

U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION

3/16/72

STATEMENT BY THE FEDERAL HIGHWAY ADMINISTRATOR
FRANCIS C. TURNER

Before the House of Representatives
Appropriation Subcommittee on Transportation

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE --

Once again it is my pleasure to appear before this Committee to discuss the Federal Highway Administration's request for resources with which to pursue our program objectives during F.Y. 1973.

With me today are members of my staff who are at your disposal in any way which may help in your evaluation of this most important Federal Highway Budget.

Before summarizing, and perhaps highlighting the request, I would like to make a few directly related observations.

The highway mode remains the predominant choice in our national quest for mobility. In 1956 when we started the Interstate System, for example, there were about 65 million registered vehicles in the United States. Vehicle registrations in 1970 totaled more than 108 million, an increase of 43 million in 15 years. New cars, trucks, and buses are being produced at the rate of 10 million per year. Imports have grown from one-half million in 1960 to more than 2 million in 1970.

This dramatic growth in the demand for vehicles has been accompanied by an equally strong demand for better, safer, smoother and faster highways -- highways with greater capacity and serving ever-increasing locations, both in numbers and size.

The highway mode services three-fourths of all urban mass transit passengers, 98 percent of all urban passenger trips, 87 percent of all inter-city passenger miles of travel, and 83 percent of all the dollars spent for transportation in the country. Motor vehicle travel now exceeds a trillion vehicle miles per year, and at the 4-1/4 percent rate of growth in highway travel we have been experiencing for the last 35 years without change, today's traffic would double in less than 20 years. While we are shaping DOT and FHWA policies to replace some of this growth in urban areas with public transportation modes, we should not assume an immediate radical shift away from the highway mode, and therefore we must be prepared to take this into account in our planning. Also, even if there were no new growth, much work is needed just to upgrade present street and highway systems to accepted service and safety levels.

Public transportation of all kinds must be developed to help absorb some of the growth and most of the public transit systems are likely to still be highway oriented during the years immediately ahead. The challenge is to provide more attractive service. Studies have shown that even work commuters have expressed a great preference for the use of their

own automobile. About a third of them, according to studies, today choose their own automobile even when public transportation is only 1/4 mile away and less than 10 percent select public transportation when the distance exceeds one mile. This suggests that future highway programs will need to encourage diversity and flexibility in public transportation -- particularly bus transportation -- in order to provide better service to commuters. With continued reliance on bus transportation, it is of vital importance that there be no neglect of the highway system if we are to solve this problem.

As I have previously mentioned to the Committee, over the past 15 years American social desires and goals have changed significantly. Today there is a real awareness of the necessity to consider the impact upon all facets of society when trying to solve one of its problems. Thus, in building the highways which give us our mobility, we must constantly consider their impact upon ecology and the physical environment, our social structure and personal desires, national economic goals, health and welfare of our people, their aesthetic and recreational desires, and our needs and objectives for other modes of transportation. In short, we must assure a "balanced interaction" with other pressing issues and national objectives. We are acutely aware of our responsibilities for assuring this result and are constantly seeking better ways to increase the capacity, efficiency, and safety of the present as well as

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new highway systems. Mr. Chairman, I make special mention of these items because the new attention being given to them is largely responsible for the requests we must make for manpower and supporting services.

The Federal Highway Administration can point to a solid record in a most important social area, that of providing relocation assistance to those persons and businesses displaced by highway construction. I am proud that the highway program led the way in providing humane treatment of those people who must move to make way for a new highway project, and that the relocation assistance provisions of the Federal-Aid Highway Act of 1968 were copied almost verbatim to create the Uniform Relocation Assistance Act of 1970 applicable to all Federal and Federally-assisted programs. We are going to continue to make certain that when people must be displaced by any of our programs, not only will they receive adequate compensation, but that decent, safe, and sanitary replacement housing will be available for them.

