Mr. BOYD. Yes, sir.

The CHAIRMAN. I think that outlines the organization of the new department in general. We want the record to show that this is a general discussion and what the Secretary says might be subject at any time, in the light of experience as the Department begins operating, to certain organizational changes.

Mr. BOYD. Yes, sir.

The CHAIRMAN. You can't be certain about the organization except so far as prescribed by the law.

Mr. BOYD. That is exactly correct. I want to make it clear there is no intent to suggest there will be changes made which require statutory approval without coming to the Congress to do it. What we are talking about now is purely and simply trying to settle the Department down and get it started.

The CHAIRMAN. I would suggest that in light of experience after this Department begins operating, that there might be some necessity to make some changes in the law itself.

Mr. BOYD. Yes, sir; that is entirely possible.

The CHAIRMAN. But in an operation this large, in an attempt to fold in so many of these transportation activities in the Government, we are bound to overlook occasionally, in a highly complex technical field, some matters that you might find out by the light of experience.

Mr. BOYD. Yes, sir.

The CHAIRMAN. This committee, of course, realized that when the bill was considered.

I am going to ask the other members of the committee if they have any further questions on the general organization. Before I do that: There is a separate National Transportation Safety Board?

Mr. BOYD. Yes, sir.

The CHAIRMAN. Under the law that is composed of how many?

Mr. BOYD. Five members.

The CHAIRMAN. Five members, appointed by the President, with the advice and consent of the Senate?

Mr. BOYD. Yes, sir.



The CHAIRMAN. Has there been any suggestion of appointments there? When do you expect, or have you any idea when, the Board will be submitted?

Mr. BOYD. No, sir. I would hope in the near future, but I have no intimation of this.

The CHAIRMAN. Who will they report to?

Mr. BOYD. They will be completely independent.

The CHAIRMAN. And who will they report to?

Mr. BOYD. The Board will be a part of the Department of Transportation for all other than policy purposes. They will have no policy responsibilities to the Department. So far as I can see, they will report to the Congress, and there is specific statutory language which requires that reporting to the Congress.

The CHAIRMAN. But they will be housed within the Department of Transportation?

Mr. BOYD. Yes, sir.

The CHAIRMAN. And they will deal with all phases of transportation?

Mr. BOYD. Yes, sir.

The CHAIRMAN. In relation to safety?

Mr. BOYD. Yes, sir.

The CHAIRMAN. Five members?

Mr. BOYD. Yes, sir.

The CHAIRMAN. I think that outlines the field in general.

I will ask the committee members if they wish to ask questions on the various phases of this organization. The first one is the Coast Guard. Does anyone have any questions?

The Senator from Alaska. Any questions on the functions of the Coast Guard?

Senator BARTLETT. Just one or two.

Do you see any basic changes for the coming year in the operation of the Coast Guard?

Mr. BOYD. No, sir; none at all.

The CHAIRMAN. The Commandant of the Coast Guard will report to whom?

Mr. BOYD. To the Secretary, directly.

Senator BARTLETT. I have no further questions.

The CHAIRMAN. I just want to suggest to the Secretary that this committee passed a law last year establishing the 12-mile limit for fisheries. If we have any trouble, I suppose that you will give us a prompt response through the Coast Guard?

Mr. BOYD. Mr. Chairman, I would hope that any time you seek help on anything, we can give you a prompt response. [Laughter.]

Senator BARTLETT. Mr. Chairman.

The CHAIRMAN. Senator Bartlett.

Senator BARTLETT. One more question which occurred to me as you spoke. A few years ago the Congress passed a bill requiring the Coast Guard for the first time to come before the Congress, this committee, and the corresponding committee in the House of Representatives, for authorizations for appropriations. This has been done, as you know, since time immemorial in respect to the Marine Corps, the Army, the Navy, and, more recently, the Air Force.

How will the situation be handled in the new Department of Transportation?

Mr. BOYD. The Coast Guard will appear before this committee each year for authorizing legislation.

Senator BARTLETT. Just as it has ever since it became law?

Mr. BOYD. Yes, sir. No change.

Senator BARTLETT. I am very glad to hear that. Thank you.

The CHAIRMAN. The Chair wants to welcome to the committee the distinguished Senator from South Carolina. We are glad to have you here. I am sure you will add a great deal to the solutions of the problems we have.

Senator HOLLINGS. Thank you very much, Mr. Chairman.

The CHAIRMAN. The South is very conscious of transportation problems.

The Senator from Oklahoma has some questions on the FAA.

Senator MONRONEY. Thank you, Mr. Chairman.

I think we can all be very, very happy that the man who made such a great contribution during his faithful service as Chairman of the Civil Aeronautics Board will be the Secretary of this fledgling new Department as it takes hold, particularly in the area of air safety, because of the vast experience that you have had. I think above and beyond all other considerations is the intricate relationship among observance of air traffic rules, maintenance rules, and other operating procedures in which the Federal Government plays a vital part in the safety of that mode of transportation. The intricate details of safety are going to have to be very carefully safeguarded. That was one reason many of us insisted on the safety powers of the Federal Aviation Administrator being transferred intact to the Secretary of Transportation and then retransferred intact back to the Administrator so that he would control that.

The operation of the vast national and international air traffic control system and retention of extremely competent air traffic controllers who are skilled technicians is essential. The accident investigation further takes on a more serious aspect I think than many others.

I know that as long as you are Secretary of the Department of Transportation—and we hope it will be for a long time—we know that these will be safeguarded.

I wonder if you feel that the law is complete enough, under your careful and sympathetic administration, to give us the same degree of safety that we have enjoyed under the Civil Aeronautics Board accident investigation system, and under the autonomous and independent administration of the Federal Aviation Agency, which has existed in the past?

Mr. BOYD. Certainly. I think the law is clear enough. I don't think there is room for much argument, Senator. The independence, if you will, of the safety activities which are currently carried out in the Federal Aviation Agency, will be maintained with the same independence in the Department of Transportation.

Senator MONRONEY. Will you be able to get the skills in the National Safety Transportation Board? This is a board of five men that will have responsibility for all modes of transportation, whereas in the past we have enjoyed the expertise of the members of the Civil Aeronautics Board who specialized in accident investigation only on that one type of transportation.

Mr. BOYD. You are aware, I am sure, Senator, that hardly any, if any, members of the Civil Aeronautics Board had any experience in



either safety or aviation at the time they were appointed as members of the Civil Aeronautics Board. While I may be prejudiced, I think the Civil Aeronautics Board has done an outstanding job in this field over the years.

Senator MONRONEY. We think so, too.

Mr. BOYD. Which indicates to me that if able men are appointed in the first place, they are able to educate themselves and to bring to bear the point of view which does enhance the safety of operations. I think that the National Transportation Safety Board can operate in such a way that the Senate will be extremely proud of having developed this agency. It is going to depend altogether on the type of men.

Senator MONRONEY. And it will depend on the staff.

Mr. BOYD. The staff will be the staff now of the Bureau of Safety of the Civil Aeronautics Board, augmented by staff with experience in other modes. So I am also prejudiced about that. But I know the Bureau of Safety is an outstanding organization of the Federal Government.

Senator MONRONEY. I feel that is true, and I would hate to lose the expertise that they have. Nothing in the law requires the National Transportation Safety Board to have a separate staff specializing in the intricate field of aviation. I am glad to hear you say at least that we are going to move over in toto the men who have helped to make this pattern of aviation safety paramount in air traffic operations.

Mr. BOYD. That will represent 95 percent of the total staff of the Air Transportation Safety Board.

Senator MONRONEY. As long as you are Secretary I have no fear that powers will be assumed by the Secretary which under section 6(c) of the act are supposed to be left with the Federal Aviation Administrator. These will be turned over to the FAA Administrator, will they, for his advice and for his orders of correction of any failures of the aircraft or of the pilots or of his own air traffic control system?

Mr. BOYD. Yes, sir. I am sure that is the case.

Senator MONRONEY. You feel that there will be no interference permitted under the law where the Secretary of Transportation—I know you would not interfere, but succeeding ones might—might override the Federal Aviation Administrator, who is a specialist in that field, either to suppress or kill a recommendation that is made by safety experts that a plane should be grounded or that a plane should not be grounded.

Mr. BOYD. That will be between the Safety Board and the Federal Aviation Administrator. I am sure that either I or any other Secretary of Transportation would be very happy to read back to you when these things come up, that it is none of our business.

Senator MONRONEY. The National Transportation Safety Board would be the one that would make the recommendations on the cause of accidents?

Mr. BOYD. Yes, sir.

Senator MONRONEY. You would make it to the Federal Aviation Administrator?

Mr. BOYD. They would make it public.

Senator MONRONEY. They would?

Mr. BOYD. Yes, sir.



Senator MONRONEY. Then it becomes the duty of the Federal Aviation Administrator to take action to correct whatever failures are found, if any, in the accident investigation?

Mr. BOYD. Yes, sir, that is correct.

Senator MONRONEY. And there can be no interference, can there, by the Secretary in any way, with the requirement for the skills and the expertise of our air traffic controllers, the men who bring in this vast volume of traffic at La Guardia, or Kennedy, or National, or other airports?

Mr. BOYD. I don't see any area. I want to make this clear: The Secretary, whoever he may be, has the responsibility for the budget of the Department. I would not want it to appear that because of a decision the Secretary made on what budget should go forward, it would be fair to say you are interfering in the safety of operation because the FAA asked for 9,000 personnel increase, and you suggested 6,000. I think this is a sort of "never-never" land where nobody can win. In that sense that is the only way I can conceive that there could be any charge of the Secretary being involved in safety, because he does have responsibility for the budget.

Senator MONRONEY. There is just one fear that I have, and I would have preferred a separate FAA if it would have been possible to obtain it: Under the previous experience in the Commerce Department we did have a cutting down of safety devices, the electronics necessary to keep our airway systems, communications, and control systems modern, and also to staff the towers with an adequate number of skilled people, and to pay them enough in order to maintain their employment in their skills.

Mr. BOYD. If I may say so, Senator, I have a feeling that the budgets are either raised or lowered by the administration, and that it depends on factors quite extraneous often to the activities of an individual department or the recommendations of an individual department.

I do not question that the Secretary of Transportation has got to stand up and say, "This is my budget," but I am sure you appreciate that over the years we do have such things as Vietnam and others. These are bound to create problems.

Senator MONRONEY. That is right. Air transportation today by far carries the largest number of people. We don't want it suffering because of lack of adequate staffing of the air traffic control system or the checking of pilots and other vital things needed to maintain aviation safety. One good thing about a new department, it is not a stepchild, as aviation became in the Department of Commerce, and sort of the junior partner of many old-line agencies.

Mr. BOYD. I can assure you, sir, the Secretary of Transportation and the Federal Aviation Administrator will have the greatest possible interest in adequate aviation safety, and will do everything in their power to see to it that this is accomplished.

Senator MONRONEY. It is so important that the first Secretary set the pattern for adequacy of service, and the continuation of our research and development of better air traffic control aids.

Mr. BOYD. You may be sure of that.

Senator MONRONEY. Three-D radar and many other things we have been working on for a long time, and improved air traffic control systems when they come about, you will not be afraid to install those,



rather than making do with obsolete systems. Do you feel that, at least under your administration, you will set a pattern for as near an autonomous operation as to safety by the aviation authorities as it is possible to obtain?

Mr. BOYD. Yes, sir.

Senator MONRONEY. If the Federal Aviation Administrator gets adverse reports about either air traffic control conditions or mechanical conditions, maintenance and upkeep by an airline, or structural or mechanical failure of an airplane, what will be the progress of that report to effect correction?

Mr. BOYD. Excuse me, sir. As I understand it, under the law there will be a new Federal Aviation Administrator. I am not giving any news, but as I understand it, General McKee will have to be re-appointed. This is a question which he can answer. I cannot answer, because it is his responsibility.

Senator MONRONEY. But he does, then, have the responsibility, by law, that the Secretary could not interfere with, to take whatever action is necessary in the grounding of the plane?

Mr. BOYD. Yes, sir.

Senator MONRONEY. Or the discarding of defective electronic apparatus or systems that might have proven faulty and caused accidents?

Mr. BOYD. Yes, sir.

Senator MONRONEY. That man cannot be interfered with politically, in making these final determinations, with the authority to take action?

Mr. BOYD. That is correct.

Senator MONRONEY. And the Secretary must follow the recommendation of the Federal Aviation Administrator if it is in the line of air safety?

Mr. BOYD. I don't see that—that he follows the recommendations, because I think the recommendations he would make would not be to the Secretary. It would be to the industry; not to the Secretary.

Senator MONRONEY. He would have the authority to ground planes?

Mr. BOYD. Yes, sir. The Secretary would not be in that circuit.

Senator MONRONEY. Thank you.

The CHAIRMAN. What about the investigation of accidents? What would be the role in the new department of the CAB and the FAA?

Mr. BOYD. The situation will not change, except that the functions now performed by the Civil Aeronautics Board will be performed by the National Transportation Safety Board.

The CHAIRMAN. What functions, for the record, does the Civil Aeronautics Board perform in the investigation of accidents?

Mr. BOYD. It is in charge of the investigation of accidents for the purpose of establishing probable cause.

The CHAIRMAN. What was the function of the FAA?

Mr. BOYD. The FAA has responsibility for the operation of the airways system of this country, and the airports, and the airmen who operate them. It investigates accidents, usually in conjunction with the Civil Aeronautics Board investigation, if an effort to find out if there is a fault in the system which should be corrected.

The CHAIRMAN. So the function of the FAA, the previous function, has been transferred over in the investigation of accidents?

Mr. BOYD. Yes, sir.



The CHAIRMAN. But the role of the CAB in the investigation of accidents remains the same?

Mr. BOYD. Within the Transportation Safety Board.

The CHAIRMAN. Within the Transportation Safety Board?

Mr. BOYD. Yes, sir.

The CHAIRMAN. Senator Cotton, do you have some questions you wish to ask?

Senator COTTON. First I would like to say to you, Mr. Secretary—and I think I am speaking for the entire side of our committee, but certainly for myself—I think the President is to be congratulated for naming you as the first Secretary of this important department. We have worked with you in your several capacities in the past. I personally regard you as one of the most efficient, conscientious, and fair administrators that I have ever had the pleasure of working with.

Mr. BOYD. Thank you, sir.

Senator COTTON. As far as I know, you have never been wrong but once, and that was when you and I disagreed with the certification of Northeast Airlines which New England is so dependent upon, and I forgive you for that.

[Laughter.]

The ground has been pretty thoroughly covered. As a generalization, is it reasonably accurate to say that even though the statute Congress passed, which created your department, went into some detail about the transfer of powers and duties of other agencies, that much of your time and thought and that of your associates in the beginning will be devoted to seeing to it that where your department leaves off and some other agency starts is clearcut, and you will avoid overlapping which always has a tendency to continue when any new agency is created.

