

STATEMENT OF SECRETARY OF TRANSPORTATION BROCK ADAMS  
BEFORE THE HOUSE PUBLIC WORKS COMMITTEE, SUBCOMMITTEE  
ON SURFACE TRANSPORTATION, CONCERNING THE ADMINISTRATION'S PROPOSED HIGHWAY AND PUBLIC TRANSPORTATION  
LEGISLATION, FEBRUARY 1, 1978

Mr. Chairman and Members of the Subcommittee:

I am here today to urge you to take action to reform our highway and mass transit legislation, so that these programs will have the flexibility needed to meet the challenges that confront us. Last week the President sent to you and to your colleagues in the Senate legislation to improve the Federal assistance programs for highways and public transportation. He said in his transmittal message, "One of the Administration's important goals is to develop a well balanced national transportation policy, one which takes account of our increased sensitivity to the effects of transportation on the social and economic life of our cities and rural communities." The President described the reforms he proposes as changes that are "designed to make certain that the nation has an effective transportation system which uses energy more efficiently, enhances the quality of life in our urban and rural areas and helps expand our economy."

It is a pleasure for me to appear here this morning to discuss our proposals with you, to tell you what they are and how we got there.

One of the first things I did as Secretary of Transportation was to establish a task force of senior DOT officials, chaired by

the Deputy Secretary, to review our existing highway and public transportation programs with the broadest possible spectrum of State and local officials and interested organizations and individuals. We found a number of things that were good and which justify our spending some \$10 billion Federal dollars a year on our highway and public transportation programs. Our Interstate highway system is a tremendous achievement which is the envy of the world. Our road and highway network generally is comprehensive. While the death toll on our highways is still much too high, important safety improvements have been made in recent years. The relatively new Federal programs supporting public transportation have helped to reverse the decline of transit systems.

But we also heard many criticisms of how our programs are structured, and we found that they need significant improvement. What we have today is really a crazy quilt. We have an excessive number of separate categories of assistance. We have different recipients for our highway and transit programs. Assistance for transportation planning is fragmented. Federal-local matching ratios are a hodge podge of numbers: 70/30 for most highway projects; 80/20 for transit; 75/25 for bridges; 90/10 for Interstate highways. However, if a city exercises the option the law provides to withdraw an Interstate segment and use the money for other projects we go back to 70/30 for highways and 80/20 for transit.

In other words, many of our programs are outdated, inflexible and arbitrary. Transit and highways are too often viewed as rivals. Decisions are too often made to fit Federal requirements rather than to fill local needs. We must redirect our highway and public transportation programs and gear them to an era of scarce dollars and costly energy, changing rural requirements and growing urban needs. These are concerns we heard time after time as we travelled the country talking with concerned officials.

The Administration's legislation will authorize more than \$50 billion over the next five years for transportation planning and highway and public transportation investment and support. It will remove the present arbitrary restrictions that hamper our programs and will give State and local officials the ability to plan and use Federal assistance to meet their transportation priorities. It will redirect transportation planning to meet the challenges of energy scarcity and other national social objectives. And it will restructure our mass transit assistance program to provide a more regular and predictable funding mechanism which will allow better planning and more programming flexibility to meet the public transportation needs of our localities.

#### Principal Objectives

The legislation's principal objectives are:

- To strengthen and consolidate comprehensive transportation planning requirements and apply the same planning requirements to the highway and transit program;

- To simplify funding categories and increase the flexibility of their use;
- To provide the same Federal share -80 percent- for both public transportation and non-Interstate highway programs;
- To provide predictable funding sources to meet public transportation needs; and
- To accelerate completion of the Interstate System.

Our proposals cover seven broad program categories: planning, the Interstate program, the Primary highway program, assistance for large urban areas, assistance for small urban and rural areas, safety and bridge repair. I would like to spend a few moments highlighting our principal proposals in each of these areas.

### Planning

A first and critical step is to bring transportation planning efforts together so that planning focuses not just on highways or on transit systems but on all the transportation modes and how they can best be used together. Equally importantly, transportation planning must look beyond transportation itself. Transportation should be a partner in helping to meet other national and local objectives. Energy conservation, for example, will always have to be in the forefront of our minds, as will air quality and accessibility to employment.

