

Busting the Trust

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Busting The Trust

by Richard F. Weingroff

On the 40th anniversary of the Federal-Aid Highway Act of 1973, Public Roads takes a look back at the social, economic, and environmental forces that shaped this landmark intermodal legislation.

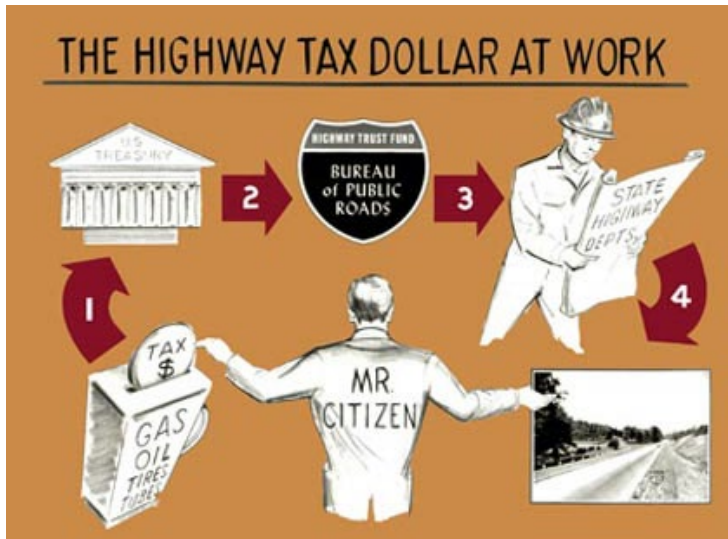


President Richard M. Nixon signed the Federal-Aid Highway Act of 1973 in the Oval Office on August 13.

On August 13, 1973, President Richard M. Nixon sat at his desk in the Oval Office to sign the Federal-Aid Highway Act of 1973. He said: “The legislation I sign today represents an important forward step for our country, not only in providing for better and more balanced transportation but also in related fields such as environmental protection, highway safety, energy conservation, and community development.”

Secretary of Transportation Claude S. Brinegar called the Act “the single most important piece of legislation that the Department of Transportation has been called upon to administer.” What the law did was establish the movement toward today’s intermodal transportation infrastructure.

The legislation authorized 3 years of funds for highway and safety categories but also increased funding for the capital grant program of the Urban Mass Transportation Administration (UMTA, precursor to the Federal Transit Administration) from \$3.1 billion to a maximum of \$6.1 billion through fiscal year (FY) 1975, using revenue from the general Treasury. The Federal share increased from two-thirds to 80 percent. In addition, States could use highway right-of-way for publicly owned mass transit facilities, including rail lines, without repaying Federal-aid funds used to acquire the property.



Before efforts to shift Highway Trust Fund revenue to mass transit began, the Bureau of Public Roads used illustrations like this one to show how tax dollars from highway users turn into interstate highways.

Key measures included the following:

- *Interstate Withdrawal/Substitution.* At the request of a Governor and local governments in urbanized areas of more than 50,000 in population, the Secretary could withdraw an interstate segment if he determined that the segment was not essential to completing a unified and connected interstate system and received assurances that officials did not plan to

build a toll road in the corridor. State and local officials could use an equivalent amount of substitute funds for mass transit projects, including rapid rail systems.

- *Federal-Aid Urban System Funds.* For the first time, urbanized area officials could use urban system funds from the Highway Trust Fund for highway or mass transit projects (including rail) beginning in FY 1976.
- *Urban Planning Funds.* Of all Federal-aid funds apportioned to the States for the Federal-aid system, the legislation set aside 0.5 percent for metropolitan agencies responsible for comprehensive transportation planning in urban areas, resulting in the designation or strengthening of metropolitan planning organizations (MPOs) around the country.

As Secretary Brinegar explained, the 1973 Act meant that urban area officials would no longer have to think “just highways.”

The big news, however, was that for the first time, Highway Trust Fund revenue could be used for rail rapid transit. As an editorial in the St. Louis Globe-Democrat put it, “The powerful highway lobby finally got a well-deserved kick in the teeth.”

“We Were Wrong”

The breakthroughs in the 1973 Act became possible only because of changes that President Dwight D. Eisenhower and congressional leaders could not have foreseen when the Federal-Aid Highway Act of 1956 launched construction of the interstates. For example, they could not have imagined that urban interstates would become enmeshed in controversy. Soon after interstate construction began under the 1956 Act, city residents and businesses began to fight the loss of their homes, neighborhoods, and stores to the massive expressways.