I would like to present the other side of the frequently heard charge that "the highway program is paving over the country." This allegation is just not true. In fact, Federal-aid highway construction, except for the Interstate System, is predominantly reconstruction on existing roadbeds. Like any other capital asset, the highway system is subject to deterioration over a period

of years, particularly with today's higher traffic volumes and heavier loads. The preponderance of today's highway construction, except for streets built by private developers in our suburban areas, is aimed at maintaining and upgrading already existing facilities. In 1920 the road and street mileage in the United States totaled about 3.1 million miles, of which about 400 thousand miles were surfaced, or only about 13 percent. At that time there were only 9.2 million registered motor vehicles in the United States. In 1970, a half-century later, total mileage expanded to only 3.8 million, a gain of less than 23 percent. The paved portion was about 3 million miles, or almost 8 times that of 50 years ago. By this time motor vehicle registrations had increased by a factor of 12. This clearly points out that, except for the Interstate System, our work has been directed mainly to upgrading existing highways to today's standards of capacity and safety in an effort to accommodate the overwhelming growth in motor vehicle usage.

I would further call your attention to the fact that highways in and around urban areas have

regularly brought increased tax benefits through new developments generated from the highway, which exceed by several times the value of lands and improvements taken for rights-of-way. In so doing, there has been little or no increase in the share of land in urban areas used for streets over that which was so utilized in the horse and buggy days. Our program is almost entirely one of upgrading already existing streets and highways for safety and efficiency. Virtually all of the increased mileage of our public street and road system in the last 25 years has been the suburban development residential street, which is not on either the State or the Federal-aid highway system.

SUMMARY OF BUDGET

The largest part of the FHWA Budget request is for cash appropriations to liquidate obligations incurred under contract authority.

For this reason, I would like to summarize our budget proposals in terms of both appropriations and obligations. The proposed level of obligations expresses, in dollars, the program levels for the budget year which are presented for your review, while the requests for appropriations reflect in large part the amounts required as cash to pay claims against obligations incurred in prior years.

The total of the President's budget for Federal Highway Administration programs in 1973 contemplates obligations of \$4.62 billion. This is a reduction of \$537.4 million below the 1972 level of \$5.16 billion. This reduction stems from the fact that we actually increased the planned level of

obligation for Federal-Aid Highways in 1972 by \$400 million in order to help resolve critical highway safety problems and at the same time, generate job opportunities as part of this Administration's economic stabilization efforts.

The total request for appropriations in 1973 is \$5.07 billion, an increase of \$285 million over 1972.

Whereas the total level of obligations in 1973 is below the 1972 level, individual programs will reflect some significant changes indicating a reordering of priorities and added emphasis. We are not requesting any increase in the total of 5,223 positions available to FHWA in FY 1972. Certain increased needs, notably in Salaries and Expenses and Highway Beautification, will be offset by reductions in other areas. I am convinced these budget requests are proper and necessary to the continued fulfillment of our responsibilities.

A brief description of our requests by appropriation title follows:

Salaries and Expenses

We are requesting a rather significant increase in this account which provides manpower and financial resources, including funds for research and development, for conducting most of our programs. In summary, we are requesting a total program level of \$119.2 million in obligations and 4,180 positions. This is a net increase

of \$15,650,000 and 87 positions over the amount authorized by the Congress in F.Y. 1972. This includes program increases of \$19.542 million, offset by net reductions of \$3.892 million comprised of mandatory increases and nonrecurring items.

Our appropriation request is for \$15.224 million, of which \$5.224 million is to finance the Bureau of Motor Carrier Safety and its share of supporting services, and \$10.0 million is for the Safety Research, Demonstration, and Training program authorized under Section 403 of Title 23, U.S.C. Transfers from other accounts totaling \$100,932,000 (including \$378,000 from the Highway Related Safety Grants account) finance the management and administration of all of our various highway and safety programs covered by this account.

The most significant increase in this account, over \$15 million, will enable the Administration to expand its research and development efforts. This increase will enable us to vigorously pursue programs designed to reduce the high death and injury toll on the Nation's highways, reduce the cost of highway construction and maintenance, give expanded consideration to the environmental and societal impact of highway construction and to insure that our highway planning efforts are consistent with future highway requirements.

