

STATEMENT OF  
DEPUTY FEDERAL HIGHWAY ADMINISTRATOR  
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BEFORE THE HOUSE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION,  
SUBCOMMITTEE ON SURFACE TRANSPORTATION  
HEARING ON THE SURFACE TRANSPORTATION ASSISTANCE ACT OF 1982-  
IMPLEMENTATION AND TECHNICAL AMENDMENTS

June 14, 1983

Mr. Chairman and Members of the Subcommittee:

I am pleased to be here this morning to discuss the Surface Transportation Assistance Act (the Act) of 1982. With me today to respond to questions that the Committee might have about UMTA portions of the Act are Kent Woodman, UMTA's Chief Counsel, and Bob McManus, UMTA's Associate Administrator for Grants Management.

In implementing the Act we have not identified any sections where technical amendments are necessary. The problems identified have been minor and are all being satisfactorily handled administratively. In our opinion the problems are not of sufficient magnitude to warrant immediate correction. However, I would be happy to provide the committee with a listing of the technical problems we have found if you desire.

Obligation Levels

The Federal Highway Administration (FHWA) has made excellent progress implementing the Act since January 6, 1983, the date it was signed by the President. On that date, apportionments of funds to the States for the major program categories were completed so that the States could immediately begin to obligate the newly authorized funds contained in the Act. Since that time, all

major discretionary program funds for FY 1983, a total of \$726 million, have been distributed to the States. The States reacted quickly to the increased apportionments by obligating a total of \$900 million in January, the second highest January obligation level in history, and \$1.1 billion in February, the highest ever for that month. Obligations in March were \$930 million, in April \$1.15 billion, and in May \$1.136 billion. Obligations through May totalled \$7.015 billion.

In terms of increased employment, we estimate that about 168,000 on- and off-site jobs were created in the first 5 months of 1983, or an increase of over 61,000 jobs over the same 5-month period last year. In addition, the induced employment generated from the spending of wages and profits from highway construction has been increased by more than 58,000 jobs for the same period.

#### Rulemaking and Studies

The Act provides for the redistribution, after August 1, of any excess FY 1983 obligation authority, from States that will not fully use the shares initially distributed to them, to States that are able to obligate it. Implementing instructions to determine the amount of any excess authority that may be available and the States' need for additional authority have been issued. We anticipate that many States will request additional obligation authority and expect to accomplish the redistribution about August 15.

We are also making excellent progress in promulgating necessary rules and guidance called for by the Act. Only twenty-one sections require rulemaking.

Final or interim final rules have been issued relative to six sections of the Act and 15 other rulemaking actions are underway concerning other provisions of the Act.

The 1982 Act also requires several studies and reports which involve the FHWA. Activity is underway on each of these. A study of alternatives to the tax on the use of highway vehicles will be submitted to Congress by January 1, 1984, one year ahead of the mandated completion date. In addition, a first phase of that study which examines and delineates tax alternatives is expected to be completed this summer.

The 1982 Act authorized several demonstration highway projects to be conducted at various sites around the country. For each of these projects, the FHWA has already allocated all obligational authority requested by the States for fiscal year 1983.

All told, of the almost 100 sections or major subsections of the STAA that require action by FHWA, we have completed all FY 1983 actions for 48 of them, and are well on our way toward completion of the others. Briefly, I want to mention two rulemakings which may be of special interest to the Committee. One of these involves a rule concerning Minority Business Enterprises in highway construction. In the past, the MBE program administered by FHWA has been very successful. We expect even greater success in the future. We are committed to a firm but fair approach so that the new MBE provision will be implemented effectively. We want to make the provision work. DOT is in the process of drafting a final MBE rule which will be issued in the near future.

Also, another rule which has been the subject of considerable attention, is a rule designating a national network of routes available to double bottom vehicles. Working closely with State officials, we have resolved all issues in over 30 States and by early October we are confident that we will publish a final rule designating a network that is agreed to by all States.

This concludes my prepared statement. I would be pleased to respond to your questions.