

6)

STATEMENT OF ALAN S. BOYD, UNDER SECRETARY FOR TRANSPORTATION,
DEPARTMENT OF COMMERCE, BEFORE THE SUBCOMMITTEE ON ROADS OF
THE COMMITTEE ON PUBLIC WORKS, HOUSE OF REPRESENTATIVES,
APRIL 19, 1966

Mr. Chairman and Members of the Subcommittee:

I appreciate this opportunity to appear before your committee in support of H. R. 14359 entitled, the "Federal-Aid Highway Act of 1966." This bill contains proposed authorizations for continuation of the Federal-aid highway program which Congress has enacted regularly to provide the American people with the finest highway transportation in the world, and to meet our growing economic and social needs.

Transportation on our nation's highway system continues to reach record totals each year. In 1965, approximately 100 million licensed drivers, and 90 million vehicles, traveled 880 billion vehicle miles on 3.6 million miles of roads and streets. About two-thirds of this mileage was on the 900,000 miles of Federal-aid highways. This growth in travel represents an increase of almost five percent over 1964 levels.

Highway transportation is the dominant mode of passenger transportation, accounting for 92 percent of intercity travel. It also has grown increasingly important in the movement of goods, now accounting for over 300 billion ton miles a year.

Americans will spend about \$100 billion this year for highway-related travel and transportation which roughly represents one-seventh of the Gross National Product. Highways, therefore, are vital to the economic health of the Nation, and to its economic and social progress.

00068

FR
0607
boyd 66 0419
2/28/69

FAA-S-1

Improvement of the Federal-aid systems is essential to keep pace with the needs of the Nation, and this legislation is directed toward that objective.

It would seem appropriate at this time--and before proceeding with a detailed consideration of the bill--to report to the Subcommittee on the progress of the Federal-aid highway program.

PROGRAM PROGRESS

The Federal-aid highway program is progressing as fast as possible on the basis of revenues available in the Highway Trust Fund. Since July 1, 1956, revenues accruing to the Fund have totaled \$27.322 billion, and expenditures have totaled \$27.234 billion. On March 31, 1966, the balance in the Highway Trust Fund was \$88 million.

The status of improvement of the Interstate System as of March 31, 1966, is summarized by States in the enclosed Table 1.

A total of 21,377 miles of the Interstate System was improved and open to traffic on March 31, reflecting an increase of 2,204 miles during the past twelve months. Work was underway on March 31 on 17,068 miles of the Interstate System including 5,968 miles under construction contract and 11,100 miles on which engineering or right-of-way acquisition work was underway. Thus, some form of work had been completed or was underway on 38,445 miles or 94 percent of the 41,000-mile Interstate System.

Interstate projects totaling \$16.0 billion have been completed since July 1, 1956. The completed projects include construction contracts at a total cost of \$13.7 billion and engineering and right-of-way acquisition totaling \$2.3 billion.

Interstate projects underway or authorized on March 31, 1966, totaled \$9.6 billion. The work underway included construction contracts totaling \$5.5 billion and engineering and right-of-way acquisition totaling \$4.1 billion.

We have passed the half-way point in project authorizations for completion of the Interstate System in accord with the 1965 cost estimate. As shown in Table 2, which covers work authorized through March 31, 1966, preliminary engineering work has been authorized covering 81 percent of the total program; some 68 percent of the right-of-way acquisition work has been authorized; and contracts have been awarded on 53 percent of the construction work. In total, the work authorized to date represents 56 percent of the estimated total cost of completing the Interstate System as developed in the 1965 Cost Estimate.

Table 3 shows by State the status of active and completed projects financed from Federal-aid Interstate funds.

For the ABC program of primary, secondary and urban highways, projects have been completed since July 1, 1956, at a total cost of \$16.3 billion. The completed projects include over 197,000 miles of construction contracts at a total cost of \$15.3 billion, and engineering and right-of-way acquisition totaling \$1.0 billion.