Through the 1960s, protestors often formed ad hoc groups to stop the interstates by holding rallies, writing

letters to editors, disrupting city council meetings, and, when all else failed, putting themselves in the path of bulldozers or chaining themselves to trees.

Some of the concepts behind the urban interstates inflamed the controversies. Double-deck and elevated structures, sometimes routed along obsolescent waterfronts, reduced land impacts but were quickly perceived as eyesores. Some agencies planned interstates to go through parks to minimize impacts on homes and businesses, but the intrusion on beloved parkland also generated opposition. Interstates, often in conjunction with urban renewal projects, were routed through the poorest neighborhoods to eliminate decaying properties and encourage development in the corridors. Because African-Americans often inhabited these areas, civil rights activists included urban interstates in their protests, based on a theme of “building white men’s roads through black men’s bedrooms.”

State and local officials looked for a way out, but Federal law worked against them. If they bowed to pressure to not build a controversial interstate, they would lose hundreds of millions of dollars and the jobs and economic bounce that came with them. If they substituted another route for a controversial segment, as was possible after a legislative change in 1968, the alternative often proved equally controversial. Many officials would have gladly transferred the funds to transit or local road improvements, but Federal law did not allow this option either.

Massachusetts Governor Francis W. Sargent was one of the officials who confronted this dilemma. When Governor John A. Volpe left the State to become President Nixon’s Secretary of Transportation in 1969, Lieutenant Governor Sargent became Governor.



Secretary of Transportation Claude S. Brinegar was a strong advocate of using Highway Trust Fund revenue for urban mass transit.



These protestors in Boston in the 1960s objected to several proposed expressways that were to run through their neighborhoods

A former Commissioner of Public Works, Sargent had strongly supported Governor Volpe's ambitious road-building program. But on January 25, just days after taking office, Governor Sargent confronted a group of protesters on the Boston Common proclaiming "People Before Highways Day."

At first, they booed the highway builder, but Governor Sargent listened to their complaints about how planned expressways -- particularly the Southwest Expressway (I-95) and the Inner Belt (I-695) -- would affect their lives. To the surprise of many, he told them, "Never, never will this administration make decisions that place people below concrete."

After a review of transportation needs, Governor Sargent went on Boston television in February 1970 and said that when he was commissioner, "Nearly everyone was sure highways were the only answer to transportation problems for years to come." He added,

“But we were wrong.”

He ordered a study, not just of “where and how [emphasis added] to build expressways,” but whether to build them. The Southwest Expressway and Inner Belt were put on hold pending the outcome of the Boston Transportation Planning Review.



Courtesy of Massachusetts Department of Transportation Library.

Massachusetts Governor Francis W. Sargent (on the right), a longtime road supporter, changed his mind after speaking with groups of protestors. He concluded: “We were wrong.”

On November 30, 1972, Governor Sargent announced the results. Forty years of reliance on highways had “defeated our own purpose, and we have been caught in a vicious cycle -- more cars meant more highways, which meant more traffic jams, more traffic jams meant the need for more highways. . . .”

His moratorium on the Inner Belt would become permanent, while I-95 traffic would be routed onto the existing circumferential, Route 128. Instead, he would upgrade the area’s transit network and build a special-purpose, two-lane tunnel for taxicabs, buses, limousines, and trucks serving Logan International Airport.

If the Governor chose not to build those highways, he would face losing hundreds of millions of dollars that

otherwise could have paid for his ambitious transit plans. Governor Sargent and his transportation secretary, Alan Altshuler (1971–1975), would be instrumental in finding an answer -- but only after they could promote a provision in the doomed Federal-Aid Highway Act of 1972.

Metropolitan Planning

On April 5, 1962, President John F. Kennedy submitted a message to Congress on “The Transportation System of Our Nation.” In the section on urban transportation, he explained that patterns had changed as population had shifted to the suburbs and businesses had moved out of the center city. “This drastic revision of travel patterns in many urban areas has seriously impaired the effectiveness and economic viability of public mass transportation, which is geared to the older patterns.” He recommended that Congress establish a long-range program of Federal aid to urban mass transportation.

In the President’s words, highways would remain an “instrumental” part of urban transportation. But to create the balanced network needed for modern demands, President Kennedy recommended making Federal approval of highway projects in metropolitan areas contingent on a finding that the projects are “consistent with comprehensive development plans for the metropolitan area and that the Federal-aid system so developed will be an integral part of a soundly based, balanced transportation system for the area involved.”

