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

STATEMENT BY SECRETARY OF TRANSPORTATION
ALAN S. BOYD BEFORE THE MANPOWER SUB-
COMMITTEE OF THE HOUSE POST OFFICE AND
CIVIL SERVICE COMMITTEE CONCERNING
HR 10376, July 13, 1967.

Mr. Chairman and Members of the Committee:

I appreciate being given an opportunity to discuss with the Subcommittee our staffing problems and needs concerning positions in grades GS-16 thru GS-18 in the Department of Transportation. I am also submitting a separate exhibit which responds directly to certain questions concerning high grade positions established in the Department of Transportation set forth in the Chairman's letter of June 14, 1967.

As you know, the Department of Transportation is less than four months old having come into being on April 1, 1967. For the past several months we have been engaged in defining an organization through which we hope to accomplish the mission and objectives established by enactment of Public Law 89-670.

It may be helpful to the Committee if I take a few moments to review several of the new responsibilities and functions brought about by enactment of Public Law 89-670.

A principal reason for establishing the Department of Transportation was to provide within the Executive Branch a focal point of leadership for Federal activities relating to transportation policy, research, safety and administration. The shortcomings of the Federal efforts in these areas were described by the President in his transportation message of April 1966.

This need for more effective and better coordination of transportation policies and programs, taking into account all modes, was forcefully documented in the legislative record in both Houses during consideration of

the Department of Transportation Act. The Congress reflected its concern in the Declaration of Purpose which states that the general welfare, the economic growth and stability of the Nation and its security require the development of national transportation policies and programs conducive to the provision of fast, safe, efficient and convenient transportation. The Congress further found the Department to be needed to assure the coordinated, effective administration of the transportation programs of the Federal Government; to facilitate the development and improvement of coordinate transportation service, to be provided by private enterprise to the maximum extent feasible; to encourage cooperation of Federal, State, and local governments, carriers, labor, and other interested parties toward the achievement of national transportation objectives; to stimulate technological advances in transportation; to provide general leadership in the identification and solution of transportation problems; and to develop and recommend to the President and the Congress for approval national transportation policies and programs to accomplish these objectives with full and appropriate consideration of the needs of the public, users, carriers, industry, labor, and the national defense.

The need to apply systems research to overall transportation needs was mentioned by the President, by Administration witnesses and by members of the Congress as an additional important factor in the establishment of the Department. Research programs must contribute to the solution of such major problems as enabling American citizens living in urban concentrations

to enjoy safe and speedy daily transportation. Answers may be developed as a consequence of efficiently administered research efforts in such areas as high speed ground transportation, the supersonic transport, and noise abatement.

Safety in transportation is a third theme clearly outlined in the legislative history of the Department of Transportation. The Office of the Secretary must have staff capability to provide leadership for new and existing safety programs within the operating elements, as well as to move forward in such aspects of safety as pipeline safety and the transportation of hazardous materials.

A major part of national transportation policy has been built around government relationships with carriers and other elements of the private sector in transportation. Still other relationships involve Federal programs of resource management involving transportation in multi-purpose activity; for example, river basin projects and land use and conservation projects. Before the Department of Transportation was created, there was no capability within the Federal establishment to provide direct and effective handling of problems relating to both these types of relationships from the standpoint of public policy. It is now the Secretary of Transportation's responsibility to insure that Federal participation in these areas is effective and currently consistent with National policy objectives. Accordingly, he requires staff advice of a competence and scope not always available in the past.

I should also note that specific additional assignments have been given to the Department of Transportation since its inception. Many of these are costly, complex, long term projects; all require manpower and other resources. I have included with this statement a list which summarizes most of the major additional assignments being undertaken by the Department.

There is also included with this statement an additional attachment indicating the current operational components of the Department, showing the department or agency from which certain elements were transferred, and indicating which components are new organizations.

