

Statement of Federal Highway Administrator
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Before The House Committee on Public Works and Transportation
Subcommittee on Surface Transportation
Hearing on Transportation Issues Related to
The President's Budget Submission

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Mr. Chairman and Members of the Subcommittee:

I am pleased to be here this morning to discuss the Federal-aid highway program in connection with our 1986 budget request and approval of the Interstate and Interstate Substitute Cost Estimates (ICE and ISCE).

First, I would like to add my thanks to that of Secretary Dole for the leadership of the Subcommittee in the approval of a clean ICE. More than \$7 billion in Federal-aid highway funds have been waiting for the final enactment of legislation approving the ICE and ISCE. Over 40 States have been without sufficient Interstate funds to move projects forward. I hope that a bill will shortly be presented to the President in a form that is acceptable to the Administration.

F.Y. 1984 Accomplishments

I would like to mention a few of the F.Y. 1984 accomplishments which we consider noteworthy as well as some of our emphasis areas for the current and future years.

o Interstate System

An additional 108 miles were put into service and another 188 were put under contract, leaving only about 973 miles to be completed.

o Interstate 4R

Resurfacing, restoration, rehabilitation and reconstruction were again emphasized--obligations for these activities exceeded \$2.5 billion.

o Bridge Replacement and Rehabilitation

In the Highway Bridge Replacement and Rehabilitation program, obligations exceeded \$1.8 billion.

o Highway Safety

Approximately \$486 million were obligated for the various safety construction programs.

o FHWA Disadvantaged Business Enterprise

Contracts or commitments totalling \$1.27 billion were awarded to disadvantaged businesses and \$295.2 million in contracts were awarded to firms owned and controlled by women.

These amounts represent very dramatic increases in FHWA participation in these programs and I am very proud of our progress.

Current and Future Emphasis

In fiscal years 1985 and 1986, we will continue our efforts to fully implement the programs and activities of national interest identified by the Congress. During F.Y. 1985 and 1986, we will continue our emphasis on:

- o Safety
- o Effective Implementation of STAA Funding
- o Quality Design and Construction
- o Disadvantaged Business Enterprise (DBE)

and will also concentrate on other emphasis areas that will be identified soon.

Summary of the Budget

Our F.Y. 1986 Budget Request is based on both the authorization levels of the 1982 Surface Transportation Assistance Act and the Administration's overall budget strategy of controlling Federal spending to contribute to the deficit reduction effort. I will now highlight a few key elements:

Key Elements

o Program Levels

The program levels or obligations are the most meaningful indicator of budget activity. We anticipate total obligations of about \$14.3 billion which includes about \$14.240 billion for the Federal-aid highways account, \$14 million for the Motor Carrier Safety account, and \$14 million for Motor Carrier Safety Grants.

o Federal-aid Highways

This, of course, is our principal program which provides the basic foundation of the Government's efforts to assist States and localities in developing and improving the national highway system.

For F.Y. 1986, we are proposing an obligation limitation of \$13.250 billion with only Emergency Relief and 85% minimum projects exempt from this limitation. As you know, the proposed limitation amount for F.Y. 1986 is the same as the limitation enacted in the F.Y. 1985 Appropriations Act.

Our proposal, like the 1982 STA Act, would limit total obligations in the first quarter by all the States to not more than 25 percent of the national obligation limitation, and would allow each individual State to obligate up to 40 percent of its annual limitation.

Our budget proposes to shift funding of Interstate transit projects from the general fund to the Highway Account of the Highway Trust Fund. The \$250 million fiscal year 1986 authorization from the general fund for Interstate transfer projects would be rescinded. The budget request also proposes rescission of the \$100 million authorized in fiscal year 1986 for parkways and park highways.

o Motor Carrier Safety Operations

Our request for the ongoing motor carrier safety program is \$13.639 million. Program activities will concentrate on high risk motor carrier operations, particularly those related to transporting hazardous materials, and to provide safety equipment and hazardous cargo training and technical assistance to State enforcement agencies. The decrease of \$427 thousand from the F.Y. 1985 Appropriations Act results primarily from government-wide administrative, pay, and management savings initiatives.

o Motor Carrier Safety Grants

Our budget also includes a request for \$14.0 million for Motor Carrier Safety Grants. This program, authorized by the 1982 Surface Transportation Assistance Act, provides grants to States for enforcement of Federal motor carrier safety standards and compatible State standards. As you know, \$14.0 million is the amount appropriated in F.Y. 1985, and our F.Y. 1986 proposal would maintain that level.

Our budget request estimates total obligation for fiscal years 1986 and 1987 at the 1985 level of \$14.24 billion. The obligation limitation is maintained at the fiscal year 1985 level (\$13.25 billion) through fiscal year 1987.

o Other Details

There are several programs which I have not mentioned yet, but are noteworthy and I would like to discuss them briefly at this point.

Highway Related Safety Grants - The 1982 STA Act provided authority in the amount of \$10 million per year for this program for F.Y. 1985 and 1986. Our F.Y. 1986 budget proposal is to utilize the entire program amount and obligation limitation provided; therefore, a liquidating cash appropriation of \$9,000,000 is requested.

Right-of-Way Revolving Fund - As part of the Administration's overall effort to assure prudent management of Federal credit programs, the F.Y. 1985 \$50,000,000 limitation on gross obligations is proposed for continuation in 1986.

Conclusion

We will be happy to discuss the estimates in detail, answer your questions, and provide additional information that may be helpful to the Committee.