

441

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

FOR NOON RELEASE
Monday, January 29, 1968

PRESS BRIEFING BY SECRETARY ALAN S. BOYD
ON THE FISCAL 1969 DEPARTMENT OF
TRANSPORTATION BUDGET

The subject today is the first full-year budget of the Department of Transportation.

As you know, the belt has been pulled tight in all departments of the Federal Government this year. The President spent many weeks reviewing the requests of all of us. With continuing commitments abroad and growing needs at home, the job of weighing priorities and making judgments on the allocation of resources was a difficult and complex one.

I am convinced that the requirements of the Department of Transportation are met with this budget and that it will enable us to work productively during the 1969 fiscal year to improve the country's transportation system.

You will find that this budget places heavy emphasis on expansion of our programs for improving safety in every form of transportation.

The prevention of death and injury on our highways, railways, airways and on the water has a top priority in this department.

I believe we have made progress in this first year toward safer autos, better and safer roadways and improved state traffic safety programs.

This budget will make possible an even greater effort during the next fiscal year. It provides significant increases for state traffic safety programs; for auto safety and for air safety.

It includes, for example, nearly a six-fold increase in money available for helping the states improve their traffic safety programs under the Highway Safety Act of 1966.

(more)

This year Congress limited our spending for this important area to \$25 million. The new budget will make available \$140 million for this vital program in fiscal 1969.

The budget includes also nearly a 50 percent increase -- from \$21 million to \$30.3 million -- for expanding our auto and related safety standards program and for highway safety research.

Increases in the FAA budget will make it possible to hire another 1,200 air traffic controllers and add new facilities which we need to maintain air safety in this period of unprecedented aviation growth.

This year the Department's budget estimates are presented quite differently from the way they have been in the past. In line with the recommendations of the President's Commission on Budget Concepts, the Departmental totals now include the new obligational authority and expenditures in the Highway Trust Fund. Several other minor adjustments recommended by the commission are also reflected in the estimates.

With these changes, the Department's total spending authority and total expenditures appear in the Budget, whether the authority and expenditures are included in trust funds or are authorized in regular appropriations and expenditures from the general fund of the treasury.

On this basis, the total new obligational authority of the Department for 1969 will be \$6.5 billion, about \$200 million under the 1968 level.

If we exclude spending under the Highway Trust Fund and consider only those appropriations which traditionally have been considered a part of the so-called administrative budget, our estimates for 1969 propose a net increase of \$111 million over the 1968 appropriation level of \$1.731 billion.

Let me turn now to a summary of where the major increases will be for fiscal 1969.

The budget provides an increase of \$5.4 million in the Office of the Secretary. Most of the increase is due to the fact that this is our first budget covering a full-year of operation and we have been adding to the staff since last July. The new staff will help the Department carry out its mission of producing a better balanced system of transportation.

The budget proposes a \$30.3 million dollar increase for the Coast Guard. Most of this increase is needed to operate replacement vessels, aircraft and shore units. The increase also will permit an expanded program of recreational boating safety. Also for the first time this budget provides for a separate appropriation for a Coast Guard research and development program. Of the \$9 million proposed for this program about \$5 million will be used to develop and improve a National Oceanographic Data Buoy System. An adequate research program

is essential to the performance of the Coast Guard's maritime missions. We believe the Coast Guard's efforts in this field will yield significant benefits in such areas as long-range-navigation systems, marking hazards to navigation and other areas of Coast Guard responsibility.

For the Federal Aviation Administration, the budget proposes an increase of \$146 million in new obligational authority over the \$918 million Congress appropriated in 1968.

These estimates do not reflect the new Air Safety Program which the President asked the Department to develop. We expect to have recommendations ready by April 1 including proposals on how the program can be financed in an equitable manner. The budget does provide, however, for an increase of about 1800 employees in 1969, including 1200 traffic controllers in centers and towers to handle the increase in air traffic. The budget also requests \$70 million for procurement of new airways facilities, an increase of \$16 million over 1968. These funds will be used almost entirely to carry forward the National Air-space System program to automate en route air traffic control.