ABC projects underway or authorized on March 31, 1966, totaled \$3.7 billion and included nearly 19,000 miles of construction contracts at a total cost of \$2.9 billion and engineering and right-of-way acquisition totaling \$793 million.

The status of active and completed projects under the ABC program is shown by States in the enclosed Table 4.

The apportionments made to the States last August included an Interstate apportionment of \$3.0 billion and an ABC apportionment of \$1.0 billion.

I would like now to report briefly on the program authorized by the Highway Beautification Act of 1965.

You will recall that the 1965 Highway Beautification Act provided authorizations for each of the fiscal years 1966 and 1967 in the amount of \$20 million for billboard control, \$20 million for junkyard control, and \$120 million for landscaping and scenic enhancement. However, the appropriations for fiscal 1966 were \$10 million for billboard and junkyard control combined, and \$60 million for landscaping and scenic enhancement.

For billboard control, a total of \$3 million of the \$10 million has been allocated to States and obligations to date have totaled \$1,928,311. And a total of \$3 million also has been allocated to States for junkyard control, and obligations for this program have totaled \$930,561. Total obligations for the two programs combined amount to \$2,858,872, and the unobligated balance of the allocations is \$3,141,128 which we anticipate will be obligated by June 30, 1966.

Details of these two programs are shown by States in Table 5.

The \$60 million appropriated for landscaping and scenic enhancement has all been apportioned and made available to the States. Obligations to date have totaled \$10,438,544. Details of this program are shown in Table 6.

Progress also is being made in advancing the Appalachian Development Highway Program, authorized by the Appalachian Regional Development Act of 1965. A total of \$840 million was authorized for highways under this Act, of which \$200 million has been appropriated. Allocations to States have totaled \$166 million for Developmental Roads and \$10,038,000 for Local Access Roads. Obligations have totaled \$38,574,722 for Developmental Roads and \$2,310,700 for Local Access Roads, and we anticipate that the remainder of the \$200-million appropriation will be obligated by June 30, 1966.

Details of this program are shown by States in Table 7.

Section 4 of Senate Joint Resolution 81, Public Law 89-139, popularly referred to as the Baldwin Amendment was enacted August 28, 1965. It provides that each State should have by December 31, 1967, a highway safety program in accordance with uniform standards approved by the Secretary of Commerce. The development of these standards is well advanced. An advisory committee with representation from national organizations of State highway, motor vehicle, and enforcement officials was created. Meetings have been held and views and recommendations have been obtained. Drafts of the standards are now under preparation. The present schedule calls for issuance of the standards in the early autumn of this year.

Work is progressing in the Bureau of Public Roads toward preparation of the report to Congress in January 1968 on the future highway needs of the Nation, as called for in Senate Joint Resolution 81.

For the purposes of this study the State highway departments have already supplied the Bureau of Public Roads with information on present and anticipated future use of all roads and streets, and their estimates of the cost of correcting the present inadequacies and providing for future traffic growth. These estimates will be carefully reviewed, and consideration given to the effect on them of the potential impact of improvement in other modes of transport and changing highway transport technology. An essential next step in the Bureau's study is a careful review of the functional use, that is arterial, collector or land service, of all roads and streets to serve as a basis of appraisal of how well the present Federal-aid systems -- Interstate, primary and secondary -- conform to the functions they should perform.

AUTHORIZED PROGRAM

The program for financing the Interstate System through September 30, 1972, as authorized by existing legislation is shown in Figure 1.

The authorizations in this program total \$37.1 billion which is \$4.9 billion short of the Federal share of the cost of completing the System as reported in the 1965 Estimate. Funds totaling \$25.215 billion for fiscal years through 1967 have been apportioned to the States and apportionments of \$3.0 billion for each of the fiscal years 1968, 1969, and 1970, and \$2.885 billion for fiscal year 1971 are presently authorized.

In addition to the total \$37.1 billion of Interstate apportionments, the program under existing legislation is projected to provide apportionments for the ABC program and estimated allocations for the emergency relief program through September 30, 1972.