Section 9 (“Transportation Planning in Certain Urban Areas”) of the Federal-Aid Highway Act of 1962 addressed the President’s recommendation. The provision, drafted in the White House, provided that after July 1, 1965, Federal-aid highway projects could not be approved in urban areas with populations of more than 50,000 unless they were based on “a continuing, comprehensive transportation planning process carried on cooperatively by States and local communities in conformance with the objectives stated in this section.”



President John F. Kennedy's April 1962 message to Congress on the Nation's transportation system advocated Federal aid to mass transit and improved metropolitan transportation based on a continuing, comprehensive, cooperative process.

This landmark section launched modern transportation planning by calling for a "3C" ("continuing, comprehensive, and cooperative") process, but it had little impact on the interstate controversies. The interstates were designated under authority of law, and the 3C process did not give urban planners the ability to use interstate funds for some other purpose. Moreover, the State highway agencies oversaw the planning -- and they wanted to build interstates.

By the 1970s, highway critics, transit advocates, and local officials settled on one solution: separate highway officials, who were reputedly determined to "pave over America," from urban decisionmaking. The call for States to form transportation departments was an example. In theory, transportation officials could overrule highway officials even though highway

agencies continued to have the largest budgets within the new departments. Another idea was to shift transportation decisions from highway builders to the Governors or elected city officials who were responsive to voters. Members of Congress introduced bills to create a transportation trust fund or mass transportation trust fund that would incorporate Highway Trust Fund revenues and distance road builders from decisionmaking.



Transit was an important part of urban transportation in the 1940s, as illustrated in this 1948 photograph from Washington, DC, at 14th and G Streets, NW, where streetcars shared the road with automobiles and pedestrians.

The Transit Revolution

The Federal-Aid Highway Act of 1956 had created the Highway Trust Fund account in the general Treasury to ensure that revenue from excise taxes on gasoline and other highway user products would be restricted to paying for the Federal-Aid Highway Program, including the interstate system. After that, highway supporters had fought so hard to restrict the revenue to highway purposes that by the 1970s, newspapers, magazines, and books often referred to the “sacrosanct Highway Trust Fund” as if that were its

official name.

Officials in 1956 could not have foreseen that transit supporters would soon be fighting to divert Highway Trust Fund revenue to transit. In the 1950s, with most transit systems in private hands, Congress did not consider providing aid to transit. In 1956, the American Transit Association (now the American Public Transportation Association) asked for one thing: that the 1956 Act exempt buses from the gas tax. It got its wish.

America's love affair with the automobile was at its peak. To the highway builders, the motor vehicles clogging urban streets proved the need for interstates. To the transit industry, it meant doom. Ridership dropped from 23.4 billion as World War II ended in 1945 to 11.6 billion in 1955 (and 7.3 billion in 1970). With profits turning into losses, transit companies raised fares, cut service, and reduced maintenance, further alienating riders. Cities, recognizing the value of mass transit, acquired the failing or bankrupt systems, but quickly found that revenue from the farebox would not support publicly owned transit systems. As cities and States struggled to pay for public transit service, they turned to the Federal Government for help.

The Omnibus Housing Act of 1961 provided token transit aid (\$50 million in loans and \$25 million for pilot projects). The Urban Mass Transportation Act of 1964 expanded the interim program by authorizing \$375 million in capital assistance over 3 years. The Urban Mass Transportation Assistance Act of 1970 provided the first major Federal investment in mass transit by committing at least \$10 billion from the general Treasury to transit capital programs over 12 years to upgrade mass transit systems.



In the preinterstate 1950s, commuters preferred the automobile to the bus. The Pentagon is in the background of this 1955 photograph, showing a highway packed with automobiles.

Despite this breakthrough, local officials were still looking for help in launching rapid rail projects and paying for their biggest headache, operating deficits. Large cities were particularly hard-hit as deficits grew steadily larger. In New York City, subway and transit fares had risen from 5 cents in the 1940s to 35 cents in 1972, and were predicted to go to 55 cents in 1974 unless new revenue could be found to finance operations. Mayor John V. Lindsay described such a fare hike as “a killing blow to our economy and an outrage to every working family in the New York area.”

Cities saw the multibillion-dollar Highway Trust Fund as a savior, if only they could “bust the trust,” as diversion was nicknamed. By the mid-1960s, New York City’s congressional delegation sought legislation to divert Highway Trust Funds to transit, but highway supporters fought efforts to betray the “trust.”

Oil and Air

Of all the unforeseen challenges in 1956, the looming energy shortage and the growth of the environmental movement were surely among the most surprising.