Federal-Aid Highways (Trust Fund)

The proposed 1973 level of obligations for this account is \$4.4 billion, a decrease of \$580.3 million below the fiscal year 1972 obligation level. This reduction in program level in 1973 is due in large part to a one-time release of an additional \$400 million in the current year to accelerate safety improvement projects. Other minor reductions in program levels are also reflected.

A liquidating cash appropriation of \$4.898 billion is required in 1973 to liquidate obligations incurred under contract authority for the various programs contained within this account.

Right-of-Way Revolving Fund

The Federal-Aid Highway Act of 1968 established a right-of-way revolving fund to provide interest-free loans for the advance acquisition of rights-of-way by the States and for payment of relocation expenses, including the State share of the cost.

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Contract authority of \$100 million in each of the years 1970, 1971, and 1972 was authorized from the Highway Trust Fund.

An obligation level of \$50 million is anticipated in fiscal year 1973, the same as fiscal year 1972. A liquidating cash appropriation of \$45 million, \$20 million above the 1972 amount, is required to liquidate obligations incurred under contract authority.

The tremendous savings potential accruing to the States from purchasing right-of-way 2 to 7 years in advance of actual construction is being realized. During the initial annual reporting period ended June 30, 1971, a total of \$30.2 million of Federal and State funds was saved as a result of these advance purchases.

Highway Beautification

This appropriation provides funds for projects initiated pursuant to the provisions of the Highway Beautification Act of 1965, together with the Federal-Aid Highway Acts of 1968 and 1970. In F.Y. 1973, we will continue to place heavy emphasis on the billboard removal program in an effort to meet our goal of removing all nonconforming signs in 6 years. A \$60 million grant program is planned for 1973, an increase of almost \$23 million over the 1972 level. A total of \$1.3 million and 65 positions are requested in 1973 to administer the expanded program.

A liquidating cash appropriation of \$15 million, \$5 million over the 1972 amount, is required to liquidate obligations incurred under contract authority.

Forest Highways

The budget estimate for F.Y. 1973 supports continuation of this program, the principal purpose of which is to improve and upgrade main highways within or adjacent to National Forests. These improvements will help meet the increasing national demand for recreation in our National Forest areas and the demand for timber access.

A significant revision in the fiscal year 1973 budget involves the trust fund financing of this program. The Federal-Aid Highway Act of 1970 authorized \$33 million from the Highway Trust Fund in each of the fiscal years 1972 and 1973. There remains, however, a total of \$38.3 million of general fund authority. In 1972, all obligations will be against that general fund authority. An obligation level of \$20 million is requested for 1973. Of this amount, \$18.440 million, the remainder of the general fund authority, will be utilized with \$1.560 million of trust fund authority being used.

A liquidating cash appropriation of \$23 million, all from the general fund, is required to liquidate obligations incurred under contract authority. This is a decrease of \$2 million below the 1972 general fund

appropriation. Since the Congress made \$10 million of trust fund cash available to us in 1972, no appropriation is required in 1973 for liquidation of obligations incurred against trust fund authority.

Public Lands Highways

The principal thrust of this program is to aid those States having large areas of public lands in relation to their total land area in meeting their highway needs. These States are penalized in their tax base because these large portions of federally-owned land are non-taxable. This program helps to overcome this inequity.

As in the case of Forest Highways, the 1970 Act authorized \$16 million in trust fund obligations for each of the years 1972 and 1973. Because of an unobligated balance of prior year general fund authority of \$26.7 million, both the 1972 and 1973 obligations will be incurred under that authority.

An obligation level of \$12 million, \$2 million over the 1972 program level, is anticipated. Because of cash balances available, no appropriation was needed in 1972. These balances will be expended at the end of 1972, and we are requesting an appropriation from the general fund of \$16 million to liquidate obligations incurred under contract authority.

Darien Gap Highway

This appropriation provides for the necessary expenses for construction of the Darien Gap Highway in accordance with Section 216 of Title 23, U.S.C.

An appropriation of \$30 million is requested in F.Y. 1973 to continue construction. We are now planning to complete this highway in 8 years, with a passable all-weather gravel surface in use by 1977.

Not only will the completion of this highway provide the final link between the North and South American continents, but will provide a strategic diplomatic link among the three countries involved.