Estimated annual apportionments, disbursements, revenues and Trust Fund balances for the program to be financed from the Highway Trust Fund under existing legislation are shown in Table 8. Amounts are included for "other" programs to cover estimated requirements of \$30 million annually for emergency relief of Federal-aid highways damaged by floods or other disasters which would continue to be financed from the Highway Trust Fund.

Table 9 shows each State's approximate share of the 1968 Interstate funds under existing legislation plus \$1 billion of ABC funds.

PROPOSED PROGRAM

The program recommended in proposed legislation jointly submitted to the Congress on March 21, 1966, by the Secretary of the Treasury and the Secretary of Commerce would provide additional Highway Trust Fund financing. The proposed financing program would provide for (1) increasing the tax on diesel fuel used in highway vehicles, (2) making more equitable the heavy vehicle weight taxes which are presently dedicated to the Trust Fund, (3) assigning revenues from one percentage point of the automobile excise tax and necessary amounts from general funds of the Treasury to the Highway Trust Fund to finance the beautification and traffic safety programs, (4) transferring excise taxes on aviation fuel from the Highway Trust Fund to the General Fund, and (5) extending the present October 1, 1972, tax cutoff date for the Trust Fund by 5-months, to February 28, 1973.

This program will provide the additional financing for (1) the remaining \$4.9 billion of the \$5 billion increase in the Federal share of the cost of completing the 41,000-mile Interstate System in accord with the 1965 Interstate Cost Estimate, (2) the Forest Highway programs, (3) the Public Lands Highway program, (4) the traffic safety program, and (5) the highway beautification program. The emergency relief program is included at a projected rate of \$30 million annually, recognizing that the proposed legislation would permit obligations of \$50 million if needed in any year and that

appropriations would be made from general funds for any emergency work not on a Federal-aid highway system.

The program for completion of the Interstate System under proposed legislation is shown in Figure 2.

Interstate apportionments under this proposed program total \$42 billion, including \$3.3 billion for the fiscal year 1968, \$3.6 billion for each of the fiscal years 1969, 1970 and 1971, and \$2.685 billion for fiscal year 1972. Approximate apportionments by State for fiscal years 1968 and 1969 are shown in Tables 10 and 11, respectively.

Estimated annual apportionments, disbursements, revenues and Trust Fund balances for the program to be financed from the Highway Trust Fund under proposed legislation are shown in Table 12.

COMMENTS ON H. R. 14359

Turning now to the pending bill before this Subcommittee, may I say that it is customary for Congress to enact biennially a 2-year authorization measure for orderly continuation of the Federal-aid ABC program. This program, as you know, pertains to the Federal-aid primary and secondary highways, and their extensions in urban areas. The bill additionally provides authorizations for other on going programs, including the important Interstate program, and covers other items warranting

the consideration of Congress. The bill is identical to the proposed Federal-Aid Highway Act of 1966, submitted to the Congress on March 21 of this year.

I shall now discuss in more detail the various provisions of the bill and the need for their enactment.

Under section 1, the Act is cited as the "Federal-Aid Highway Act of 1966."

Section 2 revises and increases the authorization of funds for the Interstate program. For the fiscal year 1968, the authorization is increased by \$300 million to a total of \$3.3 billion. For each of the fiscal years 1969, 1970, and 1971, the increase amounts to \$600 million, bringing the total for each of those years to \$3.6 billion. A new authorization is provided for the fiscal year ending 1972 in the amount of \$2.685 billion. These revisions in the schedule of Interstate authorizations amount to a total increase of \$4.9 billion in the Federal share, thereby increasing the total Interstate authorizations from \$37.1 billion to \$42 billion. These increases are made necessary to conform to the latest cost estimate submitted to Congress on January 11, 1965 (House Document No. 42, 89th Congress). The financing of these increases is provided for in the Administration's draft bill entitled "Highway, Airway, and Waterway User Act of 1966", included in the transmittal to the Congress on March 21.