We are requesting \$65 million for fiscal year 1970 for the Federal Aid to Airports grant program. As you know, we have this program under review and will be making recommendations to the President as a part of our air safety program.

Finally we are requesting an increase of \$80.6 million for a total of \$223 million for the supersonic transport program. As most of you probably know, there have been significant design changes in the SST in the past six to eight months. These changes have slowed the prototype development and will result in a somewhat lower spending level by the Boeing Corporation in fiscal 1968. While we could have moved the prime contractors ahead at a faster pace, we have not done so because we believe that our prime objective of producing an aircraft that is economic is most likely to be met by allowing the contractors to move at a pace consistent with their ability and with technology.

For the Federal Highway Administration we intend to ask for legislation to extend the Highway Beautification program at a level of \$85 million a year. We are spending slightly over \$4 billion a year now on the construction of the Federal Highway System which nearly all of us use every day. Our proposal is that we spend about 2 percent of this amount to make these highways more attractive.

For the National Highway Safety Bureau, the budget proposes about a 50 percent increase mainly to advance research on the causes of accidents and the development of new safety standards for new and used automobiles and for highways.

(more)

For the program of grants to states and communities for highway safety programs, which I mentioned earlier, we are proposing new legislation to authorize a \$50 million level for 1969. The Congress restricted the use of the obligational authority available for this program in 1968 to \$25 million. The budget now proposes that this \$25 million obligation level in 1968 be increased to \$140 million in 1969 using balances of contract authority previously enacted by the Congress.

With respect to the Forest Highway and Public Lands Highway programs, the budget again proposes -- as it has for many years -- that they be financed from the Highway Trust Fund. They, therefore, are not reflected in the 1969 column of the "Federal Funds" portion of the budget.

For the Federal Railroad Administration the budget proposes an increase of \$5.4 million, most of which is to expand the program of research and development on high speed ground transportation and to expand our programs of railroad safety regulation.

For the St. Lawrence Seaway Development Corporation, we propose general fund appropriations during 1968 of approximately \$13 million for the repair and reconstruction of the Eisenhower and Snell Locks.

For the National Transportation Safety Board the budget proposes a modest increase to meet expanded work load in accident investigation. The Department, as you know, has only ministerial responsibilities with respect to the board. Further questions about its budget should be directed to Chairman O'Connell and his staff.

That completes my general statement on the budget of the Department and I would be happy to answer any questions that you might have.

#

DEPARTMENT OF TRANSPORTATION
FISCAL 1969 BUDGET ESTIMATES

Table 14. ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1967 enacted	1968 estimate	1969 estimate	Increase or decrease (-)	Explanation
DEPARTMENT OF TRANSPORTATION					
<i>Federal Funds</i>					
OFFICE OF THE SECRETARY					
<i>General and special funds:</i>					
Salaries and expenses..... 506 NOA	4,452	6,866 D 150	11,335	4,319	Provides for increased staffing and strengthening of departmental management.
Exp.	2,834	8,100	11,300	3,200	
Transportation research..... 506 NOA	2,994	5,950	7,000	1,050	Funds will be used to identify transportation policy problems and solutions, develop transportation data, and evaluate transportation needs of the Northeast Corridor area.
Exp.	2,893	5,100	8,000	2,900	
<i>Intragovernmental funds:</i>					
Working capital fund..... 506 Exp.	-----	-407	-16	391	(Provides for printing services for the Department.)
Total, Office of the Secretary.. NOA	7,446	12,966	18,335	5,369	
Exp.	5,727	12,793	19,284	6,491	
COAST GUARD					
<i>General and special funds:</i>					
Operating expenses..... 502 NOA	350,450	366,860 E 6,457	391,560	18,243	Increase permits operation of replacement vessels, aircraft, and shore establishments constructed under prior year appropriations. Coast Guard reserve training programs will be funded from this appropriation starting in 1969.
Exp.	348,208	341,199	409,139	67,940	
Acquisition, construction, and im- NOA	104,505	107,014	F 107,000	-14	Includes funds for construction of 3 replacement vessels, 1 additional river tender, and acquisition of 9 replacement aircraft.
provements..... 502 Exp.	101,028	100,000	135,200	35,200	
Retired pay..... 502 NOA	44,750	48,000	51,056	3,056	An average net increase of 645 retirees is expected.
Exp.	44,701	43,900	54,456	10,556	

