

U. S. DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20590

STATEMENT OF JOHN A. VOLPE, SECRETARY OF TRANSPORTATION,
BEFORE THE SUBCOMMITTEE ON PUBLIC ROADS, SENATE PUBLIC
WORKS COMMITTEE, REGARDING THE PROPOSED FEDERAL-AID
HIGHWAY ACT OF 1970 (S. 4260), WEDNESDAY, SEPTEMBER 9, 1970.

Mr. Chairman and members of the Committee:

I appreciate this opportunity to testify on S. 4260, the proposed Federal-Aid Highway Act of 1970. In addition to the fact that it was introduced by the Chairman and co-sponsored by every Republican member of the Committee, I find much to admire in this bill. The bill reflects a willingness and determination by its sponsors to come to grips with some of our most urgent and vexing transportation problems. I certainly share this willingness and determination.

As Secretary of Transportation, I become more convinced with each passing day that we need to find much more flexible ways of providing Federal assistance to State and local transportation systems; that in determining how to meet our Nation's need for transportation services we must consider all modes; that our investments in transportation systems must be made for the purpose of implementing, rather than determining, the broad development objectives of our States and communities; and that, wherever appropriate, the social, economic, and environmental costs of our transportation investments ought to be borne by the general public, and not solely by those in close proximity to a transportation facility.

As you know, I have not been bashful in voicing these convictions. At the same time, I am concerned that, in charting new courses of action, we be able to see far enough down the path to know we will not have to re-trace our steps in a year or two. We now have underway within the Department several major transportation studies which will provide us with the information and insights I think we need. However, the completion dates for these studies range from six months to two years away.

Because our current studies are crucial to sound decision-making, it will be useful to review briefly the nature and purpose of these studies as a backdrop to my specific comments on certain provisions of the bill.

First, we are developing a comprehensive National Transportation Policy Statement. As simple as that may sound, there in fact has been no such policy statement enunciated for the past thirty years. By about the end of this year, however, I plan to have one. It should enable us to chart the future course of transportation in this country with much greater clarity and vision.

Second, we have embarked on an interesting and complex project to devise a 1972 National Transportation Plan. One element of the Plan will be the 1972 Highway Needs Study. In addition we will include estimates of the requirements of other modes. We have elicited the

assistance of the 50 State Governors and appropriate local officials, and, of course, the transportation industry. This first-of-a-kind venture in integrated transportation planning is perhaps the most innovative and ambitious undertaking launched by this Department during its short history. I believe firmly that it is precisely the sort of thing we were created by the Congress to do.

Third, as I have mentioned on several occasions, we are looking at various funding concepts -- including a single transportation trust fund -- in an effort to assess the most effective future direction for financing major transportation investments. While I am convinced that we must build more flexibility into transportation decision-making if we are to keep pace with the rapidly changing character of our society's transportation needs, my mind is still open as to the best way to do that. But I do hope in the next six months or so to boil down the possibilities for improvement to the point where we can have some specific recommendations to discuss.

Finally, the Department has initiated a thorough review of the urban transportation planning process. This started out initially by concentrating on section 134 of the Highway Act, but inevitably we have been led to consider urban transportation planning generally. We are assessing the strengths and weaknesses of the current process and various alternatives for improving it at local, State, and Federal levels. I expect to have a final report early next year.

These efforts are going to help shape our thinking. They are going to bring us much closer to the realization of an intermodal approach to transportation policy. They are going to enable us to do a much better job in designing modal programs that best support our transportation and other goals at the most economical cost. With this review of where the Department stands in the information gathering area, I would like to turn to a detailed discussion of S. 4260.

The Interstate System

S. 4260 contains three provisions affecting the Interstate System. It would authorize additional funds for the completion of the system; it would authorize the elimination of certain segments from the system; and it would authorize the establishment of a minimum apportionment of Interstate funds for each State.

Section 102 would authorize an additional \$11.9 billion for the Interstate System through fiscal year 1977. The Administration has proposed in its bill, S. 4055, authorizing an additional \$9.025 billion through fiscal year 1976. I would strongly urge the Committee to adopt the Administration proposal. As I indicated in my testimony before the Committee on July 16, the authorization of slightly over \$9 billion through fiscal year 1976 will permit the continuation of the Interstate program at a sufficiently high level to assure orderly completion and, at the same time, enable us to maintain more flexibility in dealing with our total transportation needs.

A further reason for withholding authorizations beyond fiscal year 1976 is evidenced by the proposal in section 108 of S. 4260. This section provides for removing certain segments from designation as part of the Interstate System if, by July 1, 1972, a State has not established an expenditure schedule and if, by July 1, 1975, a State has not submitted for the segment plans, specifications, and estimates for approval. The elimination of some of these segments could involve several billion dollars and the final authorizations would be heavily influenced by the decisions reached.