I think it is important to recognize at this point that the Department of Transportation was not created to accomplish the diminution, or consolidation, or abolishment, of those organizations brought into the Department. Rather, PL 89-670 served to create a new point of leadership to guide and direct the concerted efforts of the previously established and the newly created administrations.

The Department has leaned heavily on the organizations transferred to it to furnish the talent and know-how to get the new Department into operation. This has been done in part by the detail of key people from the established organizations to help frame specific programs. There have been hardships to the Administrations due to the temporary loss of key employees. However, a spirit of teamwork has prevailed and all organizations have been most cooperative in this regard.

While I am on the subject of the operating administrations, let me emphasize that they have all been delegated the maximum authority consistent with the purposes of the Department so that they can continue to operate and improve their established programs. The administrations are also attempting to cope with many new and occasionally controversial activities and projects which impose an additional need for key talent on them. A few examples of this new work include:

the Supersonic Transport Development Program (FAA);

the Merchant Vessel Documentation Program (CG);

the Highway and Motor Safety Problem (FHWA);

the improvement of highway efficiency (FHWA);

the Development of High Speed Ground Transportation Systems (FRA).

So, despite the fact that the transfer of all functions brought into the Department, 170 quota positions, six of which were transferred to the Office of the Secretary, the work to be done has created a need for 39 additional quota positions in those operating administrations which existed essentially in their present form prior to April 1, 1967.

The Department's need for additional supergrade positions is primarily due to the number of new organizations brought into existence by virtue of the Transportation Act. We are thus not talking only about staffing the Office of the Secretary. We must also provide for the Federal Highway Administrator and his staff offices, the Federal Railroad Administrator and his staff offices, and the National Transportation Safety Board. All of these elements were created by the Department of Transportation Act.

The new organizations had transferred to them 30 quota and 14 nonquota positions. After distributing the transferred positions, projected additional supergrade needs for the new organizations were subjected to a searching management scrutiny. These needs have been trimmed wherever possible and particularly in those areas where program activity is expected to build slowly. I, therefore, believe that our additional requirement of 88 quota and 31 nonquota supergrade positions is the minimum number which will enable the new elements of the Department to start on their missions. It will not be sufficient to overcome the accumulated supergrade deficiencies in such established organizations as the Federal Aviation Administration, the Bureau of Public Roads of the Federal Highway Administration and the Coast Guard.

I would like to introduce into the record charts and information which depict graphically some of the points I have just made. These charts show the number of supergrades transferred into the Department on April 1, 1967, the number acquired since that date, and our estimate as to the total additional positions required in the Department. These additional requirements are shown so as to reflect the specific number needed in the new elements, that is, the Office of the Secretary, the Federal Highway Administration, the Federal Railroad Administration and the National Transportation Safety Board.

As I mentioned earlier in this statement, in many instances it has been necessary to meet urgent needs by the detail of skilled personnel from the

operating administrations. Also, several positions which we feel are properly in the supergrade area have been filled on an interim basis at the GS-15 level. The sole reason for these undesirable expedients is the shortage of supergrades.

What we need to know now is what can we count on as the number of allowable high grade positions for our Department. We need to be able to complete our organization and to make positive offers to the people we need for key positions. I understand that Chairman Macy plans to allot 75 quota positions to DOT out of the increase being considered by your committee. While this increase will not be sufficient to meet all our needs, it will permit us to cope with the most pressing problems of staffing the Department. It is for this reason that the Department of Transportation supports HR 10376.

Chairman Henderson in his June 14 letter asked six questions pertinent to high grade positions established in the Transportation Department. I am submitting, as a separate exhibit, information which responds to those questions. I would like to address myself for a moment to the sixth question, which asked what we were doing to determine the need for and control of supergrade positions.

