

STATEMENT OF R. A. BARNHART
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BEFORE THE
TRANSPORTATION SUBCOMMITTEE OF THE
SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Coeur d'Alene, Idaho
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Reauthorization of the Federal-Aid Highway Program

Mr. Chairman, let me take this opportunity to thank you and your committee for obtaining the passage of a clean Interstate Cost Estimate (ICE) and Interstate Substitution Cost Estimate (ISCE) in the Senate. The passage of S. 1514 by the House last week clears the way for apportionment of Federal-aid highway funds vitally needed here in Idaho and in other States.

The comments I make today on proposed elements of a new highway reauthorization bill reflect what we in the Federal Highway Administration (FHWA) are considering. A comprehensive bill is under review; consequently, my comments do not necessarily reflect the Administration's policy. Also, I will comment on the areas raised in your invitation letter.

The Ability of States With Small Populations and Large
Areas to Raise Sufficient Revenues for Highway Needs

Idaho is eighth in a list of States with the smallest ratio of people per square mile and has 11.4 persons for each square mile. It is apparent that sparsely populated States such as Idaho have difficulties raising large sums

of money. In 1983, it was necessary for the residents of Idaho to contribute \$119 per capita in non-Federal highway revenues compared to a national average of \$103.

While sparsely populated States may not be able to raise large sums of money, they may also have smaller percentages of higher order roadway systems with high-cost, congestion-related needs than do densely populated States. Low density States, as a general rule, report Interstate 4R and primary systems needs that fortunately rank among the lowest cost in the country on a per-mile basis.

A national highway program is necessary to retain and improve our Federal-aid Interstate and primary systems throughout sparsely populated as well as densely populated states.

The Federal Lands Highways Program

The 1982 Surface Transportation Assistance Act (STAA) provided for a coordinated Federal Lands Highways Program. This program is a Federal responsibility which is directed to the improvement and construction of those roads that are open to the public and serve Federal lands. The Secretary of Transportation has oversight and coordinating responsibilities for this program. Most of these lands, however, are under the jurisdiction of the Department of the Interior or the Department of Agriculture. The Federal Lands Highways Program includes authorizations in the 1982 STAA out of the Highway Trust Fund for the following:

<u>FLHP Category</u>	<u>FY 1983</u>	<u>FY 1984 through FY 1986</u>
Forest Highways	\$50,000,000	\$ 50,000,000
Park Road and Parkways	\$75,000,000	\$100,000,000
Indian Reservation Roads	\$75,000,000	\$100,000,000
Public Lands Highways	\$50,000,000	\$ 50,000,000

The Federal Lands Highways Program is of particular importance to Idaho. There are over 53,000 square miles of various Federal lands in Idaho that are served by public roads. These roads consist of designated forest highways, Federal-aid system roads through Federal lands, park roads under the jurisdiction of the National Park Service, and designated Indian reservation roads. The Federal Lands Highways Program shares in the improvement costs to those roads serving Federal lands. In fiscal year (FY) 1985, over \$7.5 million in Federal Lands Highways Program funds were provided for improvement of roads in Idaho.

55 MPH Speed Limit

Since its enactment in early 1974, the 55 mph speed limit has consistently been a controversial issue. Its longevity as an issue can be traced to the fact that on a daily basis it has the potential to directly affect the driving habits of about 155 million licensed drivers.

We are now in the twelfth year of the 55 mph speed limit. With speed trends clearly showing that the percentage of motorists exceeding 55 is continually increasing, a review of the law, its appropriateness and application is in

order. The National Academy of Sciences report entitled "55: A Decade of Experience" released last November has provided the needed catalyst for just such a review. Several policy alternatives for the future of the speed limit are currently being studied within the Department. When that review is complete I am sure the Secretary will share the Department's conclusions with you and your colleagues.

Unless a statutory change is made, however, we are bound to enforce the existing law. As you are aware, FHWA and the National Highway Traffic Safety Administration have recommended to the Secretary that three States - Arizona, Maryland and Vermont - be found in noncompliance for FY 1984 with section 154 of title 23, United States Code. The next step in the process for these three States will be the convening of a hearing before a final determination regarding noncompliance is made in each case by the Department.

Even while proceedings continue over FY 1984's findings, FY 1985's data collection will be complete as of October 1. Estimates made earlier using data collected through June 30 indicate that as many as twelve States may face fund reduction proceedings for noncompliance with the 55 mph speed limit statute. Final figures will not be available until next January.

The trend of increasing disregard by individual motorists for the 55 mph limit is evidenced by the increasing number of States facing problems with noncompliance. The method by which State compliance with the 55 mph statutes is determined was an area that the National Academy of Sciences report reviewed at length. That report criticized the current procedures. The Department of Transportation (DOT) is now studying policy options in the light

of the findings and recommendations of the report. I urge you and your colleagues to withhold action on any proposals to change this process until the DOT conclusions and recommendations are available.

Preliminary figures indicate that Idaho's noncompliance figure for FY 1985 will be well under the 50 percent statutory limit and that Idaho will be in compliance.

Use of Highway User Fees for Other Purposes

For 1983, the States used about 11 percent of their State road user taxes for non-highway purposes. Trends indicate that such use by the States will decline in the future. As a result of changes made by the 1982 STAA, about \$1.2 billion per year of Highway Trust Fund revenues go into the Mass Transit Account for mass transit use. Also, on the average over the past twelve years, States have elected to use about \$2.5 million per year is used from urban system apportionments for mass transit. This represents about .4 percent of total urban system obligations. Use of urban system funds for mass transit has been negligible in the last two years which was a choice that was up to the States reflecting their program decisions.