With respect to the merits of section 108, we fully support its purpose and believe that we do need to provide a means by which the system can be readjusted prior to making a revised cost estimate to the Congress in 1973. In our opinion, however, the decisions on eliminating controversial segments ought to be made before July 1, 1975. Therefore, we would recommend that the Secretary be directed to transmit to the Congress with the 1973 cost estimate his recommendations for the system adjustments necessary to bring the Interstate System to a timely completion. The Congress would then have an opportunity to review and approve the Secretary's recommendations.

We are also concerned with the need for more flexibility in making the apportionments for fiscal years 1972, 1973, and 1974. Under section 103, the apportionment factors in Table 5 include the effect

of the heavy costs of several controversial segments of the Interstate System. The imbalance of these apportionment factors results in too little money in some States to maintain a satisfactory construction program, and excess funds in some States where controversy has virtually stalled any active construction program. To correct this imbalance we recommend that the Secretary be authorized and directed to develop apportionment factors which will provide a minimum apportionment in any State of 1/2 percent, as proposed in section 105, and which will reduce the apportionment in States with costly controversial segments up to a maximum of 25 percent of the values shown now in Table 5 of House Document 91-317.

Where, at a later date, the State has shown the capability and resolution to move forward with construction of these segments the Secretary can adjust the next year's apportionment accordingly, after consultation with the Committee. And, with section 108 amended as suggested, the Secretary in 1972 can rework the disputed segments entirely and make complete adjustment of the apportionments for completing the system after that date.

With this approach, we would support section 105 which would establish a minimum apportionment for each State of 1/2 percent of the annual Interstate apportionment. A proviso would have to be

added, however, to assure that the minimum apportionment would not be applicable to a State after that State had completed all of its share of the Interstate System.

Restructuring the Federal-Aid System

Sections 106 and 107 would restructure the present approach to Federal aid by creating a new Federal-aid urban system, by eliminating urban extensions of the primary and the secondary system in cities with more than 50,000 population, and by bringing the funding of the present TOPICS program within the new Federal-aid urban system. One of the principal effects of this change would be to make eligible for Federal aid a larger segment of the urban highway system.

We certainly favor the principle of broadened Federal participation in urban areas. However, this is an instance in which the restructuring being proposed is premature. Because we are undertaking broad studies of transportation policy requirements and funding, we should defer any fundamental changes in the present system until all the facts are in. I believe we have more to gain by deferring a decision at this time in the interest of a more informed decision two years hence than we have to lose by continuing the present system for two more years.

The same point can be made with respect to section 117(a) of the bill which would authorize the use of highway funds for the operation of public transportation facilities, including the purchase of equipment,

when the Secretary determined that the use of funds in this manner would significantly reduce highway needs and lead to the more efficient use of existing highway facilities.

I am unalterably opposed to using highway funds to subsidize the operation of public transit -- this is invariably the most costly and probably least effective way of curing the patient. However, as already mentioned, I indeed endorse the general concept underlying this portion of section 117(a), namely, that we should work toward giving State and local governments more flexibility in their use of Federal transportation assistance. This was a major topic of conversation at the recent National Governors Conference, and I advised the Governors that the Department was actively exploring concepts of unified transportation funds and other means of expanding transportation program flexibility. Within a few months, I hope to be able to report on the results of our analysis of this problem.

Section 117(a) would also require the Secretary to inventory, classify, and assign a priority for the replacement of all bridges on the Federal-aid system and would authorize \$150 million for each of the fiscal years 1971, 1972, and 1973 for replacement in accordance with the priorities assigned.

The Department recognizes the need to accelerate the replacement of unsafe bridges. However, we believe this can and should be accomplished

from funds otherwise authorized for the primary and secondary systems. The President is determined to stop the inflationary push created by excessive Federal expenditures. The highway authorizations recommended by the Administration were determined only after a painstaking consideration of national priorities and economic constraints. For this reason, we would vigorously oppose the additional increase in those authorizations by \$150 million annually for bridge replacement.

As an alternative, we would propose an amendment which would provide that at least 5 percent of each State's apportionment would have to be used for bridge replacement, with a proviso permitting the Secretary to relieve a State where undue hardship was clearly shown.

Section 119 of the bill would authorize a highway program for the Virgin Islands, Guam, and American Samoa in the amount of \$2 million for each of the territories for each of the fiscal years 1971, 1972, and 1973. The nature of the highway problems confronting the territories were set forth in our report to the Congress earlier this year, and we would support the proposal with two modifications. We do not believe \$2 million per year is required for Samoa and would recommend a level of \$500,000 per year. Second, because of our stringent budgetary situation, the amounts authorized for the territories should come out of the trust fund, as the bill proposes, and should be deducted from the

authorizations for the ABC system so that the total amount authorized would not exceed the level recommended in the Administration bill.