Section 3 authorizes the Secretary of Commerce to apportion Interstate funds authorized for the fiscal years 1968 and 1969, based on the apportionment factors contained in Table 5 of House Document No. 42. These factors, which were developed from the 1965 Cost Estimate data, are to be used for apportioning Interstate funds for those years, as provided in section 104(b)(5), title 23 of the United States Code. Under this section, the Interstate System cost estimate is revised periodically on the basis of standards approved by the Secretary in cooperation with the State highway departments and applied uniformly throughout the States. The next cost estimate is to be submitted to the Congress in January 1968 for use in apportioning Interstate funds for the fiscal year 1970.

S. J. Res. 81 authorized the apportionment of Interstate funds for the fiscal year 1967 using the apportionment factors as contained in Table 5 of the House Document. The apportionment of the 1967 Interstate funds was made on August 30, 1965.

The Department's statement to the Subcommittee last year went into considerable detail as to the manner of developing the cost estimate. However, it may be helpful if I briefly touch on the matter again.

The Bureau of Public Roads, in cooperation with the State highway departments, prepared an instructional manual

for use in preparing the estimate of the cost of completing the Interstate System. The manual, which was furnished to the State highway departments in January 1964, provided the geometric design standards; a suggested method of forecasting traffic; and procedures for preparation, assembly and submission of the cost estimate. Meetings were held to review the manual with the representatives of the State highway departments and the Bureau of Public Roads field offices to assure its uniform interpretation. Interpretative directives were also issued by the Bureau from time to time and repeated meetings were held as the work progressed.

This interpretation on a national basis, together with close and continuing liaison between all concerned, provided for the uniformity of application of the estimate regulations required by law.

We believe the estimate to be sound and a proper reflection of the then existing relative needs of the several States to complete an Interstate System providing adequately for the capacity and safety needs of the future. It presents no broad commitment, of course, for each project is examined in detail when actual construction plans are presented to the Bureau of Public Roads for review.

The 1965 Cost Estimate reported an increase of \$5.8 billion over the estimate submitted to Congress in 1961.

An estimated \$3.6 billion of the cost increase results from system additions and adjustments made during the period between the two estimates; the change in the applicable design year from 1975 to standards adequate to handle the traffic forecast for 20 years from the date of project approval; additional interchanges and grade separation structures to provide improved service to highway users, largely because of increased traffic demands associated with the availability of large portions of the Interstate System; added traffic lanes required to meet the demands of increased traffic volumes, other than lanes added as a result of the change in the design year; wider shoulders on bridges in the interest of safety of operations; heavier design of highway pavement, based on the AASHO road test, so as to lengthen the serviceable life of the pavements; changes and additions in a variety of highway elements based on information and knowledge developed to a greater extent than that available at the time of the 1961 Estimate. These include changes in excavation, embankments, drainage structures, utility adjustments, roadside improvements, signs, and other items not identified in previous categories.

Nearly \$2 billion of the \$5.8 billion increased costs are in the categories of right-of-way, preliminary engineering, and construction costs due to change in unit prices since the last estimate.

As you know, the apportionment of 1967 Interstate funds, which was made in August 1965, was the last apportionment authorized by Congress. The apportionments of 1968 Interstate funds, which should be made later this year and of 1969 Interstate funds next year cannot be made without further action by the Congress.

Section 4 makes certain conforming amendments to title 23 of the United States Code, required by the new authorization of Interstate funds in section 2 for the additional fiscal year 1972.

Under section 5, \$1 billion is authorized for each of the fiscal years 1968 and 1969 for ABC projects on the Federal-aid primary system, the Federal-aid secondary system, and their extensions within urban areas. The sum of \$450 million is available for the primary system, \$300 million for the secondary system, and \$250 million for their urban extensions, pursuant to the existing 45-30-25 percentage formula. These authorizations are identical to those previously provided for the fiscal years 1966 and 1967.

