

FAA and the Department of Transportation Act

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Prior to the creation of the Department of Transportation, the Under Secretary of Commerce for Transportation administered the functions now associated with the DOT. Although many realize the creation of the new Department was a legislative priority for President Lyndon Johnson, few know how much influence the head of the Federal Aviation Agency (FAA) had on Johnson's decision.



FAA Administrator Najeeb Halaby

Just before he left office in June 1965, FAA Administrator Najeeb Halaby wrote to President Johnson and suggested that transportation be elevated to a cabinet-level post, and that the FAA be folded into the DOT. Halaby later wrote, "I guess I was a rarity – an independent agency head proposing to become less independent."

After four-and-a-half years as administrator, Halaby had concluded that the agency could do a better job as part of an executive department that incorporated other government transportation programs. In particular, he had become increasingly frustrated over the development of a supersonic transport, because he thought the Defense Department had locked the FAA out of the administration's decisionmaking for the program. Halaby decided that a Department of Transportation was essential to secure decisive transportation policy development. "One looks in vain," he wrote Johnson, "for a point of responsibility below the President capable of taking an evenhanded, comprehensive, authoritarian approach to the development of transportation policies or even able to assure reasonable coordination and balance among the various transportation programs of the government."

With the appointment of John Connor as the new Secretary of Commerce and Alan Boyd as Under Secretary of Commerce for Transportation, Halaby thought "the time appears ripe for bold moves in transportation organization." President Johnson, not yet thinking of a new department, had told both Connor and Boyd upon their appointments, that he wanted a bold and imaginative transportation program for the upcoming year. Halaby's subsequent suggestion proved bolder than anyone could have imagined.

Halaby's letter caused a stir within the White House. It was not only the novelty of a transportation department, but that it came from the head of the FAA. Halaby had long been associated with those who had fought for an independent aviation agency. If his views were

shared by a part of the aviation community, one of the major obstacles to reorganization would be eliminated.

Charles Schultze, director of the Bureau of the Budget, and Joseph A. Califano, Jr., special assistant to the president, pushed for the new department. They urged Boyd, to explore the prospects of having a transportation department initiative prepared as part of Johnson's 1966 legislative program. Boyd created a task force to study the issue, and on October 22, 1965, the task force submitted recommendations that advocated the establishment of a Department of Transportation. The task force suggested the new department include the Federal Aviation Agency, the Bureau of Public Roads, the Coast Guard, the Saint Lawrence Seaway Development Corporation, the Great Lakes Pilotage Association, the Car Service Division of the Interstate Commerce Commission, the subsidy function of the Civil Aeronautics Board, and the Panama Canal.

The new FAA Administrator, William McKee, however, did not share his predecessor's views and strongly opposed the plan. He feared that a new transportation department would lack the proper orientation and expertise needed for the specialized technologies needed in aviation. More importantly, he wanted to keep his agency's direct access to the White House. Once McKee argued his case, however, he informed President Johnson that he would accept the president's final decision.

In his January 1966 State of the Union address, Johnson announced his intention to create a Department of Transportation. Many within the FAA and aviation community applauded the announcement believing an integrated transportation system would benefit aviation. Two months later, on March 6, 1966, Johnson sent Congress a bill to establish a Department. The new agency would coordinate and manage transportation programs, provide leadership in the resolution of transportation problems, and develop national transportation policies and programs. The department would accomplish this mission under the leadership of a secretary, an under secretary, and four staff assistant secretaries whose functions, though unspecified, would expedite the line authority between the secretary, under secretary, and the heads of the operating administrations.



President Johnson signs the DOT act

A master of the art of legislative maneuvering, Johnson carefully oversaw both the introduction of the transportation bill and its movement through Congress. With the proposed legislation the President sent Congress a carefully worded message recommending that it enact the bill as part of his attempt to improve public safety and accessibility. Johnson recognized the dilemma the American transportation system faced. While it was the best-developed system in the world, it had proved incapable of meeting the needs of the time. "America today lacks a coordinated transportation system that permits travelers and goods to move

conveniently and efficiently from one means of transportation to another, using the best characteristics of each." Johnson maintained that an up-to-date transportation system was essential to the national economic health and well-being, including employment, standard of living, accessibility, and the national defense.

After much compromise with a Congress jealous of its constitutional power of the purse and its relationship with the older bureaucracies, Johnson signed into law the Department of Transportation enabling act on October 15, 1966. Compromise made the final version of the bill less than what the White House wanted. The two important differences between President Johnson's proposal and the final DOT Act were: the Maritime Administration was left out, and the actions of the FAA Administrator relating to safety, and the decisions of the NTSB, were designated "administratively final" with appeals only to the courts. Despite the compromise, the act resulted in producing the most sweeping reorganization of the federal government since the National Security Act of 1947.



DOT seal prior to 1980

With the stroke of his pen, President Johnson created the fourth largest federal agency and brought approximately 95,000 employees in to the new organization. The Department of Transportation Act (Public Law 89-670) brought 31 previously scattered Federal elements under the wing of one Cabinet Department. The legislation provided for five initial major operating elements within the Department. Four of these organizations were headed by an Administrator: the Federal Aviation Administration; the Federal Highway Administration; the Federal Railroad Administration; and the Saint Lawrence Seaway Development Corporation. The new Department also contained the U.S. Coast Guard, which was headed

by a Commandant and had previously been part of the Treasury Department.

The DOT Act also created within the new Department a five-member National Transportation Safety Board. The act charged the NTSB with (1) determining the cause or probable cause of transportation accidents and reporting the facts, conditions, and circumstances relating to such accidents; and (2) reviewing on appeal the suspension, amendment, modification, revocation, or denial of any certificate or license issued by the Secretary or by an Administrator. In the exercise of its functions, powers, and duties, the Board was made independent of the Secretary and the other offices and officers of the Department.



President Johnson congratulates Alan Boyd after he was sworn in as the first Secretary of Transportation

Three months after signing the DOT Act, on January 16, 1968, Johnson appointed the first Secretary of Transportation, Alan Boyd. The new Department began full operations on April 1, 1967.