

~~00004~~ 102-25

U. S. DEPARTMENT OF COMMERCE
WASHINGTON, D. C.

STATEMENT BY ALAN S. BOYD, UNDER SECRETARY OF COMMERCE
FOR TRANSPORTATION, BEFORE THE SPECIAL SUBCOMMITTEE ON
FEDERAL-AID HIGHWAY PROGRAMS

JUNE 23, 1966

Mr. Chairman and Members of the Subcommittee:

I appreciate this opportunity to appear before this Special Subcommittee of the House Public Works Committee to discuss several policy problems and issues regarding toll roads and facilities in our national highway system.

I would like to compliment the Committee and its staff on the extensive inquiry it has conducted. It has identified a number of policy problems and issues which apparently are not adequately resolved by existing statutes.

I would like to discuss briefly the following problem areas:

Construction of Federal-aid highways parallel to existing toll roads or toll facilities.

Geometric and construction standards as they relate to toll segments of the highway system.

Connections between free and toll segments of the highway system.

The use of Federal-aid funds in the construction or reconstruction of toll segments.

Extent and degree to which the Federal Government can exercise influence or jurisdiction regarding toll segments of the highway system.

OCT 15 RECD.

00001

boydas 66 0623

E.A.A.-51

507# 0001 2/28/66

It has been the policy of the Federal Government that it would not participate in the construction of a free highway, bridge, or tunnel which would divert traffic to the extent that it would jeopardize the financial integrity of the parallel toll road or facility. There are obvious limitations to this policy. It would be completely impractical, for example, to forbid one State to build a Federally assisted highway which might very well influence traffic and therefore revenue on a toll highway in an adjoining State. In addition, because automotive transportation is so flexible, it would be difficult to reasonably assure that the construction of any Federally assisted highway will not have some degree of influence on the traffic and revenue of a toll road in the vicinity.

The real purpose of this policy is twofold:

1. To reasonably assure the financial integrity of a highway segment built as a bond revenue project and by an approved public agency.
2. To prevent the construction of excessive highway capacity merely to offer an alternative free route to the toll highway.

Under existing law the Federal Government has no authority to require a public authority building a bond revenue highway project to meet the standards for Federal-aid highways.

This is true in large measure despite the authority contained in Section 129(b) of Title 23. This subsection provides that the

Secretary may authorize the inclusion of a toll highway as a part of the Interstate System provided it meets certain conditions, one of which is that it meets the standards adopted for the improvement of projects located on the Interstate System. As a practical matter, the Secretary of Commerce must accept certain toll highways as portions of the Interstate Highway System even though they do not meet the Secretarially approved Interstate System standards recommended by the State highway departments. His only alternative is to assist in the construction of a competing free route which does meet the approved standards. In most instances, this would be an unacceptable alternative. With the increasing emphasis that the Administration and the Congress are placing on highway safety the inability of the Federal Government to substantially influence the geometric design standards of toll roads or facilities is a matter of considerable significance.

The Committee during its public hearings has identified a number of instances in which connections between toll and free segments of our highway system have not been made.

The present statute, Section 129 (d) of Title 23 makes provision for such connection, but states certain conditions which a toll road authority may not legally be able to meet. Unless those conditions are met, it is legally impossible for the Secretary to approve the use of Federal-aid funds for the connection which is necessary to adequately serve the traveling public.

It is apparent that Section 129 of Title 23 does not now offer all of the flexibility on the part of the Secretary of Commerce that is reasonably desirable in the public interest.

Very little use has been made of the authority contained in Section 129 (a) which authorizes the use of Federal-aid highway funds in the construction of highway toll facilities under certain conditions. This subsection relates back to the Oldfield Act which was adopted by the Congress in 1927. This subsection has been little used for two basic reasons:

1. The reluctance of administrators of the Federal-aid highway program to utilize highway user taxes for the construction of a bridge or tunnel on which tolls would be charged.

2. The reluctance of toll authorities to commit themselves to the three specific requirements of the subsection.

We believe there are few instances in which it is necessary to pool Federal-aid highway funds with the revenue bond money in order to construct a toll bridge or tunnel.

Each of the above stated policy problems or issues raises the overall question of the extent of Federal jurisdiction over a toll highway or facility which is either a part of the Federal-aid system or serves interstate commerce.

Late last year, the Department of Commerce undertook a limited study of the policy problems relating to toll bridges, tunnels and ferries. This study recommended that the statutory authority presently vested in the Secretary of the Army to determine the reasonableness of tolls on Interstate highway bridges across navigable waters should be

transferred to the Secretary of Commerce. It also recommended that concurrent with the transfer there should be an extension of authority to include Interstate toll tunnels.

The special study also recommended legislation which would require approval by the Secretary of Commerce of any additional toll facilities on the Interstate system.

As this Committee is aware, the legislation now pending before the Congress to create a Department of Transportation includes a provision for the transfer of the authority concerning the construction and operation of bridges from the Secretary of the Army to the Secretary of Transportation.

In addition, it was determined that the limited study we made late last year did not adequately cover the policy problems and issues which have since been identified and raised by this Committee.

Accordingly, we are in the process of revising and extending the scope of the study and considerations to include the problems identified by this Committee.

It is my interim judgment that we will develop and present legislation to the Congress to resolve the policy problems I have discussed. It is apparent that the Secretary of Commerce, and later the Secretary of Transportation, should have sufficient jurisdiction over the inclusion of toll segments in our highway system to reasonably assure that the broad public interest can be served.