

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

STATEMENT BY ALAN S. BOYD, UNDER SECRETARY FOR TRANSPORTATION,
DEPARTMENT OF COMMERCE, BEFORE THE SUBCOMMITTEE ON ROADS OF THE
COMMITTEE OF PUBLIC WORKS, UNITED STATES SENATE

MAY 11, 1966

Mr. Chairman and Members of the Subcommittee:

I appreciate this opportunity to present to your Committee the Administration's views on S. 3155, entitled, the "Federal-Aid Highway Act of 1966." Following my statement and with the permission of the Committee, the Federal Highway Administrator will present to you a report on progress of the Federal-aid highway programs.

Transportation on our Nation's highway system continues to reach record totals each year. In 1965, approximately 100 million licensed drivers, and 90 million vehicles traveled 880 billion vehicle miles on 3.6 million miles of roads and streets. About two-thirds of this mileage was on the 900,000 miles of Federal-aid highways. This growth in travel represents an increase of almost 5 percent over 1964 levels.

Highway transportation is the dominant mode of passenger transportation, accounting for 92 percent of intercity travel. It also has grown increasingly important in the movement of goods, now accounting for over 300 billion ton miles a year.

Americans will spend about \$100 billion this year for highway-related travel and transportation which roughly represents one-seventh of the Gross National Product. Highways, therefore, are vital to the economic prosperity of the Nation, and to its economic and social progress.

FR 0038

boydas 66 05 11
7/28/69

FAA-S*1 00007

Improvement of the Federal-aid system is essential if we are to keep pace with the needs of the Nation, and the authorizations contained in the proposed measure before you for consideration are directed toward that objective. These authorizations for continuation of the Federal-aid highway program have been enacted regularly by Congress to provide the American people with the finest highway transportation in the world, and to meet our growing economic and social needs.

S. 3155 is identical to the Administration's proposed Federal-Aid Highway Act of 1966, transmitted to the Congress on March 21 of this year. It would provide biennial authorizations for the Federal-aid primary and secondary highway systems and their extension in urban areas. The bill also would provide authorizations required for other programs, including the important Interstate program.

Before discussing the detailed provisions of the bill, I would like to review briefly the reasons underlying the proposals presented for your consideration. A critical stage has been reached in the schedule for completion of the National System of Interstate and Defense Highways. As Mr. Whitton will show in his progress report, the half-way point in project authorizations has been passed for completing the Interstate System in accord with the 1965 cost estimates.

If we are to assure the completion of the Interstate program under the schedule proposed by the Administration, it will be necessary for the Congress to provide increased authorizations and related revenues to support their financing. Additional problems related to highway transportation must also be considered and acted upon by the Congress during this session to protect the efficiency and productivity of highway transportation and to insure that this important part of our national transport system is compatible with aesthetic and social goals related to improvement in the quality of American life.

Previous Congresses acted wisely in dealing with the social impact of highway dislocation by providing for payments to families and businesses to cover the costs of displacement. In 1964 requirements for a continuing comprehensive transportation planning process were established to guide future highway development programs and to take account of their probable impact on major urban areas. Only last year the Congress enacted the Highway Beautification Act of 1965 to promote the recreational values of public travel and preserve natural beauty along Federal-aid highways. During this Session hearings are being held on traffic safety which is a reflection of growing national concern over the appalling increase in the number and severity of traffic accidents with their attendant tragedies and losses. Early enactment of a comprehensive safety program along the lines proposed by the Administration will provide needed Federal assistance in solving this problem.

I am sure you recognize that all elements of highway transportation, including human and environmental considerations which arise in the planning and development of facilities must be fostered and promoted within an integrated program framework. This program approach is essential if we are to proceed at a satisfactory pace in providing for the timely development of needed highway facilities. The recommendations on highway beauty and safety proposed for consideration of this Congress are based upon this concept and will, through the proposed use of the Highway Trust Fund, closely knit these highway related programs into a more meaningful framework for consideration and surveillance by the Congress.

The Administration's proposals for Federal-aid highway development were transmitted to the Congress in a package of which only a part is before this Committee for consideration. Related financing proposals are contained in another Administration draft bill entitled "Highway, Airway, and Waterway User Act of 1966" which also was transmitted to the Congress on March 21. These financing proposals will insure (1) the orderly continuation of our highway program; (2) the provisions of additional revenues to continue the pay-as-you-build basis for this program which was wisely established by the Congress in 1956; and (3) that all highway users pay their fair share of the costs of Federal highway development.

Comments on S. 3155

Turning now to the pending bill before this Subcommittee, I shall discuss the various provisions of the bill and the need for their enactment.

Section 2 of S. 3155 revises and increases the authorization of funds for the Interstate program. Increased annual authorization is made necessary to conform to the latest cost estimate for completing this system which was submitted to Congress in January 1965. For the fiscal year 1968, the authorization is increased by \$300 million to a total of \$3.3 billion. For fiscal years 1969 and 1970 the increase amounts to \$600 million, and for fiscal year 1971 the increase is \$715 million, bringing the total for each of those years to \$3.6 billion. A new authorization is provided for the fiscal year ending 1972 in the amount of \$2.685 billion. These revisions in the schedule of Interstate authorizations amount to a total increase of \$4.9 billion in the Federal share, thereby increasing the total Interstate authorizations from \$37.1 billion to \$42 billion.

Section 3 of S. 3155 authorizes the Secretary of Commerce to apportion Interstate funds authorized for fiscal years 1968 and 1969, based on the apportionment factors developed from the 1965 cost estimate data. These factors are to be used for apportioning Interstate funds for those years as provided by law. Last year the Congress authorized apportionment of Interstate funds for

fiscal year 1967 employing these apportionment factors and the 1967 Interstate funds were apportioned to the States on August 30, 1965. The next cost estimate will not be available to the Congress until January 1968 and will provide the basis for apportioning Interstate funds for 1970 and later fiscal years.