To enable transportation planning to do its job, we propose to combine the now separate highway and transit planning funds. These funds will be apportioned to States and metropolitan planning agencies by a formula which we will develop. Such an administrative formula has been successfully used by UMTA to allocate planning funds for the last three years. These funds will be available for a broad range of transportation planning activities and will no longer be identified as highway or transit planning dollars. This is a key to the comprehensive multi-modal planning we must have if we are to refocus our transportation programs.

The existing law requires that there be a transportation planning process for urbanized areas - those with a population of 50,000 or more. To encourage a broader regional look at transportation needs and issues, statewide planning, including planning for small urban and rural areas, will also be required after October 1, 1980.

For the major metropolitan areas, those of a million or more, we require that their transportation plans and programs be submitted to the Secretary for substantive review. This is a new requirement and a very important one. Transportation can and should play an important role in the regeneration and maintenance of the vitality of these urban centers, and full integration with the areas' housing, employment, energy conservation, air quality and other objectives is vital. This review will serve as an early warning device for individual projects which may face disapproval at a later stage of development.

Most importantly, it will ensure at both the local and the Federal level that we do not lose sight of the fact that transportation is not an end in itself but is part of a broader picture.

### Interstate

For the Interstate highway programs, our proposals have a number of objectives. Over 90 percent of the Interstate highway system is now open to traffic and we want to accelerate its completion. The proposed changes will focus our efforts on closing those essential gaps in the system which impede intercity travel. Another goal is to ensure that the Federal funds available for this program are used in the most efficient way and that we do not have funds tied up in a State which cannot make immediate use of them while another State is ready to go but has run out of available funds.

We propose, therefore, that the formula for apportioning Interstate funds be modified so that half will be apportioned on the basis of essential gaps that need to be finished and half on the basis of total system completion. Funds apportioned on the basis of gaps will have to be used on gap projects.

To hasten completion of work on the Interstate, States will be permitted to borrow against their following year's apportionment if their current funds are obligated. Finally, the basic period of availability of the funds will be shortened from four years to two, with unused funds being reallocated to other States.

Our goal is to complete the Interstate System by 1990. To do so, we need some firm benchmark dates. Our proposals require either that Interstate segments be withdrawn, or that the environmental review process be finished, by October 1, 1982. Further, construction will have to start on all unfinished Interstate segments by October 1, 1986.

As you know, existing law allows the withdrawal of non-essential urban Interstate segments and the use of equivalent amounts of funds for highway and transit projects. I referred earlier to the problem that results from these transfers: in effect, there is a penalty attached to such a transfer since the local share doubles or triples for substitute transit or highway projects. The amount of Federal money is the same, but we do not think the level of Federal match should bias local decisions. Therefore, we propose that substitute projects, whether highway or transit, receive the same 90 percent Federal share as the withdrawn Interstate project.

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To ensure that our superb Interstate System, and the tremendous Federal investment it represents, does not deteriorate, we recommend the continuation of a separate program for Interstate resurfacing, restoration and rehabilitation. We have adjusted the apportionment ratio to give more funds to those areas where travel is the greatest.

## The Primary System

Let me now move to our proposals for the primary system. The changes we recommend here are designed to enhance State planning and programming flexibility. First, we consolidate a number of narrowly focused assistance categories into a unified primary program. Second, we allow 50 percent of funds apportioned for the proposed urban highway and small urban and rural programs to be transferred to the primary program, and vice versa.

## Urban Funds

For our large urban areas, we are proposing two formula programs and one discretionary program. The two formula programs - one for highways and one for public transportation - will be available for urbanized areas of 50,000 or more; the Federal share for both capital highway and transit projects will be 80 percent. Current law permits highway funds to be used for transit projects; we recommend increasing the flexibility to permit 50 percent of the transit funds to be used for highway projects.



We will have, in other words, two compatible and very flexible programs which State and local officials can use effectively to meet the transportation needs of their own urban areas.