The Condition and Needs of Roads in Agricultural Areas

In general, agricultural States are better off in the areas of pavement condition, bridge condition, and highway needs than the Nation is as a whole. In Idaho, 12.5 percent of the Interstate is reported to have poor pavement, compared with 13.1 percent for the Nation. Idaho reports 6 percent of primary

with poor pavement compared to 11 percent nationwide. Secondary roads in Idaho have 13.7 percent poor pavement compared to 14.6 percent nationwide. Idaho has a significant number of deficient bridges, with 20 percent of its rural bridges (659) rated structurally deficient. The national average of deficient bridges is 25 percent.

Completion of the Interstate System

The total Interstate mileage open to traffic as of December 31, 1984, is 41,138 miles, accounting for 96.8 percent of the total Interstate highway system. In addition to sections now open to traffic, construction is underway on 653 miles of Interstate highways. Engineering, or right-of-way acquisition prior to construction, is currently in progress on 562 miles, and the location has been approved on 48 miles. The STAA of 1982 extended authorizations for Interstate construction to FY 1990 at \$4 billion per year.

Considering all apportionments made to date, Idaho shows a cost to complete the Interstate System of \$135 million. Idaho's estimated apportionment of Interstate funds on October 1, 1985, will be \$29,293,000.

Responsibilities of the Federal, State and Local Governments

The Federal role should focus on (1) completion of funding for the Interstate System in 1990; (2) preservation of the Interstate System, primary system, and the rehabilitation or replacement of bridges on major systems; (3) oversight of safety and economic implications on interstate commerce in areas such as hazardous materials transport, impact of larger trucks on Federal systems, and

the uniformity in State law related to motor carriers; (4) training and technical assistance relative to innovations in transportation activities, e.g., traffic operations; and (5) renewed emphasis on strategic highway research and development, particularly pavement performance. States and local governments should identify, implement and monitor safety construction and operational improvements, focus on efficient use of current systems, and begin to accept greater responsibility for local interest highways.

Alternative Methods of Financing Highway Construction

Including Toll Financing

The FHWA has studied several proposals that would provide more flexibility in highway financing and alternative methods for funding highway construction. Our study of alternative financing methods was prompted, in part, by frequent requests to fund projects that involve both highway interests and some form of private or other public development interests. These requests often complicate highway construction because they are not in conformity with normal project designs and priorities. They sometimes result in unusual project configurations and may even result in projects which are delayed because of the inability to marshal sufficient financing. They can, however, result in additional private financing to supplement strained governmental resources.

Additionally, our interest in alternative financing methods was prompted by the need for new or expanded highway construction where the costs of such construction are extraordinarily expensive and beyond normal Federal-aid apportionment capability. There are numerous examples of these types of

projects particularly in the regions of the country where populations are increasing rapidly. The needs for these highway facilities are immediate while at the same time the needs for resurfacing, rehabilitation and reconstruction are also substantial. Thus, there is a short-term demand for an extraordinary investment which would strain any State and local highway agency budget.

The FHWA is considering legislative proposals including toll financing which will ease some of the problems frequently encountered with highway financing today.

Review of the Apportionment Formulas

The Federal-aid highway programs are in transition. The Interstate 4R program increases in importance as the Interstate System nears completion. Changes in other programs may also be in order. A block grant is being considered to replace some existing categories. As a consequence of these and other factors, it is imperative that we closely examine the formulas used to apportion Federal-aid funds.

Several recent Congressional actions have focused attention on Federal-aid highway apportionment formulas.

- The STAA of 1982 changed the then existing primary program apportionment formula to a more complicated one that involves calculations under two formulas.

- The same Act directed the Secretary of Transportation to undertake two studies related to apportionment of Federal-aid highway funds under title 23 of the U.S.C. Section 137(a) directed the Secretary to study the need and methods for including weather-related factors in all apportionment formulas under title 23. Section 137(b) directed the Secretary to study alternative procedures to "determine the most equitable and efficient method of apportioning" funds for the Interstate 4R program.

- This Act also included a provision ensuring that no State shall receive total apportionments in nine major programs such that the percentage is less than 85 percent of the percentage of the Highway Trust Fund contributions by users in that State.

- Section 135 of H.R. 5504 (98th Congress, 2nd Session) would have required a "full and complete study" of all of the apportionment and allocation formulas. This provision was not included in legislation enacted during that session. This same bill included a provision that would have altered the formula for apportioning Interstate 4R funds. These same provisions are included in H.R. 3129, introduced by Representative Anderson et al., in this session. S. 1498, introduced during the same session of Congress, also would have changed the Interstate 4R formula to include a factor not heretofore used.

- In this session of Congress, H.R. 3129 (Anderson et al.), S. 1488 (Chiles) and H.R. 1283 (Rowland) include major apportionment formula modifications.

In addition to these actions, the fact that most Federal-aid authorizations expire at the end of FY 1986 means that the Federal-aid program structure, including formulas for distributing funds, will be reconsidered to determine whether existing formulas meet today's program objectives and program objectives after completion of the Interstate System.

A General Accounting Office study requested by Senator Lawton Chiles is also presently underway to examine existing Federal-aid highway apportionment formulas and factors to determine the degree to which they meet the needs of growing States.

The FHWA has been and will continue to carefully analyze the formulas used in distributing Federal-aid funds to ensure that our legislative proposals and recommendations reflect methods that equitably meet highway needs on the Federal-aid systems.

Thank you for the opportunity to testify today at the field hearing in the beautiful State of Idaho. I look forward to receiving the views of today's witnesses, and I am sure our exchange will be beneficial for the Federal-aid highway program.

That concludes my prepared statement. I will be pleased to respond to your questions.