

TESTIMONY OF LESTER P. LAMM,  
DEPUTY ADMINISTRATOR, FEDERAL HIGHWAY ADMINISTRATION,  
BEFORE THE SUBCOMMITTEE ON SURFACE TRANSPORTATION  
OF THE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION,  
HOUSE OF REPRESENTATIVES  
Wednesday, February 23, 1983

Mr. Chairman and Members of the Subcommittee, I am pleased to be here today to discuss the Fiscal Year 1984 Budget Estimate of the Federal Highway Administration. I hope to be able to answer most of your questions after first giving you a quick overview of what we propose.

First, I want to commend this Subcommittee, as well as the full Committee, for your attention to and efforts to pass highway and transit legislation last year. The "Surface Transportation Assistance Act of 1982" is the most important and comprehensive highway legislation enacted in many years. This Act provides the capital needed to step up rebuilding of this Nation's transportation systems. It provides increased flexibility to State and local governments, eliminates several burdensome requirements, and most importantly, reinforces that the user fee method of paying for the Nation's major capital undertakings provides an acceptable and reliable means of financing. The Congress, and especially this Subcommittee, should be proud of this legislation.

We at the Federal Highway Administration are striving to implement the 1982 Act as quickly as good stewardship permits. I am proud of our initial progress. President Reagan signed the Act into law on January 6, 1983. Except for certain discretionary funds, all Interstate and non-Interstate funds authorized by the Act were apportioned to the States on the day the legislation became law.

The States, in turn, have moved quickly to obligate the apportioned funds. Obligations during January, amounted to \$902 million, the second highest January level ever. Obligations for February indicate this high rate is continuing. We are also making good progress in promulgating necessary rules and guidance called for by the Act.

We feel that we have put together a 1984 Highway Budget consistent with the Administration's goal of rebuilding and maintaining the Nation's transportation system to facilitate the safe, efficient, and economical movement of people and goods, and to support National defense. Of course, our FY 1984 budget proposals are based on the recently enacted Surface Transportation Assistance Act of 1982. This Act increased highway user fees for the first time since 1959 and provided the necessary additional revenues to the Highway Trust Fund in order to authorize significantly higher program levels in the various highway activities.

Briefly, let me outline the major highway budget proposals for your consideration.

#### F.Y. 1984 BUDGET HIGHLIGHTS

For FY 1984, we are proposing a funding (program) level of \$13.4 billion. This compares with a \$13.0 billion dollar level in FY 1983, and \$8.5 billion dollar level in FY 1982.

For Federal-aid highways, we propose a FY 1984 obligation limitation of \$12.6 billion, excluding obligations for Emergency Relief and other exempt projects and programs. This proposed amount is \$150 million less than the limitation currently enacted for FY 1984 in the 1982 Act. These actions reflect the Administration's overall effort to reduce the growth of the Federal deficit. Nevertheless, the increased obligations made possible in the 1982 Act will enable us to focus much needed attention on completing and rehabilitating the Interstate, rehabilitating the aging Primary System, and repairing or replacing unsafe bridges.

We propose for FY 1984, as in previous years, to limit total first quarter obligations to 25 percent and limit each State's first quarter obligations to 35 percent of its share of the annual limitation.

Our budget also proposes for Federal-aid highways a FY 1984 liquidating cash appropriation of \$11.6 billion to make payment against projects completed under current and prior contract authority. A FY 1983 liquidating cash supplemental of \$300 million is requested as a contingency, to permit implementation of Congressional direction to make quicker payment to States for Advance Construction Interstate Projects.

#### OTHER PROGRAMS

Other program highlights of FHWA's FY 1984 Budget include:

--For the Appalachian Highway System, the FY 1984 budget proposes the

transfer of the System to the Department of Transportation and includes an appropriation request of \$80 million from the Highway Trust Fund.

--The budget request includes \$10 million from the Highway Trust Fund to implement the new Motor Carrier Safety Grant Program. This program would provide States with matching funds to establish a new categorical program for enforcement of Motor Carrier Safety rules under provisions of Section 404 of the 1982 Act.

--The FY 1984 request for the on-going Motor Carrier Safety Program is \$13.0 million to provide for program operations and contract research and development.

--The obligations in the General Operating Expenses (GOE) account are \$202.7 million in FY 1984 compared to \$203.9 million in FY 1983. This net decrease of \$1.2 million is the result of no funds being requested for the Rural Transportation Assistance Program and the Interjurisdictional Trucking Program, a decrease in funds requested for Skill Training, and a decrease in compensable work years offset by an increase in the Minority Business Enterprise program and minor increases in other no-year contract programs. In FY 1984 and FY 1983, FHWA's staffing and overhead spending are relatively constant.

--We are proposing one rescission for FY 1983 in the amount of \$23.2 million. The proposed rescission would simply eliminate duplicative authority for the Dodge Island Bridge in Florida.

CONCLUSION

These are some of the basic highlights of our budget estimate. I will be happy to discuss the estimates in more detail and respond to your questions.

In closing I would like to add that the Federal Highway Administration looks forward to working with the Subcommittee and the full Committee during the 98th Congress to implement the enhanced highway program made possible by the new legislation.