On the transit side, to provide more predictability we shift a substantial portion of funds from the discretionary to the formula program. These formula funds will be the source of assistance for all routine capital activities such as rolling stock replacement and system modernization, as well as for operating purposes including commuter rail expenses. The discretionary program will be restricted primarily to major fixed guideway construction, major bus fleet expansion, and joint development projects.

The apportionment formula for the transit funds will be adjusted to account for this expanded use and to make it more sensitive to large urban area needs. It will be based on factors of population, population weighted by density, commuter rail train miles, fixed guideway route miles, bus seat miles and a factor for the replacement of buses. These factors were chosen to closely reflect the actual routine capital needs of cities with all types of transit systems, including the system modernization and rolling stock replacement needs of cities with rapid rail and commuter rail systems.

To assure that sufficient formula funds are available to meet routine capital needs, we place some limitations on the use of these funds for operating expenses. First, only funds equal

to the amounts apportioned on the basis of population, population density and part of the commuter rail factor can be used for operating costs. Second, not more than one-third of total operating expenses can be paid from Federal funds. These limitations replace the existing requirements that a local matching share be provided and that local efforts to support transit services be maintained at past levels.

The urban highway formula program will be apportioned on the basis of urbanized area population. These funds will be eligible for projects on any road or street not on the primary or Interstate systems and for public transportation capital projects.

We propose that, beginning October 1, 1979, Governors and local officials designate one or more recipients for urban highway funds in areas with a population of one million or more. This sort of "designated recipient" process has worked well in the UMTA formula program, and we believe it will enable these major metropolitan areas to focus Federal assistance more effectively on overall urban development objectives. We expect this change to increase emphasis given to projects which use the existing system more effectively, thus serving energy, environmental and urban revitalization objectives.

The discretionary transit grant program will be focused on major mass transportation investments, including the construction

of new fixed guideways, the extension of existing fixed guideways, major bus fleet expansions and joint development projects. These investments provide important impetus for urban revitalization efforts. Because of their size, complexity and cost, they require discretionary funding and careful Federal review.

#### Small Urban and Rural

While we move to provide a better system for meeting the transportation needs of our big cities, we must never lose sight of the needs of our smaller cities and rural communities. There, too, we must provide greater ability for State and local officials to determine what transportation solutions best satisfy their needs. Our proposal is for a consolidated program providing assistance for all highway and public transportation projects in these communities. For the first time, other than in connection with demonstration projects, we will provide operating assistance for public transportation services in these areas.

The funds for this program will be apportioned to the States on the basis of small urban and rural population, area and postal route mileage. At least 10 percent of the funds will be earmarked for public transportation purposes, to establish or improve service in small urban and rural areas. The Federal share for transit operating costs will be limited to one-third of the total costs. As with the urban highway program, projects on any road not on the Interstate or primary system will

be eligible for funds under this program.

The funds for this program will come from the Highway Trust Fund, but the Trust Fund will be reimbursed from the General Fund for any operating costs. Thus small urban and rural areas will have the same flexibility in the use of Trust Fund monies as large urban areas have under current law.

This consolidated assistance program, when coupled with the strengthened requirements for Statewide transportation planning, will make transportation an active agent in improving the quality of life and conserving energy in our small urban and rural areas.

#### Safety

Highway safety is a critical area of concern. We propose to consolidate a number of existing programs into a single highway safety improvement program for all public roads. This will assist the States in increasing their effectiveness in improving highway safety. To insure that the pressing safety problems of roads not on a designated Federal-aid highway are addressed, at least 30 percent of these funds will be for use on those off-system roads.

Our legislation would also permit the purchase of truck weighing scales from Federal-aid highway funds. This will help States to improve their vehicle weight enforcement programs and will have important safety benefits.

Mr Chairman, in addition to our proposals for the highway safety component of our Federal-aid highway program, we have also sent to Congress proposed legislation to strengthen our State highway safety programs and reduce restrictions on the States' use of Federal highway safety grant funds.

After a comprehensive review of the highway safety program, we forwarded a report to Congress on July 1, 1977, which recommended that a number of fundamental changes in the States' highway safety programs to be accomplished through legislation. Our proposal represents a thoughtful consensus of the future form this program should take.