Research, development, test and evaluation.....	502	NOA Exp.	----- -----	----- -----	9,000 8,000	9,000 8,000	This activity will be separately financed, starting in 1969. Estimate is primarily for the national oceanographic data buoy system.
Intragovernmental funds:							
Coast Guard supply fund.....	502	Exp.	687	-----	500	500	(Expenditures exceed receipts slightly in a \$27.7 million program.)
Coast Guard yard fund.....	502	Exp.	2,059	1,000	850	-150	(Expenditures will decline in 1969 due to a reduction in unfilled customer orders in a \$17.3 million program.)
Total, Coast Guard.....		NOA Exp.	499,705 496,683	528,331 486,099	558,616 608,145	30,285 122,046	
FEDERAL AVIATION ADMINISTRATION							
General and special funds:							
Operations.....	501	NOA	575,319	605,228	} 663,079	43,298	Increased costs for operating newly commissioned airway facilities and handling increased air traffic will be offset partially by operational and management improvements.
		Exp.	566,298	^D 14,553 612,212			
Facilities and equipment.....	501	NOA	28,000	54,000	} 70,000	16,000	Major portion of the 1969 increase is to provide for automation of en route and terminal air traffic control activities.
		Exp.	60,564	75,000			
Research and development.....	501	NOA	28,500	27,000	} 28,000	1,000	Activity will be continued at about the 1968 level.
		Exp.	36,241	33,500			
Operation and maintenance, National Capital airports.....	501	NOA	8,527	8,435	} 9,019	369	Operation and maintenance of Washington National and Dulles International Airports will be continued at about the 1968 level.
		Exp.	7,908	^C 93 ^D 122 8,677			
Construction, National Capital airports.....	501	NOA	-----	160	} 1,000	840	Appropriation is for improvement of international arrival facilities at Dulles International Airport.
		Exp.	2,450	4,600			

^C Proposed for separate transmittal, wage-board supplemental.
^D Proposed for separate transmittal, civilian pay act supplemental.
^E Proposed for separate transmittal, military pay act supplemental.
^F To carry out authorizing legislation to be proposed.

Table 14. ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1967 enacted	1968 estimate	1969 estimate	Increase or decrease (-)	Explanation
DEPARTMENT OF TRANSPORTATION—Continued					
Federal Funds—Continued					
FEDERAL AVIATION ADMINISTRATION—Continued					
General and special funds—Continued					
Grants-in-aid for airports.....501 NOA		66,000		4,000	Grants are made to local communities for public airport development. Budget also proposes appropriation of \$65 million for 1970.
Permanent..... NOA	71,000		70,000		
	Exp. 64,147	58,000	73,000	15,000	
Civil supersonic aircraft develop- NOA	280,000	142,375	223,000	80,625	Estimate is to continue Federal financial assistance in the construction of prototype supersonic transport aircraft.
ment.....501 Exp.	145,334	100,000	351,000	251,000	
Public enterprise funds:					
Aviation war risk insurance re- Exp.	-2	21		-21	(Unfunded contingent liability is estimated at \$27 billion.)
volving fund.....501					
Total, Federal Aviation Ad- NOA	991,346	917,966	1,064,098	146,132	
ministration. Exp.	882,941	892,010	1,227,912	335,902	
FEDERAL HIGHWAY ADMINISTRATION					
General and special funds:					
Highway beautification: 503					
Appropriation..... NOA	80,000	1,200	1,508	272	Proposed legislation would provide new contract authorization for 1968. Estimate in 1969 includes the salary increase. Legislation also will be proposed to provide 1970 authorization of \$85 million to be available for obligation in 1969.
		^D 36			
Contract authorization..... NOA		^B 85,000	^B 85,000		
Liquidation of contract author- Exp.	23,820	79,668	^B (51,000)	(51,000)	
ization.			30,214	1,546	
			^B 51,000		

