



DEPARTMENT OF TRANSPORTATION

NEWS

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STATEMENT BY U.S. SECRETARY OF TRANSPORTATION JOHN A. VOLPE, WASHINGTON, D.C.

The Federal-aid highway program and the Highway Trust Fund that supports it were devised in 1956 to meet one of the Nation's most pressing needs of that time -- mobility.

Both the highway program and the Trust Fund have served us well. It is due in large measure to that success that the United States has the most advanced and best transportation system in the world. In no nation does the individual enjoy the mobility of personal travel that is afforded the American.

The great emphasis we have placed upon highway construction for the past 16 years has been, rightly or wrongly, a major contributing factor to the urbanization of America. We are today a more complex society and that complexity is nowhere more evident than in the area of transportation.

But the quality of mobility has become flawed in many of our urban areas. It is in the effort to restore mobility in our cities that we urge Congress to approve use of the Highway Trust Fund for public transportation in urban areas.

If mobility is to remain, locally elected officials must have the capacity to provide acceptable transportation alternatives to highways. Returning political philosophy and initiative to the original concept of the Highway Trust Fund -- increased mobility -- will give us that flexibility we need.

By adoption of the Cooper-Muskie amendment to the Federal-Aid Highway Act of 1972, the Senate approved the allocation of up to \$800 million annually for urban transportation purposes. The Senate would leave it to state and local officials to determine what proportion of the \$800 million annually would be spent for highways and what share, if any, would be allocated to public transit capital expenditures -- either bus or rail.

Under the leadership of Representative John B. Anderson, a similar amendment providing \$700 million to the Highway Bill will be introduced in the House of Representatives.

In the interest of preserving the quality of mobility in our urban areas -- the economic viability of our cities -- I urge favorable consideration of the Anderson amendment.

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FACTS ABOUT THE HIGHWAY TRUST FUND

The Highway Trust Fund was created by the Highway Revenue Act of 1956 as a repository for funds collected from highway users to meet obligations incurred when the Federal Aid Road Act of 1916 was amended in 1956 and became the Federal Aid Highway Act of 1956.

Traditionally, the Public Works Committees of both Houses have been responsible for amending and supplementing the 1916 Road Act and making the determination as to those obligations which are attributable to Federal aid highway systems.

The Congress on numerous occasions endorsed the recommendations of the committees to expand the uses of Trust Fund revenues.

Following are some of the major changes that have been adopted in recent years to broaden Trust Fund uses without amending the Highway Revenue Act:

(1) 1962 Highway Act

Section 133 of this Act allowed relocation payments to be included as part of the cost of construction. This allowed Highway Trust Funds to be used for non-construction purposes.

(2) 1968 Highway Act

- (a) The most important provision in this Act which bears on this question was the establishment of the TOPICS program. The key fact here does not relate to the relatively minor type of construction that was permitted under this program. Rather, the reason this program is cited is because it resulted in the establishment of the Type II Primary System in order to carry out this program. What this did was to permit an entire range of streets and roads that had never been part of any Federal-aid highway system, urban streets not on any Federal-aid system plus the entire downtown street grid, to be eligible for Trust Fund financing. The only reason for creation of this new highway system was to comply with the requirements of the Revenue Act, that Trust Fund revenues can only go for projects on a Federal-aid highway system.
- (b) Chapter V was added to Title 23, which expanded the uses for which Trust Funds could be used in the area of relocation and replacement housing.

(3) 1970 Highway Act

The 1970 Highway Act is viewed as landmark legislation, in large part because of the steps taken to broaden the uses of the Highway Trust Fund. Here again, it should be remembered that all these changes were adopted without amending the 1956 Revenue Act. Among the most significant steps taken relating to Trust Fund uses were the following:

(a) Urban Highway Public Transportation

Section 111 of the Act explicitly permits Trust Fund revenues to be used for exclusive busways, passenger loading facilities, bus shelters, and fringe and corridor parking facilities to serve any type of public mass transportation.

(b) Fringe Parking

Under this program established by the 1970 Act, the Secretary was permitted to allow States to acquire land adjacent to the highway right-of-way for the construction of parking facilities.

(c) Replacement Housing

One of the far-reaching steps in the Act was taken to insure that the highway program did not unduly harm individuals who had to be relocated because of the highway projects. Section 117 of the 1970 Act permitted Trust Fund revenues to be used to construct new housing when replacement housing was not available.