Oil had seemed plentiful and cheap in 1956 (a gallon of gas cost about 30 cents), and the Detroit automakers were producing millions of large, gas-guzzling vehicles for eager buyers. As historian Daniel Yergin explained, however, the signs of a coming energy shortage were evident: “The American oil and gas industry was already in a deep trough; the number of drilling rigs had declined steadily since 1955, hitting its lowest levels in 1970–71 -- little more than a third the level of the mid-1950s.”

Despite this troubling trend, demand for oil continued to surge, as President Nixon acknowledged in an April 1973 special message to Congress on energy policy: “Today, with 6 percent of the world’s population, we consume almost a third of all the energy used in the world. Our energy demands have grown so rapidly that they now outstrip our available supplies, and at our present rate of growth, our energy needs a dozen years from now will be nearly double what they were in 1970.”

We needed, he continued, “decisive and responsible action to increase our energy supplies,” while taking into account “the needs of our economy, of our environment, and of our national security.” Needed measures included accelerated leasing of oil fields in the Outer Continental Shelf, construction of the Alaska oil pipeline, conservation measures in day-to-day activities, and the use of Highway Trust Fund revenue for mass transit. “Greater reliance on mass transit,” President Nixon said, “can do a great deal to help us conserve gasoline.”

Spot shortages of oil, price controls, and pressure on the auto industry to build fewer gas-guzzlers were part of the dialogue as Congress considered transportation legislation.

The relatively new but increasingly potent environmental movement embraced the calls for energy efficiency. Rachel Carson’s bestselling 1962 book, *Silent Spring*, which described the impact of chemicals on the environment, had helped transform the longstanding conservation ethic, which advocated

setting resources aside for protection, into an environmental movement that tried to minimize the effects of human activities on all aspects of the natural and built worlds.

By the early 1970s, Federal-aid highway projects were subject to the National Historic Preservation Act of 1966 and other new laws. Section 4(f) of the Department of Transportation Act of 1966, for example, required protecting publicly owned parks, recreation areas, and wildlife and waterfowl refuges. The National Environmental Policy Act of 1969 (NEPA) and the Clean Water Act of 1972 mandated consideration of potential impacts of transportation projects on environmental and water resources. Along with them came the Council on Environmental Quality, established under NEPA, and the U.S. Environmental Protection Agency (EPA), which opened on December 2, 1970.

Highway advocates chafed at the delays resulting from these laws, but highway opponents used the laws to block controversial projects or at least alter them to mitigate or eliminate adverse impacts. These opposition groups also wanted to do something about the vehicles using the highways because they were a major source of the air pollution hovering over every big city.

Congress had been enacting legislation on air pollution since the mid-1950s. The impacts on business as usual only became significant, however, once the Clean Air Amendments of 1970 required the development of comprehensive Federal and State regulations to limit emissions from mobile sources such as automobiles and stationary sources such as industrial plants. For the auto industry, the Clean Air Act appeared to be a disaster. It called for a 90-percent reduction in hydrocarbon and carbon monoxide levels by 1975 and a 90-percent reduction in nitrogen oxides by 1976. Compliance would be expensive and, as far as was known at the time, probably impossible.

Just how drastic the impact of the 1970 Act could be

became clear in January 1973. Under court order, EPA Administrator William D. Ruckelshaus announced a draft plan for reducing smog in the Los Angeles area that called for an 82-percent reduction in automobile use by gas rationing during the high-smog months (May through October). The plan also called for inclusion of retrofit devices to prevent evaporation from gas tanks and carburetors in cars for model years 1966–1969 and trucks for model years 1966–67, as well as conversion of all 1971–1974 cars and trucks in fleets of 10 or more to low-polluting fuels such as natural gas. Further, the plan outlined changes for stationary sources, such as installation of vapor recovery systems at gas stations.

Senator John V. Tunney (D-CA), who lived in the Los Angeles area, spoke for many critics when he predicted that the plan, if put into effect, would make southern California “a 20th-century ghost town.”

Plans for compliance with the Clean Air Act standards in other cities were less drastic, but imposed changes that gained little public or political support. They did, however, increase pressure on Congress as it developed highway legislation in a way that provided relief without forcing changes that would drastically alter the American Way of Life.

Federal-Aid Highway Act of 1972

As noted earlier, pressure to divert revenue in the Highway Trust Fund to transit had begun in the mid-1960s, but Congress had permitted funds to be used only for highway-oriented transit, such as exclusive bus lanes. As Congress began work on the biennial highway act in 1972, urban and transit interests and the Nixon Administration increased the pressure for diversion to rail.