Traffic and highway safety	503	NOA	10,000	21,034	30,305	9,271	Increase is primarily for expanded highway safety research and standards development.
		Exp.	2,076	20,000	29,305	9,305	
State and community highway safety programs:	503						
Contract authorization:							
Current		NOA	167,000		F 50,000	-50,000	Decrease in NOA reflects large unobligated balances of prior year authorizations which will permit a program increase.
Permanent		NOA		100,000			
Liquidation of contract authorization			(10,000)	(25,000)	(70,000)	(45,000)	
		Exp.	774	26,187	70,000	43,813	
Motor carrier safety	503	NOA		1,780	2,012	179	Increase supports expanded inspection activities.
		Exp.		^D 53 1,753			
Forest highways:	503						
Contract authorization:							
Current		NOA	33,000	B -33,000	F 33,000	-33,000	Legislation has been proposed to finance this program, including unexpended balances of prior year authorizations, from the Highway trust fund beginning in 1968.
Permanent		NOA		33,000			
Liquidation of contract authorization			(32,000)	(32,000)	(33,000)		
		Exp.	28,947	B (-32,000) 34,115	B (-33,000) 35,000		
				B -34,115	B -35,000		
Public lands highways:	503						
Contract authorization:							
Current		NOA	14,000	B -16,000	F 16,000	-16,000	Legislation has been proposed to finance this program, including unexpended balances of prior year authorizations, from the Highway trust fund beginning in 1968.
Permanent		NOA		16,000			
Liquidation of contract authorization			(12,400)	(9,000)	(9,000)		
		Exp.	10,105	B (-9,000) 10,424	B (-9,000) 10,000		
				B -10,424	B -10,000		
Inter-American Highway	152	NOA		5,000	2,000	-3,000	Financing of the Inter-American Highway will be completed in 1969.
		Exp.	5,693	6,935	8,000	1,065	

^B Proposed for separate transmittal under proposed legislation.
^D Proposed for separate transmittal, civilian pay act supplemental.
^F To carry out authorizing legislation to be proposed.

Table 14. ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1967 enacted	1968 estimate	1969 estimate	Increase or decrease (-)	Explanation
DEPARTMENT OF TRANSPORTATION—Continued					
Federal Funds—Continued					
FEDERAL HIGHWAY ADMINISTRATION—Continued					
General and special funds—Continued					
Chamizal Memorial Highway .503 NOA		4,000	4,000		Estimate would complete funding of a border highway in El Paso, Tex.
Exp.		1,000	5,400	4,400	
Alaskan assistance.....503 NOA		5,000		-5,000	No new funds are requested.
Repair and reconstruction of high-ways.....503 NOA		15,098		-15,098	The Highway trust fund is repaid for funds used for emergency highway repair and reconstruction,
Exp.		15,098		-15,098	
Miscellaneous accounts.....503 NOA	210				
Exp.	1,022	97		-97	
Intragovernmental funds:					
Advances and reimbursements.503 Exp.	1	1	1		
Total, Federal Highway Administration. NOA	304,210	238,201	174,825	-63,376	
Exp.	72,437	150,739	195,932	45,193	
FEDERAL RAILROAD ADMINISTRATION					
General and special funds:					
Salaries and expenses, Office of the Administrator.....503 NOA		680	1,032	352	Increase will strengthen executive direction for the Administration.
Exp.		650	1,032	382	
Bureau of Railroad Safety...503 NOA		3,414	3,820	356	Continues program of safety regulation and inspection.
Exp.		3,295	3,820	525	
High-speed ground transportation research and development...503 NOA	21,974	11,750	F 16,200	4,450	Includes construction and testing of new systems for high-speed transportation.
Exp.	7,253	16,835	23,125	6,290	

