

STATEMENT OF R. A. BARNHART, ADMINISTRATOR
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U.S. DEPARTMENT OF TRANSPORTATION
BEFORE THE
SURFACE TRANSPORTATION SUBCOMMITTEE
OF THE
HOUSE PUBLIC WORKS AND TRANSPORTATION COMMITTEE

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HEARING ON THE FEDERAL HIGHWAY ADMINISTRATION
FISCAL YEAR 1987 BUDGET SUBMISSION

Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today to discuss with you the Federal Highway Administration (FHWA) 1987 Budget request which is included within the President's Budget sent to the Congress on February 5. As you are well aware, we also sent a Surface Transportation Reauthorization Bill (H.R. 4144) to your Committee on the same day. Both of those submissions have required extensive thought and analysis both within the Department and throughout the Executive Branch. Presumably, we will have an opportunity at a later date to discuss the details of the legislative package.

We not only have the usual budget issues to deal with this year, but also we must wrestle with the impacts of the Gramm-Rudman-Hollings Act and the cuts made pursuant to its new requirements. Briefly, the major points of the FHWA budget and the funding levels in the reauthorization legislation are based on a "deficit neutral" policy whereby authorizations are set equal to Highway Trust Fund receipts averaged over four years exclusive of interest. Our proposal is consistent with the overall effort to

reduce the Federal deficit. The 1987 budget estimates for all programs in the President's Budget, including the Federal-aid highway program, have been set with a view toward averting the automatic imposition of further reductions in 1987 under the Gramm-Rudman-Hollings Act. We propose annual budget authority of \$12.787 billion for fiscal year 1987 for Federal-aid Highways compared to \$14.68 billion in fiscal year 1986 after the Gramm-Rudman-Hollings cut. The obligation limitation for Federal-aid highways increases from \$12.2 billion in fiscal year 1986 after the Gramm-Rudman-Hollings cut to \$12.42 billion in fiscal year 1987. We believe that the proposed budget levels for fiscal year 1987 are sufficient to preserve the physical condition of the systems of major national interest.

The fiscal year budget estimate for the FHWA is based on our proposed Surface Transportation Reauthorization legislation. In broad outline, this legislation would: (1) extend dollar authorizations through fiscal year 1990 (four years); (2) provide greater flexibility to State and local governments in carrying out highway and mass transit programs of State and local interest; (3) maintain highway user fees at their current levels; and (4) eliminate certain current exemptions from the Federal excise taxes.

For fiscal year 1987, budget authority for the FHWA is \$12.787 billion. The fiscal year 1987 budget proposals are based on the proposed Surface Transportation Reauthorization legislation

which will propose full utilization of annual Trust Fund receipts from the public, while conforming to the overall need to limit Federal spending.

Key elements of FHWA's budget include:

- For Federal-aid highways, an obligation limitation of \$12.42 billion, exempting obligations for emergency relief and minimum allocation projects. Allowing for these exemptions, obligations will be equal to proposed contract authority. State allocations that cannot be fully utilized will be redistributed on a State-by-State basis toward the end of fiscal year 1987.

- A \$7.8 billion program that combines the current Interstate construction, Interstate 4R and primary programs. Funds under the Interstate primary program will be available for construction or 4R work on Interstate or primary highways.

- Included within the Federal-aid highways limitation is \$2.2 billion for a new Highway and Transit Block Grant program. This funding will be combined with \$1.1 billion from the Mass Transit Account to make a \$3.3 billion block grant, all of it available for highway or transit projects at the discretion of State and local governments.

- The Federal-aid categorical programs for rail-highway crossings and hazard elimination will be continued at levels of \$190 million and \$175 million respectively.

- \$50 million in contract authority for the Motor Carrier Safety Assistance Program (MCSAP) as a set-aside from the Interstate-primary program apportionment, rather than a separate appropriation. At State option, additional apportioned funds from this program can be used for motor carrier safety purposes.

- \$19.5 million from the Highway Trust Fund requested for our Motor Carrier Safety Program to provide for program operations and contract research and development. A major highway safety initiative to hire 150 new Safety Specialists for the field, approximately doubling the current field strength, is proposed. This initiative, which would begin in fiscal year 1986, will cost about \$5.0 million in fiscal year 1987.

- \$10 million is requested for the Highway-Related Safety Grants Program, which will help States implement and maintain highway-related safety standards; and \$7 million for highway safety research and development.

Separate funding for the safety programs mentioned earlier will assure that there is no diminution of our commitment to safety. These programs have played an important part in making our streets and highways safer and in reducing fatalities and the fatality rate on our Nation's highways. Secretary Dole has fought to retain these safety categories because of clear and continuing need to improve highway safety. Her Transportation Safety Task Force has been surveying and identifying safety problems in order to strengthen existing programs.

I believe I have summarized the main elements of our budget which Secretary Dole has termed "a bold initiative". I agree with her, and I believe that the right choices have been made to correct our budget deficits while maintaining the proper Federal role in the highway area.

I will be happy to answer any questions.