Mr. BOYD. Yes, sir. That will be a primary purpose.

Senator COTTON. The Senator from Oklahoma has covered with you, and discussed pretty thoroughly, the situation as regards aviation.

As to ground transportation, in general your department will take over full authority and full administration in regard to railroads, trucks, buses, and all ground transportation, with the exception of ratemaking.

Mr. BOYD. Only to the extent of safety, Senator, and the promotional programs of the Federal Government, such as the highway program and high-speed ground transportation program. The department will not have jurisdiction over economic regulation of ground transportation in this country.

Senator COTTON. That is what I meant by "ratemaking." But other than the control of rates, your department essentially takes over ground transportation?

Mr. BOYD. Yes, sir, I think so.

Senator COTTON. And the emphasis is on safety.

Mr. BOYD. Yes, sir.

Senator COTTON. In other words about all the role of the Federal Government has pursued, other than these promotional plans, has been safety and ratemaking.

Mr. BOYD. That is correct. Although the promotional programs are pretty big.

Senator COTTON. Who grants the licensing or the franchises?



Mr. BOYD. The Interstate Commerce Commission for interstate movement of surface transportation.

Senator COTTON. Of all surface transportation?

Mr. BOYD. Yes, sir.

Senator COTTON. So that and ratemaking remain there.

Mr. BOYD. Yes, sir.

Senator COTTON. In the matter of the interstate highway system, it will be your responsibility?

Mr. BOYD. Yes, sir.

Senator COTTON. I am not seeking to question or engage in any argument about the President's announced intention for a slowdown in the construction of the Interstate System; I am not getting into the merits of it. But ever since we created this Interstate System—and I was a member of the Committee on Public Works when it was created—we have had a constant attempt, with the best motives I am sure in the world, by every administration which has come along has been trying to bite into the trust funds for some other purpose than the actual building and completion of the Interstate System. What is your attitude about that in general?

Mr. BOYD. My attitude in general is that the highway trust fund should be left alone for the purposes that you mentioned, for right-of-way, design, engineering and construction.

I think the problem which we have to face as a nation, as a Congress, and as an administration in this area, is that I do not believe that the highway trust fund in and of itself is going to provide sufficient funds for the total highway construction programs which we need for the future, and I think there will be major requirements for capital investment in the transportation plant of this country, both public and private, from other sources.

Senator COTTON. I won't argue with you about that. I remember when we were working on highway safety, there was a constant pressure to divert trust funds to safety programs other than the building and construction of highways. Would you in general agree that those trust funds—I am not just talking about the completion of the presently authorized Interstate System—should be held inviolate?

Mr. BOYD. Yes, sir.

Senator COTTON. To do that job?

Mr. BOYD. As a general proposition I certainly agree with that.

Senator COTTON. Isn't it a fact that the longer you delay this completion, it is like building a bridge across a river and leaving out one span. It has a tremendous impact on safety when there are spaces left of incompleting Interstate Systems in the presently authorized and planned system.

Mr. BOYD. Yes, sir; I think there is no question but what we are far better off to get it completed.

Senator COTTON. You answered this question of the chairman and I am sure you answered it thoroughly, but in the matter of the supersonic transport, where does your function leave off, and where does the function of General McKee's department start, or vice versa?

Mr. BOYD. I didn't answer that, and I don't think I can answer that today. The fact is that the Federal Aviation Agency has the authority to construct the supersonic transport in the Federal Aviation Act of 1968. It is not spelled out as a supersonic transport, but the



legal opinion is that the FAA has that authority under the existing law.

Under the law establishing the Department of Transportation there is a provision which authorizes the Secretary of Transportation to develop and construct a supersonic transport. We get into some pretty interesting semantic problems because here is the FAA, which will be a part of the Department. All of the supersonic activity, program activity, is in the FAA at the moment. As I responded to the chairman, I indicated my view that at some stage I felt the supersonic transport activities now lodged in the FAA would have to be moved out of the FAA because of the certification problems, which are also carried out by the FAA.

Senator COTTON. That is the answer I had reference to. You mean that you would predict that some action by Congress would have to do this, or can it be done administratively?

Mr. BOYD. I have no idea, Senator. I haven't looked at it because I don't see it as an immediate problem.

Senator COTTON. It is merely a prediction on your part that it might occur.

Mr. BOYD. Yes, sir.

Senator COTTON. There was some altercation on the floor of the Senate, which was inaugurated by remarks of the distinguished Senator from Missouri, Senator Symington, about the policy of the SST. I have discussed this in general with General McKee, and the answers have been put in the record at many points. One query Senator Symington raised that bothered this member somewhat was the suggestion that we are in a race with the British and the French in the matter of producing a supersonic transport. It was my recollection that Senator Symington raised the point that, in the progress of planning and development, we had at least once, if not more, enlarged, increased, and planned more advanced and more powerful aircraft, which in turn lengthened the leadtime and put the time of completion even of the prototype from 1 to 2 or 3 years longer. He raised a point that, if we were in a race, time was more essential than to keep increasing the scope of the aircraft.

Would you have any comments on that in view of the fact that you may have this before you?

Mr. BOYD. Yes, sir. I would be glad to comment on that.

The race, as I see it, is a race to build an advanced, economical, supersonic transport. And the results of the race do not in any way depend, as I see it, on the question of who puts the first plane in the air. The success or failure in the race—and bear in mind this is a race which both can win; I don't think there is any question about the possibility of both the Concorde and the U.S.-SST over a span of time to 1990 both being successful projects. So it is not really even a question of a winner or a loser. But what the Senator has said is undoubtedly true.

As I recall, the size and capacity of the U.S.-SST designs have been increased substantially since the project was first started. But by the same token, the best market forecast which I have read about is that if the U.S.-SST is operating within a period of approximately 3 years of the Concorde over this period to 1990, it is going to be a tremendously successful program, whether or not a lot of carriers buy Concordes. And it will operate as an economically efficient machine,



on which the public can ride at reasonable fares. And that is really the key to it in the long run.

Senator COTTON. In other words you are saying that some of the Congress, perhaps, and some of the public, have been overemphasizing the time element.

Mr. BOYD. That is my judgment, Senator Cotton, but it is one of those things that can only be accurately measured in retrospect when we talk about whether 1 year or 2 years difference in the introduction of these models makes any difference. This is a forecast based on the experience of the best men who have delved in this area. But they are still guessing. And the fact that you call it a forecast doesn't change much, except that you hope it is an educated guess.

Senator COTTON. At the time you appeared before our committee in regard to your nomination as Under Secretary of Commerce for Transportation in May 1965, you indicated—and it was simply an indication; it was not I am sure a studied and firm suggestion—in reply to a request for your comments on the development of the SST, that your preference would be to have developed an organization which, for lack of better example, you would call a Comsat type, whereby the Government would underwrite the cost of financing. You indicated the financing should be done privately if at all possible, with some sort of Government backing. You went on to say that it was your belief that development and construction of the SST would be faster if not done purely through Government operation.

Have developments over the last 2 years altered your thinking?

Mr. BOYD. Yes, sir.

Senator COTTON. And could you clarify that a bit about how you would feel that this should be financed? What proportion, or what responsibility the Government should take in proportion to private investment?

Mr. BOYD. No, sir; I can't answer that. I can't clarify that. To me, the important thing is to build the machine. This gets down into an area where, if my feeling is correct, the Government has really less negotiation power because if it says we are going to see that the machine is built, that sort of takes some of the chips off your side of the table.

I feel that even though I think we are in an evolving period of relations between Government and industry in the United States, we tend to look on this SST as unique. It may well be, but I still think we are in an evolving area here. I would like to see private enterprise put up as much money as it could reasonably put at risk. I think this is very important to get the most ingenuity, imagination, and initiative out of the private sector. Because with all the regard I have for our aerospace industry, and everybody else who is in business, there is an awful lot to be said for having your money on the line to help you spur your programs along.

Senator COTTON. The initial cost of the prototype is going to be almost colossal, isn't it?

Mr. BOYD. Yes, sir. I gather it will be a substantial sum of money to get a prototype in the air, flying, through a hundred hours of flight time.

Senator COTTON. Could you name a suggested figure it might reach?

Mr. BOYD. No, sir; I cannot. But I would guess that it will probably be, in total, in excess of a billion dollars. I am no expert.



Senator COTTON. But there is no question in your mind that the game is worth the candle and the expense is thoroughly justified.

Mr. BOYD. Oh, yes, sir. I am a supporter of the supersonic transport for any number of reasons. And I guess if I have to boil it all down, my belief is that we have been interested in speed since the dawn of civilization. I am thoroughly convinced that even though you cannot measure in any quantitative sense the side benefits, what you might call the technological fallout of a program such as this of an advanced aerial system, it is going to be of inestimable value to this country in the future.

Senator COTTON. One of the side benefits might well be toward national defense, too.

Mr. BOYD. That is entirely possible, although no effort has been made to sell it on that basis, and I don't think it should be. If the machine cannot stand up as an economic unit, then I would lose a considerable amount of interest in it. But my statement here is premised on the belief that the aerospace and powerplant manufacturers in this country can come up with a machine that can operate economically at reasonable fares.

Senator COTTON. One further brief question on another subject.

The CHAIRMAN. Senator, before you leave that subject, I would like to add that in Russia they are also very active in the building of a large SST, and expect to have it flying by 1968.

Mr. BOYD. Yes, sir; I understand that.

Senator COTTON. Does that statement by the chairman of the committee, which is very much to the point, in any way effect the time element? Does that make it more of a race for time?

Mr. BOYD. No, sir; I don't think so.

Senator COTTON. That is, you don't think it is tremendously important if the Russians, for example, got one 2 or 3 years ahead of us?

Mr. BOYD. No, sir.

Senator COTTON. Coming from New England, I am rather interested in the progress of this high-speed rail transportation, where the first experiment is along the northeast corridor. Have you any assessment of its progress?

Mr. BOYD. Yes, sir. We are expecting two gas turbine trains, which will operate over the New Haven Railroad between Boston and New York, to begin operation in April of this year. We are expecting the 50 cars, multiple-unit operations over the Pennsylvania Railroad, between New York and Washington, to begin in September of this year. There may be a tremendous amount of work done in getting the stage set, in getting the contracts let. We are now engaged in testing activities of a major nature over a 20-mile section of track on the Pennsylvania Railroad, with test cars running at speeds of 150 miles per hour, trying to learn all we can about the dynamics, sway, vibration, power connectors, and things of that nature which we think will have a considerable bearing on the ability of the railroads to move both passenger trains and freight at higher speeds in the future without damage to cargo or human beings.

Senator COTTON. If you get beyond a certain small test distance, particularly when you get north of New York, it will mean the rebuilding of a lot of track?

Mr. BOYD. One of the things that will be very interesting in this gas turbine train operation, Senator, is that United Aircraft has come



up with a very unique suspension system which will be a part of the test operation, whereby it is hoped that high speeds can be developed over existing rights-of-way.

Senator COTTON. You mean they won't touch the tracks? [Laughter.]

Mr. BOYD. No; I am not sure that I understand the engineering principles involved. This is a completely unique suspension system which is supposed to permit high-speed operation over existing rights-of-way.

Senator COTTON. Over existing roadbeds?

Mr. BOYD. Over existing roadbeds.

Senator COTTON. I don't want to speak disparagingly of the New Haven Railroad, which is in my section, but I have ridden trains from New York to Boston a good many times in times past. If you ran anything 150 miles an hour over the existing roadbed you would scatter your passengers all the way from Cape Cod to the Berkshires. [Laughter.]

It is about the roughest roadbed I know of anywhere in the country. I have ridden over it.

Mr. BOYD. We hope this suspension system is going to level that out a little bit.

Senator COTTON. I will be very much interested to know how that suspension system works. I won't take the time now.

Mr. BOYD. It will be a great boost if it is successful.

Senator COTTON. I thank you, Mr. Secretary. And I thank you, Mr. Chairman. Those are all the questions that I have.

The CHAIRMAN. Senator Cotton did ask some questions regarding the Bureau of Public Roads. The record should show that the trust fund has a large sum of money. I do not have the exact figure. I think the anticipated budget for next year for your department, just the Bureau of Public Roads alone, including the trust fund, will be over \$4 billion; is that correct?

Mr. BOYD. Yes, sir; that is correct.

The CHAIRMAN. You will have between \$700 and 800 million in the budget of the FAA?

Mr. BOYD. Yes, sir.

The CHAIRMAN. You have nearly \$5 billion in those two items, is that correct?

Mr. BOYD. Yes, sir.

The CHAIRMAN. That is the sum in the budget as transferred to the Department?

Mr. BOYD. Yes, sir.

The CHAIRMAN. Senator Lausche has some questions, I am certain, on the railroad administration.

Senator LAUSCHE. No. I will direct my attention this morning to the St. Lawrence Seaway.

At the very beginning I would like to say that I am highly pleased, but not surprised, at the completeness of the knowledge that you have of the work that you are to do.

My first question, Mr. Boyd, is that under this Transportation Act there is written:

Notwithstanding any other provision of this Act, the Administrator of the St. Lawrence Seaway Development Corporation shall report directly to the Secretary.

Now my question is: Do you have the authority, as Secretary of the Transportation Department, that is over and above the authority of

the Administrator of the Seaway? If you can't answer, I will not press you.

Mr. BOYD. I am not sure that I can answer that question, Senator. If you would give me a little more detail, I think I could.

Senator LAUSCHE. About 2 years ago—it was in 1964—a subcommittee of the Commerce Committee was created to make a study of the St. Lawrence Seaway and its fiscal status at that time. And the study revealed that the income of the Seaway was highly insufficient to meet the operating obligations, coupled with the responsibility of paying off the debt and paying the interest. In that hearing it was developed that in 1959 the U.S. Government and Canada reached an agreement on tolls. In the agreement it was stated that on July 1, 1964, there shall be a redetermination if the tolls were sufficient.

On July 1, 1964, the time was extended for 2 years, to July 1, 1966, to determine whether the tolls were adequate.

Now it appears that Mr. McCann has recommended a 10-percent increase. My question is: Does he have the power himself to enter into an agreement with Canada under which the tolls will be increased by 10 percent?

Mr. BOYD. No, sir.

Senator LAUSCHE. To what extent must other authority be derived by him before that increase can be made effective?

Mr. BOYD. My understanding, Senator, is that the material which you quoted was on the basis of an agreement between the executive branches of the Government of Canada and of the United States. And that being the case, that agreement can be either abrogated, amended, or revised only through the activity of the President of the United States acting through his executive agencies, which would include the Department of State.

Senator LAUSCHE. In this hearing of 1964 it was stated by Mr. McCann:

After negotiations with the Canadian authority are conducted, if agreement is reached, the Corporation would expect to hold public hearings after giving due notice on any proposals with respect to the tariff of tolls that are forthcoming.