In March 1972, Secretary Volpe recommended consolidating all existing urban highway and mass transit programs into a single urban fund, with the exception of the interstate program and minor UMTA initiatives. All rural highway programs would be consolidated into a rural Federal-aid system and a

rural general transportation fund. Highway interests opposed the plan because it allowed diversion of Highway Trust Fund revenue to transit. Transit interests opposed it because they feared highway projects would receive most of the funds. In the absence of a constituency in support of the plan, Congress never seriously considered Secretary Volpe's bold move.



Looking east from I-75 in Cincinnati, OH, this photo shows the 13th Street distributor connecting I-75 and I-71. Urban freeways, which highway planners thought would be welcomed, proved to be highly controversial.

The approved Senate bill included a controversial provision authorizing local officials to use urban system funds for mass transit, including rail transit. In addition, if local governments in an urbanized area established a metropolitan transportation agency with authority to develop and implement transportation plans, the State was to “pass through” the urban system funds attributed to that area based on population for use by the agency in accordance with the 3C planning process.

The bill included a measure, endorsed by Massachusetts Governor Sargent and Secretary Altshuler, for eliminating urban interstate segments without losing the money that came with them. According to the measure, at the request of a Governor and the local officials concerned, the Secretary could withdraw the segment from the interstate system and transfer the funds intended for its construction to the urban system. The funds then could be used for highway or transit projects, including rail system projects.

In addition, the Senate bill included an amendment introduced by Senator Harrison A. Williams, Jr. (D-NJ), who was the Senate's chief advocate for mass transit. The provision authorized an additional \$3 billion from the general Treasury through FY 1977 for the capital program operated by UMTA under the Urban Mass Transportation Assistance Act of 1970. It also authorized \$400 million from the general Treasury per year for 2 years to subsidize transit operations.

Highway critics and transit advocates praised the Senate bill, particularly for its breakthrough in diverting revenue from the sacrosanct Highway Trust Fund, but they knew the House was not likely to go along without a fight. Members of the House Committee on Public Works generally were more highway oriented than their Senate counterparts.

Despite direct appeals from Secretary Volpe, the House bill approved on October 5 lacked the Senate breakthroughs. The bill restricted urban system funds to highways and highway-oriented transit. It did not include the interstate withdrawal and substitution measure, the pass-through for metropolitan transportation agencies, or the Williams amendment. As if to emphasize the highway bias, the bill also authorized funds for a new 10,000-mile priority primary network of roads that would connect with the interstate system and could be improved to interstate or other appropriate standards.

With the members of the 92nd Congress eager for adjournment so they could campaign before the

November 1972 election, a House and Senate conference committee met to develop a single bill. Several times the conference seemed hopelessly deadlocked, but on the last day of the 92nd Congress, October 18, the conferees surprised everyone by reaching agreement.



Secretary of Transportation John A. Volpe addresses Federal Highway Administration officials in 1972. As the first Federal Highway Administrator (1956–1957), Volpe told the Nation's Governors shortly after taking office that he was no longer a "Highway Man." He was now a "Transportation Man."

The bill contained authorizations for a 1-year Federal-aid highway and safety program that would ensure the 93rd Congress would have to address the controversial issues the conferees could not resolve. To please the House conferees, the bill dropped the Senate provision allowing urban system funds to be used for rail transit. To please the Senators, the bill dropped

priority primary route funds but directed the Secretary to study the idea and report to Congress. The interstate withdrawal and substitution provision of the Senate bill did not survive the conference.

However, the bill included \$3 billion for the UMTA capital program, with a Federal share of 80 percent, and \$100 million for operating subsidies the first year, plus \$300 million the following year, all out of the general Treasury. The Highway Trust Fund was not breached.

After brief discussion, the few Senators remaining in Washington approved the Federal-Aid Highway Act of 1972 on a voice vote. In the House, the debate appeared to be moving toward approval when Representative John T. Myers (R-IN) rose to say he did not believe a quorum of Representatives was present to continue the discussion. When the House Clerk called the roll, only 156 Representatives came to the floor.

For lack of a quorum, the House adjourned, the members went home, and the Federal-Aid Highway Act of 1972 was dead. However, Acting Majority Leader Thomas P. "Tip" O'Neill (D-MA), whose Boston district included part of the unpopular I-695, told reporters that the Highway Trust Fund was "no longer a sacred cow" in Congress. "It will be broken."