To date, our determinations concerning the grade level and the candidate for each supergrade position have been handled on a case by case basis. We have now progressed to a point where we are introducing more systematic, Department-wide processes to executive level personnel and compensation matters. For

example, I initially placed a requirement on each operating administration to state their priorities for establishing their key positions. Generally speaking, this action served to better identify and define specific work assignments. Our priority needs as reflected in the materials furnished you are concentrated primarily in the newly created activities; however, it has also been necessary to provide additional positions in the previously established activities, such as the Coast Guard and the Federal Aviation Administration, to provide for newly assigned projects and programs. This has been reflected in the testimony I've already given this Committee.

Further, I have established an Executive Personnel Board for the Department. This group, chaired by the Under Secretary, is composed of top level managers, including the heads of operating administrations. These gentlemen are required to review each proposed position and candidate and present recommendations to me before I will submit a case involving a GS-16, GS-17 or GS-18 position to the Civil Service Commission for consideration.

The purpose of this review machinery is to examine the need for the position, to examine the salary level being proposed, and also to pass upon the qualifications of the proposed candidate for the position. The board will be provided technical support by personnel and manpower specialists. We expect to apply these effective manpower utilization and position management processes to all positions throughout DOT.

Mr. Chairman, we are prepared to answer any questions which the Committee may have concerning our supergrade requirements or any other aspects of the Department's administration which may be helpful to you in considering this important Bill.

SPECIFIC ASSIGNMENTS BY CONGRESS AND THE PRESIDENT

1. Investment standards: Section 7 of the Act requires the establishment of general investment standards for a group of transportation programs, and authorized membership in the Water Resources Council so that the Department can participate in the investment standards of multiple-purpose water projects.
2. Codification of Transportation Laws: Section 14 of the Act requires that the Secretary submit to Congress within two years a codification of the laws administered by the Department.
3. DOT-HUD Study of Mass Transportation: Section 4 of the Act requires DOT and HUD to report within one year after the establishment of the Department and annually thereafter on improved means of administering urban transportation. Within one year the two Departments must report on the best means of administering mass transportation programs.
4. Aviation Subsidy: Section 8 of the Act requires the Civil Aeronautics Board to take into account the investment criteria of the Department of Transportation in establishing subsidies for airlines.
5. Uniform Time: Transfer of the responsibilities of the Interstate Commerce Commission for the regulation of uniform time will require increased staff at the Office of the Secretary level.
6. Aircraft Noise: The Act specifically requires the Secretary to develop research and policies to alleviate aircraft noise. Research and policy applications will apply to other modes of transportation.
7. Environmental Preservation: The Act specifically requires that all the programs of the Department be administered so as to preserve the amenities of the environment. Policies and standards in this field will be complex and cut across the boundaries of specialized agency programs.
8. Airport and Ground Transportation Policy: The President in December 1966 designated the Secretary as a Co-Chairman of a group to develop new policies and recommendations for airports and related facilities, and ground transportation. Staff support at the level of the Office of the Secretary will be essential to coordinate the work of at least two of the program agencies of the Department.
9. Small Shipment Problem: On February 2, 1967 the President appointed a five-man panel to report within a year on parcel distribution services in accordance with PL 89-593. The Federal Government is represented by an official of the Department of Transportation, and it will be expected that the Department provide staff services and studies for this panel.

10. Labor Relations: Section 4 of the DOT Act requires the Secretary to cooperate with the Secretary of Labor in the analysis of labor relations in transportation, and in the promotion of industrial harmony and full stable employment in transportation. This may involve participation in major labor-management disputes in the pattern of the railroad work-rules controversy.