Have those public hearings been held, as far as you know?

Mr. BOYD. Yes, sir. There were hearings held in Chicago, Ill., in June or July of 1966. June, I believe.

Senator LAUSCHE. So that this phase of the procedure has been achieved, and we are now faced with the recommendation made, I take it, unilaterally, by the Seaway of the United States to increase the tolls by 10 percent.

Mr. BOYD. Yes, sir; that is my understanding.

Senator LAUSCHE. With that in mind, what is the next step in the procedure that must be taken before the increase can be made effective?

Mr. BOYD. The next step is that there will be—there is currently going on within the administration an examination of the report of the Administrator of the Seaway by the interested agencies, which, so far as I understand it, represent the Department of Commerce, to which the Seaway reports today, the Department of Treasury, which is the creditor of the Seaway, the Bureau of the Budget, and the Department of State, because of the international aspect of this relationship. These agencies, I am sure, discuss among themselves what is the proper posture to be taken to accomplish what purpose.



At that stage of the game a decision will be made as to whether there should be a toll increase, whether there should be no toll increase, what is the basis for complying with the law as it exists today.

Senator LAUSCHE. It is fair to infer, then, that the recommendation of Mr. McCann is an unilateral preliminary one, and according to what you have said is now being studied to determine what the ultimate course shall be.

Mr. BOYD. That is correct.

Senator LAUSCHE. How long will it take the present participants in the study to complete their work?

Mr. BOYD. This I do not know, Senator, because I am not involved in it at the moment. I expect to be, subject to a vote on my confirmation.

I would say that this is the sort of thing which should not take more than weeks to accomplish.

Senator LAUSCHE. Is there any other inland waterway in the United States that charges tolls for its use?

Mr. BOYD. Not to my knowledge.

Senator LAUSCHE. The St. Lawrence is the only one?

Mr. BOYD. Within the continental limits.

Senator LAUSCHE. And you therefore understand that the States on the Great Lakes, and the States within the Midwestern area, are deeply concerned because of the economic impact that rates of transportation have on their respective economies?

Mr. BOYD. Yes, sir.

Senator LAUSCHE. You also know that the Midwestern Governors' Conference, consisting of 14 Governors, feel that the tolls ought not to be increased at this time?

Mr. BOYD. Yes, sir.

Senator LAUSCHE. This study that was made by the subcommittee of the Commerce Committee in 1964 made certain recommendations:

1. Money should be appropriated to enable the Army Corps of Engineers to complete its program for deepening and clearing Great Lakes channels and harbors to a 27-foot depth.

Are you informed in detail about the present status of the channels and their depths?

Mr. BOYD. No, sir, I am not. I do understand there has been work going on, particularly in the Calumet River area in Chicago.

Senator LAUSCHE. I would like to leave this thought with you: That when the estimate was made about the revenues that would be produced by the tolls, it was assumed that the 27-foot depth would have been completed. But that has not yet been reached. And I suggest to you that until there is a uniform 27-foot depth through the whole way, it cannot be said that the seaway is completed.

2. There should be a program to utilize American ships for Seaway trade.

Are you familiar with that subject?

Mr. BOYD. Yes, sir. I have some familiarity with it.

Senator LAUSCHE. Under recommendation No. 2 it was especially pointed out that there was great inequity perpetrated upon the inland States under what is known as the administration of the cargo preference laws. The cargo preference law, as I understand it, provides that American-flag ships must be used so long as they are available.

Mr. BOYD. For certain categories.

Senator LAUSCHE. The inequity results because of the present formula, and the formula now states that if there are ships in Philadelphia or New York available, though they are not available up in Toledo or Detroit or Duluth, it must be considered that there are available ships.

Mr. BOYD. Yes, sir.

Senator LAUSCHE. This recommendation declared that that was inequitable, and I think it is. Availability of ships should be determined on the inland and not on the coast. When this is studied I wish you would take that into consideration.

3. Section 22, which allows the Government to fix special rates by railroads for the transportation of goods, should be reformed.

Your are familiar with that, aren't you?

Mr. BOYD. Yes, sir.

Senator LAUSCHE. In this statement it is said:

It appears to be grossly uncoordinated for the Government to claim that section 22 saves the taxpayers \$50 million per year when it also results in a default of the Government in the Seaway's obligation of \$2 million or more annually. On the other hand we save \$50 million by reduced rates to the Department of Defense, and on the other hand we are losing this \$2 million in the operation of the Seaway.

No. 4. It appears desirable to lengthen the shipping season on the Seaway.

That is, to begin it earlier and to extend it to a later time in the fall.

5. Studies for the future development of the Seaway should be undertaken.

That is, the locks should be enlarged and expanded.

Have you given any thought to that?

Mr. BOYD. Not to expansion per se, and enlargement, but to the study, yes, sir. This is a matter to which I expect to give priority.

Senator LAUSCHE (continuing):

6. Evidence before the subcommittee has indicated that the growth of the St. Lawrence Seaway will overtax its present facilities in the early to middle 1970s.

If they are to be overtaxed by 1970, we ought to begin making studies now how to enlarge and make the facilities adequate for the time.

This is the important one which I am sure Senator Hart will question you on:

7. It has been suggested that the amortization period be extended beyond the 50-year period.

I will not ask you to express an opinion on this subject.

What I will ask you is, is your mind open now to the consideration of other means than the mere increase in tolls to answer the present fiscal difficulties that exist.

Mr. BOYD. Absolutely, Senator Lausche. I would like to make as clear as I know how, that there is no interest on the part of Administrator McCann, or me, or anybody else I know in the administration to raise tolls for the sake of raising tolls. We are concerned with carrying out our responsibilities under the law. It is just that simple. We are also concerned, and I am sure I speak for Administrator McCann, with the successful operation of the seaway. This is our vital concern. That being the case, we are completely open to whatever possibilities there are for making a successful operation out of the St. Lawrence Seaway.



Senator LAUSCHE. Would it be possible to make an arrangement where the delinquent interest would be paid by the issuance of stock certificates to the U.S. Treasury, and a toll fixed by Canada which wants it increased, that would be workable? I frankly encounter difficulty in seeing how we can do it unilaterally.

Mr. BOYD. We can act unilaterally. But if we act unilaterally, Canada can act unilaterally. I am sure that both the Canadian and the U.S. Seaway Authorities feel that it is very important if it is humanly possible to act cooperatively and jointly, because, as a practical matter, the United States is sitting in the middle, literally and figuratively. The two locks which go to make up the St. Lawrence Seaway operation of the United States are right in the middle of the St. Lawrence Seaway. We are, for all practical purposes, going to dance to the tune of the Canadian piper if we get to a separation of the ways.

Senator LAUSCHE. That is, the bilateral agreements that are necessary deal only with certain parts of the seaway. The Welland Canal is wholly within the jurisdiction of Canada, and it alone figures the rate on the Welland Canal, is that correct?

Mr. BOYD. No, that is not. This is a point in issue, Senator. The Welland Canal as you know is an old historic canal completely within the physical jurisdiction, as well as the legal jurisdiction, of Canada. It had tolls on it. The tolls were a part of the tariff which was appended to the agreement between the United States and Canada by virtue of the agreement between the two authorities as to what the total tolls should be across the seaway.

Unilaterally, Canada suspended the toll collection on the Welland Canal in 1962. Our position is, and has been, that any change in the toll situation should be on the basis of agreement between the United States and the Canadian authorities. This is one of the things which we would like to tie down in the negotiations which went on with Canada last year and will in the future.

Senator LAUSCHE. Yesterday there was a meeting of Senators of the Great Lakes States, and the discussion revolved about the advisability of presenting a bill that would, in substance, liquidate the interest debt to the Treasury. That is, either liquidate it through the issuance of certificates or liquidate it through the general Treasury as a bookkeeping measure, marking off the figure. It is possible that a bill of that type will be introduced. I am not suggesting you to commit yourself on it at this time. My only request is that if it is introduced, that we be given the time to act upon it in the Senate before an agreement is reached with Canada.

That is all that I have to ask or say.

Mr. BOYD. Thank you, sir.

The CHAIRMAN. Senator Hart, do you have anything on this subject?

Senator HART. Mr. Chairman, I am delighted to hear Mr. Boyd's responses to Senator Lausche, that you do not conceive of raising tolls, if I may paraphrase and read in a little more than you stated, but I think this is a fair assumption, that if there are ways to make the St. Lawrence Seaway economically an effective economy, other than raising tolls, you are all for the other way? Right?

Mr. BOYD. I can't give a general power of authority, Senator Hart, but certainly as a general proposition, that is correct.



Senator HART. That leads me to this. We are all lawyers or merchants or something on this committee. There is a common acceptance of the theory that when you have a capital investment with a fixed cost, if you can get more users or produce more units, that is the way to make it tick.

In the case of a seaway, to the extent that we can promote the use of that facility, we will avoid the necessity of increasing tolls and we will serve more effectively the economy that the seaway is intended to advance; right?

Mr. BOYD. Up to a point.

Senator HART. Tell me where you leave me.

Mr. BOYD. All right, sir.

I agree with you on your capital investment return theory, more business, more money. However, you should bear in mind, Senator, that there is a study which says that a large part of the movement over the seaway is inelastic in its relationship to the tolls, within a reasonable range. So that possibility should not just be thrown out of the window without any further thought.

Senator HART. That is like saying that there are studies available that show that there is a limit beyond which automobiles can't be sold. But that doesn't mean that you don't advertise to beat the band to get to that outer limit. That is what I have in mind about the Seaway.

Mr. BOYD. Surely. I am very much in accord with that.

Senator HART. That gets to the business of promotion and the money available to you to sell this idea. Heretofore, notwithstanding the \$100-million-plus investment that we have had, we have used nickels and dimes to promote it. Thanks to you, Mr. Boyd, and to your great credit, we finally last year did permit the publication of this document (indicating) in three languages, in 60,000 copies. This is what we put before the shipping public in promotion of this enormous investment. And that just doesn't make sense.

Mr. BOYD. It doesn't make sense to me, Senator. I think it is utterly ridiculous to invest that kind of money in what is supposed to be a self-sustaining operation, and then say because this is Government money, you ought not to promote the product you are trying to sell, or the service you are trying to sell. I am astounded that we have that sort of a situation.

Senator HART. Incidentally, I should explain that the conference of the Great Lakes Senators yesterday took the position unanimously that even if you were sounding an unhappy note this morning with respect to your attitude toward the seaway, we were still going to vote for your confirmation because you are an able man.

Mr. BOYD. Thank you, sir.

[Laughter.]

Senator HART. But you demonstrated beyond all doubt that you are able and prudent man. [Laughter.]

The mechanics of getting this money, Senator Bartlett made the point that the Coast Guard, as of a recent practice, has come before this committee for authorization. I am not familiar whether the seaway goes to anybody for authorization. I know it goes to Appropriations, for the appropriations.

Mr. BOYD. No, sir; it does not seek authorizing legislation. It is a somewhat unique situation, because it is a corporation.



The problem on the promotional side is one which I stated last year I understood to be a legal problem. I am not sure that I was right on that. It is a problem more, as I understand it, of the Appropriations Committee, or subcommittee, refusing, having not yet been persuaded that this money is a legitimate, sound expenditure for promotion.

Senator HART. I think that is the problem, and it might well be that if authorization was obtained through this committee, the prudence of that investment might be more persuasively presented to Appropriations. I don't know. That is the experience of the Coast Guard. Since they have had authorization here they have had a much more encouraging reception from the Appropriations Committee.

Just for the record, the point should be made that in the transportation bill we expressly provided for this direct access to you in the operation of the seaway. As you know, I am sure that was done to insure against any downgrading of the agency. You agree that is a desirable thing.

Mr. BOYD. Yes, sir. I think that is desirable from any number of points of view.

Senator HART. Senator Lausche enumerated some of the recommendations of this special subcommittee which he ably chaired.

Senator LAUSCHE. Will the Senator yield?

Senator HART. Yes.

Senator LAUSCHE. Senator Hartke and Senator Hart were on the committee. I enumerated six of the eight.

I would be very much obliged to the Senator from Michigan if he would enumerate the last two.

Senator HART. I shall.

The eighth:

The subcommittee believes that an expanded program of information and promotion should be commenced immediately. The proper organization to facilitate these activities is the St. Lawrence Seaway Development Corporation. The proper person to coordinate and direct these activities is the Administrator of the Corporation.

That reflects, I think, in substance, the exchange we just had, and your agreement is indicated already to that recommendation.

9. The subcommittee believes that the St. Lawrence Seaway will not serve the Great Lakes community and the cities contained within its confines in the most advantageous way until greater promotional efforts are undertaken to inform business interests in this country and abroad of the Seaway's value. It has been pointed out that promotional activities are a normal, necessary, and an important function in the development of the ports and waterways.

I don't think you need to have a Ph. D. in economics or business administration to say that sounds right.

Mr. BOYD. Yes, sir; it surely does.

Senator HART. I think it well, since we have an opportunity publicly to make the point, to say that there may be some feeling that the seaway has fallen flat on its face. This is the time to note that in the shipping season just closed the seaway exceeded in tonnage the forecast predicted at the time it was established. This is the first time that the tonnage has exceeded the projection which was the basis for the construction. Heretofore, it is true, the tonnage has fallen short. But even with just this kind of promotion [indicating], it has



busted through and exceeded the projected tonnage. This suggested to those of us in the Great Lakes Basin, the Middle West, the mid-continent—you ought to include Canada—with some effective, energetic business management and promotion this investment will return many times over the economic strength of both nations. We look to you to make us a good profit.

Mr. BOYD. I believe that. And I want to see it succeed for those reasons.

Senator HART. Now to go to another item, also regional in nature. Dr. Haddon and the automobile safety standards, what do you have to do about that?

Mr. BOYD. I have to sign them, or not sign them. [Laughter.]

Senator HART. I am making no suggestions. I just wondered for the record as has been done with some of the other agencies that have been folded in to use our chairman's expression the auto safety bill provides for the issuance of regulations with respect to vehicle and truck construction. You are the person in the executive agency who says yes or no with respect to those; right?

Mr. BOYD. Yes, sir.

Senator HART. The same Congress enacted a companion bill that provided money for driver education, State vehicle inspection requirements and so on. Is that aspect of the automotive vehicle legislation of this past year also your responsibility?

Mr. BOYD. Yes, sir.

Senator HART. Under which of these boxes (indicating), under which sector which—

Mr. BOYD. Highway administration.

The CHAIRMAN. Could I interrupt?

Senator HART. Yes, sir.

The CHAIRMAN. Prior to the auto safety bill and the tire safety bill, this committee passed out a bill which was permissive, allowing the States to have a clearinghouse in the Department of Commerce for licensing.