Federal-Aid Highway Act of 1973

After winning reelection in November 1972, President Nixon decided to appoint Secretary Volpe to be U.S. Ambassador to Italy. In a news conference after the announcement of his departure, Secretary Volpe confessed to "some sense of disappointment" that Congress had not approved the use of Highway Trust Fund revenue for mass transit. "I can think of no better way to get more mileage out of every highway dollar than to relieve the congestion on our urban roadways." He added, "I am confident that my successor will persevere in this cause."

His successor, Secretary Brinegar, was a 45-year-old

executive of the Union Oil Company. He had never held a government post, was known primarily as a manager, and had no experience in transportation except as a traveler. Nevertheless, he would take up the battle that Secretary Volpe had begun.

As the 93rd Congress began work on the Federal-aid bill, the battle lines seemed to shift in favor of diversion. Administrator Ruckelshaus' shocking draft plan for the Los Angeles area and plans for other areas had given the pro-transit forces new ammunition. The eternal struggle to avoid another fare increase in New York City gave the city's congressional delegation renewed motivation. At the urging of Governor Sargent, the National Governors' Conference supported diversion, including his plan for withdrawing urban interstate segments and shifting funds to an expanded urban system.

Transit supporters thought the new Members of Congress, especially in the House, would be more sympathetic to diversion, but one of the most surprising supporters was a longtime defender of the Highway Trust Fund. Representative John C. Kluczynski (D-IL), chairman of the renamed Transportation Subcommittee, announced in February that he had "decided to step forward and support proposals to grant the States and cities the option to spend a portion of the monies, heretofore earmarked solely for highways, for public transportation programs, as well." He had been under pressure from Mayor Richard J. Daley, who was looking for ways to save the deficit-ridden Chicago Transit Authority.

In March, the Senate voted 77 to 5 for the \$18 billion Federal-Aid Highway Act of 1973. It was a 3-year bill that allowed diversion of urban system funds to rail transit. Senator Edmund S. Muskie (D-ME), long an environmental advocate, and Senator Howard H. Baker, Jr. (R-TN) had introduced the provision in the Senate. (Representative Glenn M. Anderson (D-CA) of the Los Angeles area would introduce the measure in the House.)

The bill included the Williams amendment, now called

the Emergency Commuter Relief Act, with its \$3 billion in additional UMTA capital grant funds and \$400 million per year for transit operating subsidies. It also authorized withdrawal of controversial urban interstate routes, with the interstate funds transferred to the urban system, where they could be used flexibly at local option, including for rail rapid transit. Any incorporated municipality with a population of 400,000 or more that established an agency with the authority and capability to develop and implement projects could do so with pass-through urban system funds attributed to it.

On February 21, 1973, Secretary Brinegar released the Department's proposal, too late for Senate consideration. The Federal-Aid Highway and Public Transportation Bill of 1973 authorized interstate funds for expected system completion in FY 1980. The rural segments of the primary and secondary systems were combined into a rural primary system. Primary funds could be used for highway-oriented transit, but not fixed rail facilities.

All routes on Federal-aid systems in urbanized areas, including primary and secondary extensions, would be included in the urban system. Urban system funds could be used for highways or transit, including rail. The proposal included a pass-through for urbanized areas of populations of 400,000 or more and the authority for metropolitan agencies to carry out highway and transit projects. Further, funds from withdrawn urban interstate segments could be used for substitute interstate segments or for any eligible project on a Federal-aid system in the State, including the flexible urban system. As with Secretary Volpe's 1972 proposal, Secretary Brinegar's bill received little support but did contribute to the growing sense that diversion of Highway Trust Fund revenue was likely.



On September 18, 1990, the Transportation Department's Transportation Systems Center in Cambridge, MA, was renamed the John A. Volpe National Transportation Systems Center. Deputy Secretary Elaine Chao, who represented the Department, is shown with former Secretary Volpe and his son, John Volpe, Jr.

As in 1972, the House rejected diversion of Highway Trust Funds to rail transit. The bill approved on April 19 restricted Highway Trust Fund revenues to highways and highway-oriented transit. If local officials wanted to use urban system funds for rail transit, the Secretary could approve general Treasury funds for the purpose. Similarly, following withdrawal of an unwanted urban interstate segment, the Secretary could approve general Treasury funds if officials wanted to advance nonhighway transit options. The bill authorized \$300 million per year to upgrade a new network of priority primary routes to supplement interstate service. In addition, the bill authorized \$3 billion in additional UMTA funds from the general Treasury, but no funds for subsidizing operations.