Economic, Social, and Environmental Considerations

Section 109(c) would add a new requirement that the Secretary issue guidelines for avoiding, minimizing or overcoming possible adverse economic, social, environmental and other impacts relating to highway projects. Subsequently, the Secretary could not approve project plans and specifications unless they were accompanied by an analysis identifying such impacts and including adequate measures for dealing with them. These impacts would include air, noise, and water pollution; destruction or disruption of man-made and natural resources, aesthetic values, community cohesion, and the availability of public facilities and services; adverse employment effects, and tax and property value losses; injurious displacement of people, businesses, and farms; and disruption of desirable community and regional growth. It would also require the Secretary to develop and promulgate noise standards and condition the approval of highway projects on meeting the standards.

The Department supports the principle that the implementation of Federal programs should be designed to eliminate, minimize or compensate for the adverse environmental, social, and economic impacts of Federally-supported highway construction. The President's message to

Congress on the environment, and his recent reorganization plan, underscore his concern in this area. The development of guidelines to meet the economic, social, and environmental impact of highways would be entirely consistent with this concern. However, section 109 also involves some major public policy issues and has financial implications for not only the highway program but, as generally applied, for many other Federal, State, and local public (as well as private) investments. Therefore, while we support the clear intention of this section for the careful, clear and deliberate development of economic, social, and environmental guidelines, in the course of doing so I would also wish to examine the issues dealing with the scope of their application. Accordingly, if the Congress so requests, I would propose to report, not later than July 1, 1972, on the proposed guidelines and our recommendations as to their application.

In this connection, section 109(d) would amend section 307 of title 23 to authorize highway research to identify and measure factors relating to economic, social, environmental and other impacts of the highway program. While we presently construe our research authority as being broad enough to encompass this activity, we would not object to a specific statement of that authority.

The changes to the definition of the terms "construction" and "highway" proposed in section 109(a)(1) and (2) should, of course, be deferred until the more substantive changes to the Act were determined based on the report suggested above.

Section 112 would amend section 128 of title 23 to require "the Governor or other duly constituted State authority" to certify that local hearings have been held on any plans for a highway project and that the "duly authorized State or local official conducting the hearing" has considered the economic and social effects of such a plan, highway location or design, its impact on the environment and its consistency with goals and objectives set forth in the urban transportation plan required by 23 U. S. C. 134. The amendment would not preclude the State highway department from continuing in its present role but would leave that choice to the State legislature in each case.

On principle, I certainly agree that the elected representatives of a State ought to have the right to designate the State official authorized to give the necessary certification. Therefore, while we believe the present system is generally satisfactory, we would support the amendment, with one modification. We would propose that the individual making the certification, not the one holding the hearing, be the person responsible for considering or assuring the consideration of the economic, social, and environmental effects.

Section 114 would amend section 134 of title 23 by adding a requirement conditioning the construction of a highway on consultation with and consideration of the views of "the mayors and city councils or other duly constituted authority established by State law" in which the project is located. I am in complete agreement with the principle of this amendment. Some clarification of the section, particularly the term "corridor", may be in order but we will be happy to work this out with the Committee.

Section 117(a) would authorize the Secretary to approve as part of the cost of a highway project the cost of constructing new housing, acquiring existing housing, rehabilitating existing housing, or relocating existing housing as replacement housing for individuals displaced by the project. The authority would be conditioned on a certification by the Secretary of Housing and Urban Development that replacement housing was not available and could not otherwise be made available.

We fully support this amendment. It is essential if we are to assure adequate housing and just compensation for displacees while not unduly disrupting necessary highway construction. We would expect to work closely with HUD in developing regulations and procedures for operating under these sections. Neither we nor HUD want the Department to get into the business of actually building houses. Nor do we want to interfere with the functions of the presently authorized State and local housing agencies. Where subsidized housing is involved, we would expect that

the local housing authorities who normally work with HUD would be involved in the construction of housing undertaken pursuant to this authority.

Section 121 would require the States to make an interest payment to compensate an owner who is forced to relocate by virtue of a highway project for any increased rate of interest which the owner is required to pay for financing replacement housing. The Administration has opposed this approach at this time. It believes that other remedial economic measures should be pursued to solve the interest differential problem.

Turning to highway beautification, I first wish to express to this Committee my appreciation for your leadership and work in surfacing some of the problems which certain States and sign companies are experiencing because of the Highway Beautification Act of 1965.