In our view the current cost estimate is sound and properly reflects the then existing relative needs of the several States to complete an Interstate System to meet the capacity and safety needs of the future. A more detailed discussion of these estimates and how they were developed will be presented by Mr. Whitton in his statement.

Section 4 makes certain conforming amendments to Title 23 of the United States Code, required by the new authorization of Interstate funds in Section 2 for the additional fiscal year 1972.

Under Section 5 of S. 3155, \$1 billion is authorized for each of the fiscal years 1968 and 1969 to permit continuation of projects on the Federal-aid primary system, the Federal-aid secondary system, and their extensions within urban areas.

This section also authorizes for each of the fiscal years 1968 and 1969 the sum of \$33 million for Forest Highways and \$7 million for Public Lands Highways. These authorizations are also identical with those provided for such purposes for the fiscal years 1966 and 1967. In the past, authorizations for Forest and Public Lands Highways have been financed from the general fund of

the Treasury. Under the pending bill, such authorizations are proposed to be financed from the Highway Trust Fund and are to be available for expenditure only for projects on a Federal-aid system. While such system limitation has not previously been in effect, it is not anticipated that it will create any problems or work any hardships on the States. At the present time, approximately 88 percent of the 25,600-mile forest highway system is on one of the Federal-aid systems. Most of the remaining mileage would be eligible for transfer to a Federal-aid system upon application by the State concerned. A relatively similar situation exists with respect to Public Lands Highways. Highways constructed under these programs are similar in usage to highways on the Federal-aid systems, thus, it would seem consistent to have them financed by highway users from the Trust Fund.

In addition, this section authorizes appropriations from the general fund for the fiscal years 1968 and 1969 for various categories of Federal domain roads. Since these programs are administered by the Department of Agriculture and the Department of Interior, we defer to the views of these Departments concerning the proposed authorization levels.

Section 6 of S. 3155 removes the prohibition against the use of the Highway Trust Fund after June 30, 1966, to finance the highway beautification program. The Highway Beautification Act of 1965 prohibits the use of the Highway Trust Fund for financing

current authorization provided for control of outdoor advertising and junkyards as well as for landscaping and scenic enhancement. Congress, in enacting this prohibition against use of the Trust Fund, made it quite clear that its purpose was to prevent diversion of Federal-aid construction funds from the Trust Fund for these purposes.

While S. 3155 provides that the beautification program be financed through the Trust Fund beginning with the fiscal year 1967, it is the Administration's position that this expenditure should not encroach on the currently dedicated highway user revenues. Financing of beautification as well as traffic safety would be provided for by transfer of one percentage point of the present automotive excise tax to the Highway Trust Fund. As required, additional funds would be transferred from the General Fund of the Treasury to the Highway Trust Fund to meet expenditure requirements not met through dedication of the one percentage point of auto excise. Use of the Trust Fund for financing these programs cannot be operative unless authorized as provided for in the draft bill entitled, "Highway, Airway, and Waterway User Act of 1966." As mentioned earlier in my testimony, a major reason for using Trust Fund financing is to assure that common administration and program surveillance is maintained over all highway related programs at the Federal level.

Finally, Section 7 of S. 3155 increases the standby authorization for emergency relief funds for repair or reconstruction of

highways, roads, and trails seriously damaged by floods or other disasters from \$30 million to \$50 million for the fiscal year 1967 and each year thereafter. Further, it provides for a 2-year carryover of any unused authorizations, as is now applicable to the regular Federal-aid authorizations.

This section of the bill also provides that emergency relief expenditures on any of the Federal-aid systems are to be reimbursed from the Trust Fund, while such expenditures for various types of Federal domain highways, roads and trails off the Federal-aid systems are to be reimbursed from the general fund of the Treasury. At the present time, emergency relief expenditures whether on or off the Federal-aid systems are reimbursed from the Highway Trust Fund.

Proposed Highway Financing Program

While not before this Committee for consideration, I would like to review briefly the specific recommendation jointly submitted to the Congress on March 21, 1966, by the Secretary of the Treasury and the Secretary of Commerce insofar as it relates to additional Highway Trust Fund financing. The proposed financing program would

- (1) increase the tax on diesel fuel used in highway vehicles;
- (2) make more equitable the heavy vehicle weight taxes which are presently dedicated to the Trust Fund;
- (3) assign revenues from one percentage point of the automobile excise tax and necessary amounts from general funds of the Treasury to the Highway Trust Fund to finance the beautification and traffic safety programs;

(4) transfer excise taxes on aviation fuel from the Highway Trust Fund to the General Fund; and (5) extend the present October 1, 1972, tax cutoff date for the Trust Fund by 5 months, to February 28, 1973.

These recommended fiscal measures will provide revenues to the Highway Trust Fund needed to finance increased costs associated with the (1) remaining \$4.9 billion of the \$5 billion increase in the Federal share of the cost of completing the 41,000-mile Interstate System in accord with the 1965 Interstate Cost Estimate; (2) Forest and Public Lands Highway programs; (3) traffic safety program; and (4) the highway beautification program.

Estimated annual apportionments, disbursements, revenues and Trust Fund balances for the program to be financed from the Highway Trust Fund under proposed legislation will be explained in greater detail in Mr. Whitton's statement.

The prospects for the future of the highway program are dependent upon the actions of this Congress. I respectfully urge that these actions be carried out in accordance with the provisions of S. 3155.

I appreciate this opportunity to appear before you and discuss the highway program and the provisions of the pending bill.

Thank you.