In other words, if a driver were denied a license in Montana, for example, he might try to come to the State of Washington to obtain a license. The clearinghouse provides a check on this. All States have taken advantage of this clearinghouse, as I understand it. Would that be transferred to your Department, too?

Mr. BOYD. It is in the Department in the Bureau of Public Roads at the present time, and it will be moved into the Department; yes, sir.

The CHAIRMAN. Thank you.

Senator HART. Not a question, really, but do I understand that you will be the person principally responsible for making decisions with respect to the Federal investment in both supersonic transport and ground transportation?

Mr. BOYD. I think that that responsibility will be lodged, yes, in the Secretary of Transportation. He has the responsibility for the major promotional programs in this country in terms of making evaluations and recommendations of the programs.

Senator HART. This responds at least in part, not fully, I am sure, to the concern that often has been voiced that somehow or another we ought to be sure that our sense of priorities is sound, that it is great to get to London in 2 hours, but wouldn't it be nice to be able to get downtown in 15 minutes? To the extent that you are going



to be riding herd on both of the efforts, it would give me some comfort to know that a person of your sensitivity has a role in establishing the priorities.

Mr. BOYD. This is obviously a matter of major importance, Senator Hart. There can be no reasonable expectation, it seems to me, on the part of the American public, that government, Federal, State, or any other level, can do all things for all people. We must try to establish priorities and be able to justify why they are lined up the way they are. Even though priorities are comparisons, I think we ought not to go too far down the road and say if you build a supersonic transport you thereby are not improving the situation within the urban area, because it doesn't necessarily follow that you need the same amount of money in the same time period or anything like that.

Senator HART. I understand. When you talk about the cost of curing some of the strangulation in cities, it seems so enormous that people, including the Members of Congress, run away from it. I read somewhere that in the 2, 3, or 4 days of the strike in the city of New York on buses, subways, or whatever, that the cost, the losses incurred, were—I may be wrong, but I read the figure of a billion dollars a day.

Mr. BOYD. I think that is entirely possible.

Senator HART. If that is what is really involved in mass transit and urban strangulation, then we ought to have that figure in mind when we measure the cost of the cure, and in that contrast the cost of cure may be something that even a Congressman could vote for and survive. In any event, he ought to try.

Mr. BOYD. Yes, sir. [Laughter.]

Senator HART. Thank you, Senator.

The CHAIRMAN. Senator Hartke, do you have anything further to ask on the seaway?

Senator HARTKE. Yes, sir. Let me ask you, Mr. Secretary: This whole question of users' charges—and this is a user's charge on the seaway—do you anticipate that there is going to be a request for additional imposition of users' charges in this Congress?

Mr. BOYD. I can only answer it this way, Senator Hartke: Since 1949, when President Truman set up the user charge legislation, every administration has done exactly that. It strikes me as a pretty well established trend.

Senator HARTKE. Since both of us established that there is a distinct possibility, if not a high probability, but a distinct possibility at least that there will be user charges requested again, don't you think probably it would be a good idea if Congress at this time could put our own operation in order by having the Finance Committee, the Commerce Committee, and the Public Works Committee, all of which would be concerned with this legislation, to have members of those committees in some type of joint operation, give consideration to this whole problem of the waterways and airports and highways and the deisel tax item which is always before us?

Mr. BOYD. Without attempting to get involved in the operations of the Congress, it seems to me, Senator, that this makes a great deal of sense.

Senator HARTKE. The whole point about it is that we don't have any clear-cut line of authority here. Part of it is in taxes. When you come to the field tax, for example, that goes back to Finance; when you come to transportation, that is in Commerce; when you come to the highway system, we go back to Public Works. I appreciate that.



On the seaway, I want to add my own voice to that of Senator Lausche and Senator Hart. We are quite concerned about that. I am hopeful that we will have a real independent study made as to what should be done here before we increase the tolls. I want to add my voice to that part of it.

That is all I have on the seaway, sir.

The CHAIRMAN. That brings me to this question, Mr. Secretary.

In the field of domestic water transportation on the inland waterways, what do you envision to be the authority of the new Department in that field, if any?

Mr. BOYD. The authority is of course that authority couched in the Coast Guard.

The CHAIRMAN. The what?

Mr. BOYD. The authority of the Department is that authority couched in the Coast Guard legislation for navigational facilities and safety. The Department is going to be, as I started outlining the functions of the Assistant Secretaries earlier, concerned with the total transportation system in terms of making policy recommendations. So it will be concerned with the inland waterways to that extent.

The CHAIRMAN. You would have to entrust to someone in the Department the responsibility of keeping you always informed as to the requirements of carriers on the inland waterways, and all matters relating to inland waterways.

Mr. BOYD. Yes, sir.

Senator HARTKE. Could I come back to this for a moment, Mr. Chairman?

The CHAIRMAN. Yes.

Senator HARTKE. I want to inform the committee at the first opportunity I have, I have a draft ready, a resolution along the lines of the user charges. I intend to introduce it in the Congress as soon as we complete the reorganization of the Congress.

The CHAIRMAN. Senator Hollings, do you have any questions?

Senator HOLLINGS. I have no questions.

The CHAIRMAN. Two other matters.

As to section 7 of the act, as you recall there was considerable discussion regarding the criteria and the standards for the economic evaluation of water resources.

Mr. BOYD. Yes, sir.

The CHAIRMAN. This involved the basic criteria used by the Army Engineers. In contrast to the original bill as introduced, the committee set forth, in section 7, the standards to be used. I assume that you consider that all you can do in that field in evaluating these standards for all modes of transportation is to follow the criteria in section 7.

Mr. BOYD. Oh, absolutely.

The CHAIRMAN. As you recall there was considerable discussion about that section at one time.

Also in section 7, paragraph 2, concerning transportation investment standards, the responsibility for an interoceanic canal located outside the contiguous United States is placed in the Department; is that correct?

Mr. BOYD. No. That is an exemption. As I recall that is an exemption from the application of section 7.

The CHAIRMAN. Paragraphs (2) and (3) exclude the canal, and the Department of Defense design features?



Mr. BOYD. Yes, sir.

Mr. CHAIRMAN. And under paragraph (4) programs of foreign assistance?

Mr. BOYD. Yes, sir.

The CHAIRMAN. Therefore, under section 7, you believe that the Department would have little or nothing, except in an advisory capacity to do with determining policy as to a second interoceanic canal?

Mr. BOYD. Yes, sir, that is correct.

The CHAIRMAN. What consideration has been given or will be given in your opinion to the establishment of an Office of Transportation Mergers in your Department?

Mr. BOYD. This is a matter that will be within the primary responsibility of the Assistant Secretary for policy development. I doubt seriously that he or his staff will be able to do any better work because of having the name Office of Transportation Mergers. They are going to be deeply concerned with this and we expect to be, the Department to be, heavily involved in the policy aspects of transportation mergers in the future.

The CHAIRMAN. The ICC has pending—I don't want to discuss any of the cases—applications in the field of railroad mergers. They have had hearings, some other merger applications are just in, and many of them are controversial. What do you envision to be the role of the Department as to those that have not been decided by the ICC, or as to new filings?

Mr. BOYD. I think the ones that are now filed, and have proceeded through the hearing process, I don't think the Department should get involved in because you have to find a starting point somewhere. There is not much point in my judgment in jumping into something where all the lines have already been drawn and the issues have been argued on both sides. I think the Department, if it is going to make any contribution—and that is its only basis for being in these cases—should start out on these cases which have not yet been heard and fought over, and make the kind of economic studies which are objective and which deal with the implications of merger, no merger, and things of that nature.

The CHAIRMAN. Of course the bill directs your Department to consider the impact on other modes of transportation, that is, to take a look at the whole field when merger applications are submitted.

Mr. BOYD. Yes, sir.

The CHAIRMAN. Railroads, trucks, inland waterways, airlines, whatever it may be.

Mr. BOYD. Yes, sir.

The CHAIRMAN. What do you plan to do in the Department, if you have any plans, to take care of the users of transportation, the shippers, the travelers, the consumers of the service?

Mr. BOYD. This is an area where we hope to have a major liaison activity with the using public. I should say, Senator, that as I conceive the Department of Transportation, it is to promote transportation in the public interest, which means the interest of the transportation operators and the interest of the shipper and the consumer.

The CHAIRMAN. Do you expect to have any so-called advisory committees in which users would be represented?

Mr. BOYD. Yes, sir.

The CHAIRMAN. They would have representation?



Mr. BOYD. Yes, sir.

The CHAIRMAN. Don't you do that now in the Department of Commerce?

Mr. BOYD. We have been to some extent. We are having a meeting in 2 weeks with the users to deal specifically with this area on which you are raising questions now, to make sure that there is broad-scale user coverage in the areas of our thinking before we get into anything concrete on the idea.

The CHAIRMAN. Along the same line the bill also provides for advisory councils. For example, in the safety regulation of trucks, automobiles, matters of that kind.

Mr. BOYD. Yes, sir.

The CHAIRMAN. All these bills suggest that there be cooperation with the State regulatory agencies. Do you plan to have an advisory committee or committees on which States would be represented?

Mr. BOYD. Yes, sir. In fact I was at the annual convention of the National Association of Railroad and Utility Commissioners, of which I am a graduate. We agreed there that it would be very helpful to have a committee of State regulators from that group act as a major advisory group to the Department of Transportation.

The CHAIRMAN. The Auto Safety Act provides those committees for you.

Mr. BOYD. Yes, sir.

The CHAIRMAN. There are other advisory committees possible under the broad transportation authority in the new Department.

There may be more said about auto safety here. I want to ask you one or two questions.

There have been several proposals advanced in this committee for Federal financing of a research—and I underline research—and development program aimed at accelerating progress in developing a practical electric car. Have you any ideas to offer on this matter?

Mr. BOYD. Yes, sir. The Department of Commerce is currently utilizing a panel of very well qualified scientists from the institutions of higher education and corporations, businesses in the country, engaged in the area of research on electric automobiles. I think this panel will come out with some very significant findings as to where we are today and what are the possibilities for the future.

Before the Congress appropriates any large sum of money in this area I would suggest, Mr. Chairman, that the incentives are such, in terms of possible return of profit to any company or industry that can come up with an adequate electric battery for an automobile today, that I have serious doubts we need to get into too much money for research at this time unless it turns out to be something like the supersonic transport where we have a reasonable idea that we can build the thing in a hurry and the public requirements are such that it be done in a hurry, without the individual companies having the money to go into a massive effort, such as the supersonic transport.

The CHAIRMAN. At least I am for it. I understand the automobile manufacturers themselves are doing some work in this field.

Mr. BOYD. That is correct.

The CHAIRMAN. You will recall that last fall Ford unveiled an electric car they thought might be practical, though their plant is in England, where the highway networks is different.

Mr. BOYD. Yes, sir.



The CHAIRMAN. However, there seems to be a great deal of opposition to this suggestion. The head of a major oil company recently labeled electric cars a radical notion. [Laughter.]

The president of Chrysler said, "Such bills are misdirected and not in the public interest."

I am hopeful that the study you mention will reveal there is a role for the electric vehicle.

I remember that when I was a kid we had a Stanley Steamer. Has anyone considered a steam car? It worked pretty well but it didn't go very far.

Mr. BOYD. No. I believe that idea can have your name labeled on it. [Laughter.]

The CHAIRMAN. I think that the whole impetus for using electricity, if we can develop a practical and economical powerplant, would be to relieve the congestion in our cities.

Mr. BOYD. I am sure you are right. I am confident that in my own mind, within a period of 15 or 20 years, the majority of automobiles operating in the crowded urban areas will be powered with electricity in one way, shape, or another.

The CHAIRMAN. I don't know whether you can answer this or not. Just before I returned to Washington, D.C., there was an article in the Evening Star of January 7, and I quote from it:

The Government, shrouded in secrecy, had its first high level study of electric powered cars and the need for their early development. Assistant Secretary of Commerce, J. Herbert Holloman, ordered the expulsion of a newspaper reporter from the meeting.

Are you familiar with that incident?

Mr. BOYD. I didn't know anything about it. I would gather that the reporter who was at the meeting was writing the article, and it looks as if his feelings were injured, and I hope that is all, by being thrown out. I knew there was to be such a meeting. This was purely a technical meeting to try to get a feel for where these people stood philosophically and scientifically about this thing. I don't think there was any intention of trying to withhold essential information from the public. All of this will be made available in due time, I am confident.

The CHAIRMAN. Now we come to a very important question.

Senator COTTON. Before you come to that may I ask a quick question? I have to leave.

The CHAIRMAN. Yes.

Senator COTTON. In the last Congress, Mr. Secretary, I introduced a bill for a study of the feasibility of some kind of transportation, monorail or otherwise, from Washington to Dulles and/or Friendship Airport. The study was to be made under the direction of the FAA. General McKee didn't solicit the job, but said that he would be glad to do it if the bill passed.

The bill passed the Senate. The House didn't act on it.

I am reintroducing that bill, although I understand the Senators from Maryland have some bill that I am not familiar with in detail. Mine is merely for a study of the situation.

When I introduce that bill, should it be your Department, Mr. Secretary, that will make the study? If so, would you be willing to do so?



Mr. BOYD. I want to assure you that, first of all, any law that is enacted by Congress which places the responsibility on the Department will be carried out cheerfully and promptly to the extent of the ability of the Department to do it.

Senator COTTON. But you might come up and stop it. Go ahead.

Mr. BOYD. That is a possibility, too.

So far as I know there is no objection to the bill which you proposed last year, although, as you say, it was not solicited.

I think it should be in the Department rather than in the FAA because this is getting closer to the high-speed ground transportation program than it is to aviation. This is one of the basic reasons why there should be a Department of Transportation, because of the obvious interrelationship of urban transportation at one end of the line and the aviation movement at the other end.

Senator COTTON. I solicit your nonresistance to the bill. [Laughter.]

The CHAIRMAN. I know this is a very sensitive question, and it posed some serious technical problems in the original bill as to the role of the new Department in regard to the regulatory agencies. Do you anticipate that the Department will intervene in regulatory cases before the independent agencies?

Mr. BOYD. Yes, sir. I fully expect to do it.

Senator COTTON. Will you tell us just what will be the purpose of such intervention?

Mr. BOYD. Yes, sir.

The CHAIRMAN. How you will intervene?

Mr. BOYD. Yes, sir.

The CHAIRMAN. What you may or may not want to do?

Mr. BOYD. Yes, sir.

The Department will plan to intervene in cases before the regulatory agencies as a party of record in those cases having major policy implications in the view of the Department. It will intervene in order to provide the Commission—ICC, CAB, or FMC, as the case may be—with the studies that it has made which bear on the areas involved in the case, dealing with policy implications with the view of the Department or the impact of a ruling in one way or another mode of transportation, for example, trying to lay out on the record, subject to cross-examination by any other party, what the Department feels are the policy implications of a decision this way, or a decision that way, without recommending that the decision go one way or the other. The departmental concern will be to see that all of these items which it sees as basic policy implications are fully considered on the record.