While considerable progress has been made in the Highway Safety Act's first 10 years, the detailed structure of the existing statute has become outdated and overly rigid. Currently, the States are directed to have highway safety programs in accordance with numerous uniform standards which the Department issues. If a State's program does not conform to these standards, the Secretary is directed to reduce the State's Federal safety program funds.

The major change we propose is to move away from reliance on mandatory standards, which we believe have achieved their purpose. The States are now able to draw

from their own experience to identify problems, devise remedies, and evaluate results. Uniform Federal requirements would still be retained in such key areas as data collection and analysis, driver licensing and vehicle registration, and rules of the road and traffic control devices important for safe interstate travel.

The bill would also establish a program of innovative project grants in place of the present program of incentive awards which are based on annual reductions in fatalities in each State. These reductions might or might not be the result of programs initiated by the States, and we think the approach most likely to act as a true incentive is one in which innovation is specifically encouraged by being the principal basis for an award. This change will provide a more direct motivation to the States to improve their highway safety programs.

Up to 25 percent of funding would be separately apportioned for high priority safety programs, such as increased enforcement of the national speed limit. Speed limit enforcement funds would respond to the urgent and repeated requests from the States for assistance in this area.

The bill also establishes a framework for measuring compliance with the 55 mile per hour speed limit, by providing new criteria focusing on the actual speeds traveled by motorists. The States would be subject to a 5 to 10 percent penalty of some Federal-aid highway funds for failure to reduce actual speeds. A schedule would be established for the States to reduce the speeds traveled by their motorists to specified levels in successive years, beginning in calendar year 1978. These changes would provide a fair but strong inducement to the States to improve their enforcement of the national maximum speed limit which has proven to be such an important life-saving tool.

#### Bridges

Finally, Mr. Chairman, bridges too, are in need of our immediate attention. Our proposal more than doubles funding for bridge repair and expands the program to cover bridge rehabilitation in addition to the bridge replacement currently allowed. This will improve the cost-effectiveness of the program. Up to 30 percent of the bridge funds will be available for bridges not on one of the designated Federal aid highway systems.

Those are the highlights of our proposals. It is a comprehensive package that developed from a comprehensive review of our current programs and the most extensive consultation with the transportation community ever undertaken by the Department.

Mr. Chairman, I would like to make a few brief comments about H.R. 8648, the Surface Transportation Assistance Act, which you have introduced. There are a substantial number of similarities between the Administration bill and the Surface Transportation Assistance Act. Certain of the concepts in the Administration's proposal were in fact borrowed directly from H.R. 8648. The Surface Transportation Assistance Act is a very thoughtful and carefully constructed approach to the problems we face.

Both bills would provide a much greater uniformity for the Federal share for highway and transit projects. Both bills have settled on 80 percent as the appropriate percentage for the Federal share. The Administration bill extends this uniformity to a greater number of programs, however.

Both bills seek to accelerate construction on the Interstate. The Surface Transportation Act would allow States that have unobligated balances that are insufficient to fund ready-to-go Interstate projects, in effect, to borrow from States with unused Interstate apportionments.



The Administration bill would allow States to receive advances from their next year's apportionments and also contains several other provisions to accelerate completion of the Interstate system. Both bills also are designed to meet the crisis of our nation's bridges.

There are also differences between the bills, but I believe we should handle these in the question period so I can respond to the points of concern to the members. But it is clear that both the Administration and this Committee have the same objectives of improving our highway and mass transit programs to make them more sensitive to our current and future needs. I am sure that with this common objective we can work together to produce transportation legislation that will greatly benefit the nation.

Mr. Chairman, it is said that for everything there is a time and a season. If so, the season for a new approach to Federal transportation assistance has arrived. This must be an approach that recognizes the new realities, an approach that permits local, State and Federal governments to meet their objectives more effectively. The Administration's proposals embody a program that addresses these important issues in a responsible and realistic manner.

This concludes my prepared statement. I would be happy to answer any questions you or other members of the Subcommittee may have.