(d) Safety

For the first time, two-thirds of the cost of the Highway Safety Program costs were to be paid out of the Highway Trust Fund. This program had been funded exclusively out of general funds since its creation four years earlier.

(e) Public Domain Highways

The 1970 Act, by redefining Public Land Highways and Forest Highways, allowed Trust Funds to be used to finance their construction. This was done merely by stating that these highways were now, by definition, part of the Federal-aid highway systems. General funds had been the traditional source of money for these programs until this step.

(f) Ferry Boats

Section 139 of the 1970 Highway Act permits the Federal government to participate in the construction of ferry boats on the same basis as they participate in the construction of highways. This was done because it was felt that ferry boats could serve as a substitute for highways when the construction of bridges, tunnels, or other normal highway structures were not feasible.

Additional Non-Highway Items Funded Out Of The Highway Trust Fund

1. Ferry Facilities - The 1960 Highway Act amended Section 129 to permit funding "an approach to a ferry".
2. Training (a) The 1970 Highway Act added Section 140(b), permitting Trust Funds to be used for training in concert with EEO Programs.
(b) The 1970 Highway Act added Section 321 permitting Trust Funds to pay for training highway department officials through the National Highway Institute.
3. Public Lands Highway and Forest Highway Facilities - The 1970 Highway Act, in permitting Trust Funds to be used for these two programs, made them available for "adjacent vehicular parking areas and for sanitary, water and fire control facilities" which were covered by this program.
4. Archeological salvage - The 1960 Highway Act permitted archeological and **paleontological** salvage with Trust Funds.
5. Cooperation with other American Republics - This is explicitly permitted by Section 309, Title 23, to be funded out of Trust Funds.
6. Territorial Highway Study - The 1968 Highway Act required a study of territorial highway needs funded out of the Trust Fund. The territories do not contribute any funds into the Trust Fund.

Additional Non-Highway Items Funded Out of The Trust Fund Included In H.R. 16656

1. All Trust Funds are now available for bus lanes, bus passenger loading areas and facilities (including shelters), and fringe and transportation corridor parking facilities to serve bus and other public mass transportation passengers.
2. Portions of Highway rights-of-way acquired with the Trust Fund can be made available without cost for rail transit construction.
3. The entire State and Community Highway Safety Program (Section 402) and the entire Highway Safety R&D Program (Section 403) will be funded 100 percent out of the Trust Fund.
4. Ferry boats can be built which are operated in international waters.

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Proposed Amendments to H.R. 16656

H.R. 16656, the proposed Highway Act reported by Public Works, is very much a traditional highway bill. It makes authorizations which continue largely unchanged, the existing highway programs. It does depart from the past in that, through a major increase to the urban highway programs, it provides an urban/rural balance for the first time.

The three amendments discussed below are designed to further enhance urban transportation through providing increased flexibility and by insuring more local involvement in urban highway programs. All three provisions in question are contained in the Senate highway bill, and with the exception of the first of them, the so-called Cooper-Muskie amendment, they were included in that bill by the Senate Public Works Committee. These amendments do not jeopardize our rural highway program, nor do they compel any State to "divert" highway funds into transit. The uses of urban highway funds would be determined locally, and if desired, they could all be used for highway construction.

1. Public Transportation (Cooper-Muskie Amendment)

-- Current statutes permit highway funds to be used for the construction of exclusive busways, fringe parking facilities, bus loading facilities, and other projects designed to encourage public mass transportation.

- H.R. 16656 makes some minor changes but does not significantly expand the uses for which highway funds can be utilized.
- This amendment, which passed the Senate 48-26, would permit in the case of the urban system (\$700 million out of \$5.75 billion), that highway funds could be used for highways or for transit (bus or rail) at the option of the recipient. This amendment does not change the amount of money going to any State nor does it compel anyone to use funds for transit rather than highways.

2. Availability of Urban System Funds

- Current statutes make all highway funds, urban and rural, available directly to the State highway departments. Decisions as to how funds shall be used are made at the State level.
- H.R. 16656, will significantly increase the amount of urban highway funds from \$100 million to \$700 million per year, but still makes these funds directly available only to the State highway departments.
- This amendment would allocate the urban system funds (\$700 million out of \$5.75 billion) proportionately among urbanized areas (50,000 population or more). If a duly constituted metropolitan transportation agency were established, the funds would go directly to them. If no such agency existed, the State would administer the funds for use only in the designated urban area.