The CHAIRMAN. Do I understand that you would limit, as a matter of policy, intervention in a case before a regulatory agency, unless it involved its effect upon other modes of transportation? Would you limit it to that?

Mr. BOYD. No; not limit it to that because I would limit it to cases having major policy implications. That would involve some having impact on other modes of transportation, it would involve some that are intramodal, so to speak.

The CHAIRMAN. Would you, as an example, intervene in a case involving an airline that is having an argument with another airline over routes?



Mr. BOYD. No. No. Let me say it this way, Mr. Chairman: We might get in such a case, but it would not be to say we favor airline A or we favor airline B. If we got into such a case we would be in it to say we are concerned about the adequacies of transportation between the points which are related to these routes which are being sought but are not on the routes and would like you to consider, Mr. CAB, adjusting your case to include these points so that air service could be provided which we think is needed because the only train that operates there goes through at 3 o'clock in the morning and there is no intercity bus. So either they have the airline service or no public transportation.

The CHAIRMAN. Would the same be true as to two competing trucklines?

Mr. BOYD. I doubt that—

The CHAIRMAN. Suppose they were large trucklines.

Mr. BOYD. This is possible. It is possible. But I want to make clear to the chairman and the committee that the Department is not going to get into cases unless there are major policy implications.

The CHAIRMAN. Do you think that there might possibly be cases in which you would intervene, not on behalf of either one of the applicants, or any number, but that you might come in and look from a shippers' viewpoint at what this decision may or may not do?

Mr. BOYD. Oh, surely. That is a very major part of what I am talking about.

The CHAIRMAN. Would the intervention represent the Administrator's view, Administration view, or would others intervene? Suppose the Department of Agriculture wanted to intervene on some proposal that involved the Agricultural Exemption Act in motor vehicles.

Mr. BOYD. I would hope that we could develop an Administration view, Mr. Chairman. This I can't grant.

The CHAIRMAN. In other words, taking that particular case, if Agriculture had some concern about it, or the Department of Defense—it might involve section 22—that you would represent the viewpoint of the other departments as you saw it?

Mr. BOYD. I would hope that we could reach a common ground so that the Department of Transportation could handle the representation for the Administration.

The CHAIRMAN. What about mergers and the Department of Justice? How would you reconcile that?

Mr. BOYD. I would hope the same.

The CHAIRMAN. In some cases the Department of Justice, as you know, has intervened.

Mr. BOYD. Yes, sir.

The CHAIRMAN. As a party of record.

Mr. BOYD. Yes, sir. It has the authority to do so.

The CHAIRMAN. Do you envision any role in pipeline transportation?

Mr. BOYD. Yes, sir. The Department bill transferred the current jurisdiction of the ICC in pipeline safety to the Department of Transportation, specifically to the Railroad Administrator.

The CHAIRMAN. I have no further questions. I do suggest, though, that on this very sensitive question of intervention, that if you wish to add something to the record, you can at this time.

Mr. BOYD. I appreciate that.

The CHAIRMAN. It is as of now a very, very sensitive question.

Mr. BOYD. Yes, sir; I do indeed.

The CHAIRMAN. Senator Hartke, do you have a couple more questions?

Senator HARTKE. Yes, sir; I have several.

I would like to ask the chairman, what is the intention with regard to the session going on? The session as I understand is on rule 22. I am very much interested in being over there. Are we going to continue with this hearing until it is concluded today?

The CHAIRMAN. I don't know whether we can or not. I would like to conclude it today if I can.

Senator HARTKE. I will proceed as far as you want to go. Am I next?

The CHAIRMAN. You may go ahead.

Senator HARTKE. Mr. Chairman, in regard to the pipeline matter, we passed the legislation last year giving the jurisdiction to the Interstate Commerce Commission to regulate pipeline safety; is that correct?

Mr. BOYD. Pipelines other than natural gas and water.

Senator HARTKE. Now, as I understand the state of the Union message last night, this indicated that it would be extended also to gas pipelines; is that right?

Mr. BOYD. The administration, as I understand it, will seek legislation to cover natural gas pipelines; yes, sir.

The CHAIRMAN. Is it your view that that also would be under the jurisdiction of the Transportation Department?

Mr. BOYD. I would so recommend.

Senator HARTKE. In regard to highways, does the Department intend to recommend, or do you know if they have any idea of recommending, any new mileage for the Interstate Highway System?

Mr. BOYD. I have no such knowledge.

Senator HARTKE. What is your opinion?

The CHAIRMAN. Excuse me.

Off the record.

(Discussion off the record.)

Senator HARTKE. Do you have a position?

Mr. BOYD. As to additional mileage for the Interstate System?

Senator HARTKE. Yes.

Mr. BOYD. I believe there must be additional mileage at sometime in the future. I do not think this is the time to seek it.

Senator HARTKE. Why not?

Mr. BOYD. We don't have the money now to complete the current mileage.

The CHAIRMAN. Could I interrupt?

Senator HARTKE. Yes, sir.

The CHAIRMAN. Mr. Secretary, I won't ask you to define some time in the future, but as you know, many of the plans for the 41,000 miles of the interstate highways were submitted to the Bureau of Public Roads by the States. Some of them go as far back as 8, 10, 12 years. They might have been good plans for mileage at that particular time. We want to finish the 41,000 miles. Everyone wants to do that.

But, since then, there has crept up in various States what I like to call certain hardship cases that involve, in many cases, 40, 50 miles.



I am hopeful, if the Senator from Indiana will join me—I am sure others will—to introduce a bill to the Public Works Committee which would add to the 41,000, only limited mileage which is justified as so-called hardship cases. It may not involve a great deal of mileage. But there are 15 or 20 places I know where it would be unwise to build the interstate highway under the route established 8 or 10 years ago. It wouldn't serve a number of people that the highway should serve.

I hope you would give that some consideration.

We are not talking about a large extension. We are talking about—there must be in nearly every State a small segment of mileage that now looks unwise, or that needs to be added, to make the highway more serviceable to take care of more people.

Senator BARTLETT. Mr. Chairman, may I inquire?

The CHAIRMAN. Yes.

Senator BARTLETT. May I inquire of you and the Senator from Indiana if, when you introduce this bill, you will put a section in giving Alaska 1 mile of interstate highway? Puerto Rico has interstate highways, Hawaii has interstate highways, the other 48 States have interstate highways. Alaska wants just 1 mile.

The CHAIRMAN. We may entertain an amendment for more than 1 mile.

Senator HARTKE. We will be glad to give them a 100-percent increase and give them 2 miles. [Laughter.]

The CHAIRMAN. This is a problem that is not intended to abort the general policy that we should proceed to finish the 41,000 miles. But it would be to take care of what will, in the future, be a very sensible thing with the addition of just a few miles in many instances.

Senator HARTKE. I want to commend the chairman. I want to join with him. I don't know how else I can help. I want to be as helpful as I can be.

The CHAIRMAN. I want to join with you.

Senator HARTKE. I want to join the chairman. I know how effective he is.

The CHAIRMAN. If enough of us join, the Secretary will be duly impressed.

Senator HARTKE. Mr. Secretary, in relation to that, what is the contemplated completion date under the new stretchout plan of the present mileage system?

Mr. BOYD. The last official position that I can recall is October of 1972. I am thoroughly convinced that the system cannot be completed by then. I would guess that it would be—I am sorry, I am moving from an official to a personal position here.

My personal judgment is it is going to be completed sometime in early 1974.

Senator HARTKE. How much of that is due to this present withholding of allocations, which was instituted in the latter part of 1966?

Mr. BOYD. Assuming that that does not continue for an excessive period of time, Senator—

Senator HARTKE. What is excessive? We have no termination date of the war. We have finally come to the conclusion it is going on ad infinitum.

Mr. BOYD. Of course, this withholding was not—it was related to the war, but it was due to the inflation factor, which I presume—

Senator HARTKE. Is there inflation in the construction business today?

Mr. BOYD. Terrible. Terrible.

Senator HARTKE. In highway construction?

Mr. BOYD. I am not sure. I think in fiscal 1966—in highway construction the unit cost, the average unit cost went up  $8\frac{1}{2}$  percent.

Senator HARTKE. What was that due to? To a shortage of labor?

Mr. BOYD. I can't answer that. It was due to the increase in cost of material, and the increase in labor costs.

Senator HARTKE. There is no reason to equate increase in cost necessarily to inflation, is there? I mean costs can go up without inflation. There are lots of reasons why cost can go up without having actual inflation. At least in the strict economic sense.

Mr. BOYD. I think one of the things that is involved is when you have your economy moving at a high level, it is more difficult to get competitive bids for your contracts.

Senator HARTKE. Has there been any indication that you have not been able to have competitive bids in highway construction?

Mr. BOYD. Yes, sir.

Senator HARTKE. Where?

Mr. BOYD. New York. We just had two requests for proposals in December. On one job there were two bidders. On one job there was one bidder.

Senator HARTKE. Is this due to the fact of the cost or to the low estimates which were submitted?

Mr. BOYD. I have no idea. I am just relating the facts.

Senator HARTKE. I think this is very important because I think there is an interrelation which I want to come back to in a moment on the same thing.

What is your position on the Byrd amendment which is frequently called "Pay as you go"?

Mr. BOYD. I personally would like for the Bureau to have the authority to borrow advances.

Senator HARTKE. I will certainly give you an opportunity to support such a bill.

To come back to the trust fund itself, what is going to happen to this money that is withheld?

Mr. BOYD. Nothing. There is a provision in the law, I believe, which permits the Treasury to borrow for stated short-term bills.

Senator HARTKE. As far as the money, it is going to continue to be collected, is it not?

Mr. BOYD. Yes, sir.

Senator HARTKE. Every automobile user is going to continue to pay his Federal highway tax?

Mr. BOYD. Yes, sir.

Senator HARTKE. What happens to that? That is put in the highway trust fund?

Mr. BOYD. It is a trust fund.

Senator HARTKE. And it cannot be utilized for expenditures for any other purpose?

Mr. BOYD. That is correct.

Senator HARTKE. After it is held there, but it can be exchanged with the Treasury, isn't that true, there can be an exchange of funds with the Treasury?



Mr. BOYD. I am not sure that I understand this.

Senator HARTKE. For temporary periods the Treasury can borrow from the trust fund, and the trust fund can borrow from the Treasury?

Mr. BOYD. Yes, sir.

Senator HARTKE. What is the rate of interest there?

Mr. BOYD. That I do not know. I believe it is stated in the law.

Senator HARTKE. Would you—

Mr. BOYD. At the current—

Senator HARTKE. Would you take my word for it it is 3% percent?

Mr. BOYD. Yes, sir.

Senator HARTKE. If it is that, isn't this in effect a way for the Treasury to borrow money at about 2 percent at least less than they can do in the general overall marketplace?

Mr. BOYD. Yes, sir.

Senator HARTKE. Sort of a back-door raid system. In other words the highway people, the automobile people who are driving on the highway, are paying taxes in order for the Government to borrow money at a cheaper rate of interest than they could anyplace else?

Mr. BOYD. As a statement of fact, Senator, I won't argue with that but I will say that I am convinced this had nothing whatsoever to do with the decision to withhold some of these funds.

Senator HARTKE. I am not going back of the reason. As a factual matter this is what is happening.

Mr. BOYD. Sir—

Senator HARTKE. I made no accusations.

Mr. BOYD. My latest information is that the Treasury has not borrowed any money from the trust fund, that in fact the trust fund is slightly in the hole to the Treasury as of the moment.

Senator HARTKE. OK.

Do you anticipate that the Treasury will not borrow from the trust fund when a surplus occurs?

Mr. BOYD. I have no idea.

Senator HARTKE. I am certain that you are aware of the fact that they have borrowed from the social security fund.

Mr. BOYD. No, sir; I wasn't aware of that.

Senator HARTKE. The point of it is, there is a great temptation on the part of the Government to borrow money—and I don't say it is a bad temptation—to borrow money at the cheapest rates they can. Wouldn't you do that?

Mr. BOYD. Yes, sir.

Senator HARTKE. That is good business practice, isn't it. It is a question upon whom you are going to make the burden fall.

In regard to the highway itself, is it your anticipation that highways will cost less in future years, or more?

Mr. BOYD. I think they will cost more.

Senator HARTKE. So in effect what you are going to do with this money that you are collecting at the present time is that you are going to find out that the highway system in and of itself is going to cost more money by this stretchout, rather than less. In other words you are going to build less miles per dollar.

Mr. BOYD. I am not quite sure that is a necessary corollary, because if there should be a reduction in—when I said they would cost more, I think they will cost more in this sense: We are trying to build a highway system which will be satisfactory for the period 20 years from the

date of completion now. This means that the highway we build today is built to a different standard than the one we built in 1963 as we project our traffic forward. In that sense they will cost more.

In response to your second question, I would say that if through some happy coincidence we were able to achieve a successful conclusion to the Vietnam operation, and the defense requirements were diminished to some extent so that there were greater competition among the suppliers, materials suppliers, equipment suppliers, and the contractors, that actually I believe there would be a saving as a result of this delay.

Senator HARTKE. Assuming, without agreeing with your proposition, what you are saying in reality is that the highway building is another casualty of the Vietnam war.

Mr. BOYD. No, that is not what I am saying. I certainly am in no position to argue with any conclusion you reach. I don't really understand, I don't pretend to understand the cause and effect of inflation and budget deficits and other matters of this nature. I am not competent to testify in this area.

Senator HARTKE. Let's come back to the 1-2 step for a moment. You said costs have gone up, right?

Mr. BOYD. Yes, sir.

Senator HARTKE. Substantially. Eight percent.

Mr. BOYD. Yes, sir.

Senator HARTKE. And that this is due to the increased activity in the construction field due to the war in Vietnam, as I understand you.

Mr. BOYD. I said I assumed that to be the case.

Senator HARTKE. All I said was if that is true—

Mr. BOYD. General economic activity.

Senator HARTKE. We have had this cutback. Drawing my own conclusions, which I don't ask you to share because I don't want to get you "in dutch" with the White House, it is a fair statement to say that.

Isn't it a well known, accepted fact that the Interstate Highway System has a lower death ratio for miles traveled than the ordinary highway system?

Mr. BOYD. Yes. The statistics would indicate that the Interstate System is a safer highway on which to travel than other highway systems.

Senator HARTKE. Either those, the Interstate Highway System, or any system which is comparable in construction?

Mr. BOYD. Yes.

Senator HARTKE. In other words limited access or—

Mr. BOYD. Median strips.

Senator HARTKE. Things of that sort. Basically what we call the Interstate System is a safer highway.