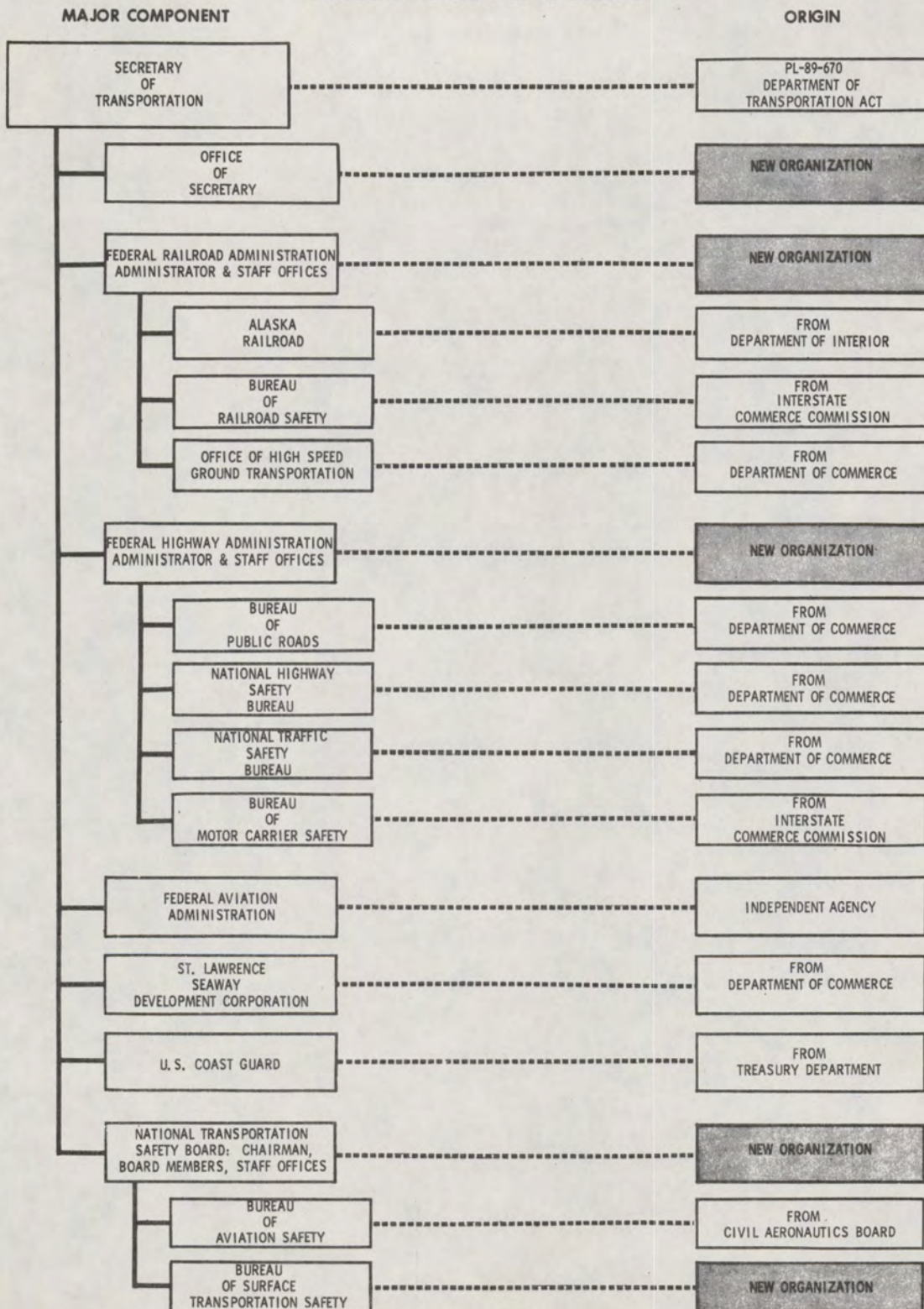
11. Regulatory Intervention: The hearing record shows that some members of Congress wanted to designate a specific official in the Department to handle transport mergers and similar concerns involving the intervention of the Department in regulatory proceedings. It was agreed that the Department would staff such activities without specific legislative direction.

12. Passenger Services: Some members of Congressional Committees hearing the DOT bill desired that an Assistant Secretary be assigned to deal with passenger transportation. It was agreed that the Department would staff this function without legislative direction. No program agency has significant relationships to this overall problem which must be done on a staff basis in the Office of the Secretary.