Last year this Committee passed legislation which would authorize pilot billboard removal projects in a few States. At my direction, key staff members of the Department examined both the problems which the Act was causing and the methods available for implementing the Act. Our study convinced us that we must be prepared to implement the beautification law in all the States and a legislative proposal was developed which would do this.

The Administration proposal in S. 4055 would place the entire beautification project on a sound financial footing. We have recommended a minimum funding level of \$50 million a year, which is geared both to the capacity of the States to come into compliance and the ability of the country to fund and complete the program in 5 to 6 years under current budgetary pressures. In addition, the demonstration projects contemplated by section 113 of S. 4260 could be carried out. We have proposed that this as well as other highway-related items be paid for from the Highway Trust Fund.

Our objective is to implement this program immediately and to begin the actual process of sign removal before the end of this year. Any further delay would substantially increase the costs of the program and penalize those States and sign companies who have complied with Federal law while rewarding those who have ignored the law. We have examined in detail the problems of the sign industry and of the States, and I am hopeful that my staff can work with the Committee staff in working out any details or problems which you feel must be considered in order to implement this program this year.

A final comment on what I would characterize as a social and economic provision of the bill. Section 116 would amend section 140 of title 23 to authorize the Secretary to develop, conduct, and administer highway

construction-related training and skill improvement programs directly or through other Federal or State agencies. Section 140 presently authorizes such training in connection with the State construction programs. I am personally quite proud of the vigor and determination with which the Department is attacking the problem of assuring equal employment opportunities. As you know, we are presently carrying out a very progressive and substantial EEO training program in connection with the highway construction program. Over the next few years, we expect very significant results from this effort. However, I have grave reservations as to the wisdom of authorizing the Department of Transportation to conduct such programs directly. This tends to get us out of the business of transportation and into areas more appropriate to other departments, such as HEW and Labor. For this reason, we would support section 116 if it were limited to administration and implementation through the appropriate Federal agencies.

Highway Safety Programs

The Administration has proposed the establishment within the Department of a Federal Highway Safety Administration. In December 1969, after a number of studies and careful personal review I made a determination that most of the functions being carried out by the National Highway Safety Bureau, then an element of the Federal Highway

Administration, should be administered by a separate organization reporting directly to me. This decision reflected my belief that safety on the highways, where more than 55,000 people are being killed annually, is of such importance that the organization responsible for this program should have status equal to the other operating administrations of the Department.

For this reason, on March 22, 1970, I established the National Highway Safety Bureau at the same level as the other administrations in the Department and provided that the Director report directly to me.

However, certain statutory provisions have prevented me from modifying the Bureau's name and raising its Director to an Executive level comparable to other administrators in the Department. I, therefore, urge the Committee to incorporate Title II of S. 4055 in its legislative proposal so that we may have the kind of organization which we need in the highway safety area.

Section 106(10) would authorize \$100 million for each of the fiscal years 1972 and 1973 to fund section 402 of the Highway Safety Act. The Administration proposed no new authorizations for these years since approximately \$180 million remains available for obligation from previous authorizations. We continue to support the Administration's proposal.

Public Works and Facilities Planning

Title II of S. 4260 would enact a "Public Works and Public Facilities Planning Act of 1970". This would direct the President to cooperate with the States in the development of comprehensive plans and programs for the development of the State covering such matters as conservation, agriculture, water, energy, industry, etc. The President would be directed to promulgate guidelines and procedures for the development of such plans and to make grants to the States to assist in preparing plans. After July 1, 1974, each Federal agency having jurisdiction over a public works program could approve a project only to the extent the project carried out the State plan.

Obviously, there are many issues in title II which transcend the highway program. Most of the questions involving consistency of highway projects with comprehensive plans arise in urban areas. This area of planning is already covered in the highway law. As indicated, we are now reexamining urban planning under section 134 and will have recommendations for improvements by 1972. With respect to the broader question of facilities planning, the Administration is currently examining the general problem of planning for development. Consequently, the Administration strongly urges the Committee to withhold action at this time.

We have some technical amendments to S. 4260 which we would suggest and there are several more minor provisions upon which we would like to comment. Rather than take the Committee's time to discuss these, I will ask my staff to discuss them directly with the Committee staff.

In closing, Mr. Chairman, I would like to reiterate the point I made at the outset. We are living in changing times. We are confronted with a host of social, economic, and environmental problems in which transportation is directly involved. S. 4260 is, as the Chairman stated in his floor speech introducing the bill, an "innovative" measure which "will help determine national transportation policies and priorities for the rest of this century." The Administration shares with the Committee the view that we do need to move forward. I would hope that now and during the next two years we can, working with the Congress, develop the necessary legislative programs to carry out these objectives.

This concludes my prepared statement. I shall be happy to answer any questions the Committee may have.