Mr. BOYD. It is.

Senator HARTKE. In fact the death ratio, according to the best statistics from the Safety Council, American Safety Council—I don't know if you have any better ones—are that there are about five deaths on conventional highway systems to one on the Interstate System. Isn't that true?

Mr. BOYD. I think those figures, those ratios, are a little off. It is much safer. No question about it.



Senator HARTKE. How much money are we going to spend in the Highway Safety Act? The auto safety bill? How much money is going to be expended in that field? In other words to increase safety.

Mr. BOYD. We submitted a program to the Congress which called for something like \$750 million over the next 7 years.

Senator HARTKE. So we have this remarkable proposition, that on the one hand we are going to spend three quarters of a million dollars to bring highway safety on the one side, but on the other hand we are going to eliminate the safest and the most effective means of bringing safety to the highway by cutting down on the building of the Interstate Highway System.

Mr. BOYD. No, sir.

Senator HARTKE. Don't you find this a remarkable contradiction of purpose?

Mr. BOYD. No, sir. Not at all.

Senator HARTKE. Why?

Mr. BOYD. Because in order to reach your conclusion, you have decided that the construction of the Interstate System is going to be immeasurably slowed down. I do not believe that can be taken as a factor today.

Senator HARTKE. I don't know whether it is going to be slowed down in other States. I know that they cut back drastically in the State of Indiana. The fact of the matter is there is inequity in the system which was set up which I think reduces our allocations to the place where 53 percent of the highway awards which were going to be let were cut back. I am not sure of the figure, but I think it is 53 percent.

Do you mean to say that if we cut back on awarding 53 percent of contracts that this is not going to immeasurably slow down highway construction?

Mr. BOYD. No, I don't make that statement. What I say is this. Depending on how long this slowdown is in effect—

Senator HARTKE. Which we have already determined is going to be at an indeterminate period.

Mr. BOYD. Yes, sir. Which also, depending on how one wants to look at it, could be Easter of this year, or could be 10 years from now.

We are conscious of the problem of Indiana and several of the other States. We hope to effect some sort of balance which will achieve a reasonable continuation of construction.

Senator HARTKE. For which I thank you. At least we will get safer highways in Indiana. We don't want to be behind the rest of the Nation.

Quite honestly, Mr. Secretary, if you are going to cut back on the money, it will really have a substantial impact on the so-called inflation. It will also have a substantial impact on the building of the roads. That is not an unreasonable conclusion.

Mr. BOYD. Not necessarily, Senator, because you see you have all of this possibility of shifting money from your right-of-way account into the construction account and so forth and so on. When you start talking about this is going to slow down or reduce, there is just no way to measure it today.

If it goes for a year, sure —

Senator HARTKE. Is there any idea in your mind whatsoever that this is not going to be in effect a year? As I listened to the President



last night he said that he had hoped he could tell us it will come to an end this year, which he couldn't, and he hoped he could tell us it will end next year, which he couldn't.

Mr. BOYD. I am just talking about how long these highway trust funds will be held up. I am not qualified to project.

Senator HARTKE. All I call to your attention is that we seem to be in a remarkable contradictory purpose here in regard to automobile safety. If we are really going to reduce the death toll on the highways, the best, quickest, and most assured way of doing it, is to build safer highways first. I am not saying you can't build a safer car, improve driver training, and all the other things. I think that the No. 1 element of automobile safety is highway safety.

Coming back to the SST—I don't know whether you covered this or not—what plans if any, have been given to the changes which will be needed in airports in the United States in regard to length of runways and facilities to accommodate the SST?

Mr. BOYD. The ground rules under which the SST competition was carried out Senator require that the SST design and construction by the U.S. manufacturer must operate within the confines of the existing physical facilities of the airports, including the existing air traffic control system. In other words, they must not require additional runway length additional runway strength. This has been one of the basic requirements that the supersonic transport must operate within the environment which exists today. And they will do that.

Senator HARTKE. They will do that?

Mr. BOYD. Yes, sir.

Senator HARTKE. You will keep us posted if there is any change in that position?

Mr. BOYD. Right.

Senator HARTKE. In regard to building of ships, do you feel that ships should be built in the U.S. shipyards or should we build them wherever they can be built the cheapest?

Mr. BOYD. I don't know that there necessarily need be a dichotomy there. I think that the American shipowners should have the opportunity to purchase their equipment wherever they can find it and I think if they were able to do this, Senator that within a very short time you would find that they were willingly buying in the American shipyards because the American shipyards would have some incentive to become competitive.

Senator HARTKE. They should be able to buy where they want to is that what you are saying?

Mr. BOYD. Yes, sir.

Senator HARTKE. In other words, if they can buy them in Japan, they should buy them there?

Mr. BOYD. Yes, sir. I want to make it very clear. I very strongly favor a strong U.S. merchant marine. However, I think that you should realize—as I am sure you do—that the bulk of the money spent in the U.S. shipyards today is spent by the Navy on naval vessels. The money spent for the merchant marine is a very small fraction of the amount spent on naval equipment. And because of the preference laws in this country the U.S. merchant marine operators are captives of the U.S. shipbuilders market. There is no incentive for the shipbuilders to be competitive in the sense that Ford and



General Motors have to be competitive with each other, as well as with the Volkswagen, Fiat, and so forth and so on.

I am just as convinced as I am sitting here that if this Congress would authorize overseas construction and purchase of ships to operate under the American flag, that no more than 20 of such ships would be built for the American account, at which time our own shipyards would find they did have the efficiency to be competitive and to build the kind of ships we can have to continue leadership in the merchant marine of the world.

I am convinced furthermore, Senator, that the genius of the United States within the political institutions which have been so wonderful for our way of life, is the genius of American management. But he darned well has to have an incentive before he is going to use that genius.

Senator HARTKE. Is it your intention then to recommend legislation along this line to the Congress?

Mr. BOYD. I don't have anything to do with it.

The Maritime Administration was not included in the Department of Transportation.

You asked me a question and I tried to give you an answer.

Senator HARTKE. I have no further questions at this time.

The CHAIRMAN. I was going to ask a number of questions on the merchant marine. I appreciate that the merchant marine was not made a part of the Department of Transportation. I think, though, that you might state for the record just what the status is now of the Maritime Commission in view of this bill, and the Maritime Administrator, so that everyone will be clear where they are at this time.

Mr. BOYD. Yes, sir. The Federal Maritime Commission is an independent regulatory agency reporting to Congress, composed of five members, bipartisan. It has the economic regulatory responsibilities for the U.S.-flag operations in offshore United States-Alaska, United States-Hawaii, United States-Puerto Rico, and the dealing with ocean shipping congresses insofar as rates are concerned to and from the United States. The Maritime Administration is the promotional agency of the Federal Government for the U.S. merchant marine. It is an agency of the Department of Commerce, headed by an Administrator who is appointed by the President, confirmed by the Senate.

It has the responsibility for dealing with the subsidies, operating and construction, for the education of merchant marine officers, and for research and development in the field of merchant marine. It is not an independent agency. It was recommended that it became a part of the Department of Transportation. There was some reluctance on the part of the Congress to make that transfer. It therefore remains in the Department of Commerce.

The CHAIRMAN. Do you believe that it should stay there?

Mr. BOYD. No, sir. I believe it should be a part of the Department of Transportation.

The CHAIRMAN. And you so asserted at the time of the hearings on the bill?

Mr. BOYD. Yes, sir.

The CHAIRMAN. Do you think the matter should be resolved by this committee—

Mr. BOYD. Yes, sir.



The CHAIRMAN (continuing). At this session of Congress?

Mr. BOYD. I think so; yes, sir.

The CHAIRMAN. This committee in the Senate, and the Merchant Marine Committee in the House?

Mr. BOYD. Yes, sir.

The CHAIRMAN. I have several questions on the merchant marine. I don't think I need to express to you my deep interest in the problems of the American merchant marine. You did head, did you not, Mr. Secretary, an interagency maritime task force report?

Mr. BOYD. A task force, which filed a report; yes, sir.

The CHAIRMAN. Where is that report now? What is the status of the report?

Mr. BOYD. In the ashcan, where it went immediately after it was published. [Laughter.]

The CHAIRMAN. And the Secretary of Commerce has not acted upon it?

Mr. BOYD. No, sir.

The CHAIRMAN. That report, of course, recommended cargo preference laws should be phased out in 10 years?

Mr. BOYD. Yes, sir.

The CHAIRMAN. And many other suggestions?

Mr. BOYD. Yes, sir.

The CHAIRMAN. With which I might say the chairman is in thorough disagreement, with many of them. I am only one, speaking for one. Senator Bartlett is the chairman of the subcommittee now. I think you will agree with me, would you not—and I will submit these questions to you—that it is a pretty sad story when we are carrying only 10 percent of our cargo.

Mr. BOYD. Mr. Chairman, I think that all of us on either side of this room are very much interested in strengthening the merchant marine. We have different views as to how it can best be accomplished. But I think our aim is exactly the same.

Senator HARTKE. Mr. Chairman, I have one more question.

The CHAIRMAN. Let me finish this first.

I hope that the objective of an adequate merchant marine is not lost in a controversy on how to do it. That could go on for a period of time until we gradually disintegrate. I don't know of any better example as to why we should come to a decision than our present reliance upon the merchant marine in the Vietnam conflict.

Mr. BOYD. I think what is needed, Mr. Chairman, is some catalytic agent. It is entirely possible that the Senate Commerce Committee can provide that.

The CHAIRMAN. I hope we can. We have listened to the business of control. I have heard that for years. And, of course, Vietnam has proved there is no effective control, that you have to do it yourself. Cargo preference is always being shot at by the State Department and others. All you have to do is to visit some of these other maritime countries and propose to them a question: "If you were only carrying 10 percent of your cargo, what would you do?" And they would see to it that they carried at least half of it.

I pose the second question: Don't you think we are entitled to carry a reasonable percentage of American cargo?

Mr. BOYD. Absolutely.

The CHAIRMAN. Ten percent is unreasonable. Very unreasonable.



I think that we have got to come to grips with this and get it over with. Your own task force, as I recall, suggested that by 1980 or 1985, under present conditions, it will drop to as low as 7 percent of American cargo being carried.

Mr. BOYD. Yes, sir.

The CHAIRMAN. As long as everyone is in agreement on that, it seems to me we can get together on that and do something about it, because no one has ever yet disputed the fact that the American merchant marine is now the fourth arm of our defense, in addition to its value to the Nation's economy in flying the American flag.

I hope we can find some real answers to it, to get it moving. I am sure the distinguished Senator from Alaska, who is now the chairman of the Merchant Marine Subcommittee, would agree.

We are all vitally concerned with this and have been for a long, long time.

The CHAIRMAN. Actually, the simplest thing we have suggested is to carry out the 1936 act. There it is. But, I have never found many people in the Maritime Administrator's post that ever really wanted to carry out the 1936 act. They wanted to go through what you call the back door and do something to gut it. And no one comes up here, no administration, with any suggestions to amend the act.

If they don't like the 1936 act, they ought to come up and say so and we will consider it.

This is the plight of the American merchant marine. Nobody wants to do for them what Congress said, way back in 1936, should be done.

I notice you share a concern about this; as you say, you have nothing to do with it now. But you might have some effective, not control, but influence, on what should be done to get us an adequate American merchant marine.

Mr. BOYD. That is certainly my aim.

The CHAIRMAN. I will submit some questions and you can answer them as far as you can, consistent with your responsibility for this particular job.

Mr. BOYD. Yes, sir.

The CHAIRMAN. You can't have a Department of Transportation and not regulate all of the modes of transportation.

You can't put them all together, to have a strong, healthy system, without some consideration of adding one of the very, very important sectors, the American merchant marine, and all of its facets. Every time we get into trouble, we learn that lesson. And we are learning it every day; now today.

Mr. BOYD. Yes, sir.

The CHAIRMAN. Do you have another question?

Senator HARTKE. I just wanted to say, as the chief adviser to the President on transportation, you would be making recommendations in this field?

Mr. BOYD. I presume so.

Senator HARTKE. I would like to call your attention to the fact that about 3 years ago, the President said he was going to send us a message on the merchant marine, and we are still waiting. That is all.

Mr. BOYD. Thank you, Senator, I will remember that.

The CHAIRMAN. One other question. There have been a number of sectional overtones here in this hearing about problems in different



areas of the United States, and there has been some talk about freezing certain things. Back in 1956, the Department of Commerce froze sizes and weights of motortrucks. And there have been several studies made, and recommendations made, and the Department of Commerce's own studies show it penalizes the so-called 11 Western States. Still we can't seem to throw it out. I hope you will direct your attention to that when you get down there.

Mr. BOYD. Mr. Chairman, I am sure if you put enough heat on me, I will be able to warm things up in the Department.

The CHAIRMAN. Yes. Warm things up. We have been in that deep freeze since 1956 and it is even worse than it was then, because the growing shift in population to the West is making it even more discriminatory and more impractical. It adds no purpose to highway strength at all. All of the studies show that. The Department of Commerce studies show that.

I haven't any further questions. Bob?

Senator BARTLETT. A few. Unrelated.

Mr. Boyd, when will the Department of Transportation come into being?

Mr. BOYD. I do not know, sir. It will either be 90 days after the Secretary is appointed, or such earlier time as the President announces in the Federal Register and I have no knowledge of any intention on his part, one way or the other.

Senator BARTLETT. Is any Federal subsidy involved in the operation of the Seaway?

Mr. BOYD. As I understand the matter of subsidy, no.

Senator BARTLETT. Your judgment on that is confirmed by the Senator from Michigan.

Senator HART. Whose definition of "subsidy," in connection with this, would be regionally colored. But I know of none under any definition.

Mr. BOYD. There are people who would argue another point, I believe. But as I understand it, there is no subsidy.

Senator BARTLETT. Now, I am not quite clear yet, Mr. Boyd, what responsibilities the Federal Railroad Administration within the new department will have in respect to pipelines.

Mr. BOYD. Well, by the law establishing the Department of Transportation, Senator Bartlett, the rail and pipeline safety functions now lodged in the Interstate Commerce Commission were transferred to the rail administrator, so that the rail administrator will have the identical function insofar as pipeline safety is concerned, as the ICC has today.

Senator BARTLETT. Then if I recall correctly, what you said earlier, there will be two functioning responsibilities at the outset—the one you have just named, and the Alaska Railroad.

Mr. BOYD. Yes, sir.

Senator BARTLETT. And this is the only federally owned railroad, except that in the Panama Canal, insofar as I am aware. I wish the Senator from Ohio were here to hear me say that the Alaska Railroad has not had an operating deficit since you were in grade school. And we hope it never will have one. The General Manager of that railroad is John Manley, whom you may or may not know.

Mr. BOYD. I know him.