13. Program Budgeting (PPBS): In accordance with EOB Memorandum 66-3 the Office of the Secretary must provide high-level staff capacity to coordinate the development of a program budgeting system suitable to the Department of Transportation and utilize it in the evaluation of its programs.

14. Personnel Management and Training: House Committee Report No. 1701 specifically stressed the potential economies which may be realized from review and coordination of the extensive and self-sustaining training and educational facilities maintained by separate operating elements of the Department. The fundamental philosophic and management issues involved in achieving a consistent, integrated personnel management program among program elements presently operating under widely disparate systems should also be emphasized.

DEPARTMENT OF TRANSPORTATION ORIGIN OF MAJOR COMPONENTS



**SUPERGRADE RESOURCES UPON CREATION OF
DEPARTMENT OF TRANSPORTATION 4/1/67**

| ORGANIZATION | SPECIAL | PL-313 | NON - QUOTA | QUOTA | TOTAL |
|---------------------------------------|---------|--------|-------------|-------|-------|
| OFFICE OF THE SECRETARY | 0 | 0 | 4 | 6 | 10 |
| NATIONAL TRANSPORTATION SAFETY BOARD | 0 | 0 | 7 | 4 | 11 |
| FEDERAL AVIATION ADMINISTRATION | 23 | 20 | 36 | 107 | 186 |
| FEDERAL HIGHWAY ADMINISTRATION | 0 | 1 | 38 | 46 | 85 |
| FEDERAL RAILROAD ADMINISTRATION | 0 | 0 | 3 | 3 | 6 |
| COAST GUARD | 0 | 0 | 1 | 2 | 3 |
| ST. LAWRENCE SEAWAY DEVELOPMENT CORP. | 0 | 0 | 0 | 2 | 2 |
| TOTAL | 23 | 21 | 89 | 170 | 303 |

**SUPERGRADES ADDED SINCE CREATION OF DEPARTMENT
(AS OF 6/15/67)**

| ORGANIZATION | SPECIAL | PL-313 | NON - QUOTA | QUOTA | TOTAL |
|---------------------------------------|---------|--------|-------------|-------|-------|
| OFFICE OF THE SECRETARY | 0 | | 0 | 6 | 6 |
| NATIONAL TRANSPORTATION SAFETY BOARD | 0 | 0 | 0 | 0 | 0 |
| FEDERAL AVIATION ADMINISTRATION | 0 | 0 | 0 | 0 | 0 |
| FEDERAL HIGHWAY ADMINISTRATION | 0 | 0 | 0 | 0 | 0 |
| FEDERAL RAILROAD ADMINISTRATION | 0 | 0 | 0 | 0 | 0 |
| COAST GUARD | 0 | 0 | 0 | 0 | 0 |
| ST. LAWRENCE SEAWAY DEVELOPMENT CORP. | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 0 | 0 | 0 | 6 | 6 |

DEPARTMENT'S ADDITIONAL SUPERGRADE REQUIREMENTS

| ORGANIZATION | NON - QUOTA | QUOTA | TOTAL |
|---------------------------------------|-------------|-------|-------|
| OFFICE OF THE SECRETARY | 7 | 58* | 65 |
| NATIONAL TRANSPORTATION SAFETY BOARD | 0 | 5* | 5 |
| FEDERAL AVIATION ADMINISTRATION | 0 | 33 | 33 |
| FEDERAL HIGHWAY ADMINISTRATION | 23 | 14* | 37 |
| FEDERAL RAILROAD ADMINISTRATION | 1 | 11* | 12 |
| COAST GUARD | 0 | 3 | 3 |
| ST. LAWRENCE SEAWAY DEVELOPMENT CORP. | 0 | 3 | 3 |
| TOTAL | 31 | 127 | 158 |

* NEW ORGANIZATIONS (88 Quota Positions)