Railroad research	503	NOA	-----	200	400	200	
		Exp.	-----	100	300	200	
Public enterprise funds:							
Alaska Railroad revolving fund	503	Exp.	2,339	565	-125	-690	
Total, Federal Railroad Administration.		NOA	21,974	16,094	21,452	5,358	
		Exp.	9,592	21,445	28,152	6,707	
ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION							
St. Lawrence Seaway Development Corporation fund	502	NOA	-----	^B 13,105	-----	-13,105	
Limitation on administrative expenses.		Exp.	95 (515)	3,256 (514) ^D (17)	8,570 (560)	5,314 (29)	
NATIONAL TRANSPORTATION SAFETY BOARD							
General and special funds:							
Salaries and expenses	506	NOA	-----	3,993 ^D 109	4,706	604	
		Exp.	-----	3,931	4,662	731	
Subtotal, Federal funds		NOA	1,824,682	1,730,765	1,842,032	111,267	
		Exp.	1,467,476	1,570,273	2,092,657	522,384	

Continues study of railroad safety problems.

(Revenues of \$15 million finance annual operation of the Alaska Railroad.)

Proposed legislation provides for major rehabilitation work required on the Eisenhower and Snell locks.

Increase is for expanded workload in accident investigation and determination of cause in aviation and surface transportation.

Total Federal funds are distributed as follows:

	1968		1969	
	NOA	Exp.	NOA	Exp.
Enacted	1,660,037	1,594,327	-----	-----
Transmitted	-----	-----	1,806,032	2,085,519
(B)	49,105	-44,539	36,000	6,000
(C)	93	88	-----	5
(D)	15,073	14,298	-----	775
(E)	6,457	6,099	-----	358

- ^B Proposed for separate transmittal under proposed legislation.
^C Proposed for separate transmittal, wage-board supplemental.
^D Proposed for separate transmittal, civilian pay act supplemental.
^E Proposed for separate transmittal, military pay act supplemental.
^F To carry out authorizing legislation to be proposed.

Table 14. ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1967 enacted	1968 estimate	1969 estimate	Increase or decrease (-)	Explanation
DEPARTMENT OF TRANSPORTATION—Continued					
<i>Trust Funds</i>					
FEDERAL HIGHWAY ADMINISTRATION					
Highway trust fund: 503					
Limitation on general administrative expenses.	(57,782)	(59,927) ^D (1,461)	(68,186)	(6,798)	
Contract authorization:					
Existing legislation:					
Current..... NOA	4,450,000		^F 1,000,000	-301,389	Receipts of the fund liquidate portions of the contract authorization. Decrease in 1969 reflects most recent congressionally approved authorizations. Legislation will be proposed for new authorizations. Legislation has been proposed to finance forest and public lands highways, including balances of prior year authorizations from the Highway trust fund beginning in 1968.
Permanent..... NOA		4,850,000	3,650,000		
Proposed legislation:					
Forest highways..... NOA		^B 110,065	^B 33,000	}	
Public lands highways..... NOA		^B 40,324	^B 16,000		
Liquidation of contract authorization:					
Federal-aid highways.....	(3,968,400)	(3,770,872) ^A (400,000)	(4,158,000)	(-12,872)	
Forest highways.....		^B (36,115)	^B (33,000)	(-3,115)	
Public lands highways.....		^B (11,424)	^B (9,000)	(-2,424)	
Receipts to liquidate contract authorization and finance current appropriations:					
(Excise taxes):					
(Existing legislation).....	(4,440,862)	(4,338,902)	(4,522,000)	(422,098)	
(Proposed legislation).....			^B (239,000)		