A spokesman told reporters that Secretary Brinegar was "disappointed" but expected "a hard, tough, conference."

A Hard, Tough Conference Gets Results

The differences between the two versions of the Federal-Aid Highway Act of 1973 were seemingly

irreconcilable. As the conference committee began work, neither the House conferees, who opposed diversion to rail rapid transit, nor their Senate counterparts, who supported diversion, were willing to compromise.

The participants began by reconciling many noncontroversial differences between the two bills. On May 17, conferees tentatively agreed to earmark funds for urbanized areas with populations of 200,000 or more. In return for the House accepting the earmarking, the Senate had given up its provision that would have passed the funds through the State highway agencies to the cities that had an agency capable of administering projects. Conferees also agreed to reduce the authorizations in the bill to satisfy Nixon Administration concerns about the inflationary impact of too much spending.

On June 14, the Senate conferees offered a take-it-or-leave-it compromise. States would keep 20 percent of the revenue they contributed to the Highway Trust Fund and could use it on any surface transportation project they wanted. A percentage of the 20 percent would be earmarked for big cities, which could use the funds to build rail transportation and subsidize operating expenses if they wished. Because the funds would not go into the Highway Trust Fund, using the revenue for rapid rail transit would not “bust the trust.” The Senate conferees warned that if House conferees did not approve this final offer, they would declare the conference deadlocked. The House and Senate would have to start over.



Two months after the Federal-Aid Highway Act of 1973 became law, the Nation's worst energy crisis began. It gave renewed emphasis to energy conservation measures such as use of mass transit and carpools, bicycling and walking, and a maximum speed limit of 55 mi/h (88 km/h), as shown here on a highway sign.

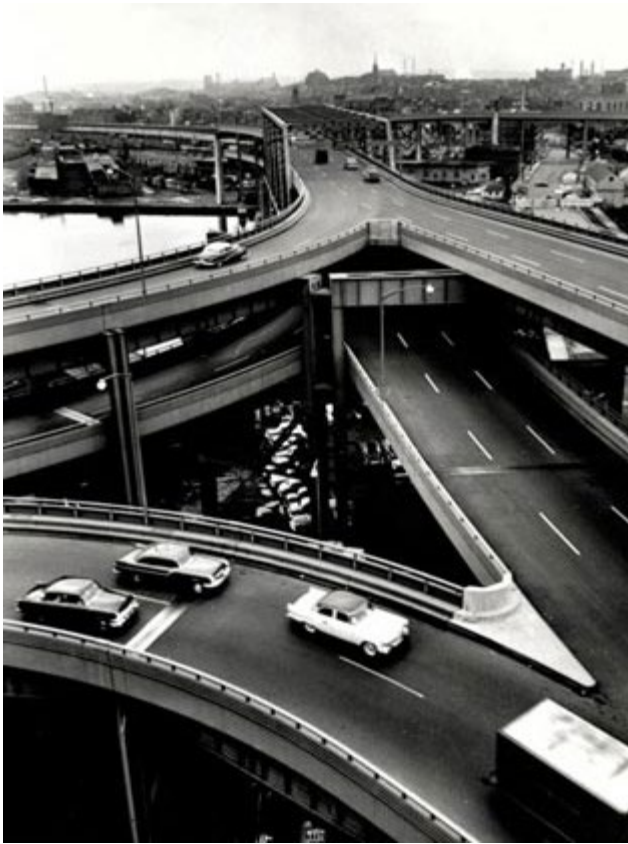
House conferees rejected the Senate proposal on June 21 and offered a counterproposal that would have allowed \$100 million of Highway Trust Fund revenues to be used to purchase buses, but not rail transit. Cities wanting to build rail transit would have to obtain the funds from the general Treasury. Representative James Wright, Jr. (D-TX), the bill's floor manager and head of the House conferees, told reporters, "Some of the senators don't care how much is available for mass transit. They just want to bust the trust fund." The Senators did not declare a deadlock.

With the likelihood of agreement by July 1 slipping and many States running out of Federal-aid highway funds, House leaders agreed to act on a bill already passed in the Senate that would authorize some funds for FY 1974. It did not authorize funds for the urban system, which would remain unused until conferees ended the impasse on the Muskie-Baker amendment. Representative Wright explained to his House colleagues that he did not want to penalize the States, especially the northern States with short construction seasons, simply because conferees could not

complete their work. President Nixon approved the interim legislation on July 6, allowing the States to continue much of their Federal-aid program for several months.