Senator BARTLETT. But in any case, I want to advise you that in my opinion he is one of the ablest administrators in the Federal Government.

Mr. BOYD. That is why I suggested we would leave him alone.

Mr. BARTLETT. That is good.

Now, various proposals have been made in the last year, especially for extensions of the Alaska Railroad. There have been none such in 40 years or more. Particular concentration is placed upon a recommendation that the railroad be extended to a big copper mine on the (Cobuck?) River in the Arctic. Will the Department be in a position to make a study of the need for this extension or any others and the reasonably early dates?

Mr. BOYD. I should think so, Senator. I am not cognizant of the cost of a study of this type, but—or the time requirements—but this is something with which I have been in discussion with Mr. Manley about already.

Senator BARTLETT. This falls clearly within your bailiwick?

Mr. BOYD. Yes, sir.

Senator BARTLETT. Now, you mentioned the Department's concern to be with the different modes of transportation and with the using public, the public in general, perhaps.

Is there any priority there, or are the two equal?

Mr. BOYD. Well, the purpose of a transportation system, as I see it, purely and simply is to provide a service.

Now, if it doesn't provide a service, then it serves no purpose. So I would say that the general public is the top priority.

Senator BARTLETT. I am glad to have you say that. You mentioned that the Department would be concerned with the total transportation system.

Mr. BOYD. Yes, sir.

Senator BARTLETT. Of course, that includes the merchant marine, which has been discussed here within the last several minutes.

The CHAIRMAN. I didn't mean to be facetious about it, but Senator Bartlett has labored long, had weeks and weeks of hearings on this thing.

Senator BARTLETT. Months and years.

The CHAIRMAN. Yes.

Senator BARTLETT. I have a host of questions that I would like to propound to you on the subject of the ocean merchant marine, but I won't do so at this time, because the hour is so late. But I want to ask you this, Mr. Boyd.

In light of the high probability that this committee will hold some hearings on the merchant marine this year, will you be available to come up and give us the benefit of your views?

Mr. BOYD. Yes, sir.

Senator BARTLETT. Thank you very much.

Now, section 4a of the act creating the Department of Transportation requires the Secretary to consult and cooperate with the Secretary of Labor in the gathering of information regarding the status of labor-management contracts and other labor-management problems and in promoting industrial harmony and stable employment conditions in all modes of transportation. This is a pretty broad grant of authority. Do you have any plans made at this time as to how you will exercise that authority?



Mr. BOYD. No, sir. I sent a memorandum to Secretary Wirtz yesterday, the Department of Labor, asking him what he thought would be a reasonable role for the Department of Transportation in the light of the legislation and the hearings and the committee reports.

Senator BARTLETT. Of course, a literal reading of those words, which I just related, would mean you would be deeply involved in whatever disputes might arise in the merchant marine industry, too, although you have no direct connection with that industry; right?

Mr. BOYD. I think so; yes, sir. I think that is right.

Senator BARTLETT. I have no further questions.

The CHAIRMAN. There is one provision in the act that maybe you could clear up, your interpretation of it, and that is dealing again with section 4(f) the language there apparently attempts to suggest that you as the Secretary of Transportation should not approve any program or project which requires the use of any land from a public park, wildlife or water fowl refuge or historic site unless—there is no feasible or prudent alternative use for such land, and such program includes all possible planning to minimize harm to such areas.

Who would be handling that?

Mr. BOYD. Well, that would come primarily through the Bureau of Public Roads and the Highway Administrator. As I understand the law, it requires coordination with the Departments of Housing and Urban Development, Interior, particularly, to see that these values, which have been set forth in there, are fully protected and are not injured in any way, if it can possibly be avoided.

But my interpretation also includes, Mr. Chairman, that the Secretary of Transportation makes the decision on what is feasible and what is not feasible, that this cannot be a town meeting proposition, where everybody sits around and argues about who makes a decision. He has got to have the responsibility.

The CHAIRMAN. My colleague, Senator Jackson, who, as you know, is chairman of the Interior Committee in the Senate, has suggested some questions on that point, which I will give to you to answer.

Mr. BOYD. Right, sir.

The CHAIRMAN. Any further questions?

Senator MONRONEY. Mr. Chairman, may I ask two or three questions on aviation that I didn't get into this morning?

The CHAIRMAN. Yes.

Senator MONRONEY. I am interested in the situation which will place you, I believe, in charge of the airport program. While it is under the Federal Aviation Administrator, it is not one of the exclusive safety matters that are confined to his jurisdiction. So you will have some participation in the airport program.

Mr. BOYD. Yes, sir.

Senator MONRONEY. Are you satisfied with the present level of Federal aid to airports which is running now at about the rate of \$75 million a year?

Mr. BOYD. I would rather answer that, if I may, Senator, by saying that we are now engaged in a major effort to review the whole situation.

Senator MONRONEY. I see. When might we expect the completion of that review?

Mr. BOYD. I would hope by the 4th of July.

Senator MONRONEY. Certainly the amount we are spending in light of the rapid growth of aviation is not going to be sufficient to keep us



up to date or to prevent our present-day airport system from becoming overcrowded and probably underbuilt.

Mr. BOYD. I think we are approaching a crisis at the airports in this country, because of lack of facilities to deal with the expanding traffic, passenger traffic, cargo traffic, and airplane traffic.

Senator MONRONEY. Do you have the right, under your surface transportation authority, to include as a part of those studies a way of getting to and from our metropolitan airports?

Mr. BOYD. Yes, but that is not going to be included in the study I mentioned a moment ago, because I think if we try to throw too much into one study, we won't get anywhere. But we are concerned with that and will be working on that at the same time.

Senator MONRONEY. You will also, wearing your hat as highway administrator, be concerned with the routing of superhighways, so they might pick up some of the traffic to the airports, to speed up the service a little bit?

Mr. BOYD. Yes, sir.

Senator MONRONEY. Have you formed a policy on that, whether you will determine where, without undue detours or undue additional mileage, these superhighways might pass within the vicinity of airports?

Mr. BOYD. Oh, yes, sir. The airports are one of the major traffic generators, surface, vehicle-traffic generators, in any area, and they should be folded into the system.

Senator MONRONEY. And there would be no purpose properly served by routing them away from the airports, so the intercity traffic would not be impeded by additional traffic generated from the airports.

Mr. BOYD. No. Now, there are obviously cases—you can't have a 50-mile detour. But this is not what you are talking about. Within a reasonable area, very definitely.

Senator MONRONEY. To pick up the traffic rather than avoid it, is the point I am making. Because sometimes it is said the airport traffic will overcrowd the highway, and they try to eliminate that traffic from the intercity traffic. But the distances are great enough that they should be on the interstate where that is possible.

Mr. BOYD. That is my general approach, yes, sir.

Senator MONRONEY. Is there any other program in relation to highways that would be helpful to access to the airports, other than the interstate?

Mr. BOYD. Well, of course there is the urban extension portion of the ABC system which I think might come in.

Senator MONRONEY. Might be of some assistance?

Mr. BOYD. Yes, sir.

Senator MONRONEY. Certainly that portion through the city that leads to an airport could be built by the urban extension benefits.

Mr. BOYD. Yes, sir.

Senator MONRONEY. You are concerned, I guess, as well as everybody else, with the loss of time incurred by going and coming from the airports.

Mr. BOYD. Very definitely.

Senator MONRONEY. That has become more important now than the time of flight.

Mr. BOYD. Absolutely, and this is an area of major importance we are trying to deal with and will be.

Senator MONRONEY. Have you considered enlarging the airport section of the Department to engage in studies for future airport planning, particularly for our metropolitan centers, that are becoming almost completely saturated by their present airport systems?

Mr. BOYD. We hope to give priority to the total complex of urban transportation involving the movement to and from the airport.

Senator MONRONEY. That is all I have, Mr. Chairman.

The CHAIRMAN. Your budget requests are going to be in the neighborhood of something around \$6 billion. Is that correct?

Mr. BOYD. Yes, sir.

The CHAIRMAN. But it should be realized that approximately \$4,300,000 is the public roads trust fund.

Mr. BOYD. That is correct, sir.

Mr. CHAIRMAN. And what is the budget on FAA? It is approximately \$700 million or something. So if it is somewhat less than \$6 billion, about \$5 billion is taken up with those two items that were before the Appropriations Committee about the same last year, anyway.

Mr. BOYD. Yes, sir.

Mr. CHAIRMAN. So that \$6 billion, although it may be a startling figure, involves these two big items.

Mr. BOYD. That is correct, sir.

The CHAIRMAN. One other matter. Where are they going to house you?

Mr. BOYD. Well, all over town, Mr. Chairman. There will be a few of us in the eighth floor of the Federal Aviation Building on Independence Avenue. A few more in a little five-story building at Sixth and D Streets SW. A few in the I.C.C. Building. A few at an address on Indiana Avenue, which I haven't seen. Some in the Matomic Building. And some in the Universal Building. And we are probably going to have to pitch some tents on the Mall to take care of a few others.

The CHAIRMAN. You are really going to need transportation, aren't you?

Mr. BOYD. Yes, sir. We are going to deal with firsthand knowledge.

Senator BARTLETT. How many of you will there be at the start? Do you know?

Mr. BOYD. We are figuring on a total of about 430 people in the headquarters of the department. Now, a number of them will be transferred in from the various operating agencies. I would say 500 people.

The CHAIRMAN. Senator Hollings, do you have any questions?

Senator HOLLINGS. No.

The CHAIRMAN. Now, you pointed out that under the law the President can establish this department within 90 days, is that correct?

Mr. BOYD. It will be established within 90 days after—

The CHAIRMAN. Within 90 days after you are confirmed by the Senate.

Mr. BOYD. Yes. He can set an earlier date, however.

The CHAIRMAN. So that sort of dictates to me the necessity of moving as fast as we can.

Mr. BOYD. Yes, sir.



The CHAIRMAN. Not necessarily for your nomination, but for the whole cause of transportation in this country.

Mr. BOYD. That is correct.

The CHAIRMAN. Several Senators may have wanted to ask some additional questions, but I will ask them to submit them in writing and we will leave the record open until, let's say, next Monday, for any changes or further questions.

Mr. BOYD. Right.

The CHAIRMAN. Unless there are any further questions from those present—

Senator BARTLETT. Mr. Chairman, just one thing.

The CHAIRMAN. Yes.

Senator BARTLETT. I wanted Mr. Boyd to know that it very well may be that I will be siding with the chairman in opposition to some of your views on the merchant marine.

After saying that, I want to add that I think you have made simply an amazing demonstration here today, after almost 4 hours on the stand, of your knowledge of transportation. I join with other Senators in saying to you, Mr. Boyd, that I do not believe the President could have made a better choice for the first Secretary of this new and important department. I have known you, I guess, almost from the time you came to Washington, and I have always considered you one of the ablest, most efficient, most forward-looking administrators in the Federal Government. And my vote would have been cast for you in committee and on the floor, although I suspect there will be no floor vote, even if you hadn't appeared here at all today.

But the demonstration you have made of your capacity here today simply moves me to say that it becomes all the easier to vote for your confirmation.

Mr. BOYD. Thank you, Senator.

The CHAIRMAN. On that happy note, we will go into executive session.

Mr. BOYD. Thank you, Mr. Chairman.

(The following material was submitted by Mr. Boyd for the record.)

THE SECRETARY OF TRANSPORTATION,  
Washington, D.C., Feb. 10, 1967.

HON. WARREN G. MAGNUSON,  
Chairman, Committee on Commerce,  
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Enclosed are the answers to the four questions raised by Senator Jackson concerning the preservation of public parks, recreational areas, wildlife and waterfowl refuge and historical sites. Answers to the supplemental questions from members of the Committee are now being prepared and will be transmitted to you shortly and will include the question raised in your letter of February 9 concerning Subsection 131(b) of the Highway Beautification Act.

Sincerely yours,

ALAN S. BOYD.

BOYD'S ANSWERS

These answers are in response to questions from Senator Jackson. For clarity the question has been repeated and the answer follows:

(1) What specific guidelines should be used to carry out the expressed national policy reflected in Section 2(b)(2) and Section 4(f) of the Act?

Answer. Although the Federal Government has always sought to assure that preservation of parks and historic sites is given proper consideration in the development of the Nation's highway program, final decisions have usually rested



at the State and local level. Over the years, the Bureau of Public Roads has issued various procedures and instructional memoranda to State Highway Departments to aid their resolution of sensitive location problems.

These procedures require that the State Highway Departments submit their programs to the officials responsible for the administration of fish, wildlife, parks, and other outdoor and historical resources for review and comments. The highway departments are required to consider those comments in arriving at decisions. Where a decision is contrary to the comments and recommendations of a resource administrator, the highway department is required to submit with its request for approval by the Bureau of Public Roads the facts of the situation including the extent of consideration given to those comments and recommendations.

The Department will review these procedures and formulate a comprehensive policy to reflect the new expression of intent in the Department of Transportation Act. The result of this effort should provide meaningful guidelines to state and local highway officials. In addition, analytical tools must be developed to provide objective criteria for measuring commensurate costs and benefits of maintaining the natural and historic values which must be considered in choosing between alternative route locations. I recognize that we must not sacrifice our irreplaceable national heritage for short term economic or social benefits.

(2) Specifically, what is your interpretation and understanding of the phrase "feasible and prudent alternative" as used in Section 4(f)?

Answer. The legislative history of the Department of Transportation Act provides only a very general definition of the term "feasible and prudent alternative." The proper implementation of the congressional intent will depend upon deciding when to accept higher monetary or social costs in order to preserve our natural, aesthetic and historic heritage. Representatives Kulczynski and Rostenkowski both commented on the floor of the House that conservation of parks and similar facilities should not preclude proper consideration to such things as integrity of neighborhoods, the displacements of people, the protection of schools and churches, and similar human values.

(3) Is the burden of proving the need to construct an alternate route which by-passes the parkland area upon the Department of Transportation, state and local transportation planners, or upon interested citizen groups?

Answer. The Nation, the States, the counties, the local communities, and each citizen has a stake in insuring that our parklands and historic sites are preserved whenever feasible. The States and cities must properly consider alternative routes which by-pass parkland areas. Federally aided highway programs or projects will not be approved if they do not meet the requirements of the Act. In this manner, the decisions on these location issues will be made in mutual cooperation by all levels of Governments to preserve the public interest.

(4) How do you intend to comply with the requirements of Section 4(f) above cited for cooperation and consultation with the Secretaries of the Interior, Housing and Urban Development, and Agriculture, and with the States in developing transportation plans and programs that include measures to maintain or enhance the natural beauty of the lands traversed?