(Interest on investments):					
(Existing legislation)-----		(14,225)	(25,000)	(40,000)	(19,000)
(Proposed legislation)-----				^B (4,000)	
(Repayment from general fund)			(15,098)		(-15,098)
Exp.	3,973,356	3,774,334	4,158,000		-15,873
		^A 400,000			
		^B 44,539	^B 45,000		
Improvement of the Pentagon road network-----503	Exp.	70	78		-78 (Work completed in 1968.)
Other Federal Highway Administration trust funds:					
International trust funds (permanent): 152					
Contract authorization-----	NOA	5,591			-4,000
Appropriation-----	NOA	324	7,000	3,000	
Liquidation of contract authorization.	Exp.	(6,441)	(5,440)		(-5,440)
		6,550	6,000	5,500	-500
Miscellaneous trust funds (permanent): 503					
Appropriation-----	NOA	844	500	500	
Liquidation of contract authorization.	Exp.	433	(49)		(-49)
			505	500	-5
Total, Federal Highway Administration-----502	NOA	4,456,759	5,007,889	4,702,500	-305,389
	Exp.	3,980,409	4,225,456	4,209,000	-16,456
COAST GUARD					
Coast Guard general gift fund (permanent)-----502	NOA	43	15	8	-7
	Exp.	75	16	22	6

^A Proposed for separate transmittal under existing legislation, other than pay supplemental.

^B Proposed for separate transmittal under proposed legislation.

^D Proposed for separate transmittal, civilian pay act supplemental.

^F To carry out authorizing legislation to be proposed.

Table 14. ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1967 enacted	1968 estimate	1969 estimate	Increase or decrease (-)	Explanation																													
DEPARTMENT OF TRANSPORTATION—Continued																																		
Trust Funds—Continued																																		
NATIONAL TRANSPORTATION SAFETY BOARD																																		
Donations (permanent).....506 NOA		28		-28	Funds are used to support aviation accident investigation.																													
Subtotal, trust funds..... NOA	4,456,802	5,007,932	4,702,508	-305,424	Total trust funds are distributed as follows:																													
Exp.	3,980,484	4,225,472	4,209,022	-16,450																														
Adjustments																																		
Interfund and intragovernmental NOA } transactions.....500 Exp. }		-15,098		15,098																														
<table border="1" style="margin-left: auto;"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">1968</th> <th colspan="2">1969</th> </tr> <tr> <th>NOA</th> <th>Exp.</th> <th>NOA</th> <th>Exp.</th> </tr> </thead> <tbody> <tr> <td>Enacted.....</td> <td style="text-align: right;">4,857,543</td> <td style="text-align: right;">3,780,933</td> <td></td> <td></td> </tr> <tr> <td>Transmitted</td> <td></td> <td></td> <td style="text-align: right;">4,653,508</td> <td style="text-align: right;">4,164,022</td> </tr> <tr> <td>(A).....</td> <td></td> <td style="text-align: right;">400,000</td> <td></td> <td></td> </tr> <tr> <td>(B).....</td> <td style="text-align: right;">150,389</td> <td style="text-align: right;">44,539</td> <td style="text-align: right;">49,000</td> <td style="text-align: right;">45,000</td> </tr> </tbody> </table>							1968		1969		NOA	Exp.	NOA	Exp.	Enacted.....	4,857,543	3,780,933			Transmitted			4,653,508	4,164,022	(A).....		400,000			(B).....	150,389	44,539	49,000	45,000
	1968		1969																															
	NOA	Exp.	NOA	Exp.																														
Enacted.....	4,857,543	3,780,933																																
Transmitted			4,653,508	4,164,022																														
(A).....		400,000																																
(B).....	150,389	44,539	49,000	45,000																														

Applicable receipts from the public.....	NOA	-6,756	-12,440	-3,000	9,440
	Exp.				
	150				
	500				
	NOA	-13,224	-15,247	-17,002	-1,755
	Exp.				
Total, Department of Transportation.	NOA	6,261,504	6,695,912	6,524,538	-171,374
	Exp.	5,427,980	5,752,960	6,281,677	528,717

Totals for the Department are distributed as follows:

	1968		1969	
	NOA	Exp.	NOA	Exp.
Enacted.....	6,474,795	5,332,475		
Transmitted			6,439,538	6,229,539
(A)-----		400,000		
(B)-----	199,494		85,000	51,000
(C)-----	93	88		5
(D)-----	15,073	14,298		775
(E)-----	6,457	6,099		358