



DEPARTMENT OF TRANSPORTATION

NEWS

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OFFICE OF THE SECRETARY

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STATEMENT BY U.S. SECRETARY OF TRANSPORTATION JOHN A. VOLPE, WASHINGTON, D.C., SEPTEMBER 29, 1972

I most enthusiastically support the new Federal Aid Urban System provision of the Federal Aid Highway Act of 1972 as approved last week by the Senate. Moreover, I become increasingly optimistic that similar legislation will be approved by the House of Representatives.

This provision achieves two high priority transportation objectives:

1. It injects a much needed measure of flexibility into this important Federal aid program -- flexibility which will enable State and local governments to determine their transportation needs and use their Federal funds accordingly.

2. It makes funds available to our urban areas, where the Nation's greatest transportation needs exists.

Let me emphasize the change included in this new 1972 legislation is moderate and limited. This change provides that funds authorized for the Federal aid urban system -- a relatively new program established in the 1970 Act -- may be used for any type of urban transportation capital investment. This Federal Aid Urban System comprises only about 10 percent of the total highway program. I emphasize that only the funds appropriated for this section would be used for the new urban transportation grants.

The new bill is based on the premise that the various cities have a variety of transportation needs. One city may need to expand its bus system. A second city may need more highways. The pressing requirement in a third city might be more commuter railroad service. We want to work with these cities to help them meet their needs. The new Federal Aid Highway Act of 1972 as enacted by the Senate would enable us to go to work.

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I also want to note that the new bill -- while providing urban flexibility -- does not jeopardize our primary and secondary highway programs. The backbone of our national highway system would continue unchanged. Ninety percent of the highway dollars would still be reserved exclusively for highway purposes. The Interstate System would continue to move forward toward completion.

The new change in the Act is completely consistent with the evolving history of the Federal aid highway program. Over the years new uses for the Highway Trust Funds have been introduced. Today we see these funds being used for replacement housing, construction of exclusive bus lanes, parking facilities, safety programs, even ferryboats. I do not, consequently, see any conflict in the use of these funds for buses or rail purposes. The principal beneficiaries of this new program would be highway users themselves who would see lessening of highway congestion as more and more drivers took advantage of new or improved transit.

The old way of Federal financing dictated that State and local officials must build highways -- whether or not they needed them.

The new way we recommend permits these same officials to make the wisest possible transportation investment with their Federal assistance. This new way, it seems to me, is in the best tradition of representative government.

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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.

Q & A Federal-Aid to Highway Act of 1972

QUESTION: Won't this legislation rob the Highway Trust Fund to pay for the benefit of those who don't contribute directly to it?

ANSWER: This legislation will directly benefit highway users so they will get the maximum possible return from their taxes. At the same time, we are giving state and local authorities the flexibility to use their urban highway funds to alleviate congestion in the way they see best -- they can choose highway investment or they may select rail, or both.

QUESTION: But how can you expect people who pay into the Highway Trust Fund to agree to this?

ANSWER: Virtually all Americans are highway users in one way or another. Either they use vehicles for private use or they obtain their basic goods from trucks that use those roads. They use it for business as well as pleasure. But the point is that congestion cannot be solved merely by building roads. We must make use of all forms of mass transit or in reality these tax dollars will not buy very much in the way of better transportation.

QUESTION: By channeling some highway money into mass transit, aren't we making our fine network of intercity highways suffer?

ANSWER: No. This bill continues our Interstate and primary and secondary highway programs; funds for those programs continue. What we are doing is making the transportation program complete by improving mass transit to alleviate a major urban problem -- traffic congestion.

QUESTION: Doesn't this bill put rural areas, who need highway improvement more than mass transit, at a disadvantage?

ANSWER: No. Rural states will continue to receive at least as much highway money as they always have because this bill does not affect traditional highway programs. Besides, each local jurisdiction can spend the money as it sees fit. The only change is that urban officials are not compelled to put their money solely on highways when what they really need is mass transit.

QUESTION: Getting back to direct benefits, isn't this unfair to truckers who pay the most taxes only to see some of the money going to mass transit which is of no benefit to truckers at all?

ANSWER: The truth of the matter is that truckers will most certainly benefit. They compete with the private motorist in highly congested urban areas. It has been estimated, for example, that the annual cost of congestion to truckers in New York City alone is more than \$100 million. Our proposals are designed to help remove many of the private automobiles from streets so that all vehicles can operate more effectively. Truckers surely would not like one alternative that has been suggested -- restricting truck use in urban areas to non-rush hours and even nighttime.

QUESTION: Why do you want to divert highway funds to mass transit when there are other bills aimed to providing billions of dollars to mass transit?

ANSWER: The plain fact is that you can't have too much money to alleviate congestion. The problem is massive and it will take massive funding to correct. The separate money for mass transit is an essential minimum for an area of public investment that has been sorely neglected in recent decades of growing private automobile use and highway construction. Even with this additional money, highway investment will continue much greater than for mass transit. State and local governments will receive about the same federal funding as before, but under this bill they can decide where to put which money. This is the only way they can realistically meet their local transportation needs.

QUESTION: What does the future hold since the amount of highway taxes going into the fund will be reduced as more people use mass transit?

ANSWER: All of our projections indicate automobile useage will continue to grow even if many people do shift to mass transit. So, Trust Fund revenues will have to continue to grow. But we look at the entire economic, social and cultural structure and determine the proper role for each type of transportation.

QUESTION: Won't some of the Highway Trust Fund money be used for non-highway purposes?

ANSWER: This is not new. Over the years Trust Fund money has been used for items not directly related to highway construction. At the present time, the Trust Fund can be used to pay for construction of replacement housing, parking facilities, bus loading facilities, exclusive busways and even ferry boats.

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