3. Interstate Transfers

- Current statutes permit Interstate System highway segments to be deleted from the system when they are not essential for the continuity of the system. These funds can then be used for Interstate segments anywhere else. Since the total mileage of the system is a limiting factor, current statutes make available an additional 200 miles to be used in making these changes. This additional mileage has the effect of permitting funds tied up in a relatively expensive short urban segment to be used for a much longer rural segment.
- H.R. 16656 would remove the 200 mile ceiling and authorize whatever additional mileage is necessary to undertake these Interstate substitutions with the available funds.
- This amendment, in addition to removing the 200 mile ceiling, would permit the funds earmarked for a deleted Interstate segment to be added to the Federal-aid urban system funds of the urban area in which the deleted segment was located. This would permit Interstate funds to be used for non-Interstate purposes. The amendment, would of course, permit deletions only when segments are not required for Interstate system continuity.

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Proposed Deletions from H.R. 16656

The proposed Highway Act reported by the Public Works Committee includes features which are a matter of serious concern. Among other things, the bill would seriously damage the highway beautification program. It also adds a number of new programs which are neither necessary nor desirable. We generally oppose the proliferation of categorical grants and find the total authorizations much too high. The most serious features of this bill are discussed below.

1. Highway Beautification

H.R. 16656 includes a provision which would result in a two-year moratorium for the billboard removal program. Section 119(h) amends the current statutes to permit directional signs or devices to remain in place until December 31, 1974. The result of this amendment, because of its broad language, will as a practical matter seriously disrupt the program.

2. Priority Primary Routes

Section 126 of the bill establishes what is in essence a second generation Interstate system. It authorizes the creation of a 10,000 mile highway network to be built to Interstate standards. Under current law, Highways can now be constructed to whatever standards are necessary. To now establish this new highway system limits the flexibility of the States in meeting their needs and moves in the wrong

direction.

3. D. C. Highways

H.R. 16656 includes two provisions bearing on the District of Columbia highway system. Section 139 removes the authority of the Courts to intervene in any decisions relating to the Three Sisters Bridge. Section 110(4) would force the construction of certain Interstate segments which both Federal and local officials favor eliminating.

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If the Administration version of the Federal-Aid Highway Act of 1972 is passed, the States will receive funding for each of the Fiscal Years 1974 and 75 as follows:

<u>State</u>	(in thousands of dollars) <u>Total Pass-thru Funds for Urban Areas</u>
Alabama	7,774
Alaska	3,842
Arizona	7,029
Arkansas	3,842
California	98,054
Colorado	8,647
Connecticut	12,762
Delaware	3,842
District of Columbia	4,594
Florida	25,102
Georgia	11,417
Hawaii	3,842
Idaho	3,842
Illinois	47,811
Indiana	14,542
Iowa	5,114
Kansas	4,772
Kentucky	6,807
Louisiana	10,342
Maine	3,842
Maryland	15,721
Massachusetts	26,320
Michigan	34,362
Minnesota	11,548
Mississippi	3,842
Missouri	15,646
Montana	3,842
Nebraska	3,842
Nevada	3,842
New Hampshire	3,842
New Jersey	36,910
New Mexico	3,842
New York	86,638
North Carolina	7,362
North Dakota	3,842
Ohio	40,332
Oklahoma	6,371
Oregon	5,976
Pennsylvania	42,033
Puerto Rico	6,583

<u>State</u>	(in thousands of dollars) <u>Total Pass-thru Funds for Urban Areas</u>
Rhode Island	4,525
South Carolina	3,944
South Dakota	3,842
Tennessee	9,039
Texas	42,004
Utah	4,452
Vermont	3,842
Virginia	14,555
Washington	11,375
West Virginia	3,842
Wisconsin	12,549
Wyoming	3,842

The 25 most populous cities will receive pass-thru funds as follows:

<u>Urban Areas</u>	<u>Pass-thru Funds</u>
*New York City	98,412
*Chicago	40,773
Los Angeles	50,711
*Philadelphia	24,417
Detroit	24,110
Houston	10,188
Baltimore	9,593
Dallas	8,129
*Washington, D. C.	15,069
Cleveland	11,901
Indianapolis	4,981
Milwaukee	7,605
San Francisco	18,143
San Diego	7,277
San Antonio	4,691
Boston	16,107
*Memphis	4,084
*St. Louis (Mo.)	11,434
New Orleans	5,840
Phoenix	5,243
Columbus	4,797
Seattle	7,518
Jacksonville (Fla.)	3,216
Pittsburgh	11,210
Denver	6,360

*These metropolitan areas receive funds from more than one state.