After 3 months of sometimes bitter battles and threats, the conferees announced a breakthrough on July 19. The key compromise became known as the "Wright shuffle," after Representative Wright. Under the shuffle, if officials of an urbanized area wanted to use urban system funds for rail or bus transit, the funds would come from the general Treasury in FYs 1974 and 1975. In FY 1975, up to \$200 million of the \$850 million in urban system funds from the Highway Trust Fund could be used to acquire buses, and in FY 1976 urban system funds from the Highway Trust Fund could be used for mass transit projects, including rail rapid transit. When a community withdrew a controversial urban interstate segment in favor of transit projects, bus or rail, the funds would come from the general Treasury, not the Highway Trust Fund.

The pass-through of urban system funds to metropolitan transportation agencies for project development was dropped, but planning funds would be made available to metropolitan agencies responsible for the 3C transportation planning process. The operating subsidy from the Emergency Commuter Relief Act also was dropped in view of a Nixon Administration veto threat.



This aerial view shows the Central Artery (I-93) in Boston. The revolt against additional Boston interstates resulted in the provision in the 1973 Act allowing for withdrawal of controversial urban segments and the use of substitution funds for mass transit.

On August 1, the Senate approved the Federal-Aid Highway Act of 1973, 91 to 5, and the House approved the legislation, 382 to 34, on August 3. Representative Kluczynski considered the result “the finest legislation ever enacted by any Congress,” adding that he had been in many conferences during his 23 years in Congress, but “had never witnessed anything like that in my life.”

Aftermath

The energy crisis that the country’s leaders had spoken of in the early 1970s struck the Nation in an unexpected way on October 17, 1973. Eleven Middle East nations proclaimed a cut in oil exports to the United States and other countries perceived as

supporting Israel during the Yom Kippur War (October 6–26, 1973), which Israel won. This action, soon joined by others in the Organization of Petroleum Exporting Countries, launched an energy crisis in the United States that would last until the spring of 1974. It included gas shortages, long lines at service stations, truck blockades on interstate highways to protest the high cost of fuel, and a national dialogue on how to cut the country's oil consumption.



Shown here is the four-level interchange of I-20 and I-35 in Fort Worth, TX, in 1960. The engineers who conceived the interstate system thought the freeways would blend into the urban landscape, but instead they often overwhelmed it.

President Nixon launched Project Independence to free the country from reliance on oil from unstable parts of the world and approved legislation refusing Federal-aid highway project approvals in any State that did not lower its top speed limit to 55 miles per

hour (88 kilometers per hour). Congress removed the Clean Air Act deadlines in the wake of the crisis, and transit, bicycling, and walking received renewed emphasis around the country. (The catalytic converter would soon become a practical way to reduce automobile emissions and contribute to improved air quality.)

In the early days of token Federal aid for transit, State officials controlled the 3C metropolitan planning process with a highway orientation. The 1973 Act altered this framework by providing funds to local governments for urban transportation planning. The funds were passed through State highway/transportation departments to metropolitan organizations responsible for carrying out the 3C transportation planning process. This funding established the modern era of MPOs, which have been strengthened by legislation approved since 1973, in their ability to decide the best mix of highway, transit, and alternative modes, such as bicycling and walking, to address the unique needs of each urbanized area.

Under the interstate withdrawal and substitution provision that Governor Sargent and Secretary Altshuler had fought for, Boston appropriately went first. Governor Sargent submitted a joint request on March 26, 1974, transmitting comprehensive transportation proposals for the Greater Boston region and seeking withdrawal of the I-695 Inner Loop, most of I-95 within the I-495/Route 128 circumferential, and other system modifications. Federal Highway Administrator Norbert T. Tiemann and UMTA Administrator Frank C. Herringer approved the request on May 23, 1974. State and local officials used the bulk of the substitution funds for transit projects.

The final interstate withdrawal -- providing for light-rail transit instead of bus lanes on I-205 in Portland, OR -- occurred on September 22, 1989. In all, FHWA approved 50 actions as a result of the 1973 Act involving withdrawal of 343 miles (552 kilometers) of interstates in 21 States. The interstates had a base value of \$9.8 billion to be used on substitute projects.

(The Federal-Aid Highway Act of 1976 allowed substitution of highway projects in addition to transit projects.)

Each bill that becomes a law is a product of the economic, environmental, political, and social context of its era. The concerns of the day transformed the Federal-Aid Highway Act of 1973 from a traditional biennial highway bill into the foundation for the intermodal perspective that has dominated surface transportation legislation ever since.

[Supplemental Article](#)

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