This section also authorizes for each of the fiscal years 1968 and 1969 the sum of \$33 million for Forest Highways

and \$7 million for Public Lands Highways. These authorizations are also identical with those provided for such purposes for the fiscal years 1966 and 1967. In the past, these authorizations have been financed from the general fund of the Treasury. Under the pending bill, such authorizations are to be financed from the Highway Trust Fund and are to be available for expenditure only for those Forest and Public Lands Highways that are on a Federal-aid system. While such system limitation has not previously been in effect, it is not anticipated that it will create any problems or work any hardship on the States. At the present time, approximately 88 percent of the 25,600 miles of Forest Highways are on one of the Federal-aid systems. Most of the remaining mileage would be eligible for transfer to a Federal-aid system upon application by the State concerned. A relatively similar situation exists with respect to Public Lands Highways. Because of the relationship of these two types of highways to the Federal-aid systems, it would seem consistent to finance these highways from the Trust Fund.

In addition, this section authorizes appropriations from the general fund for the fiscal years 1968 and 1969 for various categories of Federal domain roads, as follows:

Forest development roads and trails, \$85 million for 1968, and \$110 million for 1969; public lands development roads and trails, \$2 million for 1968 and \$3 million for 1969; park roads and trails, \$25 million for 1968 and \$30 million for

1969; parkways, \$9 million for 1968 and \$11 million for 1969; and Indian reservation roads and bridges, \$18 million for 1968 and \$23 million for 1969. Since these funds are administered by the Department of Agriculture and the Department of the Interior, we defer to the views of these Departments concerning the amounts involved.

Section 6 removes the prohibition against the use of the Highway Trust Fund after June 30, 1966, to finance the highway beautification program. The Highway Beautification Act of 1965 prohibits the use of the Highway Trust Fund with respect to the authorization for the fiscal years 1966 and 1967 in carrying out the provisions for control of outdoor advertising and junkyards as well as for landscaping and scenic enhancement. Congress, in enacting this prohibition against use of the Trust Fund, made it quite clear that its purpose was to prevent diversion of Federal-aid construction funds from the Trust Fund for these purposes.

While H. R. 14359 provides that the beautification program be financed through the Trust Fund beginning with the fiscal year 1967, it is the Administration's position that this expenditure should not encroach on the currently dedicated highway user revenues. Financing of beautification as well as traffic safety would be provided for by appropriation of one percentage point of the present automotive excise tax to the Highway Trust Fund. As required, additional funds would be

transferred from the General Fund of the Treasury to the Highway Trust Fund to meet expenditure requirements not met through dedication of the one percentage point of auto excise. These financing arrangements are also provided for in the draft bill entitled "Highway, Airway, and Waterway User Act of 1966".

Finally, section 7 amends section 125 of title 23, United States Code, relating to emergency relief funds for repair or reconstruction of highways, roads, and trails seriously damaged by floods or other disasters. The amendment increases the standby authority for these purposes from \$30 million to \$50 million for the fiscal year 1967 and each year thereafter. Further, it provides for a 2-year carryover of any unexpended balances, as is now applicable to the regular Federal-aid authorizations.

For the current fiscal year, \$20 million is available from the General Fund in addition to the \$30 million from the Trust Fund authorized by section 125. This increase was necessary as the floods, tornadoes, hurricanes or other forms of physical disaster in various sections of the Nation had exhausted the existing funds. By making permanent the \$50 million presently authorized for the current year, and providing a 2-year carryover of unexpended balances, we should eliminate the need to request increases in emergency authorizations as was recently necessary in the case of the Alaska and Northwest disasters.

This section of the bill also provides that emergency relief expenditures on any of the Federal-aid systems are to be reimbursed from the Trust Fund, while such expenditures for various types of Federal domain highways, roads and trails off the Federal-aid systems are to be reimbursed from the General Fund of the Treasury. At the present time, emergency relief expenditures whether on or off the Federal-aid systems are reimbursed from the Highway Trust Fund.

The prospects for the future of the highway program are dependent upon the actions of this Congress. I respectfully urge that these actions be carried out in accordance with the provisions of H. R. 14359.

I appreciate this opportunity to appear before you and discuss the progress of the highway program and the provisions of the pending bill.

Thank you.