Territorial Highways

The Federal-Aid Highway Act of 1970 authorized grants to assist the territorial governments of the Virgin Islands, Guam, and American Samoa in the improvement of their highways. Contract authority in the amount of \$4.5 million was provided in both F.Y. 1971 and 1972 by the Act.

An obligation level of \$4 million, the same level as in 1972, is planned to continue actual construction of the highway system. A liquidating cash appropriation of \$2 million is required to liquidate obligations incurred under contract authority.

Rail-Crossings Demonstration Projects

This demonstration program, authorized by the 1970 Highway Act, represented the initial direct thrust to eliminate the hazards of public ground-level rail-highway crossings. The Act specified that the program be funded in part by general funds and in part by trust funds.

An obligation level of \$10 million, the same as in F.Y. 1972, is requested to continue this program. This will provide, on a cumulative basis, \$20 million of the total authorization of \$31 million. The \$10 million appropriation request for F.Y. 1973 is comprised of \$7 million from the general fund and \$3 million from the Highway Trust Fund.

The experience gained from the successful completion of these demonstration projects will provide valuable information on how better to bring some relief to this safety problem. Elimination of these crossings will have a substantial safety impact on the highway network in the demonstration areas.

Highway-Related Safety Grants

This account provides grants to assist States in implementing the highway-related safety standards under Section 402 of Title 23, U.S.C. These standards are oriented to the highway and include (1) highway design, construction and maintenance; (2) identification of

accident locations; (3) traffic control devices, and (4) the highway aspects of pedestrian safety. Implementation of these standards by all States can significantly reduce injuries and deaths on our highway system.

The 1970 Highway Act provided that the grant program would be financed one-third from general funds and two-thirds from the Highway Trust Fund. Contract authority of \$30 million was provided, of which \$10 million is from general funds and \$20 million from trust funds.

The total program in 1973 contemplates obligations of \$13.2 million, \$419,000 above the 1972 level. Our appropriation request is for \$12 million to liquidate obligations incurred under contract authority.

Baltimore-Washington Parkway

The Federal-Aid Highway Act of 1970 authorized the Secretary of Transportation, the Secretary of the Interior, and the State of Maryland to enter into an agreement for reconstruction of the section of the Baltimore-Washington Parkway now under the jurisdiction of the Department of the Interior.

Some planning and design work is being accomplished in 1972 and will continue in 1973. Because we have experienced some delays in completing the agreements

required by the Act, it is not planned to begin construction in 1973. Therefore, we are not requesting an appropriation for this program in 1973.

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This summarizes our budget request for 1973. We believe it is a responsible estimate, one which will permit us to carry on our established programs, and also make significant gains in the newer programs authorized by the 1970 Highway Act.

In closing, I would like to outline some of our accomplishments of the recent past.

- Almost 1,445 miles were opened to traffic on the Interstate System during the last year, and a total of approximately 33,000 miles of the Interstate System was open to traffic as of December 31, 1971.
- ABC programs added improvements to 4,092 miles of this system during the first 6 months of F.Y. 1972.
- About 100 miles of Forest Highways and 46 miles of Public Lands Highways were improved to date in the current fiscal year.

- During the period October 1, 1970 through June 30, 1971, relocation assistance payments totaled over \$31 million. This involved the equitable relocation of 14,872 dwelling units having 41,431 occupants, 2,275 businesses, 273 farms, and 84 non-profit organizations. All of these displacees were able to relocate to quarters at least equal to and, in many instances, better than those which they previously occupied, with the result that the net average level of quality of housing in the area of the new highway improvement has been measurably raised.
- Moving cost payments during the same period involved over 15 thousand dwelling units with over 41 thousand individuals who received \$3.9 million in the aggregate.
- Initiated 16 significant rule-making actions designed to maintain up-to-date Motor Carrier Safety Regulations, and to raise the general level of safety in this area of highway utilization.

- Initiated 250 criminal prosecutions and civil forfeiture cases involving violations of the Motor Carrier Safety Regulations in F.Y. 1971. Over \$350,000 in fines and forfeitures have been collected.

That concludes my statement. Together with my colleagues I will be pleased to answer any questions the Committee may have.