Answer. The requirement that the Secretary shall cooperate and consult with the Secretaries of Interior, Housing and Urban Development, and Agriculture is not construed to apply to individual projects; rather it is considered to require cooperation in policy planning to the end that the programs of all the listed agencies include measures to maintain and enhance the natural beauty of the lands traversed. As of this time, there is not a specific plan for initiation of the necessary cooperation and consultation. The Secretary will await the actual creation of the Department before initiating a procedure, but expects one of the early goals of the Department will be the establishment of the interdepartmental procedures required to accomplish the purposes of the Act.

THE SECRETARY OF TRANSPORTATION,  
Washington, D.C., February 17, 1967.

HON. WARREN G. MAGNUSON,  
Chairman, Committee on Commerce,  
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in further response to my letter of January 10, and your letter enclosing twenty questions for me to answer for inclusion in the hearing record on my nomination.

For your convenience the questions and answers are submitted as an enclosure to this letter.



I appreciate the opportunity to express my views on the issues you have raised. If I can be of any further assistance to you, please do not hesitate to call upon me.

Sincerely yours,

ALAN S. BOYD.

#### BOYD'S ANSWERS

1. Do you consider the American Merchant Marine to be an instrument which could be effectively used to improve our foreign and coastwise commerce?

Answer. Yes, there is no question in my mind but that the American merchant marine is an instrument which could be effectively used—or better stated, could be *more* effectively used—to improve our foreign and coastwise commerce. Maritime transportation, in the future, will continue to move an overwhelming percentage of trans-ocean cargo in foreign commerce. The U.S. merchant marine must become more productive and competitive if it is to play a more effective and expanding role in servicing our waterborne commerce. Where necessary, Government promotional programs can assist in this effort not only through operating aids but by encouraging technological innovations that lead to more productive operation which will allow the industry to exploit the economic factors which permit American industry to compete in world markets.

2. If the Merchant Marine were in the Department of Transportation, what specifically would you do to implement present policy to the end that 50 percent of our waterborne commerce is carried by our ships as was contemplated by the 1936 Merchant Marine Act?

Answer. The key point here, I think is to remove those barriers which prevent ship owners from having unrestricted access to the purchase of new capital equipment, i.e., vessels at prices equivalent to those faced by their competitors and without artificial restraints such as the unavailability of Government subsidy funds for shipbuilding. A significantly larger U.S. flag carriage of our trade is possible only when the ship owner can expand his fleet in order to aggressively compete for the share of the market that his business judgment tells him he can obtain. This freedom to purchase capital equipment at competitive prices, together with new approaches to Government operating assistance, could be used to make U.S. registry economically attractive for many U.S. ship owners who now operate vessels under foreign flags, thus encouraging future construction by them for U.S. flag operation.

Government promotional assistance to ship owners such as operating subsidies is of course, much more effective when applied to new, highly productive ships that are part of an efficient transportation system. This is true both in the liner and bulk areas. We must recognize that shipping is an important link in the total movement of goods from source to destination. One of the most promising developments for increasing transportation productivity and reducing costs to shippers is the integration of land systems and interchange points with maritime systems through use of unitized cargo handling, simplified documentation, coordinated management of the overall system and removal of institutional barriers.

3. Are you aware of the tremendous merchant marine buildup by the Russians? The Russian authorities have stated that they intend to use their merchant marine to control the commerce of the world. Do you believe this is possible and, in your opinion, do you believe this buildup creates any dangers for the United States?

Answer. The Soviet fleet is large and growing however, the matter should be kept in perspective. For one thing, even after it has achieved its projected buildup, the Soviet merchant marine will only comprise about 5% of the world's total. The Free World still will have over 90% of the total world fleet. The Soviet intention would seem to be (from the size of their buildup) to carry all of their own trade for which they control the routing. Thus to "raid the sea lanes" in any significant fashion they would have to rely upon Free World shipping to carry some of their trade. This does not mean that the Russian buildup should be ignored, but it does not pose a substantial threat and should not be over-rated.

4. As Secretary of the Department of Transportation will you be exercising any policy or other controls over the Merchant Marine? If yes, explain.

Answer. It was the recommendation of the Administration that the Maritime Administration be placed in the Department of Transportation. After debate on the matter, the Congress decided that it should not. Although I will have no direct control over the merchant marine, I may, as chief adviser to the President on transportation, be asked for my views on maritime transportation matters.

5. Don't you believe that there is an important prestige factor involved in the United States having a fleet of passenger ships—in fact, in having a powerful



merchant marine comprised of all types of ships—that is important to this Nation even though it may not be susceptible to measurement in exact dollar terms.

Answer. The United States is a tremendously powerful nation and our prestige is affected in a very minor way by such factors as the existence of a fleet of passenger ships. The decision of whether or not to have a fleet of passenger ships should not depend on the matter of national prestige.

6. Don't you agree that our experiences in Viet Nam have conclusively proven the invalidity of the so-called "effective control doctrine" and have clearly shown the necessity of having a strong American flag fleet?

Answer. To the best of my knowledge, the "effective control doctrine" has not been invalidated or even tested in Viet Nam. Ships considered by the Navy—which maintains a listing—to be under "Effective U.S. Control" have not been utilized under any sort of "control." Some may have been chartered by AID or MSTTS, but so far as I know no ships considered under "Effective Control" have refused to carry cargoes to Viet Nam.

7. In absorbing the Great Lakes Pilotage Administration into the Department of Transportation, I understand you favor placing it wholly within the U.S. Coast Guard. Is this true, and if so, what are your reasons?

Answer. It is true that I favor placing the Great Lakes Pilotage Administration wholly within the U.S. Coast Guard. Under the provisions of the Great Lakes Pilotage Act of 1960, the Pilotage Administration registers only those individuals possessing valid licenses issued by the Coast Guard. When a pilot is not available for a vessel or there will be some delay in obtaining a pilot, the Act provides for a waiver to be granted at the discretion of the Pilotage Administration. The granting of waivers is subject to concurrence by the Coast Guard. Thus, we see that the Coast Guard is already intimately involved with administering the Great Lakes Pilotage Act. With both the Great Lakes Pilotage functions and the Coast Guard in the same Department, the logical organizational arrangement is coordination of the activities into an integrated operation.

8. Under the current law (74 Stat. 259) aren't the Coast Guard responsibilities primarily limited to the licensing functions? Wouldn't you have to secure substantive changes in the law to clothe the Coast Guard with the former Department of Commerce functions?

Answer. As stated above, the Coast Guard is concerned with the granting of waivers with respect to employment of pilots as well as the professional qualifications of the pilots and the enforcement of certain provisions relating to violations of the Act. The Department of Transportation Act provides that the Commandant of the Coast Guard shall carry out such additional functions, powers, and duties as the Secretary may prescribe. The Act also permits the Secretary to delegate any of his residual functions, powers, and duties not specifically assigned by the Act to one of the Administrators of the Department.

Since the functions involved in the Great Lakes Pilotage Act have not been specifically assigned by the Department of Transportation Act, and since the Pilotage Act itself contains no limitations or restraint, it is our judgment that the Secretary has the authority to assign functions within the Department as he may determine.

9. Under the current law the economic responsibilities—those dealing with maritime labor and management on matters of regulations, rates, fees, pilotage pools, etc.—are lodged with the Department of Transportation (formerly the Department of Commerce). Do you think the Coast Guard is equipped to handle such responsibilities? By the same reasoning, would you suggest that the Coast Guard regulate the wages and similar conditions of service on U.S. merchant vessels generally? What is the difference?

Answer. The close involvement between the Coast Guard and the Great Lakes Pilotage Administration has been noted. Historically, there has been some reluctance on the part of the Coast Guard to become involved in matters relating to wage rates, industry employment, etc., as contrasted to the general field of maritime safety. However, over a period of many years, the Coast Guard's mission has been gradually expanded into certain supervisory functions, so a program such as that of the Great Lakes Pilotage Administration is not inconsistent with the present mission of the Coast Guard.

Wages and general conditions of service on U.S. merchant vessels are derived through the collective bargaining process. These are matters that are decided by the maritime unions and the operating companies, within the framework of rational labor-management relations legislation and should not be the responsibility of the Department of Transportation, nor the Coast Guard as a constituent unit in the Department.



10. Under the current Great Lakes Pilotage law there is a rather delicate balance of authority between the Coast Guard licensing and other economic and regulatory functions (see Section 7 as an example). Wouldn't these balances be destroyed by a complete transfer into the Coast Guard?

Answer. Section 4 of the Pilotage Act, dealing with the registration of U.S. pilots qualified for service in certain designated areas of the Great Lakes, states that the regulations established by the Secretary regarding the qualifications, terms, and conditions to insure adequate and efficient pilotage service shall not include matters relating to a pilot's professional competency nor be inconsistent with his duties under the license issued him by the Coast Guard. The purpose is obviously to prevent confusion with the professional competency regulations established by the Coast Guard dealing with merchant marine safety. So long as the functions so carefully delineated in Section 4 are kept separate, it is clear that administration of both sets of functions within a single agency is possible.

11. The so-called "Doyle" Report called attention to the discriminatory taxes levied by certain states on railroads and other modes in connection with the assessment of property for ad valorem taxes. Are you familiar with this matter? Will you look into this and investigate what steps should be taken to remedy this matter?

Answer. I am familiar with the Doyle Report's reference to discriminatory State taxation of railroads and other modes in connection with the assessment of property for ad valorem taxes. In fact, if you will forgive the personal note, I joined, as a participating State Commissioner, in the ICC's decision in *Railroad Passenger Train Deficit*, 306 ICC 417 (1959), which, among other matters, called for State and local governments to take such steps as might be required to effect a greater degree of equity in respect to tax burdens on railroad property in relation to tax burdens generally. Some such efforts have been made. In addition, the railroads have attained some degree of success through judicial review.

To the extent that these avenues of relief can be shown to be inadequate or unsatisfactory in relieving severe and undue discrimination, the time for appropriate legislation may be at hand. I presume that the carriers themselves will urge the reintroduction of legislation. This question is on the agenda of items to be studied by the Department of Transportation as both time and staff permit.

12. I understand the Department of Defense has indicated that it will begin to utilize the services of agricultural cooperatives in the transportation of military traffic. Would it be your purpose to look into this matter? Will you be on the lookout generally for transportation policies of other government shipping agencies that might be shortsighted from a national standpoint because of their adverse effect on transportation?

Answer. It has been asked whether it is my purpose to look into the Department of Defense's utilization of the transportation services of agricultural cooperatives. Coupled with the above question is another inquiring as to whether I will be "on the lookout generally for transportation policies of other government shipping agencies that might be shortsighted from a national standpoint because of their adverse effect on transportation."

If the linking together of these questions intended to imply that the DOT policy is shortsighted, I am not prepared to accept that implication. I would prefer to withhold any further comments on the subject of the cooperatives until such times as legislative hearings are held, as appears likely to be the case.

As to the shipping policies of other government agencies, the Department of Transportation Act requires that I consult with the heads of Federal Departments and Agencies on the transportation requirements of the Government, including the procurement of transportation or the operation of their own transport services in order to encourage them to establish and observe policies consistent with the maintenance of a coordinated transportation system. I look forward to a cooperative dialogue which will develop policies in the best interest of the Nation.

13. The Attorney General has concluded that the Highway Beautification Act requires the States to pay compensation for removal of billboards, subject to the 10 percent penalty. Would you favor amendments eliminating the above requirement?

Answer. Many States regulate billboards without the payment of just compensation under existing statutes which have been upheld by court decisions. However, unless experience demonstrates that the application of the existing Federal requirement in line with the Attorney General's ruling will cause a serious problem to the States. I do not favor an amendment of the existing requirement.

14. Would you attempt to apply the above requirement to the removal of billboards, where the billboards were unlawfully in existence as the result of State law which pre-dated the Federal Act?



Answer. No. There is no express or implied statutory requirement that a State must pay compensation for the removal of billboards unlawfully in existence under such circumstances.

15. Do you favor amending the existing Federal Highway Beautification Act to establish a Federal-aid State-designated scenic roads system not necessarily limited to the primary system?

Answer. The determination as to the merits of a Federal-aid State-designated scenic road system should be considered separately from the programs under the Highway Beautification Act which are concerned with scenic enhancement and beautification of Federal-aid primary and secondary highways.

16. Do you anticipate any changes in the Highway Beautification standards issued recently by the Bureau of Public Roads after that agency moves to the Department of Transportation?

Answer. The Department of Commerce submitted to the Congress on January 10, 1967, a report entitled, "The 1967 Highway Beautification Report." This report contains those standards, criteria, and rules and regulations which are to be applied in carrying out Section 131 and 136 of Title 23, United States Code. The criteria and standards submitted in the January Report are to serve as a basis for reaching agreement with the States and thus may be changed as a result of negotiations with the individual States. Until the content and application of these agreements are resolved, it would be difficult to anticipate changes which may be made in the standards as set forth in the report submitted by the Secretary of Commerce. Responsibility for administration of the Highway Beautification Act of 1965 shortly will be transferred to the newly-created Department of Transportation and the above referred to negotiations will take place under the auspices of the new department.

17. What has been the reaction of State Highway Departments to the feasibility of implementing the above noted highway beautification regulations?

Answer. The Bureau of Public Roads kept the State highway departments advised as to the development of the proposed standards relating to the control of outdoor advertising. Representatives from the Bureau met with the top administrative officers of the State highway departments on August 12, 1966, and discussed the proposed standards in detail. As a result of this meeting, the State officials made several recommendations relating to the standards. To extent feasible the recommendations are included in the standards which were forwarded to Congress on January 10, 1967. The Bureau of Public Roads has had many inquiries from the States relating to the availability of the standards. In many instances, these inquiries have indicated the desire of the States to undertake necessary steps to initiate needed program action. The States have indicated a desire to get on with the work.

18. Last year I requested that the Department of Defense, the Maritime Administration, and the Atomic Energy Commission prepare joint recommendations on a program for nuclear powered merchant marine vessels. The report was never delivered although the newspapers indicated that it has been at the White House since May. Do you have any comments on this?

Answer. The Administration has not at this point arrived at a program for nuclear powered merchant vessels.

19. Do you agree that present technology is adequate for nuclear merchant marine vessels?

Answer. The Department of Transportation is not the Government's expert on nuclear reactors and we would look to AEC for technical guidance in this area. However, you might note that the AEC General Advisory Committee reported to the AEC in August 1965 that in their view it was technically feasible to go directly to shipboard application of more advanced reactors without the need for a fully operational land based prototype. To the best of my information, reactor manufacturers agree with this.

20. Phases of the merchant marine industry are already subsidized. Do you believe that nuclear merchant vessels must be proved on paper to be completely economical before any are built?

Answer. I think that we must recognize that the next flight of nuclear merchant ships may not truly be economically competitive with ships using existing conventional power plant technology. However, in developmental situations where we are extending the "State of the art" there is much to be gained in the incremental improvements that come about through operational programs.

(Whereupon, at 1:15 p.m., the committee was adjourned.)